

CHEMISTRY THAT MATTERS™



CHEMISTRY THAT SHAPES TOMORROW

Integrated Annual Report 2025





King Salman bin Abdulaziz Al-Saud

The Custodian of the Two Holy Mosques



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince and Prime Minister

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AT A GLANCE

SABIC is a global leader in chemicals, polymers, and agri-nutrients, operating across 44 countries with 26,000+ employees and 60 production sites serving over 140 markets.



SNAPSHOT

Sales revenue

₪ 116.53 Bn.
(US\$ 31.07 Bn.)

Total assets

₪ 244.29 Bn.
(US\$ 65.14 Bn.)

Adjusted net income from
continuing operations

₪ 2.07 Bn.
(US\$ 0.55 Bn.)
Attributable to equity
holders of the Parent

Estimated brand value

US\$ 5.19 Bn.**

Credit rating

A+

Total production volume

55.5 Mn. t

Patent portfolio

10,700+

New products introduced

148

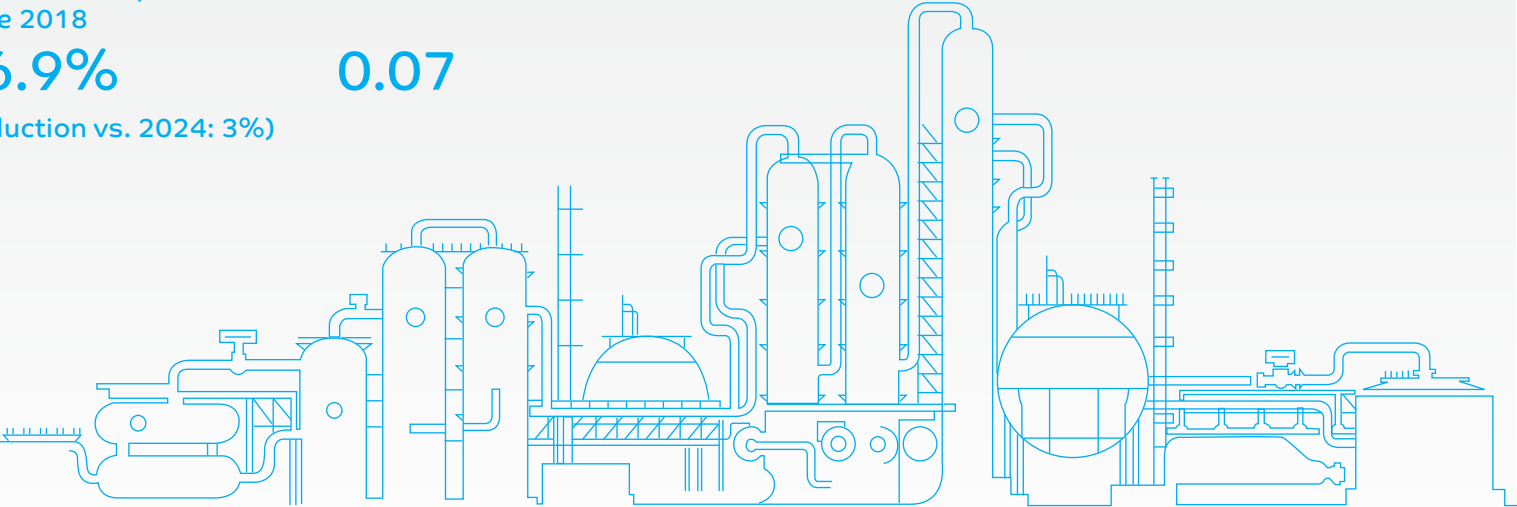
Absolute GHG emissions
reduction (Scopes 1 and 2)
since 2018

16.9%

(Reduction vs. 2024: 3%)

Total recordable injury and
illness rate

0.07



A GLOBAL LEADER IN*



Petrochemicals and chemicals:

- Ammonia
- Ethylene
- Ethylene glycol (EG)
- Granular urea
- Methanol
- Methyl tert-butyl ether (MTBE)



Plastics and polymers:

- Engineering thermoplastics
- Polycarbonate (PC)
- Polyetherimide (PEI)
- Polyethylene (PE)
- Polyphenylene ether (PPE)
- Polypropylene (PP)

Figures are as of Dec. 31, 2025 and include discontinued operations (except financial metrics).

*A global leader ranks among the top five in global production.

**Brand Finance

OUR HISTORY

FOUNDATION AND ESTABLISHMENT



1970s and 1980s

1976

SABIC established by royal decree to convert waste natural gas to valuable chemicals

1979

Hadeed founded to supply metal products under the SABIC brand

1980

Ar-Razi formed as a single-commodity affiliate in the first step to becoming a global player in methanol

Joint ventures established with Shell and with ExxonMobil

1981

Joint venture established with Mitsubishi

1983

First products exported out of Saudi Arabia

1984

First shares listed publicly on the Saudi Stock Exchange

READINESS FOR GROWTH



1990s

1990

National shipping company, National Chemical Carriers (NCC), formed

1992

Four affiliates become the first companies in the Middle East to receive ISO 9002 certification

1994

SABIC Technology Center Riyadh established

1996

SABIC becomes the Middle East's largest joint stock company with sales revenues exceeding 19 Bn. (US\$ 5.1 Bn.)

1997

SABIC's share of the world petrochemical market estimated at 5%

GLOBALIZATION



2000s

2000

SABIC's product sales span over 100 countries

2001

Jubail United Petrochemical Company established

2002

New SABIC global headquarters building opens in Riyadh

Acquisition of DSM Petrochemicals

2004

SABIC share value increases 170% from 2003 to 2004

2005

Yansab established by royal decree

SABIC becomes the world's 11th-largest petrochemical company and is ranked 331 on the Fortune Global 500

2006

Acquisition of Huntsman Petrochemicals UK

2007

Acquisition of GE Plastics

2009

Joint venture with Sinopec established in China

INNOVATION



2010s and early 2020s

2011

First environmental targets announced; first sustainability report published

2012

SABIC Academy inaugurated

2014

Joint venture established with SK Chemicals in South Korea

2016

Home of Innovation™ inaugurated

2017

Joint venture with ExxonMobil, Gulf Coast Growth Ventures, established

2018

Acquisition of 24.99% stake in Clariant AG

2019

TRUCIRCLE™ launched

2020

Saudi Aramco acquires a 70% stake in SABIC

SAFCO becomes SABIC Agri-Nutrients Company

World's first shipment of low-carbon ammonia in collaboration with Saudi Aramco

2021

Carbon neutrality ambition announced

New corporate building in Jubail inaugurated

TRANSFORMATION



2022 onward

2022

BLUEHERO™ launched

Acquired full ownership of Scientific Design

Divestment of Functional Forms

2023

Divestment of metals business Hadeed

2024

Inauguration of the world's first electrically-heated steam cracker furnace with BASF and Linde

Divestment of Aluminium Bahrain B.S.C. (Alba) stake

2025

Launched new transformation program, targeting a US\$ 3 Bn. EBITDA impact

2026

Announced divestment of SABIC's Engineering Thermoplastics (ETP) business

Announced divestment of SABIC's European Petrochemicals (EP) business

SEGMENTS WE SERVE

AGRICULTURE



Our portfolio of high-quality agri-nutrients plays a vital role in helping to secure adequate global food supply and make it possible to produce more food from less land.

AUTOMOTIVE



Automobiles, aircraft, rail interiors, heavy-duty trucks and other vehicles require new approaches to meet ever-rising requirements. We put our material, design and technical expertise to work to help OEMs meet this challenge and drive innovation to new levels.

BUILDING & CONSTRUCTION



We provide products to architects and builders who seek solutions to satisfy public demand for environmentally responsible structures while providing design freedom.

CONSUMER PRODUCTS



SABIC offers excellent solutions to the consumer goods and appliances industry that support design for recyclability and offer compliance with safety regulations while providing enhanced aesthetic appeal.

ELECTRICAL & ELECTRONICS



Electrical and electronic products used in energy systems, infrastructure, and consumer devices face rising demands for safety, reliability, and performance. We apply our materials and technical expertise to help manufacturers meet these requirements through flexible, cost-effective design solutions.

HEALTHCARE & HYGIENE



Our materials meet the many needs of medical and personal care applications. Our products support sterilization technologies, syringes, insulin delivery and personal hygiene systems, among others.

PACKAGING



Our consumer solutions portfolio develops packaging solutions that meet market and regulatory requirements across a range of applications such as food contact containers, caps and closures.

2025 HIGHLIGHTS



TRANSFORMATION

Intensified transformation program and delivered US\$ 623 Mn. recurring EBITDA impact in 2025, exceeding the year-end target.



SUSTAINABILITY

Concluded double materiality assessment and defined new material topics.



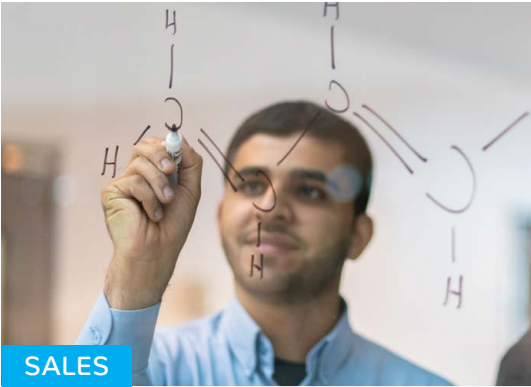
LOCALIZATION

Improved year-on-year audited Local Content Score, awarded by Saudi Arabia's Local Content and Government Procurement Authority, by 17%, to reach 56.4%.



EMPLOYEE DEVELOPMENT

Launched new digital learning platform providing employees with access to thousands of career development resources.



SALES

Completed the first commercial delivery of certified low-carbon methanol manufactured using captured CO₂.



GROWTH

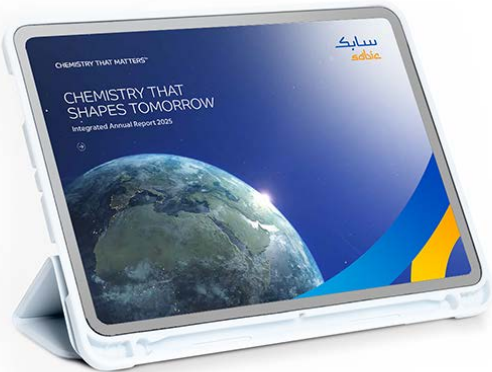
Advanced expansion projects for MTBE production facilities in Saudi Arabia.



INNOVATION

Edison and R&D 100 awards for product innovation and advancements in material science.

ABOUT THIS REPORT



This Integrated Annual Report, published in English and Arabic, documents SABIC’s financial, operational, and sustainability performance in 2025. It explains how SABIC delivers its corporate purpose, vision, and strategy while creating value for its stakeholders. The report addresses non-financial topics identified through our recent double materiality assessment, together with relevant matters to ensure completeness, balance, and meaningful stakeholder engagement.

SABIC follows an integrated assurance process designed to ensure the reliability, credibility, and consistency of both financial and non-financial information included in this report. The process was internally developed following extensive stakeholder engagement and includes auditor involvement to safeguard the objectivity and transparency of the information presented. The assurance process comprises statutory reasonable assurance over the consolidated financial statements, limited assurance over selected non-financial key performance indicators (KPIs), and a comprehensive review of this report to support the information disclosed.

BOARD RESPONSIBILITY FOR THE REPORT

The SABIC Board of Directors acknowledges its responsibility for maintaining the accuracy and reliability of this Integrated Annual Report. In the Board’s opinion, the report addresses the matters that are material to SABIC’s ability to create value and provides a fair representation of SABIC’s overall performance for the reporting period from January 1, 2025 to December 31, 2025.

The SABIC Board approved this report on March 3, 2026.

REPORTING FRAMEWORKS

This report is guided by the principles and requirements of the Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation and addresses selected elements of this framework. As a Saudi Arabian company listed on the Saudi Exchange (Tadawul: 2010), SABIC is governed by the Saudi Listing Rules and the Capital Market Authority (CMA) Listed Company Guidelines.

The financial information in this report is prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations as endorsed in Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), collectively referred to as “IFRS as endorsed in Saudi Arabia.”

SABIC’s sustainability reporting is prepared in accordance with internally developed criteria, informed by internationally recognized frameworks including the Greenhouse Gas (GHG) Protocol, Occupational Safety and Health Administration (OSHA) standards, and the Global Reporting Initiative (GRI). This report also serves as our official UN Global Compact (UNGC) Communication on Progress (CoP). An overview of how we are meeting our UNGC commitments is available on SABIC’s corporate website. A GRI content index is provided at the end of this report and is also available on SABIC’s corporate website (www.sabic.com).

REPORTING PERIOD AND BOUNDARIES

This report covers all SABIC businesses and operations reflected in our 2025 Consolidated Financial Statements. Material events occurring after December 31, 2025, up to the Board approval date of March 3, 2026, such as leadership changes, macroeconomic updates, and post-balance-sheet events, are also reflected in this report, where relevant.

To determine reporting boundaries for environment-related disclosures, including GHG emissions and for other key non-financial KPIs, SABIC established internal guidelines informed by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). To ensure consistency and comparability, SABIC applies consistent reporting boundaries across other non-financial KPIs, including workforce, environment, health, safety and security (EHSS), and ethics and integrity.

SABIC applies the operational control approach to determine reporting boundaries for non-financial KPIs. This approach is considered appropriate, as SABIC exercises operational control over all group companies and subsidiaries, integral joint ventures (Sharq, Kemya, and Yanpet), and joint operations (SAMAC).

The reporting boundary for non-financial KPIs:

- 100% of non-financial KPIs: group companies and subsidiaries
- 100% of non-financial KPIs: associated and affiliated companies where operational control is established (Kemya, Sharq, and Yanpet)
- 100% of non-financial KPIs: joint operations under operational control (SAMAC)
- 0% of non-financial KPIs: non-controlled investments.

Further information on SABIC’s [reporting criteria for non-financial KPIs for 2025](#) is available on the corporate website.

ROUNDING AND PERCENTAGE DEVIATIONS

All information and calculation methodologies in this report comply with national and international standards for financial and sustainability reporting. Data for the reporting period is sourced from the responsible subject matter experts and prepared using standardized methodologies. As figures are presented in accordance with commercial rounding principles, totals and percentages may not always be exact.

EXTERNAL ASSURANCE

The independent assurance process ensures the transparency and robustness of SABIC’s reporting. The statutory auditor responsible for issuing the [independent auditor’s report](#) on the consolidated financial statements is also required to read the other information included in this report and assess whether it is materially inconsistent with the consolidated financial statements or the auditor’s knowledge obtained during the audit, or whether it appears to be materially misstated. For selected non-financial quantitative KPIs in this report, PricewaterhouseCoopers Public Accountants (PwC) performed a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 for the 2025 reporting period. The indicators assured as part of the sustainability assurance are summarized in the [Sustainability performance summary \(including GHG statement\)](#). The scope and conclusion of PwC’s limited assurance are presented in [PwC’s unqualified report](#).

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements based on current assessments and information available to the Board at the time of publication. These statements do not constitute guarantees of future performance and are subject to inherent risks, uncertainties, and assumptions that may cause actual outcomes to differ materially. A discussion of key risks and uncertainties is provided in the Risk management section of the report. SABIC undertakes no obligation to revise or update any forward-looking statements, except as required by applicable laws and regulations.

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TO OUR SHAREHOLDERS AND STAKEHOLDERS

With a strong balance sheet and a stable dividend track record, we continue to create shareholder value. Our disciplined governance, portfolio strategy, and leadership in global markets position us for long-term, sustainable growth.



CHAIRMAN'S MESSAGE



KHALID AL-DABBAGH
SABIC Chairman

As SABIC approaches its 50th year, we reflect on the principles that have consistently guided the company's development and long-term value creation.

SABIC was founded on three enduring principles. The first principle – sustainability – arises from its original mandate from Saudi Arabia's leadership to make useful products out of natural gas that would otherwise have been flared. The second principle – technological excellence – recognizes that large-scale chemical production requires not only scientific innovation but also superior engineering and operational discipline. This continued investment in cutting-edge technologies has resulted in more than 10,700 accredited patents and dozens of awards and recognitions by globally renowned and elite institutes.

The third principle – collaboration – enabled SABIC to grow from a fledgling enterprise in 1976 into one of the largest global chemicals conglomerates with operations and presence in more than 60 locations worldwide.

Through partnerships with leading international companies, SABIC secured capital, technology, market reach, and operational know-how. In addition, with close cooperation with Saudi public and private sector stakeholders, it expanded market access and boosted demand for its products.

With these transformative initiatives, SABIC should enhance its profitability, shareholder returns, and cash generation capabilities, adding more resilience to its balance sheet.

By adhering to these three principles for five decades, SABIC created: a solid balance sheet; a leading market share in certain products; a work culture based on ethics and compliance; and a set of top-notch local and global manufacturing plants, technology centers, and sales offices distributed around the globe.

SABIC had to draw upon all its historic strengths to navigate the global chemical industry's many twists and turns in the last couple of years – probably one of the most challenging periods in the history of the industry. Slowing global economic activity and seriously weakened demand, coupled with overcapacity, exerted significant downward pressure on petrochemical pricing.

In response to these industry conditions, SABIC's Board has re-evaluated the company's strategic direction and adopted the intense execution of a strategy built on three pillars: portfolio optimization, corporate transformation, and selective growth.

Portfolio optimization is being pursued with increased rigor and clear financial objectives. By addressing and focusing on underperforming and non-strategic assets, SABIC aims to strengthen returns, free cash flow, enhance credit metrics, and reallocate capital toward advantaged asset-product-market combinations. The Board is mindful of the human and social considerations associated with these actions and is committed to their responsible execution.

The second pillar of our strategy – corporate transformation – is focused on structurally improving efficiency, cost competitiveness, and capital discipline. This means increasing the reliability of our manufacturing assets as well as trimming general and administrative expenses. It also means optimizing procurement and tightening capital allocation. Finally, it means strengthening our pricing framework and enhancing operational effectiveness.

With the above two portfolio optimization and corporate transformation initiatives, SABIC should enhance its profitability, shareholder returns, and cash generation capabilities, adding more resilience to its balance sheet.

The third pillar – selective growth – builds primarily on SABIC's strategic alignment with Saudi Aramco, which, since 2020, has resulted in a total of US\$ 3.27 Bn. in cumulative synergistic benefits. In addition, selective future growth will continue to be driven by secured and economic feedstock, strong market presence, and proprietary-advantaged technology. SABIC's current strong balance sheet, with very low gearing, will be a catalyst in such selective future growth.

Additionally, the envisaged future growth will leverage SABIC's global marketing capabilities in support of Saudi Arabia's liquids-to-chemicals agenda and expand SABIC's line of globally recognized specialty polymers. It will also require the continued delivery of world-class projects in our Chemicals and Agri-Nutrients businesses.

Throughout the economic cycle, SABIC remains committed to disciplined capital management and competitive shareholder returns. The company continues to balance investment in long-term growth with sustainable dividend distributions. In 2025, SABIC declared cash dividends totaling ﷲ 9 Bn., equivalent to ﷲ 3 per share.

As Saudi Arabia's chemicals champion, SABIC plays a central role in developing domestic downstream industries and manufacturing capabilities. In 2025, 56% of SABIC's spending was directed toward the Saudi economy, as reflected in its Local Content score. Through the multiplier effect, this contribution supports economic diversification in line with the Saudi Vision 2030 being realized under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and HRH Prince Mohammed bin Salman Al Saud, the Crown Prince and Prime Minister, and the continued support of HRH Prince Abdulaziz bin Salman Al Saud, the Minister of Energy.

The SABIC brand was recently valued at US\$ 5.19 Bn., maintaining SABIC's position as the world's second-most valuable chemical brand for the sixth consecutive year.

Despite ongoing market uncertainty, the Board remains confident in SABIC's fundamentals, strategic direction, and growth potential. SABIC's reputation remains strong among customers, partners, and stakeholders. As a result, the SABIC brand was recently valued at US\$ 5.19 Bn., maintaining SABIC's position as the world's second-most valuable chemical brand for the sixth consecutive year.

In closing, I would like to express my appreciation to SABIC's employees for their continued professionalism and commitment, and to our customers and partners for their trust and collaboration. Above all, I thank SABIC's shareholders for their continued confidence in the company as we build on five decades of experience to continue delivering value over the long term.

CEO'S MESSAGE



ABDULRAHMAN AL-FAGEEH
SABIC Chief Executive Officer and Executive Member of the Board

In 2025, SABIC intensified its corporate transformation agenda to reduce costs, strengthen resilience, and enhance efficiency. In parallel, we sharpened our focus on maximizing the value-creation potential of our portfolio of businesses, assets, and technologies. The impact of our corporate-transformation and portfolio-optimization efforts is reflected in the resilience and agility that SABIC displays in its 2025 financial performance.

Our transformation journey has delivered tangible results, with approximately US\$ 623 Mn. of recurring EBITDA improvement realized.

In 2025, SABIC generated just over US\$ 31 Bn. in revenue, a 1% year-on-year decline reflecting lower average selling prices that were only partially offset by higher sales volumes. Excluding one-off, non-operational anomalies that distort our underlying business performance, adjusted EBITDA reached US\$ 4.8 Bn., approximately US\$ 623 Mn. of which was realized by our corporate-transformation program. The 2025 adjusted EBITDA margin of 15.3%, though down 2.5 percentage points relative to 2024, nonetheless highlights the resilience to market challenges that we have developed on the basis of cost discipline and operational efficiency.

Free cash flow reached US\$ 1.9 Bn. in 2025, representing a 17% year-over-year increase driven by the way we are managing both working capital and capital expenditure. If we include the proceeds from our portfolio-optimization actions, the total cash generated in 2025 amounted to US\$ 3.7 Bn. SABIC's net cash position of nearly US\$ 1 Bn. at the end of the year, reflecting the company's robust financial standing.

While navigating the short-term market volatility of 2025, we kept our sights on SABIC's long-term growth. We extended our transformation program beyond the near term by setting a 2030 delivery target: a US\$ 3 Bn. annual uplift in EBITDA. To support that ambition, we upgraded our enterprise resource planning platform so that it better integrates the people, processes, and data of our workflows from beginning to end. This will enable a broadened application of artificial intelligence (AI) beyond the hundreds of AI applications already in use in 2025.

Our portfolio optimization efforts also reached several important forward-looking milestones. In early 2026, SABIC announced the divestment of its petrochemicals business in Europe and its engineering thermoplastics business in Europe and the Americas. Both transactions are expected to close before the end of 2026. We will continue to assess options for other business exits where a strategic and financial rationale exists.

Radical portfolio optimizations and corporate transformations are not easy to carry out successfully. However, SABIC has drawn on the learnings of earlier initiatives and experiences. We are continually evaluating the status of our current transformation on the basis of organizational alignment and employee engagement. We are instituting effective cross-functional collaboration not only between business verticals but also between individuals; and we are methodically setting improvement targets and cascading them across and down the organization. These targets spur us to deliver not only financial improvements but also operational ones. In 2025, for example, we achieved a 40% improvement in our plants' reliability.

We are also developing the capabilities, capacity, and mindset required to sustain the transformation indefinitely. This includes deploying talent within an operating model designed to unlock value in a streamlined and restructured organization. Our overarching priority, however, remains consistent: value creation.

We continued to advance construction of the US\$ 6.4 Bn. SABIC Fujian integrated petrochemicals complex in China, one of the company's largest growth investments.

Beyond performance improvements and portfolio actions, growth requires the delivery of new profit-generating projects. In 2025, SABIC made solid progress on this front. We commissioned expansion projects at Petrokemya's and Ibn Zahr's MTBE production facilities in Saudi Arabia, adding approximately one million metric tons of annual production capacity. At the same time, we continued to advance

construction of the US\$ 6.4 Bn. SABIC Fujian integrated petrochemicals complex in China, one of the company's largest growth investments. The complex is expected to strengthen SABIC's presence in a key strategic market.

Long-term value creation is inseparable from sustainability. That is why SABIC's innovation agenda is focused on developing products and processes with lower carbon intensity and stronger alignment with the reduce, reuse, recycle, and remove imperatives of a circular carbon economy. In 2025, we introduced 148 new product applications to help meet customers' sustainability requirements. Several of these products were independently certified as being derived from reused carbon dioxide captured at the United ethylene glycol plant in Jubail. SABIC also completed its first sale of certified low-carbon methanol in 2025.

Our advanced materials portfolio continues to gain global recognition. In 2025, our fire-retardant, fiber-filled polypropylene composite received the R&D 100 Award for its application in electric vehicle battery enclosures. Six other materials-related innovations were recognized with Edison Awards.

Sustainability also encompasses the health, safety and development of people. And here too our 2025 performance has been commendable. Our total recordable incident rate, which includes both workplace safety and occupational health, reflects a 22% improvement compared to 2024. And despite

a doubling of attempted cyberattacks relative to 2024, SABIC's cybersecurity defenses proved effective, with no material impact on operations during the year. We will remain vigilant across all areas of compliance, recognizing that heightened business risks require enhanced controls to protect the company from legal, financial, and reputational harm.

In a period of heightened uncertainty, transparent and consistent engagement with stakeholders is essential. Our strategic objectives, the challenges we must overcome, our motivational purpose, and our workplace culture – all need to be fully understood if SABIC is to transform its operations, optimize its portfolio, and selectively grow its business.

Our total recordable incident rate, which includes both workplace safety and occupational health, reflects a 22% improvement compared to 2024.

I would like to end this message by stating how proud I am of the resilience and commitment demonstrated by SABIC's employees throughout 2025. I extend my appreciation to our customers, partners, and shareholders for their continued willingness to collaborate, invest and do business with us.

SABIC ON THE CAPITAL MARKETS

CHIEF FINANCIAL OFFICER'S MESSAGE



SALAH AL-HAREKY
Executive Vice President, Corporate Finance
(Chief Financial Officer)

The past year was marked by continued volatility in the global petrochemical industry, resulting in challenging market dynamics that required disciplined financial management and proactive responses to a prolonged downcycle.

SABIC's financial strength enables us to operate resiliently through the downturn, invest selectively for the future, and continue delivering shareholder value.

Our financial framework remains clear and consistent. We prioritize capital allocation first to run and maintain capital expenditure, then to shareholder dividends, and finally to accretive growth investments. This systematic

approach preserves balance sheet strength and financial flexibility, directs funding toward businesses that reinforce our competitive advantages and generate attractive risk-adjusted returns, ultimately supporting the execution of our strategy.

Amid persistent industry oversupply and weaker demand growth, we have taken decisive action through two corporate programs: Portfolio Optimization and Transformation.

Under Portfolio Optimization, we have announced the divestment of our European Petrochemicals (EP) and Engineering Thermoplastics (ETP) businesses in the Americas and Europe for a combined Enterprise Value of US\$ 950 Mn, as a continuation of recently completed divestitures (including Functional Forms, Hadeed and Alba). These actions are expected to provide focus on competitively advantaged positions in Saudi Arabia and ensure capital is optimized. Collectively, these transactions reflect a deliberate step to halt prolonged financial leakages and redirect funds toward businesses with stronger profitability and more sustainable long-term prospects. They will enhance cash flow quality and improve capital efficiency.

Through our Transformation program, we have entered a new phase targeting a recurring annual EBITDA impact of US\$ 3 Bn. by 2030, driven by US\$ 1.4 Bn. in cost excellence and US\$ 1.6 Bn. in value creation. This journey is designed to unlock greater shareholder value and reshape our performance trajectory.

Delivering sustainable returns remains central to our strategy. Despite industry headwinds, SABIC continues to generate solid free cash flow, supporting attractive and reliable dividend distributions. Our commitment to returns is balanced with maintaining balance sheet strength and preserving the flexibility to invest selectively in growth, innovation, and operational excellence.

Looking ahead to 2026, our priorities include completing the announced divestments in Europe and the Americas and advancing additional strategic options to further strengthen our portfolio and financial performance. We will selectively invest in growth projects that meet and exceed our returns hurdle rate with continued focus on creating more synergies with our majority shareholder Aramco.



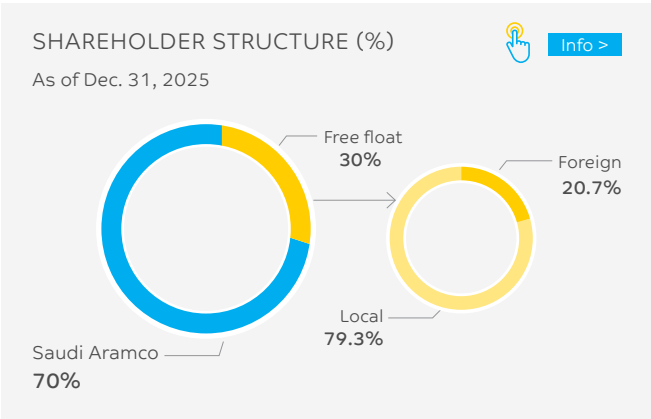
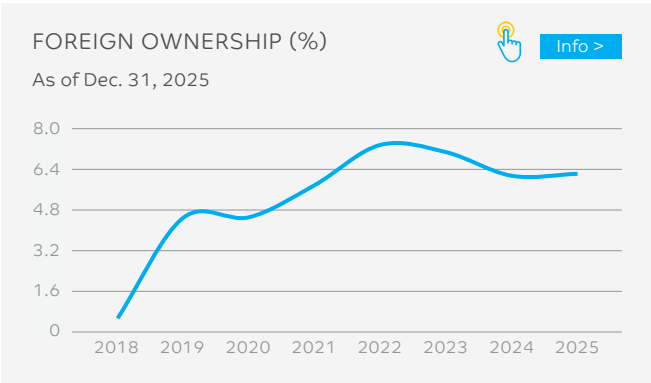
SHAREHOLDER STRUCTURE

At the end of 2025, 70% of SABIC's shares were held by Aramco Downstream Company*, a wholly owned subsidiary of Saudi Aramco, with the remaining 30% in free float. Our foreign investor base expanded from under 1% in 2018 to 6.21% by the end of 2025, now comprising nearly 21% of our free float. This illustrates how our international investment grew alongside global investors' interest in Saudi Arabia following the country's reclassification as an emerging market in 2018.

This growth reflects confidence in SABIC's ability to create value. With 84% of revenues generated outside Saudi Arabia across more than 140 countries, our global presence is anchored by a reliable supply chain and strong customer relationships. We maintain a consistent track record of competitive dividends, supported by a robust free cash flow, and a conservative leverage profile with capacity to support future growth.

Some shares are held by SABIC's [Board members](#) and [Senior executives](#). Apart from Aramco Downstream Company, SABIC is not aware of any shareholder with direct or indirect control over the company.

* The company name was changed from Aramco Chemicals Company to Aramco Downstream Company.



SHARE PERFORMANCE

Throughout the fiscal year, SABIC's share performance reflected the broader cyclical challenges facing the petrochemical industry. The share price opened the year at ₪ 67.0 and closed at ₪ 51.30.

Despite the challenging environment, SABIC remained one of the most actively traded stocks on the Saudi Exchange in 2025, with a total traded value of ₪ 25.42 Bn. (US\$ 6.8 Bn.). The company represented a 15% weighting within the materials sector, underscoring its strategic importance to the Saudi capital market and its high level of investor engagement.

In 2025, SABIC's share price experienced a sustained downtrend, reflecting a challenging macroeconomic environment and persistent structural pressures in the global chemicals industry. Slower global growth weighed on end-market demand, while overcapacity—particularly in chemicals and polymers—kept product prices and margins under pressure. This imbalance between supply and demand reduced earnings visibility and limited any meaningful recovery in the stock, resulting in SABIC trading lower over the year despite its strong balance sheet and strategic importance to the sector.

Investor confidence in SABIC's long-term fundamentals remained evident through sustained analyst coverage. In 2025, 15 analysts followed the company, with 12 recommending to hold and 3 advising to buy. This balanced outlook reflects near-term cyclical pressures alongside SABIC's strong balance sheet, cost-efficiency initiatives, and ongoing focus on portfolio optimization and operational excellence.

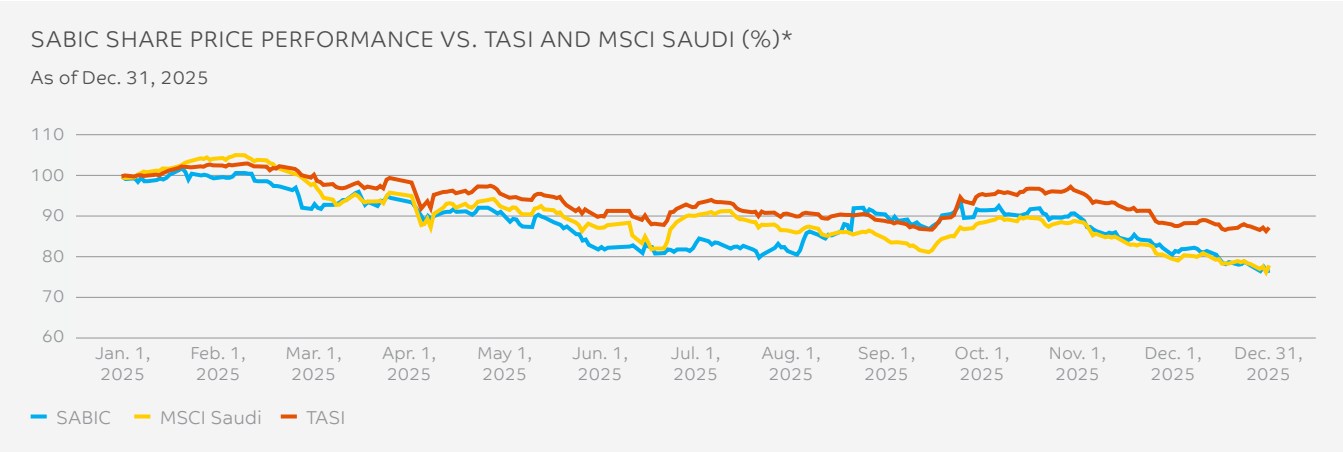
Reflecting the Board’s disciplined capital allocation, SABIC maintained a competitive dividend payout despite the challenging environment. For 2025, a dividend of ﷼ 3 per share was declared.

Five-year overview and dividend	2025	2024	2023	2022	2021
Number of registered shares issued (Mn.)	3,000	3,000	3,000	3,000	3,000
Number of registered shares eligible for dividend (Mn.)	3,000	3,000	3,000	3,000	3,000
Share price at the end of the year (﷼)	51.3	67	83.5	90.4	116
High of the year (﷼)	69.2	89	97.4	141.4	136.6
Low of the year (﷼)	50.6	66.5	75.3	79.2	97.9
Annualized volatility	18.6	22.5	22.1	62.2	38.7
Market capitalization at year-end (﷼ Mn.)	153,900	201,000	250,500	268,200	348,000
Market capitalization at year-end (US\$ Mn.)	41,040	53,600	66,800	71,520	92,800
Dividend per share (﷼)	3	3.4	3.4	4.25	4

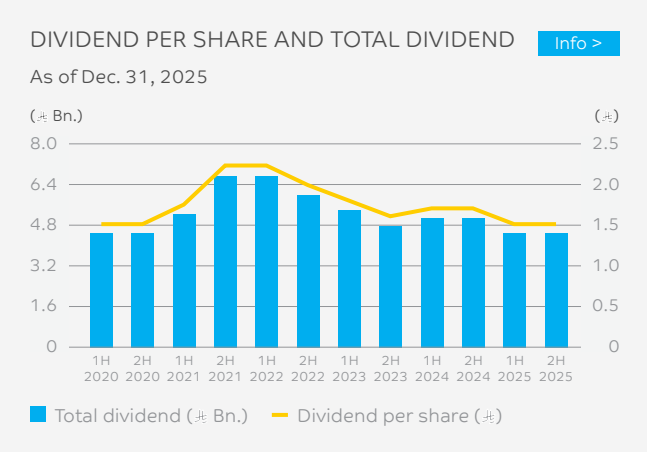
DIVIDEND DISTRIBUTION

Distributing competitive dividends to our shareholders over the long term amid ongoing market challenges in the chemical industry remains a key priority. We use a balanced capital allocation approach, ensuring competitive dividend distribution across the cycle while supporting long-term value. In 2024, we disclosed our new mechanism for interim dividend distribution, under which interim dividends for the first half of the year will be announced following the approval of interim financial results for the second quarter of that same year. Similarly, the interim dividend distribution for the second half of the year will be announced after the annual financial results for the same year are finalized. This approach aligns with global best practices, reduces the time between announcement and distribution, and enables the Board to make dividend decisions based on financial statements reflecting company performance over the reporting period.

Cash dividends were distributed as outlined in the Notes to the Consolidated Financial Statements. [Read more about our dividends on our corporate website.](#)



*Re-based to 100 as of January 1, 2025 to show relative price movement over the year.



DIVIDEND DISTRIBUTION DETAILS FOR 2025

Dividend cycle	Dividend per share (ﷲ)	Percentage of distribution to share nominal value	Number of shares	Date of eligibility	Total distributed dividends (ﷲ)	Distribution date
2H 2024	1.7	17	3,000,000,000	February 11, 2025	5,100,000,000	March 4, 2025
1H 2025	1.5	15	3,000,000,000	August 19, 2025	4,500,000,000	September 9, 2025
2H 2025	1.5	15	3,000,000,000	March 8, 2026	4,500,000,000	March 31, 2026

INVESTOR RELATIONS

SABIC maintains strong engagement with capital market participants, including institutions, retail investors, and financial analysts. Our Annual General Meeting (AGM) recorded over 77% shareholder attendance through modern digital technology.

During the year, SABIC also convened an Extraordinary General Meeting (EGM) with 76.98% shareholder attendance through modern technology, and approved transferring the general reserve balance ﷲ 110,889,032,000 as stated in the announced Annual Consolidated Financial Statements for the year ended on December 31, 2024, and Condensed Consolidated Interim Financial Statements for the third quarter ended on September 30, 2025 to the Retained Earnings account.

We enhanced our investor engagement by actively participating in numerous conferences and roadshows, ensuring strong physical and virtual connections with the global investment community. Throughout the year,

we engaged with regional and local investors alongside international investors across the US, Europe, and Asia by participating in a diverse range of regional, emerging market, and industry-specific events.

These efforts enabled meaningful engagement with investors and analysts, strengthening relationships and addressing key topics related to SABIC’s performance, strategic direction, and future prospects. Our investor engagement calendar reflects our consistent communication with the global investment community, leveraging regional and international opportunities to enhance transparency and foster trust.

We provide comprehensive information through our website, and shareholders can reach the Investor Relations (IR) team directly via email (IR@SABIC.com), telephone (+966 112 258 000), or mobile (+966 530 013 051). To enhance shareholder satisfaction, a dedicated IR Call Center was established in 2022, accessible through SABIC’s page on the Saudi Exchange website.

SHAREHOLDER REGISTER REQUESTS

The table below presents the number of company applications for the register of shareholders, dates, and rationale of such applications.

No.	Application rationale	Application date
1.	Shareholder data analysis	January 2, 2025
2.	Shareholder data analysis	February 2, 2025
3.	Dividends entitlement	February 13, 2025
4.	Shareholder data analysis	February 20, 2025
5.	Shareholder data analysis	March 2, 2025
6.	Shareholder data analysis	March 4, 2025
7.	AGM	April 9, 2025
8.	Shareholder data analysis	May 4, 2025
9.	Shareholder data analysis	June 2, 2025
10.	Shareholder data analysis	July 2, 2025
11.	Shareholder data analysis	August 4, 2025
12.	Dividends entitlement	August 21, 2025
13.	Shareholder data analysis	August 25, 2025
14.	Shareholder data analysis	September 2, 2025
15.	Shareholder data analysis	October 2, 2025
16.	Shareholder data analysis	November 3, 2025
17.	Shareholder data analysis	December 2, 2025
18.	EGM	December 31, 2025

OUR FINANCING PRINCIPLES

Our financing principles aim to always ensure that our activities support effective, efficient, and prudent financial management and controls, in line with SABIC’s strategic and business objectives. We continuously evaluate the optimal capital and financing structure to align with our strategic plans and growth objectives. At the end of the year, SABIC maintained a strong net cash position of 3.61 Bn.

OVERVIEW OF SABIC’S MAIN BONDS

ISIN Code	XS1890684761	XS2228112954	XS2228113762
Coupon	4.5%	2.15%	3%
Issuer	SABIC Capital II BV	SABIC Capital II BV	SABIC Capital II BV
Format	144A/RegS Senior Unsecured	RegS Senior Unsecured	RegS Senior Unsecured
Volume	US\$ 1 Bn.	US\$ 500 Mn.	US\$ 500 Mn.
Term	2018/2028	2020/2030	2020/2050
Listing	Ireland	Ireland	Ireland

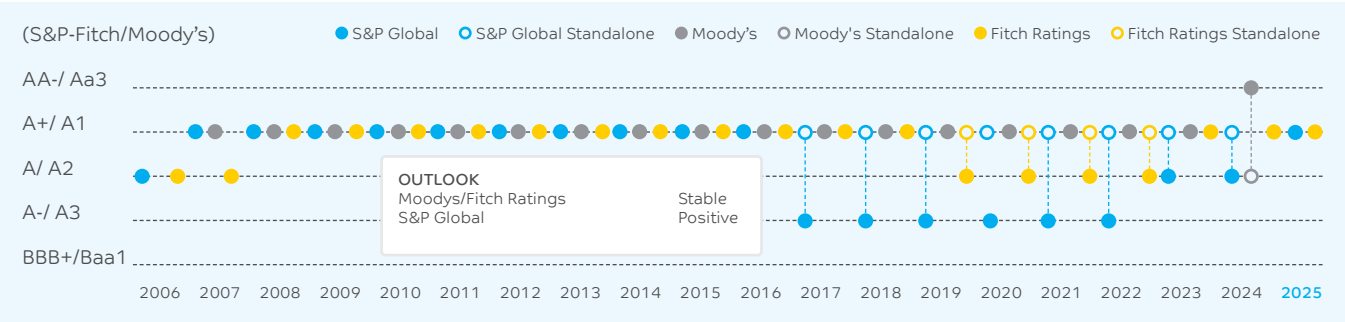
ESG RATINGS

- We participate in a number of environmental, social, and governance (ESG) ratings and are listed in several sustainability indices.
- We are rated BBB by MSCI ESG, qualifying us for inclusion in the MSCI ESG indices.
 - Our Sustainalytics score placed us at medium risk, in line with our chemical industry peers.
 - SABIC’s ESG score, as reflected in the Bloomberg ESG Data Index, continues to rank among the leaders in the Basic and Diversified Chemicals sector.

SABIC RATINGS

CREDIT RATINGS

Standalone credit ratings have consistently remained in the A+ band, positioning us among the highest-rated global chemical companies. In 2025, our long-term credit rating was upgraded to Aa3 by Moody’s following the upgrade of Saudi Arabia’s sovereign rating, reflecting our resilience and strong financial position.



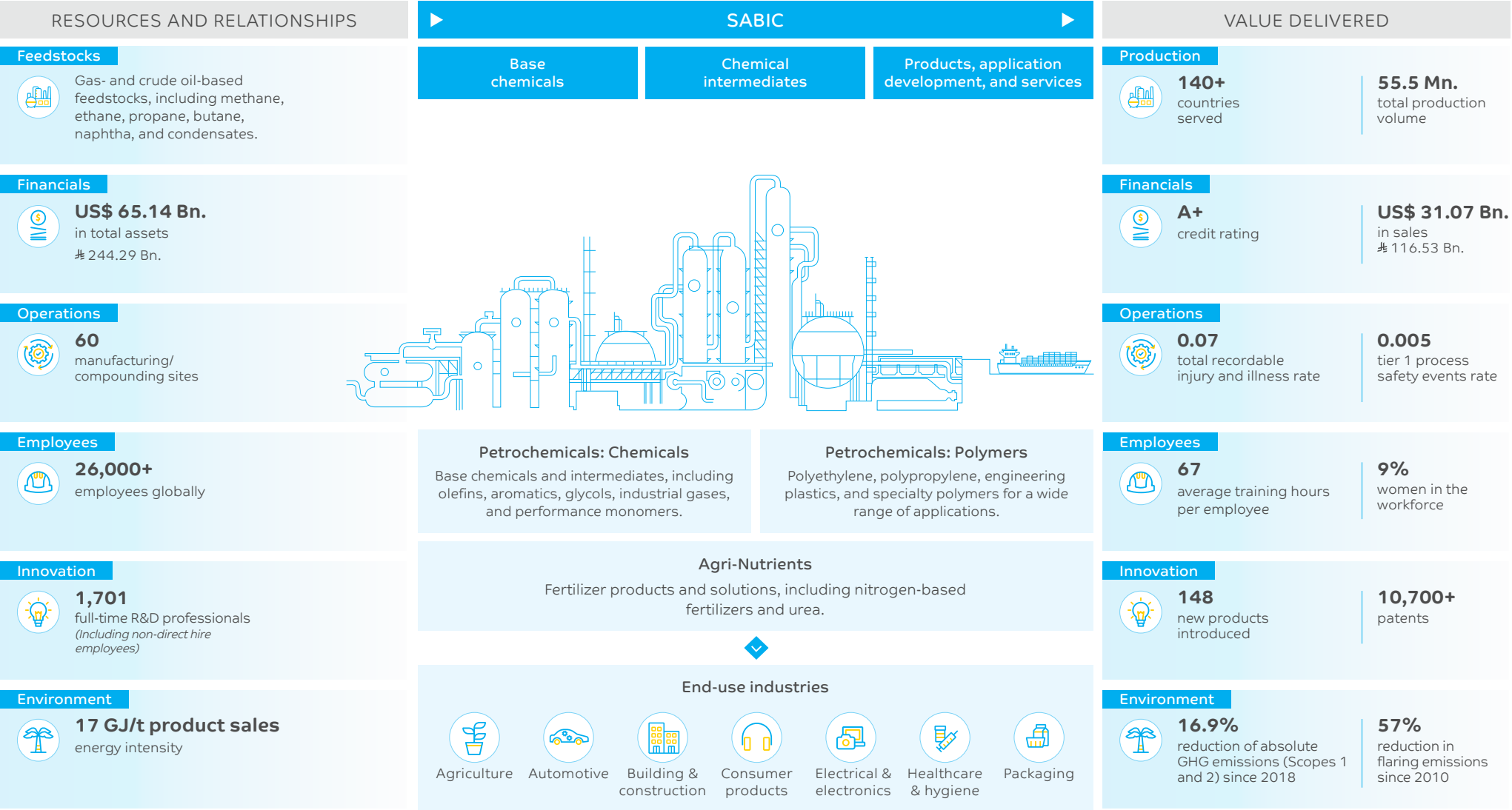
Business model	Strategy	Projects	Risk management
23	24	27	29

STRATEGIC APPROACH

As a global chemicals leader and Saudi Arabia’s national chemicals champion, SABIC is leveraging its strengths – scale, innovation, and partnerships – to drive long-term value creation in a rapidly evolving global market.



BUSINESS MODEL



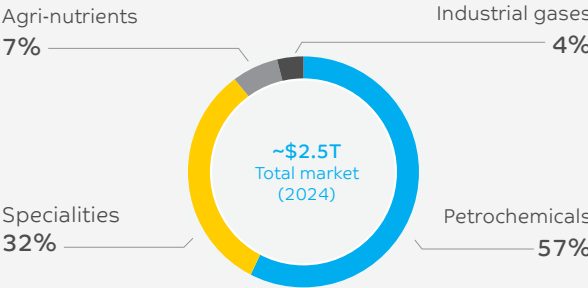
Figures are as of Dec. 31, 2025 and include discontinued operations (except financial metrics).

STRATEGY

SABIC’s strategy is driven by our vision to be the preferred world leader in chemicals. It is designed to deliver sustainable, long-term value by strengthening the fundamentals of our business model while positioning the company for future growth.

CHEMICAL INDUSTRY INSIGHTS

MARKET REVENUE SPLIT AND GROWTH OUTLOOK (2024–2030)



CAGR (2024–2030) Overall: ~2.7% (≈ global GDP)

Petrochemicals	2.9%
Specialities	2.8%
Agri-nutrients	0.7%
Industrial gases	2.5%

Note: Market estimates are based on a sample of 942 publicly listed chemical companies. Agri-nutrients include fertilizers only; agri-sciences are included within Specialities. CAGR is based on volume growth for all segments except Specialities (market value). Agri-nutrients reflect combined demand for urea, phosphate, and potash; industrial gases reflect hydrogen, nitrogen, and oxygen.

Source : S&P Global, Capital IQ, ICIS, SABIC

GLOBAL MEGATRENDS		EFFECT ON PETROCHEMICALS	
China transformation	↗	Industrial policy for efficiency and self-sufficiency.	China self-sufficiency reduces addressable market and profitability for petrochemicals and creates opportunities for local investment.
Demographics	↗	Aging population in developed nations and young population in emerging markets.	Asia continues to drive economic activity and petrochemicals growth.
Digital	↗	Advancements in digitalization, AI, and quantum computing.	Operational and efficiency improvements for petrochemicals producers.
De-globalization	↗	Geopolitics and economic policy changes.	Demand growth slowdown and investment uncertainty; opportunities for in-market asset positions.
Energy transition	↘	Changing energy mix driven by the need for decarbonization.	Oil price and petrochemicals profitability risk; opportunities for liquid-to-chemicals investments when profitable.
Sustainability	↘	Decarbonization, circularity, and ESG focus.	Higher costs of decarbonization and lower demand for petrochemicals; upside from new business model potential.

Despite near-term pressures such as soft demand, oversupply, and economic uncertainties, the chemical industry remains foundational to modern life, underpinning key sectors such as packaging, building and construction, agricultural, automotive, healthcare and many more. Its contribution is vital to global development and economic resilience, enabling growth across value chains.

The industry spans four primary segments: petrochemicals, agri-nutrients, specialties, and industrial gases. Success in these sectors hinges on a combination of scale, global reach, cost, portfolio, technology, and functional excellence – with people and their capabilities at the heart of it all.

The industry is being reshaped by broader megatrends, including China’s drive for structural self-sufficiency, changing trade dynamics, a growing focus on sustainability, the energy

transition, digitalization, and shifting demographics. These trends have far-reaching implications. Asia remains a demand engine for chemicals globally, fueled by rapid industrialization, urbanization, and rising consumption across key sectors. Petrochemicals growth is increasingly tied to liquid feedstocks, rising competitive intensity, and greater commoditization. The rise of the US as a vigorous energy and feedstock hub, coupled with structural competitiveness challenges in Europe, is creating regional disparities. The challenge of climate change has heightened demand for recycled and low-carbon products. At the same time, rapid technological advancements are driving efficiency and growth across the sector.

Saudi Arabia is undergoing rapid transformation, driven by the priorities of Saudi Vision 2030. Additionally, Saudi Aramco’s advancing downstream strategy offers meaningful synergies.

Our strategy takes into account the company’s position, industry dynamics, and the aspirations of Saudi Arabia and shareholders. We aim to strengthen our position as a leading company, underpinned by a relentless focus on shareholder value creation.

Our strategy is built on three pillars:

- Portfolio Optimization – enhancing core positions and focusing on profitable markets.
- Transformation – addressing cost excellence and value creation.
- Accretive Growth – profitable growth projects funded by unlocking capital and proceeds and uplifting EBITDA.

We continue to integrate sustainability principles into our core business, supporting resilience and responsible growth. Therefore, the three levers of our corporate strategy are executed with our sustainability strategy in mind.

PORTFOLIO OPTIMIZATION

We continually assess our portfolio to ensure every business line, product and asset is aligned with long-term strategic and financial objectives. We concentrate investment and management attention on the core offerings that drive growth, profitability, and competitive advantage. For the core portfolio, we drive progress through improvements in customer centricity and reliability, focusing on connectivity, streamlined interactions, and further technical services for products and applications. This approach enables us to enhance performance across our strongest businesses – improving efficiency, customer value, and market leadership. Key examples from 2025 include the unveiling of new technologies for EV charging through our BLUEHERO™ portfolio.

At the same time, we proactively identify non-profitable assets and businesses. Where performance is not meeting expectations and future value creation is limited, we pursue divestment, restructure, or responsible exits. By doing so, we unlock capital and resources to reinvest in areas with the highest return potential. Key examples from 2025

include the divestment of the European Petrochemicals and Engineering Thermoplastics Business in the Americas and Europe, in preparation for divestitures that were announced on January 8, 2026.

This approach will drive improved returns and reallocate capital toward higher-margin opportunities.

TRANSFORMATION

Transformation is central to delivering our long-term vision and strengthening our position as a leading global chemicals player. Our transformation agenda focuses on securing the value creation expected by our stakeholders. We target a recurring EBITDA impact of US\$ 3 Bn. by 2030 through a focus on cost excellence, value creation, and capital discipline.

We are simplifying operations, optimizing our cost base, and deploying technology to reduce manual effort and increase productivity. Cash impact is expected from capital-discipline improvement, which includes optimization of spending on mega-projects and sustaining capital expenditure optimization. We strengthen core offerings and leverage technology to respond to evolving customer needs with greater agility. Together, these pillars ensure our transformation delivers tangible, measurable outcomes from improved performance to greater resilience to a portfolio positioned for sustained value generation.

Transformation remains a multi-year journey, and we are maintaining momentum to realize its full potential. The Transformation Program is progressing today as planned:

- 2025: Recurring EBITDA impact of US\$ 623 Mn., exceeding our year-end target.

ACCRETIVE GROWTH

Our third strategic pillar is growth. We aim to invest selectively in highly attractive projects aligned with our core portfolio and growth regions, leveraging regional competitive advantages such as feedstock, capital efficiency, and market

access. We will create win-win partnerships with regional and global chemical companies. SABIC will also enable Saudi Aramco’s downstream strategy through investments, sales and marketing, technology licensing, manufacturing support and servicing, and infrastructure sharing, creating value for shareholders. Key examples include the startup of our new MTBE plant at Petrokemya and petrochemicals complex at Fujian, China.

OUR KEY ENABLERS

While many capabilities support our strategy, four key enablers are essential to delivering our ambition.

Innovation delivers integrated technology and intellectual property solutions that strengthen our core portfolio and manufacturing assets, broaden product diversity, and accelerate sustainable growth.

Digitalization enables the utilization of vast amounts of data and information across business units and the business environment for visibility, higher quality, and accelerated decision making.

Sustainability underpins how SABIC engages with its people, its partners and suppliers, its communities, and its environment while delivering value to shareholders. Our sustainability strategy is integrated with our business strategy and drives the business toward carbon neutrality, plastics circularity, and compliance and preparedness for future regulatory obligations.

Employment and workforce management seeks to ensure our capabilities match our strategic requirements by advancing the technical and professional skills of the workforce, developing commercial and leadership competencies, supporting the progress of localization, besides focusing on equity, inclusion, and a sense of belonging.

STRATEGIC BUSINESS UNITS AND SEGMENTS

Following our ongoing transformation journey, we streamlined our structure around three core businesses: Chemicals, Polymers, and Agri-Nutrients. These operate across the chemical value chain, providing products, applications, and solutions to a wide range of end-use industries.



PETROCHEMICALS: CHEMICALS

SABIC holds global leading positions in olefins, glycols, and oxygenates – achievements that reflect decades of growth and value creation. We aim to enhance value and grow our chemicals business by:

- Profitably growing through competitive feedstock, assets and platforms, selective integration, advanced technology, strategic partnerships, and synergies with Saudi Aramco.
- Progressing toward circularity through targeted investments and innovation.
- Enhancing operational excellence across our existing and growth businesses, while ensuring safety and reliability.
- Sustaining and enhancing product leadership in key markets.

In Saudi Arabia, we are evaluating multiple growth opportunities to maximize the benefits of hydrocarbon resources for our shareholders. These efforts aim to enhance our global position, support customer needs, develop human capabilities, preserve technical expertise, and contribute to Saudi Vision 2030.



PETROCHEMICALS: POLYMERS

SABIC holds leading global positions in key polymers, particularly in polyolefins and specialty materials. We are realizing our ambition as a global polymers leader by focusing on:

- Strengthening our portfolio, technology, and market-leading positions.
- Enhancing commercial, supply chain, and operational excellence.
- Driving differentiation across applications and industry segments.

Within the Polymers SBU, the Specialties Business Unit (BU) focuses on high-performance plastics with close customer relationships and partnerships with multiple original equipment manufacturers (OEMs). Its advantages include a strong emphasis on customer centricity, leading technology and innovation capabilities, and an advanced portfolio of products, applications, and services, positioning us as a reliable supplier in fast-growing markets and reinforcing our role as the “first to be specified” innovation leader.



AGRI-NUTRIENTS

SABIC Agri-Nutrients Company is making steady progress in positioning itself for future opportunities driven by the energy transition while capitalizing on the current nitrogen upcycle. It aims to strengthen its leadership in fertilizer markets, establish a foothold in the evolving low-carbon ammonia sector, and fulfill its role as a national champion supporting Saudi Arabia’s Vision 2030. Agri-Nutrients leverages its competitive assets and feedstock platforms, operational excellence, and technology and innovation capabilities, while extending its position along the value chain and offering differentiated products and solutions to farmers.

PROJECTS

This non-exhaustive list highlights selected ongoing initiatives. We evaluate projects in line with strategic objectives, technical feasibility, and commercial viability. Shareholders are informed in a timely manner when major strategic milestones are reached.

Growth project	Description
SABIC-Fujian project China 	In January 2024, SABIC announced the final investment decision for the SABIC Fujian Petrochemical Complex (Sino-Saudi Gulei Ethylene Complex Project) in Fujian province, China. SABIC Fujian Petrochemicals Co., Ltd., a 51:49 joint venture between SABIC Industrial Investment Company (wholly owned by SABIC) and Fujian Fuhua Gulei Petrochemical Co., Ltd. (held by Fujian Energy and Petrochemical Group), will develop the complex in Fujian's Gulei Industrial Park. This is SABIC's largest investment in China and the largest foreign investment in Fujian. The complex will feature a mixed-feed steam cracker with an annual ethylene capacity of up to 1.8 million tons, supported by a series of world-class downstream facilities, including ethylene glycol (EG), polyethylene (PE), polypropylene (PP), polycarbonate (PC), and several other units. The SABIC Fujian project continues to progress as planned. The project maintains an exceptional safety record with 34 million incident-free manhours and remains on schedule for start-up in the second half of 2026, reinforcing our disciplined execution and commitment to long-term growth in strategic markets.
Engineering thermoplastic compounding plant China 	In August 2024, SABIC signed an investment agreement with the Fujian government to establish an engineering thermoplastic compounding plant in the Gulei Port Economic Development Zone, Zhangzhou, Fujian. The plant will primarily produce pelletized LEXAN™ polycarbonate (PC) and CYCOLOY™ PC/ABS blends for advanced material applications. It will include compounding lines, color development capabilities, and advanced equipment to support customers and partners in developing solutions for engineering plastics. Mechanical completion is expected by the end of Q3 2027. The project represents a strategic expansion of SABIC's proprietary compounding capabilities, with EPC awarded and execution progressing under a fully integrated delivery model.

Growth project	Description
MTBE plant at Petrokemya Saudi Arabia 	SABIC successfully completed the MTBE project, replacing the existing Petrokemya isobutane dehydrogenation unit with a new SABIC-licensed dehydrogenation unit capable of producing 1 million tonnes of MTBE annually. Mechanical completion was finalized in August 2025, followed by a successful start-up in October, supporting our expansions to enhance specialty fuel additives capacity and improve downstream integration.
Ibn Zahr LTRS project Saudi Arabia 	The Low Temperature Recovery System (LTRS-1) at Ibn Zahr was commissioned in early 2025, improving C3 and C4 recovery and enabling 99% feedstock recovery equivalent to an additional 50 kilotons of MTBE production annually.
EO Catalyst at Petrokemya Saudi Arabia 	The ethylene oxide catalyst project entered its execution phase. The plant at Petrokemya is licensed by SABIC Scientific Design Company. The project is supported by the SHAREEK program and designed to advance our technology localization goals while strengthening the security and reliability of catalyst supply for our SABIC EO/EG plants. Construction is targeted for completion by end 2027.

Divestment	Description
Sale of SABIC’s stake in Aluminium Bahrain B.S.C. (Alba) Bahrain 	On September 17, 2024, SABIC announced the signing by SABIC Industrial Investment Company, a wholly owned subsidiary of SABIC, of an agreement for the sale of its holding of 292,804,000 ordinary shares in ALBA (representing 20.62% of its issued share capital) to Saudi Arabian Mining Company (“Ma’aden”). On February 19, 2025, SABIC announced the completion of the sale of shares in ALBA for sales proceeds of BHD 363 million (equivalent to ₪ 3,612 Mn.). This divestment will enable SABIC to optimize its portfolio, focus on its core business, and further strengthen its growth in the chemicals industry. For details, refer to Consolidated Financial Statements Note 35.
Divestment of SABIC’s European Petrochemicals (EP) business Europe 	SABIC announced the further optimization of its portfolio through the divestment of 100% of the shares in SABIC Europe B.V. (comprising its European petrochemicals business and assets) to AEQUITA, an established operator in the European industrial sector. The deal closing is expected in Q4 2026, subject to the necessary regulatory and works-council approvals. This transaction represents a step in SABIC’s strategic initiative to prioritize high-growth markets, optimize its cost structure, enhance return on capital employed (ROCE), improve future cash flows, and ultimately maximize long-term shareholder value. Consolidated Financial Statements Note 34.1.
Divestment of SABIC’s Engineering Thermoplastics (ETP) business Americas and Europe 	SABIC announced the further optimization of its portfolio through the divestment of 100% of its Engineering Thermoplastics (ETP) business in the Americas and Europe to Mutares SE & Co KGaA. The deal closing is expected in Q3 2026, subject to the necessary regulatory and works-council approvals. This transaction represents a step in SABIC’s strategic initiative to prioritize high-growth markets, optimize its cost structure, enhance return on capital employed (ROCE), improve future cash flows, and ultimately maximize long-term shareholder value. Consolidated Financial Statements Note 34.2.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

SABIC’s Enterprise Risk Management (ERM) function implements a comprehensive and structured approach to managing risks and business continuity while identifying opportunities that support the company’s strategy and long-term objectives. This approach includes identifying risks – both threats and related opportunities – in collaboration with stakeholders, and proactively mitigating risks or reducing potential impacts, supported by a robust Risk and Business Continuity Management Framework. ERM also provides early warning for emerging internal and external risks that could affect SABIC’s objectives and the resilience of critical infrastructure.

RISK MANAGEMENT GOVERNANCE

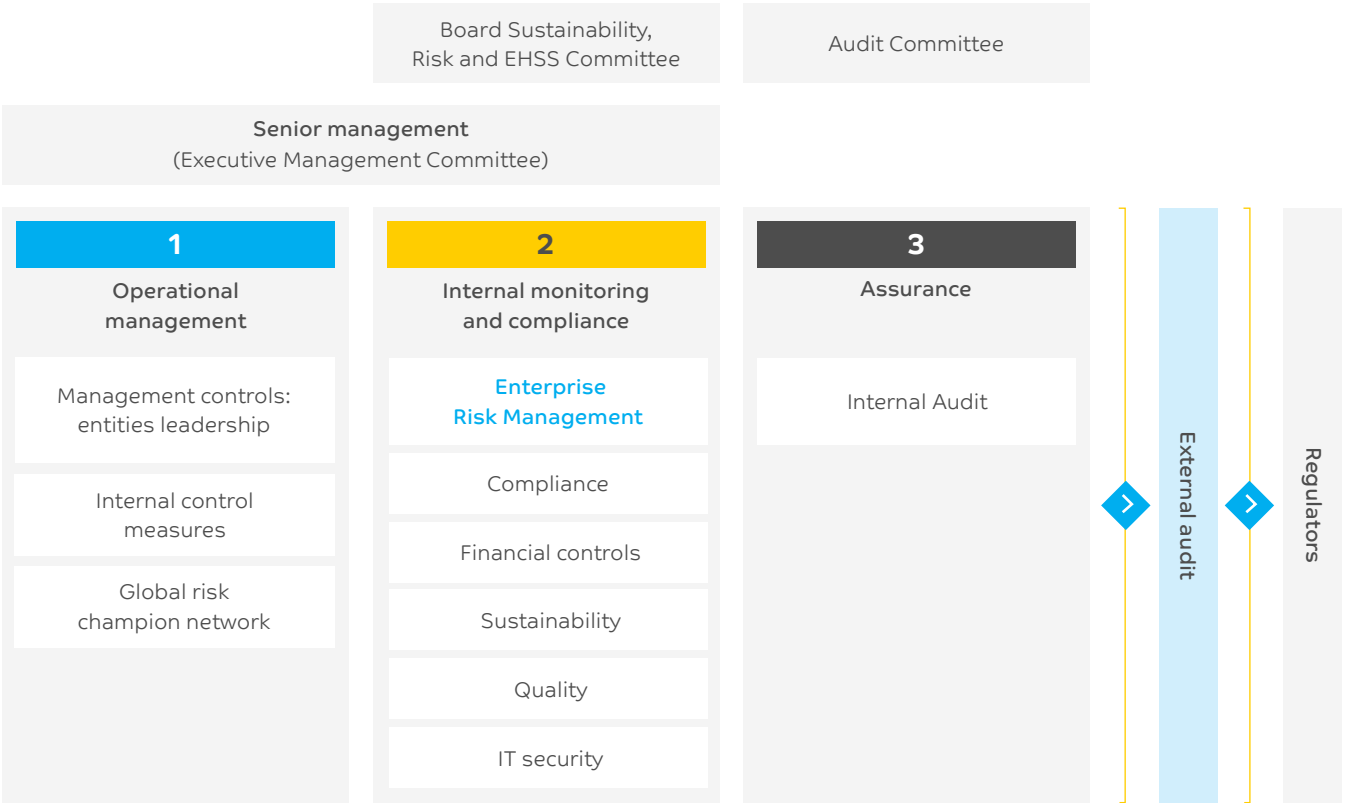
SABIC follows a “three lines” model to support effective risk management through clear accountability, defined roles and responsibilities, and robust processes. The Risk Management Policy and Framework are aligned with internationally recognized frameworks such as International Standards Organization (ISO) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Oversight of the Risk Management Policy, Framework and related procedures is exercised by the SABIC Board of Directors through its Board Sustainability, Risk and EHSS Committee (BSREC). Responsibility for implementing the policy and frameworks rests with the Chief Executive Officer (CEO).

The BSREC meets quarterly to review detailed ERM reports on top risks, evaluate the effectiveness of the risk management system, and provide recommendations to SABIC’s Board on the adequacy of mitigation.

All business units and corporate functions submit quarterly risk reports through ERM to the Executive Management Committee, covering strategic, tactical, and operational risks. ERM activities are supported by SABIC’s Global Risk Champion Network, comprising of senior business leaders who coordinate periodic risk assessments across the organization.

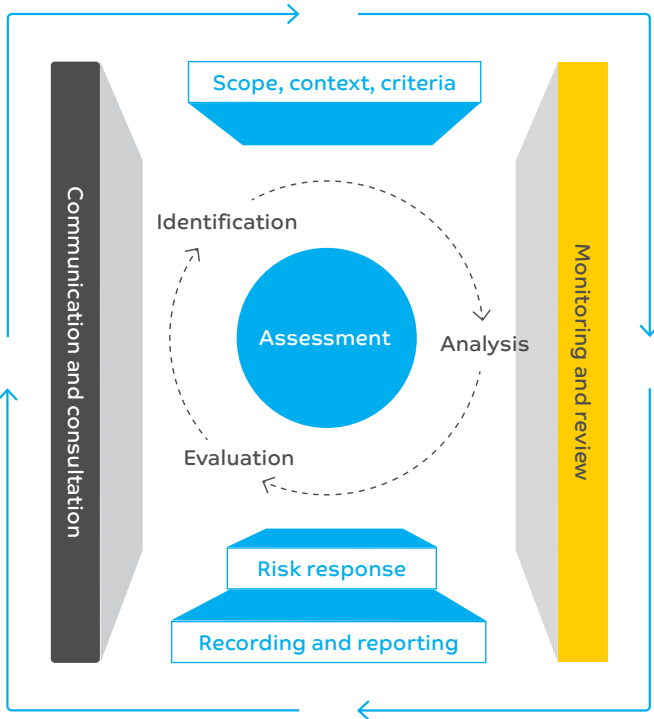
THREE LINES OF DEFENSE



RISK MANAGEMENT PROCESS

SABIC’s risk management process, encapsulated within the broader Risk Management Framework, includes tools and mechanisms for managing and overseeing various risk categories faced by SABIC and its global affiliates.

SABIC’S RISK MANAGEMENT PROCESS



SABIC’s Risk Management Policy and Framework are reviewed periodically to reflect changes in international standards, regulatory mandates, the external environment, and stakeholder expectations. In 2025, the Risk Management policy was reviewed and re-ratified by the SABIC Board.

The integration of SABIC’s Risk Management Framework into company-wide decision-making provides a consistent approach to risk identification, assessment, mitigation, risk tolerance, and monitoring and reporting. Embedding risk management processes within the Operations Management System (OMS) extends this framework to manufacturing affiliates and sites.

SABIC conducts periodic ground-up risk assessments across SBUs, corporate functions and sales offices, as well as during annual business planning, including risk quantification. These processes also support our projects and key initiatives, helping manage risks throughout their lifecycle.

In addition, internal surveys are conducted periodically to assess and enhance risk management and business continuity maturity.

2025 ACTIVITIES

SABIC enhanced its risk management and resilience programs through the following initiatives:

- Completion of the 2026 Business Planning Risk Assessment, enhancing insight into risks that may impact SABIC’s short- and long-term objectives.
- Launch of the “Risk Radar” initiative to strengthen manufacturing site resilience and promote risk-informed decision making through training and interactive workshops across functions.
- Execution of an end-to-end risk and business continuity hybrid simulation exercise to further strengthen preparedness for geopolitical tensions.
- Expansion of the ERM Culture Capability Building and Business Continuity programs to elevate risk management and business continuity skills across the organization.
- Supporting all entities in their Business Continuity Management and Business Continuity Plans to boost resilience against major disruptions, such as IT outages.

- Conduct regular “Risk Champion” programs to foster knowledge sharing across SABIC.
- Collaborating with government and private sector entities to enhance ERM practices through expert advice and knowledge exchange.
- Enhanced risk management and business continuity activities within our investments and joint ventures to streamline risk discovery and resilience.

These initiatives demonstrate the dedication to our strategy execution and to enhancing resilience against global challenges, geopolitical instability and a volatile energy market. They are also part of our broader efforts in knowledge exchange and championing risk management.

OUR RISK AND RESILIENCE CULTURE

SABIC entrusts employees to uphold the company’s standards and maintain risk mindfulness. We aim to enhance employees’ ability to identify and manage risks and have implemented several risk culture tools to reinforce this awareness. Additionally, our training programs, workshops, and knowledge-sharing events strengthen risk understanding and resilience across the organization.

2025 RISK LANDSCAPE

The global economy underwent rapid change shaped by major policy shifts, geopolitical tensions and conflicts, tariffs, and technological advancement. The impact of regional conflicts was evidenced by constraints on energy and goods supply and disruption of major transportation routes. SABIC has response plans to minimize these impacts, including updating inventory, considering alternative shipping routes, utilizing storage vessels, and reviewing tariff impacts and opportunities in relation to company objectives.

Digitalization is presenting challenges as well as opportunities for scaling business efficiencies. We conduct assessments to mitigate unfamiliar threats while leveraging the opportunities arising from digitalization and artificial intelligence.

The petrochemicals industry is subject to laws that govern emissions, waste administration, and resource utilization. At the same time, reporting requirements related to regulatory compliance are increasing. SABIC's response includes preparation for future compliance.

IMPLEMENTATION OF DOUBLE MATERIALITY ASSESSMENT

We recently moved into an additional paradigm for assessing and understanding risk through a double materiality lens. Double materiality moves beyond traditional financial considerations to include how a company impacts society and the environment. This dual perspective recognizes that a company's activities can have effects on external factors, which can then influence the company itself, helping organizations understand their broader responsibilities.

The impacts, risks, and opportunities that we consider through our double materiality assessment will be detailed more fully in the [Sustainability performance](#) section of this report.



Members of the Enterprise Risk and Data Management team at SABIC's technical meeting held at our site in Jubail, Saudi Arabia.

RISK FACTORS

SABIC may face risks inherent to the oil, gas, and petrochemical sectors. The impacts of these risks – both threats and opportunities – are managed through a range of strategic approaches. However, some factors remain beyond the company’s control and could negatively affect its business, financial results, and operating conditions.

STRATEGIC RISKS

- Highly competitive industries
- Cyclical nature of petrochemicals industry and market conditions
- Environmental challenges
- Evolving regulations relating to sustainability and ESG
- Digital transformation and artificial intelligence (AI)

COMPLIANCE RISKS

- Intellectual property and technology licenses
- Disputes and/or litigation
- International trade controls
- Use and handling of materials and products
- Regional chemical regulations



OPERATIONAL RISKS

- Talent management
- Disruption of supply chain services
- Geopolitical instability and pandemic
- Use of information technology
- Inherent process safety
- Projects under development

FINANCIAL RISKS

- Customer credit
- Foreign exchange
- Insurance policies

STRATEGIC RISKS

HIGHLY COMPETITIVE INDUSTRIES

SABIC is exposed to the competitive characteristics of several different geographic markets and industries, which gives rise to exposure of operational and market risks, e.g., higher cost of production and low selling prices.

- SABIC’s principal competitors vary from product to product and range from large petrochemical companies to smaller regional companies. Potential outcomes include a failure to meet performance expectations related to quality, time to market, cost, and innovation.
- SABIC is leveraging its feedstock access, asset positions, product and market leadership, strategic partnerships, human capital, and its global brand. These strengths position the company to navigate challenges effectively.

CYCLICAL NATURE OF THE PETROCHEMICALS INDUSTRY AND MARKET CONDITIONS

The petrochemicals industry is subject to the cycles of expansion and contraction in line with movements in the economy, which creates swings in the supply of and demand for petrochemical products and volatility in the prices of feedstock and finished petrochemical products.

- The price of feedstock and products depends on the location of the production facility, type of product, and location of the customer. In the last decade, the economy experienced periods of slowdown, high volatility, and reduced business activity, all of which affect downstream demand for chemical and plastic products in certain sectors and regions.
- SABIC conducts continuous horizon scanning for any upcoming/expected changes, related to the petrochemicals industry and market, to maneuver our business model accordingly. We revisit our product portfolio and conduct scenario planning to build a product portfolio that can withstand changes.

ENVIRONMENTAL CHALLENGES

Climate change poses a threat to the global economy, impacting businesses and financial institutions.

- Climate risks can damage infrastructure, disrupt supply chains and lead to increased insurance claims. Transition risks are risks associated with the shift to a low-carbon economy, such as changes in government policies, technological advancements, and consumer preferences.
- SABIC monitors progress against the company's own climate ambitions, cognizant of the challenges imposed by technology and economics. SABIC evaluates physical environmental risks to identify vulnerabilities and strengthen the resilience of its operations.

DIGITAL TRANSFORMATION AND ARTIFICIAL INTELLIGENCE (AI)

The petrochemicals industry is moving quickly to harness the potential of digitalization, and SABIC must keep pace, or be a leader, with respect to its competitors.

- SABIC's Digitalization team leverages big data, machine learning, and AI technologies to enhance business processes, drive value chain efficiencies, foster innovation, unlock growth opportunities, and gain a competitive edge. These efforts also strengthen SABIC's ability to meet evolving customer needs.

DISRUPTION OF SUPPLY CHAIN SERVICES

SABIC's operations rely on the transportation of materials by sea and overland, and the company seeks cost efficiencies in the distribution of its finished products.

- Supply chain uncertainty, including the viability of key suppliers, scarcity of supplies, energy sources, unpredictable shipping and distribution logistical issues, and/or price instability may make it difficult to deliver products or services at acceptable margins.
- SABIC maintains healthy inventory levels, secured capacity, and balanced service levels while managing costs effectively. SABIC developed business continuity plans for major supply chain risk scenarios, which are exercised and monitored.

RAPIDLY EVOLVING REGULATIONS RELATING TO SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

In recent years, there has been a growing awareness of the impacts of business activities on the environment and society. This led to changes in regulation and public expectations, which are creating new risks and opportunities for businesses.

- We recognize that our success increasingly depends on integrating ESG principles into every aspect of our business.
- SABIC is reducing its greenhouse gas emissions, water usage, and waste generation, recognizing that these changes may require new technologies, capital investments, supply chain participation, and increased operating costs.
- The company follows a complex network of reporting regulations, ratings, and disclosure frameworks to meet stakeholder expectations, and our position is always to be prepared for full compliance.

OPERATIONAL RISKS

TALENT MANAGEMENT

SABIC's future success depends in part on its ability to hire, integrate, and retain highly skilled employees.

- Experienced and capable employees in the industries in which SABIC operates remain in high demand, and there is continuous competition for talent. Adoption and optimization of emerging technologies hinge on access to new skills that either are in short supply or require comprehensive upskilling and reskilling of existing employees.
- SABIC prioritizes recruiting qualified employees and minimizing the unexpected loss of key and skilled members of its workforce. SABIC strives to promote a safe and healthy work environment, and foster a sense of belonging through initiatives targeting leadership capabilities, offering competitive compensation and benefits, and comprehensive medical insurance, amongst others.

GEOPOLITICAL INSTABILITY AND PANDEMIC

Unrest and conflict may cause uncertainty in forecasting performance in the near- to mid-term future. Any shutdown, pandemic restrictions or compromise of shipping routes would substantially impede SABIC's ability to transport products.

- Recent and long-standing geopolitical unrest incidents are impacting energy and commodity prices. Potential for pandemics at a scale witnessed with COVID-19 is still a factor to be considered. The long-term impacts of these risk factors will govern the evolution of trade and the world economy as countries and companies seek greater independence from reliance on external suppliers of key technologies and materials.
- SABIC has a crisis management system, managed at global, regional, and site levels, to address any incidents and potential crises. In the event of geopolitical instability, SABIC has business continuity plans, which are exercised and monitored to counter scenarios that could impact its operations and supply chain.

USE OF INFORMATION TECHNOLOGY

SABIC is exposed to various IT-related risks, such as the loss or theft of data, cyberattacks, systems failure and technical obsolescence of IT systems.

- The nonavailability, violation of confidentiality, or the manipulation of data in critical IT systems and applications can lead to uncontrolled outflow of data and have a direct impact on operations and financial conditions.
- SABIC has a sophisticated cybersecurity system in place to safeguard its facilities and infrastructure from potential cyberattacks. We have disaster recovery and business continuity plans to maintain up-to-date versions and backups for IT systems while performing cybersecurity attack simulations. In addition, we also have several data protection initiatives, including data classification, data loss prevention and providing training/awareness to employees on the identification and prevention of cyberattacks.

INHERENT PROCESS SAFETY

The nature of petrochemical operations exposes SABIC to environmental, health, safety, and security (EHSS) risks.

- SABIC and its affiliates comply with applicable laws and regulations related to EHSS. These laws and regulations set various standards regulating certain aspects of EHSS.
- SABIC’s EHSS strategy focuses on fostering a proactive risk discovery mindset through smart metrics that encourages identifying and reporting concerns while promoting effective mitigation measures. This approach is supported by the SABIC Assurance For EHSS Risks (SAFER) management and stewardship framework.
- The company enhances process safety competency by delivering qualifications and training programs. SABIC also deploys an Operations Management System encompassing multiple dimensions of process and occupational safety.

PROJECTS UNDER DEVELOPMENT

SABIC has capital-intensive projects that are under development or in their planning stages.

- These projects include investments in new production plants and expansion or upgrading of existing plants. Each of these projects entails several risks during construction and commissioning such as investment cost overrun, availability of feedstock, unanticipated liabilities, changes in taxes or duties, difficulties in achieving projected efficiencies and synergies, ability of contractors to comply with contractual obligations, and changes in market conditions.
- SABIC executes projects through a consistent and rigorous process aided by analytical tools, techniques, and templates designed to support a thorough generation of investment ideas, selection of investment, economic evaluation, and execution of projects.

FINANCIAL RISKS

CUSTOMER CREDIT

SABIC provides services and products to a variety of regional and global customers.

- The exposure to credit risk is influenced mainly by individual characteristics of each customer.
- SABIC considers customer demographics, including default risks of the industry and country in which the customer operates. SABIC has procedures in place to monitor credit risk on receivables and monitors customers’ credit limits.

FOREIGN EXCHANGE

SABIC’s operations are exposed to foreign exchange risks arising from various currency exposures, primarily to fluctuations of other currencies against the Saudi Riyal (ﷲ).

- This exposure is primarily through identification and prevention of account receivables, trade payables, and certain non-Saudi ﷲ denominated bank accounts and borrowings.
- Although the Saudi ﷲ is pegged to the US\$, SABIC conducts a regular review of currency exchange rate fluctuations and the impact on its business.

INSURANCE POLICIES

The operations of SABIC and its affiliates are subject to hazards inherent in refinery and petrochemicals operations.

- These hazards and risks include fires, explosions, pipeline ruptures, storage tank leaks, chemical spills, discharges or releases of hazardous substances, mechanical failure of equipment, war, terrorism, sabotage, and natural disasters. These risks may cause personal injury and loss of life, environmental pollution, and severe damage or destruction of SABIC’s properties or the properties of others.
- SABIC maintains insurance coverage in amounts consistent with relevant industry practice, including coverage for risk of property damage, business interruption resulting from fire, or machinery breakdown and third-party liability amongst others.

COMPLIANCE RISKS

INTELLECTUAL PROPERTY (IP) AND TECHNOLOGY LICENSES

SABIC depends upon a wide range of intellectual property to support its businesses.

- We obtain licensed technologies, which are used in our manufacturing facilities, and we license out proprietary IP to third parties.
- SABIC manages IP risk through ensuring that its IP data is well protected against possible infringements through contractual and physical protection and strong focus and investment in employee awareness and training.

INTERNATIONAL TRADE CONTROLS

The potential for protectionist barriers adversely impacting SABIC’s trading opportunities to sell products in other markets is increasing.

- Protectionist barriers may take the form of trade control measures (e.g., tariffs, antidumping, and anti-subsidy) and have an adverse effect on SABIC’s ability to trade and sell products in healthy market conditions.
- We manage these risks through an International Trade Controls policy that requires both employees and entities to comply with applicable trade regulation and through monitoring and screening transactions for restrictions on certain sanctioned countries, persons, and prohibited end-uses.

REGIONAL CHEMICAL REGULATIONS

SABIC’s business is subject to a variety of laws and governmental regulations regarding the use of toxic or hazardous materials.

- Non-compliance with laws and regulations to obtain regulatory approval for new products and manufacturing processes could be costly (e.g., confiscation, recall, monetary fines etc.), which could prevent or inhibit the development, distribution, and sale of its products.
- The company complies with regional reporting regulations, international standards, laws and disclosure frameworks relating to the use, treatment, storage and disposal of hazardous, toxic substances or waste. These regulations are designed protect the health and safety of employees and contractors, as well as protect the environment.

DISPUTES AND/OR LITIGATION

SABIC’s business operations could be subject to civil and criminal litigation and regulatory authority proceedings related to legal and regulatory compliance misses, if and to the extent that these are not prevented and proactively mitigated.

- Such risks relate, amongst others, to product liability, competition law, anti-bribery and anti-corruption regulations, trade sanctions and export control regulation, data protection, IP laws, procurement law, tax legislation, and environmental protection regulations. Violations of these laws may result in civil or criminal penalties, adverse effects on our reputation, and cause other adverse financial consequences.
- SABIC invests in a robust Code of Ethics and Compliance program and integrity culture, including creating an atmosphere where employees and stakeholders are encouraged to raise any integrity-related concerns. Also, focusing on strong contractual protection and comprehensive training requirements on compliance and emerging topics (e.g., greenwashing).

USE AND HANDLING OF PRODUCTS AND MATERIALS

SABIC’s products are safe if managed and used properly. However, if not handled correctly, there is a risk that may result in fire/explosions at production or logistics facilities, or discharges of toxic gases or hazardous chemicals into the atmosphere or land.

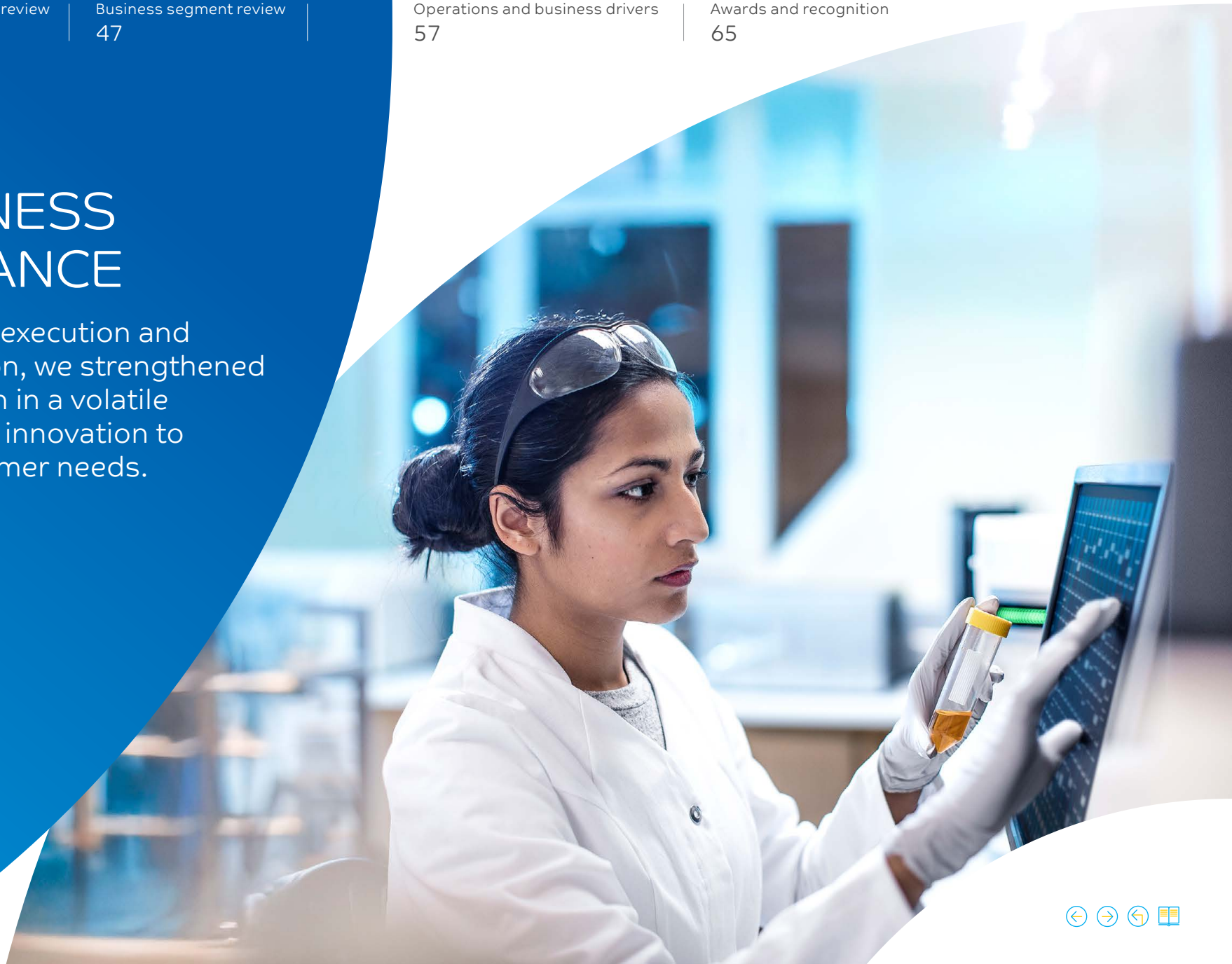
- Occurrence of such events, during transportation or at a customer facility, could result in damage to persons, equipment, or property, or other disruption to SABIC’s ability to produce or distribute its products which could result in a decrease in revenues and profits as well as civil lawsuits and investigations, or regulatory enforcement proceedings.
- SABIC complies with applicable laws, international standards, and regulations governing the use, treatment, storage, and disposal of hazardous and toxic substances or waste to help protect the health and safety of employees, contractors, and the public.

Business environment	Financial review	Business segment review
37	39	47

FINANCIAL AND BUSINESS PERFORMANCE

Through disciplined execution and portfolio optimization, we strengthened our financial position in a volatile market while driving innovation to meet evolving customer needs.

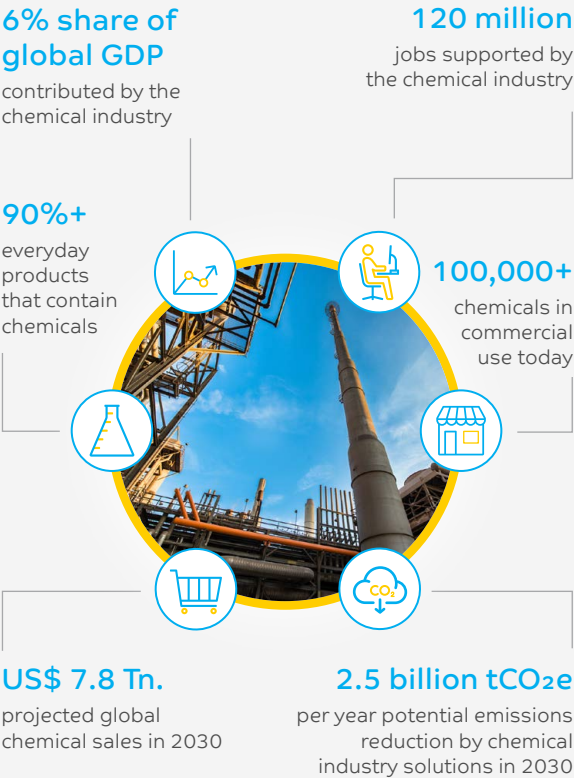
Operations and business drivers	Awards and recognition
57	65



BUSINESS ENVIRONMENT

CHEMICAL INDUSTRY INSIGHTS

The chemical industry plays a critical role in virtually every sector of the economy:



Source: ICIS, Oxford Economics

GLOBAL ECONOMY

Overview: The global economy is transitioning from post-pandemic recovery toward a landscape defined by economic fragility and structural fragmentation, with overall growth slowing and tracking below historical long-term averages. This deceleration reflects the cumulative impact of previous restrictive monetary policies, withdrawal of pandemic-era fiscal support, and an increasingly complex geopolitical environment that has reshaped international trade and investment flows.

Monetary policy and inflationary dynamics: Inflationary pressures continue to moderate allowing major central banks to shift from restrictive levels toward a normalization by region. In developed markets, the challenge shifted from headline inflation to addressing persistent core prices. While the restrictive interest rate environment of recent years has begun to ease, its effects continue to constrain household consumption and large-scale capital expenditure across most industrial sectors.

Trade fragmentation and geopolitical headwinds: Global trade remains subdued, constrained by protectionist industrial policies and the spread of trade barriers. Notably, the environment has transitioned into a landscape of regional blocs, which introduced new structural costs into supply chains. Escalating tariffs and trade disputes created policy uncertainty, prompting businesses to prioritize supply chain resilience and localized manufacturing over traditional cost-optimization models.

Regional performance and divergence: Economic performance continues to diverge between advanced and emerging economies. Growth in the United States and Europe remains modest. While the US has shown resilience through steady domestic consumption, the European economy faces ongoing challenges from high energy costs and softened demand for industrial exports.

Emerging economies remain the primary engine of global growth, though momentum has cooled in some regions. Asia continues to lead, supported by its increasing share of global output. While China’s economy is navigating structural headwinds in its domestic property sector, India and Southeast Asia emerged as key beneficiaries of supply chain diversification and increased foreign investment.

Outlook for 2026: The outlook for 2026 suggests a period of stabilization as the global economy settles into a low-growth trajectory, with the potential for further headwinds from heightened policy uncertainty. A defining feature of 2026 will be the delayed impact of policy shifts, particularly in trade, which will take time to fully permeate the economy. While a gradual easing of interest rates is expected to provide some relief, the benefits may be tempered by fiscal consolidation in major economies and the reordering of supply chains. Consequently, 2026 is viewed as the beginning of a new steady state where growth is modest, regionalized, and highly sensitive to geopolitical developments.

INDUSTRIAL PRODUCTION

Industrial landscape: Industrial production saw a moderate recovery as the United States and the Eurozone exited a period of contraction fueled by inflation and restrictive monetary policies in the prior year. In Europe, the sector navigated structurally higher energy costs following the loss of lower-cost energy supplies previously utilized prior to the conflict in Ukraine.

Asia’s contribution to industrial production remained constrained by international trade measures and restrictive tariffs. Geopolitical tensions in the Middle East and Europe further hindered growth by disrupting supply chains, exacerbated by the diversion of shipping to longer and more costly routes.

Outlook for 2026: Industrial production is projected to decelerate in 2026 due to uncertainty from geopolitical tensions, trade disputes, and the accumulation of public and private debt. Rising material input costs, driven by trade barriers, are expected to keep the US industrial output constrained. Meanwhile, the European Union continues to struggle with the structural impacts of the Ukraine war on consumer spending and capital investment. The slowdown among major Western industrial partners is expected to cause a deceleration in Asian production growth.

FEEDSTOCK AND PETROCHEMICAL MARKETS

Feedstock market: Overall feedstock prices trended lower as the pace of supply growth outpaced demand. This surplus was driven by output expansion from non-OPEC producers, led by the United States, alongside OPEC+ initiating a phased restoration of production volumes throughout the year. In addition, Russia continued to offer steep discounts on crude and feedstock to major buyers in China and India. Consequently, feedstock inventories reached record levels, reinforced by a surge in US LPG exports which hit historic highs.

In contrast, natural gas markets remained structurally tight. In the United States, Henry Hub prices trended upward due to record LNG exports, which in turn pulled ethane prices higher. In the Middle East, while ethane and natural gas maintained a cost advantage, domestic price reforms experienced an upward adjustment to better align with global benchmarks, though they remained below international spot prices.

On the demand side, the market remained under pressure due to sluggish manufacturing activity in the US, EU, and China. Geopolitical uncertainty in Europe and the Middle East, alongside concerns regarding potential tariff escalations, kept industrial buyers cautious. Notably, Chinese buyers shifted their sourcing strategies, actively diversifying away from US LPGs in response to trade policy uncertainty and focusing on securing additional volumes from the Arabian Gulf.

Petrochemical market: The petrochemical market suffered as high interest rates restricted consumer spending and industrial activity. Downstream demand contracted notably, primarily due to the implementation of new tariff policies and their immediate impact on the global trade of finished goods. However, many countries successfully reached new trade deals, which provided support for exporting activities.

The industry continues to navigate through a significant oversupply situation. This capacity addition is being driven primarily by aggressive expansion in China, alongside new, low-cost plants in the United States and the GCC.

Supply chain and shipping costs fluctuated due to geopolitical tensions in the Middle East, which then stabilized following ceasefire discussions.

Outlook for 2026: The outlook for 2026 remains cautious for most products, as supply growth is expected to continue outpacing demand growth. The industry anticipates a period of necessary rationalization. High operating costs and thin margins will likely lead to more closure announcements in 2026, particularly for older, inefficient assets in Europe and Asia. While feedstock prices are projected to be lower due to increased supply availability – which will reduce overall production costs – the cost remains high from a historical perspective compared to petrochemical product prices, which are currently at their lows.

FINANCIAL REVIEW

2025 FINANCIAL HIGHLIGHTS*

Financial performance	Revenue		EBITDA		Net income from continuing operations (loss)***		Earnings per share from continuing operations***	
	⌌ 116.53 Bn. US\$ 31.07 Bn. 2024: ⌌ 117.74 Bn. US\$ 31.40 Bn.		⌌ 16.43 Bn. US\$ 4.38 Bn. 2024: ⌌ 21.00 Bn. US\$ 5.60 Bn.		⌌ -1.53 Bn. US\$ -0.41 Bn. 2024: ⌌ 5.09 Bn. US\$ 1.36 Bn.		⌌ -0.51 US\$ -0.14 2024: ⌌ 1.70 US\$ 0.45	
	Adjusted EBITDA		Adjusted EBITDA margin		Adjusted income from operations (Adjusted EBIT)		Adjusted net income from continuing operations***	
	⌌ 17.88 Bn. US\$ 4.77 Bn. 2024: ⌌ 20.98 Bn. US\$ 5.60 Bn.		15.3% 2024: 17.8%		⌌ 6.92 Bn. US\$ 1.84 Bn. 2024: ⌌ 9.79 Bn. US\$ 2.61 Bn.		⌌ 2.07 Bn. US\$ 0.55 Bn. 2024: ⌌ 5.88 Bn. US\$ 1.57 Bn.	
Financial position	Net debt (cash)		Net cash flow from operating activities**		Free cash flow**		Total dividends paid to equity holders of the Parent	
	⌌ -3.61 Bn. US\$ -0.96 Bn. 2024: ⌌ -3.01 Bn. US\$ -0.80 Bn.		⌌ 16.54 Bn. US\$ 4.41 Bn. 2024: ⌌ 11.97 Bn. US\$ 3.19 Bn.		⌌ 9.21 Bn. US\$ 2.46 Bn. 2024: ⌌ 4.24 Bn. US\$ 1.13 Bn.		⌌ 9.63 Bn. US\$ 2.57 Bn. 2024: ⌌ 10.10 Bn. US\$ 2.69 Bn.	

*All highlights above pertain to continuing operations unless otherwise stated.
**Cash from operating activities and free cash flow are prepared on a pro-forma basis excluding discontinued operations.
***Attributable to equity holders of the Parent.

Sales totaled ₪ 116.53 Bn. in 2025, a slight decrease of 1% from ₪ 117.74 Bn. in 2024, primarily due to lower average sales prices, with increased sales volumes partly offsetting the decline.

Income from operations (EBIT) was ₪ 4.37 Bn. compared to ₪ 9.43 Bn. in 2024, a decrease of ₪ 5.06 Bn. or 54%, largely impacted by lower gross profit resulting from lower average sales prices, with additional impact from impairments recognized on certain assets due to a changing market environment. This was also driven by the increase in other operating expenses mainly due to non-recurring costs related to a strategic restructuring initiative, offset by savings in operating expenses resulting from continuous efforts in expenditure controls and the aforementioned strategic restructuring initiative.

Income tax and Zakat expenses amounted to ₪ 1.60 Bn. compared to ₪ 0.82 Bn. in 2024, an increase of ₪ 0.78 Bn. mostly due to the favorable impact of Zakat in 2024 following the revision of relevant regulations.

Net losses from discontinued operations were ₪ 24.38 Bn. compared to ₪ 3.55 Bn. in 2024. This increase was primarily driven by effects of the fair value assessment results due to the potential divestiture of SABIC's European Petrochemicals business as well as the Engineering Thermoplastics business in the Americas and Europe, amounting to ₪ 9.85 Bn. and ₪ 5.33 Bn., respectively. On top of the fair value loss, the European Petrochemicals business and the Engineering Thermoplastics business in the Americas and Europe reported higher losses of ₪ 4.87 Bn. and ₪ 1.34 Bn., respectively, compared to last year. These losses included the impact of the Teesside UK cracker closure amounting to ₪ 3.78 Bn. as well as de-recognition of deferred tax assets of ₪ 1.73 Bn. as they are no longer recoverable within the expected period till divestiture.

In 2025, a **net loss (attributable to equity holders of the Parent)** of ₪ 25.78 Bn. was reported as compared to the net income of ₪ 1.54 Bn. in 2024, a decrease of ₪ 27.32 Bn. This was primarily driven by the losses from discontinued operations.

SUMMARIZED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*

₪ (Bn.)	2025	2024	% Change	2023	2022	2021
Total assets	244.29	277.54	-12	294.38	313.11	319.36
– Thereof assets held for sale**	8.96	3.62	–	15.42	–	–
Total liabilities	89.47	94.10	-5	99.10	95.49	107.52
– Thereof liabilities associated with assets held for sale**	6.99	–	–	5.70	–	–
Total equity	154.82	183.44	-16	195.28	217.62	211.83
Non-controlling interests	26.10	27.09	-4	27.85	31.57	31.69
Equity attributable to equity holders of the Parent	128.72	156.36	-18	167.43	186.05	180.14

US\$ (Bn.)	2025	2024	% Change	2023	2022	2021
Total assets	65.14	74.01	-12	78.50	83.50	85.16
– Thereof assets held for sale**	2.39	0.97	–	4.11	–	–
Total liabilities	23.86	25.09	-5	26.43	25.46	28.67
– Thereof liabilities associated with assets held for sale**	1.86	–	–	1.52	–	–
Total equity	41.29	48.92	-16	52.07	58.03	56.49
Non-controlling interests	6.96	7.22	-4	7.43	8.42	8.45
Equity attributable to equity holders of the Parent	34.32	41.70	-18	44.65	49.61	48.04

*All numbers presented above are based on the published financial statements, including any restatements of prior periods.
 **Assets and liabilities pertaining to SABIC's European Petrochemicals business and Engineering Thermoplastics business in the Americas and Europe were classified under assets/liabilities held for sale as of December 31, 2025. The investment in ALBA was classified under assets held for sale as of December 31, 2024, while assets and liabilities pertaining to the Hadeed business were classified under assets/liabilities held for sale as of December 31, 2023.

Consolidated Statement of Financial Position

Total assets stood at ₪ 244.29 Bn. as of December 31, 2025, a reduction of ₪ 33.25 Bn. or 12% compared to the previous year (₪ 277.54 Bn. as of December 31, 2024). The decrease was mainly due to the reclassification of assets related to the European Petrochemicals business and the Engineering Thermoplastics business in the Americas and Europe into assets held for sale, subsequently with a fair

value remeasurement loss on these assets of ₪ 15.18 Bn. and an impact of about ₪ 2.02 Bn. from the de-recognition of deferred tax assets mainly due to insufficient lead time for utilization before expected divestiture. Also, during 2025, various impairments for a total amount of ₪ 6.15 Bn. were recognized on certain assets including the cracker in Teesside UK as announced in Q2 2025, and the investment in Clariant

due to a change in its share price. The remaining impact was mainly from routine depreciation and amortization, unfavorable fair value remeasurements of derivative equity instruments, working capital savings, offset by routine capital expenditure.

Total liabilities at year-end 2025 amounted to ₪ 89.47 Bn., down ₪ 4.63 Bn. (5%) from ₪ 94.10 Bn. as of December 31, 2024. This decline was primarily driven by lower dividends payable of ₪ 6.35 Bn. mainly as a result of a change in the

dividend declaration protocol as announced on Tadawul, partially offset by increased RCF withdrawals. As at December 31, 2025, liabilities related to the European Petrochemicals business and the Engineering Thermoplastics business in the Americas and Europe, amounting to ₪ 6.99 Bn., were reclassified to liabilities directly associated with assets held for sale.

Equity attributable to equity holders of the Parent totaled ₪ 128.72 Bn. at year-end 2025 compared to ₪ 156.36 Bn. in 2024, a decrease of ₪ 27.64 Bn. or 18%. This decline was mainly due to net losses during 2025.

Net cash generated from operating activities in 2025 was ₪ 15.96 Bn. compared to ₪ 16.36 Bn. in 2024, a decrease of ₪ 0.40 Bn. or 2%, mainly the result of lower profitability and pay-outs related to the strategic restructuring initiative, partially offset by improvements in working capital from lower inventory and trade receivables balances, reflecting the continuous efforts of the group and changes in market conditions.

Net cash used in investing activities in 2025 was ₪ -7.72 Bn. compared to ₪ -7.99 Bn. in 2024, a decrease of ₪ 0.27 Bn. or 3%, driven primarily by higher proceeds from divestments (mainly from the divestiture of ALBA and collection from the Public Investment Fund for the divestiture of Hadeed in 2024) and lower capital expenditures, partially offset by an increase in short-term investments.

Net cash used in financing activities in 2025 was ₪ -10.87 Bn. compared to ₪ -11.56 Bn. in 2024, a decrease of ₪ 0.68 Bn. or 6% primarily due to higher net proceeds from debt, offset by higher dividend payments.

Cash and cash equivalents at December 31, 2025 stood at ₪ 27.95 Bn. compared to ₪ 30.54 Bn. in 2024, a decrease of ₪ 2.59 Bn. or 8%.

Free cash flow in 2025 was ₪ 7.18 Bn. compared to ₪ 6.16 Bn. in 2024, an increase of ₪ 1.03 Bn. or 17% driven mainly by improved working capital, partially offset by lower profitability.

FINANCING

SABIC's financing strategy is focused on maintaining adequate liquidity, balance sheet strength, and financial flexibility, while supporting long-term shareholder value creation. During 2025, the company continued to apply a prudent and disciplined approach to leverage, ensuring continued access to diversified funding sources and resilience in a challenging operating environment. SABIC's credit profile remains in the high investment grade category, rated Aa3 long-term by Moody's, reflecting the strength of its capital structure and conservative financial management, with cash exceeding reported debt, and a strong liquidity position.

SUMMARIZED CONSOLIDATED CASH FLOWS*

₪ (Bn.)	2025	2024	% Change	2023	2022	2021
Net cash generated from operating activities	15.96	16.36	-2	24.45	35.81	39.49
Net cash used in investing activities	-7.72	-7.99	-3	-11.76	-12.57	-8.92
Net cash used in financing activities	-10.87	-11.56	-6	-18.90	-25.42	-17.82
(Decrease) increase in cash and cash equivalent	-2.63	-3.18	17	-6.22	-2.17	12.75
Cash and cash equivalents at the end of the year	27.95	30.54	-8	33.8	40.04	42.31
Capital expenditures	8.77	10.20	-14	10.49	10.22	10.97
Free cash flow	7.18	6.16	17	13.96	25.59	28.52

US\$ (Bn.)	2025	2024	% Change	2023	2022	2021
Net cash generated from operating activities	4.26	4.36	-2	6.52	9.55	10.53
Net cash used in investing activities	-2.06	-2.13	-3	-3.14	-3.35	-2.38
Net cash used in financing activities	-2.90	-3.08	-6	-5.04	-6.78	-4.75
(Decrease) increase in cash and cash equivalent	-0.70	-0.85	17	-1.66	-0.58	3.40
Cash and cash equivalents at the end of the year	7.45	8.14	-8	9.01	10.68	11.28
Capital expenditures	2.34	2.72	-14	2.80	2.73	2.93
Free cash flow	1.92	1.64	17	3.72	6.82	7.61

*All cash flow numbers are inclusive of discontinued operations.

Our primary sources of liquidity comprise cash flows generated from operations supported by committed bank facilities. These liquidity resources are deployed to fund ongoing operational requirements, capital expenditure funding, and strategic investments. Liquidity is also used to support dividend distributions to shareholders, in line with SABIC’s capital allocation priorities and financial strategy.

TOTAL DEBT PORTFOLIO OVERVIEW

﷼ (Bn.)	Opening balance	Additions	Repayments	Others*	Ending balance	Original loan amount	Period of the loans
Long-term debt	20.65	18.50	-14.21	0.06	25.00	15.95	1-9 years
Short-term debt	2.08	–	-1.08	0.01	1.01	16.91	1 year
Bonds	7.53	–	–	0.01	7.54	11.25	3-25 years
Financial lease (short and long-term)	4.93	–	-1.1	-0.32	3.51	N/A	N/A
Total	35.19	18.50	-16.39	-0.24	37.06	44.11	

US\$ (Bn.)	Opening balance	Additions	Repayments	Others*	Ending balance	Original loan amount	Period of the loans
Long-term debt	5.51	4.93	-3.79	0.02	6.67	4.25	1-9 years
Short-term debt	0.55	–	-0.29	0.00	0.27	4.51	1 year
Bonds	2.01	–	–	0.00	2.01	3.00	3-25 years
Financial lease (short and long-term)	1.31	–	-0.29	-0.09	0.94	N/A	N/A
Total	9.38	4.93	-4.37	-0.06	9.88	11.76	

*This mainly relates to interest, foreign exchange, and amortization effects.

 **Note 22: Debt**

The total debt portfolio as of December 31, 2025, can be broken down by lending party as follows:

Lending Party	﷼ (Bn.)	US\$ (Bn.)	%
Banks*	15.31	4.08	41
Capital market investors (bonds)	7.54	2.01	20
Saudi Industrial Development Fund (SIDF)*	0.30	0.08	1
Related party	10.40	2.77	28
Finance leases	3.51	0.94	10
Total debt and lease liabilities	37.06	9.88	100

* Including banks/facilities controlled by the Saudi government, disclosed as a related party in the financials.

SABIC’s **debt-to-equity ratio** developed as follows:

	﷼ (Bn.)		US\$ (Bn.)	
	2025	2024	2025	2024
Total debt and lease liabilities	37.06	35.19	9.88	9.39
Less: Cash and cash equivalents	-27.75	-30.54	-7.40	-8.14
Less: Short-term investments	-12.92	-7.67	-3.45	-2.05
Net debt (cash)	-3.61	-3.01	-0.96	-0.80
Total equity	154.82	183.44	41.29	48.92
Net debt to equity ratio	-2%	-2%	-2%	-2%
EBITDA	16.43	21.00	4.38	5.60
Net debt to EBITDA ratio	-0.22x	-0.14x	-0.22x	-0.14x

DEBT INSTRUMENTS ISSUED BY EACH AFFILIATE

Subsidiary	Debt Instrument						Balance as at December 31, 2025*
	Bonds	Conventional loans	Murabaha long-term loans	Saudi Industrial Development Fund	Murabaha – revolving credit facility (RCF)	Related party borrowings RCF	Grand total
Jubail Chemical Storage and Services Company (CHEMTANK)	–	–	2.21	–	–	–	2.21
National Industrial Gases Co. (GAS)	–	–	0.32	0.30	–	–	0.62
Arabian Industrial Fibers Company (IBN RUSHD)	–	–	2.95	–	–	–	2.95
National Methanol Company (IBN SINA)	–	–	0.16	–	–	–	0.16
SABIC Capital B.V. and its subsidiaries	7.54	–	–	–	–	10.40	17.93
Saudi Methyl Acrylate Company (SAMAC)**	–	0.10	–	–	–	–	0.10
Saudi Kayan Petrochemical Company's (SAUDI KAYAN)	–	–	7.93	–	1.00	–	8.94
Jubail United Petrochemical Company (UNITED)	–	–	0.65	–	–	–	0.65
Total	7.54	0.10	14.20	0.30	1.00	10.40	33.55

All amounts in ₪ Bn.
 *Represents 100% of the balance as reported in the respective subsidiaries' balance sheet.
 **Joint operations arrangement.

TAX

STRATEGY, PRINCIPLES, AND GOVERNANCE

SABIC’s tax policy is approved by the Board and reviewed regularly. It supports SABIC’s ambition to be the preferred world leader in chemicals by ensuring tax compliance, that tax considerations are integrated into business decision-making, risks are proactively managed, and SABIC’s reputation as a responsible and compliant corporate citizen is protected.

SABIC’s governance structure in place ensures that tax decisions are made at the appropriate level. SABIC has specific board and management approval requirements and processes that are accurately executed and monitored.

COMMITMENT TO COMPLIANCE AND RESPONSIBLE TAX PRACTICES

SABIC is fully committed to complying with all applicable tax laws, regulations, and reporting requirements in every jurisdiction in which it operates. This commitment extends to timely and accurate tax filings, correct payment of taxes legally due, and adherence to both the letter and, where applicable, the spirit of the law. Compliance with tax laws is a non-negotiable standard within SABIC and forms an integral part of our corporate governance and business conduct framework. SABIC also maintains ongoing monitoring of international and local tax regulations and adjusts its tax treatments accordingly.

SABIC respects the sovereign right of governments to design and enforce their own tax systems. Our approach to tax is grounded in transparency, integrity, and alignment with SABIC’s overall business objectives.

ALIGNMENT OF TAX OUTCOMES WITH VALUE CREATION

SABIC does not seek to shift or transfer value created within the group to low-tax or no-tax jurisdictions. Profits are aligned with the location of substantive economic activities, including the people, assets, and risks that generate those profits. This approach is consistent with internationally accepted tax principles and supports fair and sustainable taxation in the jurisdictions where SABIC operates.

COMMERCIAL SUBSTANCE AND STRUCTURAL INTEGRITY

SABIC does not enter, maintain, or promote tax structures or arrangements that lack genuine commercial rationale or economic substance. All group entities, transactions, and organizational structures must be supported by valid business purposes and reflect real economic activity. Tax considerations are evaluated as part of business decision-making, but they do not drive artificial or contrived outcomes.

SABIC does not use secrecy jurisdictions or so-called “tax havens” for tax avoidance purposes. Where SABIC operates in such jurisdictions, its presence is driven by genuine commercial activities and supported by appropriate levels of economic substance, governance, and transparency. SABIC does not engage in arrangements designed to obscure ownership, conceal profits, or undermine tax transparency.

TRANSFER PRICING

SABIC applies the arm’s length principle to all intercompany transactions, ensuring they are priced as if conducted between independent parties under comparable circumstances. Our transfer pricing policies are designed in accordance with the OECD Transfer Pricing Guidelines and comply with applicable local regulations in the jurisdictions where we operate. SABIC maintains comprehensive transfer pricing documentation to support compliance, transparency, and audit readiness across all relevant jurisdictions.

RISK MANAGEMENT AND CONTROLS

SABIC maintains a comprehensive Tax Control Framework (TCF) to proactively identify, assess, manage, and monitor tax risks across the group. Tax risks and positions are regularly reviewed by the Global Tax Leadership Team and reported to the Chief Financial Officer (CFO), who has executive responsibility for the tax function. The TCF ensures that tax risks are considered in business decisions and that appropriate controls, documentation, and approval processes are in place.

The Board Audit Committee provides independent oversight of SABIC’s financial reporting, internal controls, and compliance, including tax-related matters. SABIC’s external auditor provides reasonable assurance on SABIC’s financial statements.

ENGAGEMENT WITH TAX AUTHORITIES AND STAKEHOLDERS

SABIC seeks to establish constructive, transparent, and cooperative relationships with tax authorities in Saudi Arabia and other key jurisdictions. This includes engagement through audits, rulings, cooperative compliance arrangements, and other formal or informal mechanisms where appropriate. SABIC also engages with external stakeholders, including governments, NGOs, and business organizations, to support

efficient tax administration, simplified reporting, and internationally consistent tax standards.

INTEGRITY AND ACCOUNTABILITY

SABIC fosters a culture of integrity and accountability. Employees and external stakeholders are encouraged to raise tax or integrity-related concerns through established reporting channels. SABIC’s Code of Ethics and internal policies apply to all employees and support ethical behavior, lawful conduct, and responsible tax practices throughout the organization.

ADDITIONAL FINANCIAL INFORMATION

The statutory amounts paid and payable at the end of the reporting year were as follows:

	2025		2024	
# (Bn.)	Statutory amounts paid	Statutory amounts payable	Statutory amounts paid	Statutory amounts payable
Zakat	1.36	0.64	1.5	0.12
Income taxes	0.68	0.42	0.81	0.59
Others	0.60	0.07	0.61	0.07
Total	2.65	1.12	2.92	0.78

	2025		2024	
US\$ (Bn.)	Statutory amounts paid	Statutory amounts payable	Statutory amounts paid	Statutory amounts payable
Zakat	0.36	0.17	0.40	0.03
Income taxes	0.18	0.11	0.22	0.16
Others	0.16	0.02	0.16	0.02
Total	0.71	0.30	0.78	0.21

 **Note 31: Zakat and Income Tax**

The provision for **employee benefits** at the end of the reporting year was as follows.

	﷼ (Bn.)		US\$ (Bn.)		
	2025	2024	2025	2024	Change %
Defined benefit obligations					
End-of-service benefits	10.72	11.03	2.86	2.94	-3
Defined benefits pension schemes	0.14	1.25	0.04	0.33	-89
Post-retirement medical benefits	1.44	1.12	0.39	0.30	29
Total	12.30	13.40	3.28	3.57	-8
Other long-term employee benefits and termination benefits					
Long-term service awards	0.21	0.07	0.06	0.02	211
Early retirement plans	0.00	0.04	0.00	0.01	-91
Total	0.21	0.11	0.06	0.03	98
Grand total	12.51	13.51	3.34	3.60	-7

 **Note 23: Employee Benefits**

DETAILS OF AFFILIATES, JOINT VENTURES, AND ASSOCIATED COMPANIES

 Refer to Note 43 of the Consolidated Financial Statements.

Notes:

- For the years ended 2025 and 2024, certain income statement items have been reclassified under “Discontinued Operations.” Please refer to  **Note 34** of the Consolidated Financial Statements for more details.
- For the year ended 2025, certain asset and liability balances have been reclassified under “held for sale.” Please refer to  **Note 34** of the Consolidated Financial Statements for more details.
- SABIC has restated its comparative consolidated statement of financial position as at December 31, 2024 in relation to the restatement of one of its associates. Please refer to  **Note 42** of the Consolidated Financial Statements for more details.
- The US\$ to ﷼ exchange rate is 3.75.

BUSINESS SEGMENT REVIEW

TOTAL OPERATIONAL FOOTPRINT (Including discontinued operations)

PETROCHEMICALS

CHEMICALS	
Production volumes: 4%	
2025: 37.2 Mn. t	2024: 35.6 Mn. t
Sales volumes: 6%	
2025: 23.4 Mn. t	2024: 22.1 Mn. t

POLYMERS

Production volumes: 1%	
2025: 10.0 Mn. t	2024: 9.9 Mn. t
Sales volumes: 2%	
2025: 16.2 Mn. t	2024: 15.8 Mn. t

AGRI-NUTRIENTS

Production volumes: -2%	
2025: 8.3 Mn. t	2024: 8.4 Mn. t
Sales volumes: 1%	
2025: 7.2 Mn. t	2024: 7.1 Mn. t

OPERATIONAL FOOTPRINT (Continuing operations)

CHEMICALS	
Production volumes: 5%	
2025: 35.7 Mn. t	2024: 34.1 Mn. t
Sales volumes: 6%	
2025: 23.2 Mn. t	2024: 21.9 Mn. t

POLYMERS	
Production volumes: 2%	
2025: 7.3 Mn. t	2024: 7.2 Mn. t
Sales volumes: 1%	
2025: 13.0 Mn. t	2024: 12.9 Mn. t

(No discontinued operations)

FINANCIAL PERFORMANCE (Continuing operations)

PETROCHEMICALS: CHEMICALS AND POLYMERS

Revenue: -3%	
2025: ₪ 103.94 Bn. US\$ 27.22 Bn.	2024: ₪ 107.25 Bn. US\$ 28.60 Bn.
EBITDA: -32%	
2025: ₪ 11.54 Bn. US\$ 3.08 Bn.	2024: ₪ 17.08 Bn. US\$ 4.56 Bn.
Income from operations (EBIT): -95%	
2025: ₪ 0.33 Bn. US\$ 0.09 Bn.	2024: ₪ 6.40 Bn. US\$ 1.71 Bn.

AGRI-NUTRIENTS

Revenue: 20%	
2025: ₪ 12.59 Bn. US\$ 3.36 Bn.	2024: ₪ 10.48 Bn. US\$ 2.80 Bn.
EBITDA: 25%	
2025: ₪ 4.89 Bn. US\$ 1.30 Bn.	2024: ₪ 3.92 Bn. US\$ 1.04 Bn.
Income from operations (EBIT): 33%	
2025: ₪ 4.04 Bn. US\$ 1.08 Bn.	2024: ₪ 3.02 Bn. US\$ 0.81 Bn.

PETROCHEMICALS: CHEMICALS

PRODUCTS/PRODUCT GROUPS

Ethylene, propylene, butadiene; glycols products; industrial gases; methanol and low-carbon methanol; low-carbon MMA; low-carbon 2-EH; low-carbon DOP; ethoxylates and amines, including ethoxylated polyol grades; isocyanates and polyether polyols; propylene oxide; propylene glycol; ethylene dichloride; caustic soda; 2-ethylhexanol, dioctyl phthalate, iso-butanol, isobutyraldehyde, normal butanol, and methyl methacrylate; aromatics including benzene, styrene monomer, phenol, acetone, and other aromatics; catalysts; and other chemical products.

SEGMENT LANDSCAPE

The chemicals market remained in a prolonged down-cycle, driven by weak global demand, significant new capacity additions, and soft product pricing. Structural oversupply continued to compress margins, requiring a sharper focus on disciplined operations, cash protection, and optimization. Margins across methanol, MTBE, MEG, and aromatics remained weak, with a gradual recovery expected from 2026 as demand stabilizes and rationalization progresses.

2025 DEVELOPMENTS

SABIC continued to strengthen operational excellence, enhance its portfolio, and advance product sustainability performance across the chemicals segment within its petrochemicals business. A key milestone was achieved with SABIC’s first commercial sale of certified low-carbon methanol. SABIC has also achieved certification for low-carbon methyl

methacrylate (MMA), a key material for the automotive, coatings, adhesives, and construction industries, and a new downstream use for low-carbon methanol made with captured CO₂. These achievements demonstrate SABIC’s efforts to reduce emissions and advance a circular carbon economy. SABIC also progressed initiatives to unlock new applications for its ethoxylation plant, expanding its portfolio within the polyurethane industry.

Capabilities were enhanced in ethoxylated polyols, including the successful development of a castor oil ethoxylated polyol, culminating in the first commercial sale. In parallel, SABIC expanded its polyurethane offering—covering isocyanates and polyether polyols—into Europe, improving access to new markets, while broadening the ethoxylates portfolio to include polyethylene glycols and bio-based polyols, with new grades commercialized for polyurethane applications.

PRODUCT SUSTAINABILITY ADVANCEMENT

Glycols and linear alpha olefins achieved TÜV Rheinland certification for product carbon footprints in compliance with Together for Sustainability (TfS) and ISO 14067. In addition, ISCC CFC certification was obtained for glycols, enabling the attribution of CO₂ emissions avoidance through the conversion of captured CO₂ into methanol, resulting in reduced product carbon footprints for its glycols.

Scientific Design progressed sustainable ethylene oxide and ethylene glycol (EO/EG) technologies with integrated CO₂ purification, capable of reducing emissions by up to 40%. The ethoxylates portfolio was further expanded to include high-molecular-weight polyethylene glycols (HMW PEGs) for personal care and pharmaceutical applications at the new PEG facility in Saudi Kayan.

MANUFACTURING GROWTH, RELIABILITY, AND OPTIMIZATION

The Low Temperature Recovery System (LTRS-1) at Ibn Zahr was commissioned in early 2025, improving C3 and C4 recovery and enabling 99% feedstock recovery, equivalent to an additional 50 kilotons of MTBE production annually.

SABIC also successfully upscaled the MTBE plant at Petrokemya using its own technology. This upscaling established one of the world’s largest single train MTBE production lines, with annual capacity reaching approximately one million metric tons per annum, nearly double the existing production.

Product reliability for 2-ethylhexanol was improved through a permanent antioxidant dosing system, ensuring consistent quality during summer temperature peaks.

In catalysts, Scientific Design fully commercialized SynDox® 468 catalyst, delivering improved performance and extended catalyst life. SABIC also commissioned a new BuCat catalyst plant at Petrokemya, expanding capacity to support SABIC’s linear alpha olefins businesses and local/global market demand.

GEOGRAPHIC EXPANSION AND MARKET PRESENCE

While growth in chemicals is increasingly driven by Southeast Asia, India, and China markets, SABIC will maintain strategic access for our products through exports to both Europe and the Americas.

PARTNERSHIPS AND SOCIETAL CONTRIBUTION

SABIC partnered with a leading local downstream producer to connect to its benzene pipeline network, with expectations to secure a long-term supply agreement to meet local benzene demand. As part of stream integration efforts, SABIC, alongside Aramco affiliates, commissioned infrastructure on the east and west coasts to unlock the commercial value of pyrolysis oils and deploy them in higher-value applications.

SABIC continued its contribution to critical societal and industrial needs through the reliable supply of liquid CO₂. During the Hajj season, SABIC supported the Adahi project by supplying approximately 1,000 metric tons of liquid CO₂, enabling the production of dry ice used in the quick-freezing of sacrificial meat to preserve quality, reduce waste, and ensure food safety. SABIC also maintained uninterrupted liquid CO₂ supply to the water desalination sector, supporting peak demand and new site intake, reinforcing its strong market position in this strategic sector. In addition, SABIC continues its commitment to supply high purity liquid O₂ to the Medical Sector through partnership with Ministry of Health as certified distributors.

RAW MATERIALS

SABIC’s raw materials portfolio relies on a mix of gas- and crude oil–based petrochemicals, including methane, ethane, propane, butane, naphtha, and condensates. Natural and liquid gas serve as primary sources for energy, steam, and the production of key base chemicals, while ethane, propane, butane, and naphtha are processed in our steam crackers to generate vital feedstocks such as ethylene and propylene. Ammonia and methanol produced from natural gas further underpin SABIC’s value chains.

Our integrated approach enhances efficiency and supply stability by using by-products from one facility as feedstock in another, reducing energy use, emissions, and logistics costs while creating operational synergies. In Saudi Arabia, long-term agreements with Saudi Aramco secure feedstock, with ongoing efforts to optimize utilization and preserve value during disruptions. Globally, SABIC continues to adjust its feedstock base to strengthen resilience.

SECURING FEEDSTOCK FOR KEY VALUE CHAINS

Within the Aromatics chain, SABIC sources benzene, cumene, phenol, PTA, and acetone to support production of styrene monomer, polycarbonates, oryl, and PET. Availability and cost efficiency are maintained through long-term agreements with Saudi Aramco affiliates and other suppliers, complemented by internal production and a geographically diversified supplier network. Adequate storage capacity further mitigates supply-chain disruptions.

RAW MATERIAL BASE AND CONTINUITY OF APPROACH

Key olefins feedstocks – including ethane, propane, butane, and naphtha – remain central to SABIC’s operations. Mineral-based raw materials, used in catalysts and other applications, are sourced globally, reflecting continuity in SABIC’s integrated raw materials approach.

PETROCHEMICALS: POLYMERS

PRODUCTS/PRODUCT GROUPS

Polyethylene, polypropylene, polycarbonate, elastomers, polyethylene terephthalate, polystyrene, polyvinyl chloride, and others.

High-heat families of ULTEM™ resins – polyetherimide (PEI), SILTEM™ resins – copolymer of polyetherimide and siloxane, and EXTEM™ resins – thermoplastic polyimide (TPI); LNP™ resins and compounds, LNP™ PC copolymers; and NORYL™ resins and compounds – polyphenylene ether (PPE).

SEGMENT LANDSCAPE

The polymers segment continued to face structural oversupply, slower demand growth , and the lingering effects of tariff-driven disruptions. Additional supply volumes-maintained pressure on global pricing. End-market demand remained soft throughout the year, driven by the implementation of new tariff policies and their impact on global inflation and the trade of finished goods.

2025 DEVELOPMENTS

SABIC advanced initiatives that strengthened its market position, deepened value-chain engagement, and enhanced innovation and portfolio differentiation.

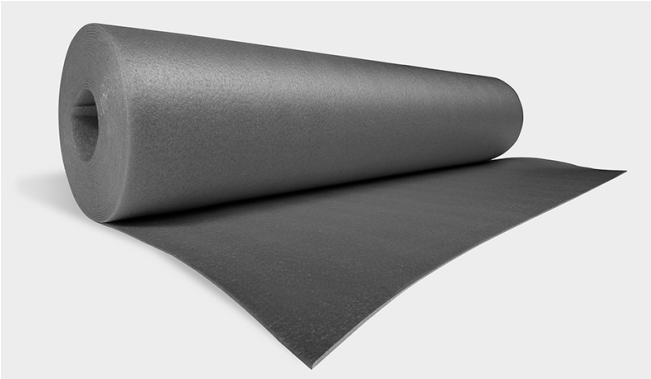
BUILDING AND CONSTRUCTION

- Pipes and infrastructure:** SABIC’s Polyethylene PE100 reinforced thermoplastic pipe (RTP) solution was successfully installed beneath the South China Sea, covering 16 kilometers at a depth of 110 meters. This installation validated the material’s performance in real operating conditions, demonstrating ease of handling, corrosion resistance, and installation efficiency compared with conventional steel pipelines.



- Mining slurry pipeline:** SABIC commercialized PO COMPOUND SABIC® P1600A, an advanced anti-abrasive polyolefin compound for mining slurry pipeline applications. Designed for extreme wear conditions, P1600A provides high abrasion resistance, impact strength, and long-term durability, extending pipeline service life. The solution reduces maintenance, downtime, and improving operational reliability.
- Agricultural manufacturing productivity:** SABIC continues to enhance the agricultural manufacturing industry by enabling higher productivity through SABIC® LLDPE P438J resin, supporting higher-speed irrigation tape production while simplifying processing through the replacement of complex multi-polymer blends.
- Energy and power infrastructure:** SABIC expanded its infrastructure portfolio with PE-RT II (Polyethylene of Raised Temperature Resistance, Type II) solutions for high-voltage cable applications, addressing growing demand for durable, long-life materials that support reliable power transmission and grid expansion.

- Telecom and gas standards leadership:** SABIC advanced its commercial positioning in telecom infrastructure through microduct material solutions (Polyethylene HDPE formulation) and active contributions to national plastic pipe standards. SABIC also collaborated with major Chinese gas companies to update gas pipe standards, accelerating market adoption and strengthening confidence in regulated, large-scale infrastructure developments.
- Local carbon black for construction:** SABIC launched the new carbon black grade KSB200 (Polyethylene HDPE compound) for coloring concrete blocks and kerbstones. Produced in Saudi Arabia as an alternative to imported iron oxide, it delivers high-quality performance and supports local manufacturing.
- Durable Polyethylene for infrastructure application:** SABIC also introduced the polyethylene HDPE GF1737 grade for geomembranes used in landfills, construction, chemical waste, and agriculture. Designed for high performance and easy processing, it meets market needs and supports local manufacturers.



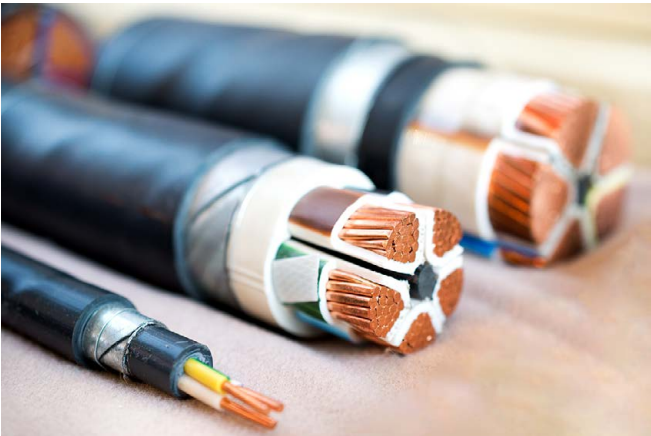
ELECTRICAL AND ELECTRONICS

- **Flame-retardant thermoplastics:** SABIC’s electrical and electronics portfolio performed strongly, driven by its flame-retardant thermoplastics, Polycarbonate Flame Retardant Compound. These include halogen-free LEXAN™ resin for audio speakers and custom-color solutions for power distribution units
- **High performance materials for smart metering and emerging applications:** Energy metering drove growth, supported by the rapid rollout of smart meters and strong demand for specialized materials. SABIC expanded its portfolio with high-performance LEXAN™ polycarbonate blends, ABS CYCOLAC™ resin (acrylonitrile butadiene styrene) grade meeting 650°C glow-wire requirements, and its first polypropylene compound for a major electronics customer. These solutions deliver reliable performance for metering applications, while sustainability advanced through bio-based LEXAN™ 124R RW resin and SABIC’s first post-consumer recycled, flame-retardant LEXAN™ resin.
- **Advanced materials enabling next generation AR glasses:** SABIC developed a solution for AR glasses (Augmented Reality Glasses), a high growth application driven by the rapid expansion of AI-enabled AI technologies. SABIC VALOX™ Polyester product offers balanced combination of lightweight performance and strong mechanical properties, providing greater design freedom for OEMs while supporting ergonomic, durable, and aesthetically advanced AR eyewear designs.
- **Lightweight, flame-retardant plastic solution for energy storage system:** Energy storage is becoming key enabler for renewal energy development to stabilize the energy consumption. SABIC developed Polypropylene PPc extrusion solution to replace energy storage cover from metal to plastic, this solution offers customer a cost-effective alternative with enhanced flame-retardant performance.

- **Certified bio-renewable materials supporting low-carbon electrical and electronics application:** SABIC has introduced Polycarbonate 3414ECRRW and 124RRW as certified bio-renewable products from bio-based feedstock that are not in direct competition with the human food chain. These solutions help customers reduce their carbon footprint while maintaining strong mechanical performance, supporting sustainability goals and contributing to climate-change mitigation.



- **PEI-based resins for high-heat data center applications:** The Specialties business focused on supporting rapid growth in AI data centers, addressing challenges related to thermal management, connectivity, and miniaturization. Polyetherimide ULTEM™ resins (PEI is High-Performance Thermoplastic Polymer) provided dimensional stability and heat resistance for server cooling fans and liquid cooling connectors. For wire and cable applications, non-fluorinated Polyetherimide SILTEM™ (Silicone copolymer modified PEI) resin blends delivered heat and chemical resistance with low corrosion. To support higher data transfer speeds, Polyetherimide EXTEM™ RH resins enabled mass production of onboard and co-packaged optics capable of withstanding high-temperature printed circuit boards reflow soldering.



AUTOMOTIVE

- **Expanding automotive material solutions:** SABIC enhanced its automotive portfolio to meet evolving design, lighting, and performance needs. Key developments included light-bar solutions based on Polycarbonate LEXAN™ HF3510LB resin and PMMA (polymethyl methacrylate thermoplastic) red alcohol-resistant grades for rear lamp lenses and introduced translucent polypropylene resins for ambient lighting applications.
- **Advancing automotive collaborations:** SABIC developed a fully integrated low-bake solution, enabling plastic bumpers and metal bodies to be painted in a single, energy-efficient process. In China, joint efforts with major Chinese automotive and EV producers, delivered new EV rear-panel solutions, including Polycarbonate/Polyurethane two-shot molding and enhanced light diffusion, marking the first commercialization of PUR-RIM (Polyurethane Reaction Injection Molding) technology for exterior automotive components.

- **Innovating for compounding and headlamps:** SABIC developed natural-color polycarbonate compounding grades and launched two new automotive headlamp grades, ALS01 and ALS02, expanding its offerings for lighting applications.
- **Enhanced compounding capabilities:** SABIC Polycarbonate grade PC6100 was qualified to meet growing demand for higher-flow compounding applications, supporting advanced automotive manufacturing requirements.
- **E-Mobility and charging infrastructure:** To support electrification, SABIC launched NORYL GTX™ LMX310 resin for large, asymmetrical EV components such as charging flaps, combining dimensional stability, low moisture uptake, Class A surface finish, and inline paintability. For EV charging infrastructure, Polycarbonate LNP ELCRES NPCXL9030L copolymer resin, certified under UL746G as a non-fluorinated material, delivered high chemical resistance and durability for outdoor environments.



ADVANCED CONSUMER SOLUTIONS

- **Advancing materials for athletic footwear:** SABIC provided high-performance materials for athletic footwear. The FORTIFY™ POE C8 (Polyolefin Elastomer) remained widely used in midsoles, while the newly introduced FORTIFY™ POE C4 (Polyolefin Elastomer) B1060 gained strong adoption among footwear manufacturers and brand owners. Leveraging close value-chain collaboration, SABIC also offered integrated solutions across footwear components, including EPDM (Ethylene Propylene Diene Rubber) and BR (Polybutadiene Rubber) for outsoles, Polyethylene HDPE for shoe lasts, and polypropylene grades for hangtags.
- **Consumer solutions for emerging applications:** SABIC’s consumer solutions portfolio evolved to meet regulatory changes and new application needs. In China, Polycarbonate LEXAN™ 123R-111 resin was commercialized for 3D printer front covers through a collaboration.
- **High-performance polypropylene for packaging:** SABIC introduced Polypropylene PP compound 1311, a partially talc-filled polypropylene for cosmetic packaging.

HEALTHCARE AND HYGIENE

- **Localization of medical grades:** SABIC is strategically expanding its production at its Saudi Arabia assets to supply high-value medical-grade polymers for the healthcare sector, including Polypropylene PP PCGH24, Polyethylene HDPE PCG 5628, and ABS (acrylonitrile butadiene styrene) HM94MD. This localization enables SABIC to drive growth in differentiated solutions and support Saudi Arabia’s healthcare supply chain. SABIC medical grades are designed to meet stringent requirements, including pharmacopeia compliance and sterilization resistance, and address key challenges in healthcare applications.

- **Advanced solution for medical applications:** SABIC exhibited materials for medical devices, tubing, and connected healthcare applications. Highlights included Polycarbonate LNP™ ELCRES™ NPCRX9612U resin, certified under UL746G, offering strong chemical resistance to disinfectants and UL94 V0 flame retardance in thin-wall designs. Material compatibility for efficient laser transmission welding was also presented.



- **Advanced prototyping:** SABIC introduced a complex autoinjector prototype for insulin and other medications, showcasing specialty materials including transparent Polycarbonate LNP™ HCX copolymers, high-stiffness Polycarbonate LNP™ THERMOCOMPT™ compounds, chemically upcycled Polycarbonate LNP ELCRIN™ resins, and PTFE-free Polycarbonate LNP™ LUBRILOY™ compounds for improved wear and friction performance.

RENEWABLE ENERGY

- **Advancing solar energy solutions:** SABIC launched FORTIFY™ PV POE (polyolefin elastomer) encapsulant grades B5075DP and B14075DP, based on Nexlene™ technology, which address potential induced degradation (PID), enhancing solar module reliability and reducing lifecycle costs.
- **Advanced materials for floating and next-generation solar PV:** SABIC introduced HDPE ICP4507, offering high melt strength, exceptional environmental stress crack resistance (ESCR), and superior impact resistance to support the industry’s shift from traditional ground-mounted systems to floating PV installations. Together with FORTIFY™ PV POE (polyolefin elastomer) encapsulants, Polyethylene HDPE ICP4507 enables next-generation solar technologies, including perovskite solar cells and nearshore and offshore floating PV systems. These solutions deliver the durability, environmental resistance, and long-term performance required for advanced solar applications.
- **Materials for energy storage and solar systems:** For stationary grid energy storage, the Edison Award-winning Polycarbonate LNPTM STAT-KON™ compounds enabled metal replacement in battery electrodes, offering reduced weight, corrosion resistance, and simplified manufacturing. NORYL™ resins provided chemical resistance and dimensional stability for battery enclosures, while Polycarbonate LNPTM ELCRES™ EXL9334P copolymer resin delivered UL94 V0 flame retardance and high CTI performance for high-voltage photovoltaic connectors.



TRUCIRCLE™

The TRUCIRCLE™ portfolio offers certified circular products, certified bio-renewable products, and mechanically recycled products, alongside services such as design for circularity and circular business models. Transparent certification systems, including International Sustainability and Carbon Certification Plus (ISCC+) certification, ensure chain of custody throughout the supply chain.

CIRCULARITY ACROSS DAILY LIFE

Our TRUCIRCLE™ portfolio operates across four themes of everyday life: Care, Shop, Move, and Live.

CARE	SHOP	MOVE	LIVE
Healthcare, hygiene, and personal care 	Packaging for everyday consumer experiences 	Lower-carbon and carbon footprint savings for mobility solutions 	Consumer goods used in daily life 
• LUMENE adopted SABIC’s certified bio-renewable polypropylene (PP) for both the jar and self-adhesive label in its Nordic skincare moisturizing collection.	• SABIC collaborated with Lamb Weston and the OPACK Group to convert used cooking oil from Lamb Weston’s facilities into bio-based feedstock, producing certified bio-renewable PE through a closed-loop model.	• In collaboration, SABIC deployed a hybrid material strategy combining certified bio-renewable polypropylene with mechanically recycled polypropylene in HVAC components, lowering the carbon footprint.	• SABIC LEXAN™ polycarbonate made from certified bio-renewable, second-generation feedstock was selected as a drop-in replacement for conventional PC, maintaining optical clarity and mechanical performance while lowering the carbon footprint.
• SABIC partnered with Zuyderland Medical Center in the Netherlands to convert collected medical plastic waste into virgin-like certified circular polyethylene (PE) via advanced recycling.	• SABIC collaborated to develop a cap using certified circular SABIC® PP from post-consumer plastic waste via advanced recycling and a mass balance approach.	• SABIC, in partnership, developed a STAMAX™ long-glass-fiber polypropylene formulation combining certified circular PP from advanced-recycled feedstock with circular glass fiber, enabling high-performance recycled content through integrated circular inputs.	

AGRI-NUTRIENTS

PRODUCTS/PRODUCT GROUPS

Nitrogen-based inorganic fertilizers and phosphates; technical grade urea (TGU); differentiated products (e.g., zinc-coated urea, stabilized urea, and bio-urea)

SEGMENT LANDSCAPE

SABIC Agri-Nutrients Company navigates three long-term challenges: ensuring food security, addressing climate change, and supporting the energy transition. Sustained population growth is expected to increase demand for core nitrogen and phosphate fertilizers, including urea, monoammonium phosphate (MAP), and diammonium phosphate (DAP). Simultaneously, evolving protectionist trade barriers are reshaping the market, reinforcing the importance of differentiated, low-carbon fertilizer solutions.

In response, SABIC Agri-Nutrients emphasizes operational excellence, strategic growth, and innovation. Focused measures to enhance asset reliability and resource efficiency have preserved cost-competitiveness amid market volatility. Complemented by a global marketing approach, targeted acquisitions, and selective capacity expansions, these efforts supported sustained sales growth. Underpinned by robust research and development, the business continues to advance low-carbon and value-added fertilizers, aligning its portfolio with both regulatory developments and evolving customer needs.

2025 DEVELOPMENTS

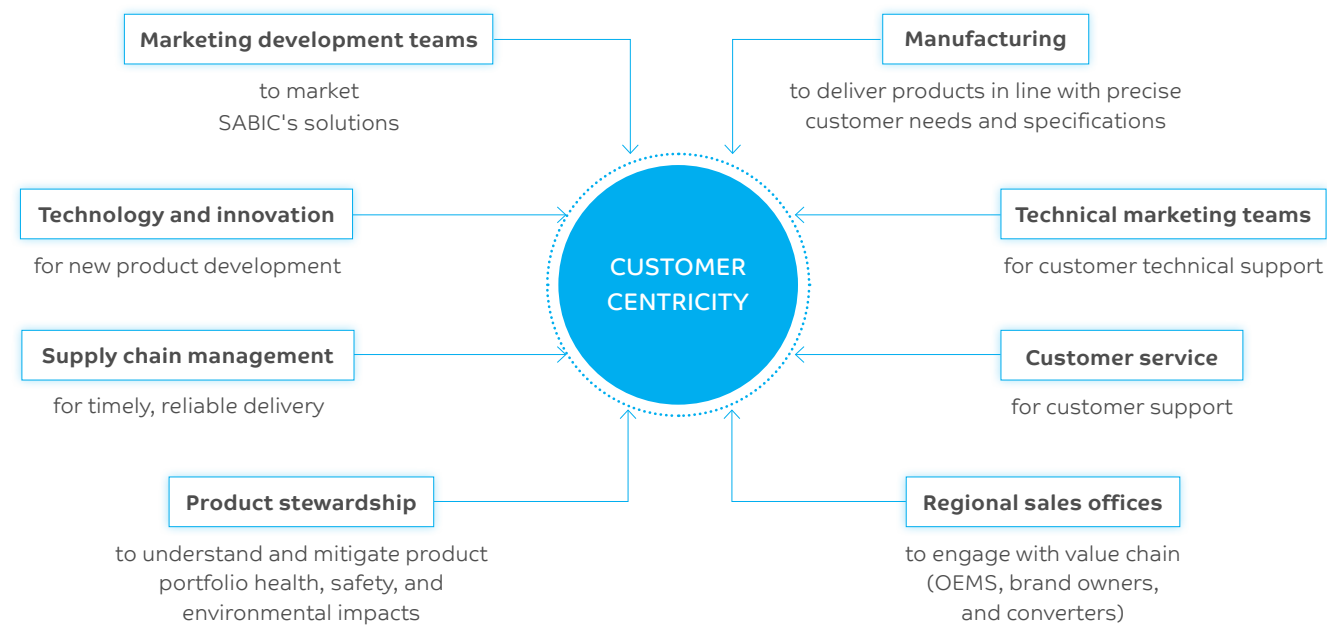
During the year, product innovation focused on market-ready solutions. Prilled technical grade urea (TGU) was introduced as a key new offering, while enriched urea continued to meet customer demand. SABIC also secured ISCC certifications for 2-EH, DOP, and ALB/IBB ammonia and urea, with potential commercial leverage under review.

Smart farming initiatives and Nutrient Use Efficiency (NUE) programs remain central to SABIC’s approach to supporting sustainable agriculture. These programs leverage digital tools, including satellite and drone imaging, irrigation and fertigation automation, and agronomic trials, to optimize nutrient application, improve productivity, and reduce environmental impact.



CUSTOMER CENTRICITY

MARKET-FACING ORGANIZATION



MANAGEMENT APPROACH

SABIC operates a market-facing commercial model tailored to regional dynamics, market maturity, and differentiated growth opportunities. Continuous improvement underpins customer engagement, with cross-functional teams integrating insights across the customer journey. Feedback is systematically captured through digital customer relationship management (CRM) platforms, surveys, and direct engagements, enabling timely follow-up, root-cause resolution, and targeted enhancements across processes, service delivery, and technical support.

2025 DEVELOPMENTS

VOICE OF CUSTOMER AND EXPERIENCE ENHANCEMENT

SABIC strengthened the capture and integration of the voice of the customer across the end-to-end customer journey. More than 1,800 Net Promoter Score (NPS) surveys were conducted globally, supported by multilingual deployment across regions and customer segments.

These insights informed improvements, including ease of doing business, product quality and portfolio breadth, availability and logistics performance, and the effectiveness of sales, customer service, and technical support. Customer feedback was embedded into CRM-based workflows and ticketing systems.

TECHNICAL COLLABORATION AND
COMMERCIAL OUTCOMES

SABIC conducted an in-depth technical assessment of customer GB (Guojia Biaozhun, Chinese national standards) requirements, including comprehensive plant performance reviews and tailored solution development. Measurement capability was further strengthened through the implementation of accredited third-party laboratory testing. These data-driven technical initiatives translated into meaningful commercial impact, demonstrating the value of close technical collaboration in enabling customer qualification and business growth.

SEGMENT HIGHLIGHTS

POLYMERS

SABIC participated in 15 high-impact trade shows, leveraging these platforms for relationship building, brand positioning, and long-term business development. More than 2,500 customer interactions were captured in the CRM system, generating approximately 130 qualified business development opportunities tracked through the sales pipeline. This end-to-end visibility links early engagement to long-term revenue realization and supports event-level return-on-investment assessment.

CHEMICALS

Customer-focused technical and commercial initiatives delivered measurable outcomes across multiple markets. A successful technical evaluation of monoethanolamine (MEA) color performance supported progress toward higher-value applications.

SABIC delivered its first shipments from Saudi Arabia to Europe of SABIC® Isocyanates (MDI and TDI), Propylene Oxide, Butyl Glycol Ether, and SABIC® Propylene Glycol, addressing unmet demand and strengthening positioning in premium applications. To further meet customer expectations, deliveries of Isocyanates from Sadara and first-time shipments from Petro Rabigh were enabled through cross-functional

collaboration, despite the logistics challenges associated with these products.

Customer involvement was further strengthened through targeted technical seminars and solution packages, contributing to the signing of a contract for C10 products. Following an extended absence, SABIC also re-entered the Chinese market for C14–C18 products.



OPERATIONS AND BUSINESS DRIVERS

MANUFACTURING

SABIC’s manufacturing excellence focuses on improving efficiency, quality, and productivity to enhance asset reliability as well as minimize planned outages. Through clear accountability and active engagement, management sets the tone to ensure environment, health, safety, and security standards and practices are implemented and maintained.

In 2025, our centralized manufacturing services model continued to mature, supported by the introduction of advanced digital capabilities and automation. These enhancements strengthened service delivery across the organization, improved resource efficiency, and supported more consistent and reliable operations at manufacturing sites.

2025 DEVELOPMENTS

We launched a reliability improvement roadmap to reduce production losses, capture lessons learned, and strengthen governance across our manufacturing assets. We also focused on building a strong culture of operational excellence aligned with SABIC’s critical organizational behaviors in our manufacturing environment.

Our Operational Management System (OMS) defines how operations are managed. It integrates occupational and process safety to maintain consistent standards across all sites. Developed through comprehensive benchmarking with industry peers, the OMS is aligned with the requirements of the internationally recognized ISO Standard 9001, ISO45001

and (RC) 14001. The requirements of ISO were verified by internal assessments and validated through third-party evaluation. By embedding safety processes into daily operations, the OMS helps prevent incidents and strengthen process safety to support SABIC’s operational goals.

We emphasized best-practice sharing across sites through SABIC’s Communities of Practice initiative, a key pillar of capability enhancement that promotes knowledge sharing and

collaboration. This platform was implemented in collaboration with Saudi Aramco to enable best-practice exchange and collective problem solving.

The asset maintenance program (KAFAA) supported value creation by applying long-term plans and zone-maintenance concepts across ten SABIC affiliates. Its implementation is expected to reduce maintenance costs and improve hands-on maintenance time.



INNOVATION

Innovation serves as a powerful connective force that links SABIC’s transformation, operational excellence, and long-term growth.

Our innovation agenda enables us to address complex industrial challenges while delivering differentiated solutions across our product portfolio. Through focused research, targeted investments, and disciplined external collaboration, we drive continuous improvement across the business.

Our innovation approach is built on three interrelated pillars:

- Optimizing feedstock to enhance operational efficiency and reliability.
- Advancing technologies through research and development to deliver customized materials and application-driven solutions that support growth and value creation.
- Cultivating a structured innovation ecosystem that accelerates SABIC’s transformation and enables scalable deployment of new technologies.

2025 DEVELOPMENTS

In 2025, SABIC further sharpened its focus on advancing materials science, accelerating technology deployment, and converting R&D capabilities into commercially viable and scalable outcomes. This emphasis supported progress across key end markets, including building and construction, automotive, energy, and emerging applications.

KEY METRICS

10,700+ Total SABIC patent portfolio	170 New priority patent applications filed
﷼ 1.63 Bn. R&D expenditure (US\$ 434 Mn.)	20 Technology centers and service locations
1,701 R&D professionals (including non-direct hires)	148 New products introduced

SABIC reinforced its leadership in innovation and intellectual property, filing over 170 new patent applications to protect breakthrough technologies in areas such as low-carbon solutions, PFAS-free materials, smart fertilizers, electrified furnaces, automotive sensors, smart packaging, low-VOC (volatile organic compounds) plastics, and advanced ceramic powders. The company secured a number of global patents, strengthening its portfolio in polypropylene, polyethylene, functional chemicals, olefins, agri-nutrients, and the LNP business units.

Demonstrating thought leadership, SABIC partnered with the Gulf Petrochemicals and Chemicals Association (GPCA) to host the 9th GPCA IP Awareness Workshop at its Plastic Application Development Center (SPADC), which addressed IP protection in the age of AI. Strategic collaborations drove new patent filings, while robust IP enforcement safeguarded SABIC’s brand and technology, including the removal of significant numbers of counterfeit online listings and the invalidation of competitor patents, unlocking substantial commercial opportunities. Licensing activities remained strong, with many agreements negotiated and executed and comprehensive freedom-to-operate clearances supporting major projects carried out.

NEW PRODUCTS AND TECHNOLOGY PLATFORMS

In 2025, SABIC successfully introduced 148 new products across its Polymers and Specialties businesses. These new product introductions span material enhancements, application-driven solutions, and manufacturing improvements, developed in close coordination with segment leadership and customers.

MEGAMOLDING™ TECHNOLOGY PLATFORM

SABIC introduced the MEGAMOLDING™ technology platform to enable the production of large, high-performance thermoplastic parts across multiple industries. MEGAMOLDING™ integrates SABIC’s materials expertise, data, tooling capabilities, and process optimization to deliver scalable alternatives to traditional thermoset plastics and metal materials. It enables faster cycle times, lower costs compared to incumbent materials, lower carbon emissions through improved processing efficiency and lighter-weight products, and greater design flexibility.

LOW-BAKE AUTOMOTIVE COATINGS SOLUTIONS

In the automotive sector, SABIC collaborated with leading OEMs to deploy low-bake coating solutions using polypropylene compounds (PPC) materials in OEM paint shops. This solution enables both plastic and body parts to be coated on a single paint line, lowering baking temperatures to around 85°C from the conventional 140°C. This reduces energy consumption by up to 32% and carbon emissions by 22% compared with traditional coating. The use of water-borne bumper coating reduced volatile organic compounds (VOC) by 60% compared to traditional bumper coating while improving surface electrical conductivity and adhesion.

MINING AND INDUSTRIAL APPLICATIONS

In Northwest China, SABIC successfully validated its anti-abrasive pipe solution at a mining end user. Under identical operating conditions, the solution demonstrated significantly lower material wear and eliminated corrosion of steel pipes, supporting improved asset integrity. These performance outcomes are expected to reduce maintenance requirements and extend pipe replacement cycles, delivering measurable efficiency and cost benefits for mining customers.

STANDARDS AND TECHNICAL LEADERSHIP

SABIC contributed technical expertise to the development of five Chinese national plastic pipe standards, which were launched and implemented since 2025. These standards cover testing methods and pipe applications, including industrial ship piping, large infrastructure pipes, and domestic pipes. As a leading global materials supplier, SABIC provided technical input to support the drafting of these standards. This reinforces SABIC’s technical leadership and market position in China’s pipe industry, and the company has received strong recognition from the standards committee. This proactive effort supports close collaboration with key industry stakeholders and helps shape the pipe industry in China.

INNOVATION PRIORITIES AND OUTLOOK

Looking ahead, SABIC’s innovation efforts will focus on securing technology advantages across core and emerging market areas. Priorities include applying digitalization to more effectively screen new catalyst structures, improving

the transferability of data from pilot plants to commercial assets, and deploying new solutions and products. Through disciplined innovation, targeted collaboration, and scalable deployment, SABIC converts R&D capability into commercial impact and long-term value creation.



DIGITAL TRANSFORMATION

Digital transformation is a core driver of innovation and competitiveness, accelerating AI adoption, strengthening data infrastructure, and building enterprise-wide digital capabilities. These capabilities enable operational efficiency, asset reliability, regulatory compliance, and value creation across all business units.

Digitalization is strengthening how information is collected, used, and protected while enhancing transparency, accountability, and consistency in decision-making. SABIC’s digital agenda is built on two complementary dimensions: digital optimization and digital transformation.

Digital optimization drives improvements in end-to-end business processes and value-chain performance, enabling more accurate data capture and stronger compliance monitoring. Digital transformation focuses on value creation across our manufacturing, SBUs, supply chain, and R&D by strengthening digital foundations and deploying advanced solutions.

SABIC invests in digital capabilities, talent, and partnerships, leveraging its enterprise-wide foundational tools, and technologies such as IoT, big data, machine learning, robotics, and AI.

Our current digitalization focus areas include:

- Adoption of agentic AI to drive advanced automation and intelligent decision-making across processes.

- Establishing and strengthening adoption of digital transformation across operations and business units.
- Equipping employees with digital literacy and data analytics skills and guidelines to promote adoption of new digital solutions and strengthen capabilities in an evolving digital landscape.
- Emphasizing partnerships with leading organizations, academic institutions, and government entities to drive innovation, share best practices, and scale advanced digital solutions.
- Strengthening data infrastructure, governance frameworks, and AI deployment guidelines for ethical, scalable, and secure use of advanced analytics and AI tools.
- Enhancing end-to-end processes, improving efficiency, and integrating digital tools across the value chain.
- Deploying digital solutions to improve EHSS activities and asset performance across assets and operations.
- Uplifting IT and digital platforms to support sustainable growth, scalable AI adoption, and enterprise-wide transformation.

2025 DEVELOPMENTS

A key achievement was the successful go-live of the STAR (SABIC Transformation and Renovation) program, a large-scale integration of digital technologies to improve both innovation and efficiency through an upgrade to S4/Hana. The program established a modern, scalable Enterprise Resource Planning (ERP) environment connecting people, processes, and data across all business domains. This platform serves as the backbone for SABIC’s standardization and automation of core processes, advanced analytics, and AI-driven applications.

With phase 1 complete, phase 2 will shift focus from system activation to value realization, operational excellence, and sustained adoption of digital capabilities across the enterprise.

Progress continued across SABIC’s digital initiatives, strengthening safety, operational efficiency, sustainability, and data-driven decision-making.

At the plant level, the Electronic Safe Work Permit (ESWP) system was implemented at all SABIC sites in Saudi Arabia, standardizing site-level safety and work-permit processes. EHSS performance was further enhanced through operator round automation and a hazard prediction system, improving compliance, reducing operational risk, and increasing visibility across more than 30 plants. Robotics and drones were deployed to support asset integrity, identifying issues such as corrosion and structural risks while reducing human exposure.

Predictive analytics and AI tools advanced plant efficiency, energy optimization, and sustainability by monitoring product quality, process parameters, and environmental conditions, currently deployed in majority of SABIC manufacturing plants globally to optimize yield, detect issues early, and extend equipment life.

SABIC piloted AI-enabled demand forecasting, pricing, sales and operations planning, production scheduling, and inventory management improved operational visibility through real-time dashboards supported by the new deployment-optimization tool. GenAI platforms and AI infrastructure projects connected previously isolated lab systems. Workforce digital literacy, AI, and data adoption programs continued to scale, building organizational capability for digital transformation.

SABIC also established strategic partnerships for the development of Agentic AI, procurement digital solutions, and the use of predictive R&D tools which led to operational savings and value creation. Sustainability dashboards were deployed across sites, enabling real-time monitoring of energy and sustainability performance indicators to support decision-making and compliance.

In our supply chain, we extended the use of AI, analytics, and automation from sourcing through logistics. Real-time tracking, data-driven forecasting, and automated workflows improved visibility, help anticipate disruptions, optimized inventories, and supported reliable operations while enhancing collaboration with customers and service providers.

GLOBAL INFORMATION TECHNOLOGY

The Global Information Technology (IT) function continues to enable business resilience, value creation, and transformation through disciplined execution, smart investments, and strong focus on people. SABIC remains well positioned to support current operations while preparing SABIC for future growth.

IT successfully completed the Infranova project, a strategic data center consolidation and optimization project. This represents a major milestone in strengthening SABIC’s enterprise infrastructure. The project was supported by a redesigned and more resilient network architecture connecting all sites to our central hub, enabling improved performance, scalability, and connectivity across the organization.



At the SABIC Academy in Riyadh, employees celebrate the successful go-live of the SABIC Transformation and Renovation (STAR) program during 2025.

CYBERSECURITY

SABIC's cybersecurity capabilities enhance stakeholder trust through a CEO-governed program that includes training, emerging-tech risk assessments, and KPI-driven performance reporting.

Safeguarding data respects the rights, privacy, and data security of our stakeholders. Cybersecurity protects the people who trust SABIC – customers, employees, business partners, and society.

Investments in relevant training programs foster a culture of cybersecurity awareness and expertise. Holistic risk assessments are conducted on emerging technologies like AI and quantum computing to support our business digitalization and transformation activities. The cybersecurity strategy and roadmap are refreshed periodically to align with technological advancements, changing threat environments and evolving regulations. Our cybersecurity program is governed by the Corporate Cybersecurity Committee, chaired by the CEO, and integrated into our global Enterprise Risk Management (ERM) framework.

The effectiveness of cybersecurity risk assessments, training initiatives, and SABIC-wide programs is measured through defined KPIs and reported on a monthly and quarterly basis to leadership. Performance metrics are consolidated within a single enterprise platform, providing oversight, accountability, and informed decision-making. Together, these measures strengthen SABIC's resilience and reinforce its reputation as a trusted partner in securing the digital ecosystem.

2025 DEVELOPMENTS

SABIC maintained compliance with applicable regulations and ISO 27001:2022 through rigorous audits. The CEO mandated SABIC-defined cybersecurity maturity targets, aligned with recognized cybersecurity frameworks. All sites achieved their respective maturity targets through enhanced cyber defence, protection, and control measures implemented across SABIC's operations.

A comprehensive supplier cybersecurity certification program strengthened SABIC's ecosystem against third-party vulnerabilities. In parallel, SABIC trained internal business stakeholders to implement third-party CyberTrust guidelines.

Organizational governance was further strengthened through expanding cybersecurity presence in the regions where SABIC operates, with a global consultation center providing real-time support for day-to-day cybersecurity matters. The monitoring of cybersecurity threats across operations was enhanced using advanced AI-driven technologies, supporting more timely threat identification and effective incident response.



LOCAL CONTENT

SABIC's operating and investment activities in Saudi Arabia translated into tangible contributions to economic participation, industrial capability, and social outcomes, reflecting the company's scale and integration within Saudi Arabia's broader economic ecosystem.

Since 2017, SABIC has operated a vibrant “Local Content” program that is supporting downstream industries, developing local industrial capabilities, and driving innovation across the Saudi value chain. Our localization program seeks to foster new businesses, helping to increase our long-term reliability and competitiveness and contribute to Saudi Arabia’s economic development.

KEY METRICS

≠ 1.2 Bn.

Estimated GDP impact in
2025 (US\$ 320 Mn.)

22.3 Bn.

Estimated GDP impact
since 2018 (US\$ 6 Bn.)

3,300+

Jobs enabled
in 2025

45,000+

Jobs enabled
since 2018

12.7 Bn.

Local spend on goods
and services in 2025
(US\$ 3.4 Bn.)

56.4%

Local Content Score

SABIC takes an active role in the Saudi Vision 2030 agenda through flagship platforms, such as NUSANED™, Nusaned Investment™, and the Home of Innovation™ (HoI). These programs enable local companies to become commercially viable businesses and to domestically produce and supply certain goods and services which were previously imported.

ADVANCING LOCALIZATION AND SUPPLY CHAIN RESILIENCE

As a member of Saudi Arabia's Local Content Coordination Council, we signed the 2025 supplement to the cooperation charter issued by the Local Content and Government Procurement Authority. This agreement updates the governance framework to prepare Saudi Arabia's industrial sector for future development phases.

SABIC improved its year-on-year audited “Local Content Score” – awarded by Saudi Arabia’s Local Content and Government Procurement Authority – by 17% to reach 56.4% for the fiscal year 2024, reflecting sustained effort to embed localization into our procurement and supplier strategies.

Local content requirements were integrated into 44 contracts, generating ₪ 1.46 Bn. in domestic economic value. Targeted efforts further redirected ₪ 136.7 Mn. to Saudi manufacturers across 19 strategic value pools, highlighting SABIC's role in strengthening local industries and mitigating import dependence.

CREATING ECONOMIC VALUE

More than 300 companies have now graduated through NUSANED™ since 2018, reflecting the sustained depth of SABIC's national industrial ecosystem. Ninety of these manufacturers reached full-scale production, supplying Saudi Arabia with downstream goods – from medical devices and automotive components to heavy machinery – effectively replacing imports with national products.

PROGRESS WITHIN NUSANED INVESTMENT™

Nusaned Investment™ invests in and supports the development of Saudi industrial projects and small and medium enterprises. During 2025, the portfolio size surpassed ₪ 1 Bn., reflecting a 71% increase in the total value of the portfolio companies. Portfolio diversification continued with Fund II to unlock new investment opportunities in strategic sectors such as agriculture, medical supplies, and lab testing.

Nusaned Investment™ deployed ₦ 85.3 Mn. through investment agreements with GCC Lab, AMC, ISOCO, and Mowreq, its highest annual deployment to date.

Nusaned Investment™ also further advanced efforts to elevate the governance of the portfolio companies and embed EHSS best practice in order to mitigate risk and support investor confidence.

STRENGTHENING THE INNOVATION ECOSYSTEM

The Home of Innovation™ (HoI) program fosters collaboration between SABIC and innovation stakeholders including governmental institutions, industrial leaders, and decision makers in order to advance the ambitions of Saudi Vision 2030, while creating business opportunities that link Saudi Arabia with global markets. The program is supported by an external advisory committee comprising decision makers and governmental entities.

Hol strengthened its external positioning, deepened internal synergies, accelerated commercialization activities, and operated a world-class innovation experience center. Four specialized workshops were hosted at the Riyadh Techno Valley facility, connecting global technology providers with leading industry players to advance collaboration and deployment.

FOSTERING INNOVATION

Hol also expanded its global and domestic partnerships, signing three new strategic agreements during the year. These partnerships are expected to support the localization of innovative technology manufacturing across multiple sectors by transferring global expertise, establishing local assembly and production capabilities, and developing Saudi talent. They also enable local small and medium-sized enterprises (SMEs) to integrate into SABIC’s supply chain. As a result, the total number of partnerships enabled by SABIC since 2016 passed 100.

Through the Hol platform, SABIC onboarded 16 new technologies targeting priority sectors under the national industrial strategy, including building and construction, health and medical, desalination, sports industries, and consumer goods.



The center welcomed more than 1,300 visitors in 2025, including international ministers, senior government officials, investors, and industry executives.

These efforts collectively strengthened SABIC’s role in stimulating demand for advanced technologies and materials, supporting the localization of manufacturing capabilities in Saudi Arabia.

CONTRIBUTING TO THE DEVELOPMENT OF SAUDI ARABIA’S WORKFORCE

SABIC contributes to  National workforce development by extending its impact beyond direct employment, supporting Saudi Arabia’s Vision 2030 through targeted training, localization, and supplier development initiatives.

Through the WAAD National Training Initiative, we exceeded our initial pledge, providing substantial further training and employment opportunities for young Saudis. Through our SABIC Academy, we also helped to advance leadership capabilities in the public sector, by collaborating with over 35 government entities and delivering more than 5,200 hours of learning to over 220 government leaders through eight structured courses. These initiatives are helping to strengthen capabilities across Saudi Arabia’s industrial and manufacturing sectors, while supporting job creation, local enterprise growth, and long-term economic resilience.

94%

Local hiring
(Saudization)

1+ Mn.

Training opportunities
delivered to Saudi
nationals through the
WAAD National Training
initiative since its
inception

STRATEGIC MILESTONES AND NATIONAL RECOGNITION

SABIC was awarded the Local Content Certificate, based on its 2024 financial statements, from the Local Content and Government Procurement Authority, affirming the strength and credibility of the NUSANED™ initiative.

We participated in several national initiatives to advance localization and local content collaboration and support the objectives of Saudi Vision 2030, including:

- NUWATIN business gathering sponsored by Saudi Arabia’s Ministry of Energy.
- BIBAN and JADEER initiative, reinforcing our role in advancing localization and enabling SME participation in the industrial sector.
- Opening ceremonies for local factories that graduated from the NUSANED™ program, such as the Elsewedy Electric factory and Rotork Saudi Arabia Limited.

OUTLOOK

SABIC set Local Content strategic targets through 2040, establishing a long-term framework aligned with national development priorities and Saudi Vision 2030. Going forward, the company will continue to align its local content initiatives with the Saudi National Industrial Strategy, in coordination with relevant government and regulatory bodies. Efforts will focus on strengthening value-chain linkages, supporting ecosystem participation, and scaling technologies with demonstrated industrial and economic impact.

AWARDS AND RECOGNITION

CUSTOMER AND BUSINESS IMPACT

- **Best Delivery Partner (Goertek 2025 Partner Conference, China):** For reliable supply performance during tariff-related challenges, reinforcing a partnership with Goertek spanning more than two decades.
- **BIZZ Award, World Confederation of Businesses (WORLDCOB):** For SABIC Agri-Nutrients’ leadership, commitment, and business excellence.
- **1K Mile Award from Saudi Arabia’s National Industrial Development and Logistics Program:** For sustained contributions to domestic industrial entrepreneurship in Saudi Arabia.

COLLABORATION FOR CYBERSECURITY

Recognized by Saudi Arabia’s Ministry of Energy for accelerating cybersecurity compliance across ministry entities through cross-functional collaboration and transfer of governance and cybersecurity practices.



PEOPLE AND ENVIRONMENT

- **Top Employers Institute:** Named a Top Employer in Asia-Pacific for the 12th consecutive year.
- **Corporate Social Responsibility Award – Practices Track (Gold):** Presented under the patronage of the Minister of Human Resources and Social Development, Saudi Arabia, following an evaluation of company data and performance indicators.

- **Communities and Reputation Award (North East Process Industries Cluster Awards):** In recognition of CSR activities and volunteerism undertaken in Teesside and the surrounding region.
- **Best Workplace Health Initiative Award (Chemical Industries Association, UK).**
- **ChemScore:** Ranked among the leaders in ChemSec’s annual rating of chemical companies and their product stewardship and management of chemicals.
- **Thailand Environment, Health, Safety, and Security (EHSS) Management Award:** For SABIC’s business in Thailand.
- **Zero Accident Campaign Award (Thailand).**
- **Responsible Care® Company Award (Association of International Chemical Manufacturers, China):** For responsible and sustainable chemical industry practices.
- **Excellent-Grade Clean Production Certificate (Nansha).**

SUSTAINABILITY AND INNOVATION

- **EcoVadis:** Ranked among the leading companies assessed by EcoVadis and distinguished with a Bronze Medal.
- **R&D 100 Award:** For a first-of-its-kind intumescent, fire-retardant, long-glass-filled polypropylene (PP) for large EV battery pack enclosures.
- **SPE Central Europe Automotive Award (Part & Component Design):** For a thermoplastic-intensive EV battery enclosure system from SABIC’s BLUEHERO™ initiative that delivers improved insulation and thermal-runaway mitigation.
- **Automotive Award at 2025 CARES Asia:** For deploying low-bake automotive coatings using polypropylene compounds in manufacturing paint lines, enabling reductions in energy consumption by up to 32% and carbon emissions by 22%.
- **Gold, Silver, and Bronze awards at the Seventh King Abdulaziz Quality Awards, Saudi Arabia.**

- **Best Polymer Producers Award (LLDPE category) from the Polymers Europe Alliance and the European Plastics Converters Association.**
- **Arab Fertilizer Association Sustainability Excellence Prize:** For SABIC Agri-Nutrients.
- **Responsible Care® Sustainability Initiative Award (Association of International Chemical Manufacturers, China):** For circular economy initiatives and recycled-plastic infrastructure solutions.
- **Sustainability Initiative Award (Association of International Chemical Manufacturers, China):** For sustainable chemical industry practices.
- **“Demonstration of Green Factory” Certification (Shanghai):** Awarded to SABIC’s Specialties site.

EDISON AWARDS

Six SABIC innovations recognized in the categories: Material Science, Green Energy Transition, and Clean Water, Food & Agriculture (one Gold, two Silver, three Bronze).



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SUSTAINABILITY PERFORMANCE

Our sustainability performance reflects how we translate strategy into action across environmental, social, and governance priorities.



OVERVIEW

DOUBLE MATERIALITY PROCESS

We recently conducted a double materiality assessment (DMA) to ensure that our sustainability strategy and disclosures focus on the topics that matter most – both in terms of our impacts on society and the environment, and the sustainability-related risks and opportunities that influence our long-term financial performance. We followed a rigorous process to arrive at a list of topics that are most significant to our business and our stakeholders. Over the coming pages of this report, we introduce these topics with a view to reporting on certain indicators in future years.

STAKEHOLDER ENGAGEMENT

Our approach to stakeholder engagement focused on understanding our impact, addressing priorities and expectations, and identifying opportunities for collaboration

DMA PROCESS ALIGNED WITH RISK MANAGEMENT



and value creation. By gathering feedback from diverse stakeholder groups, we aimed to balance varied interests, requirements, and expectations effectively.

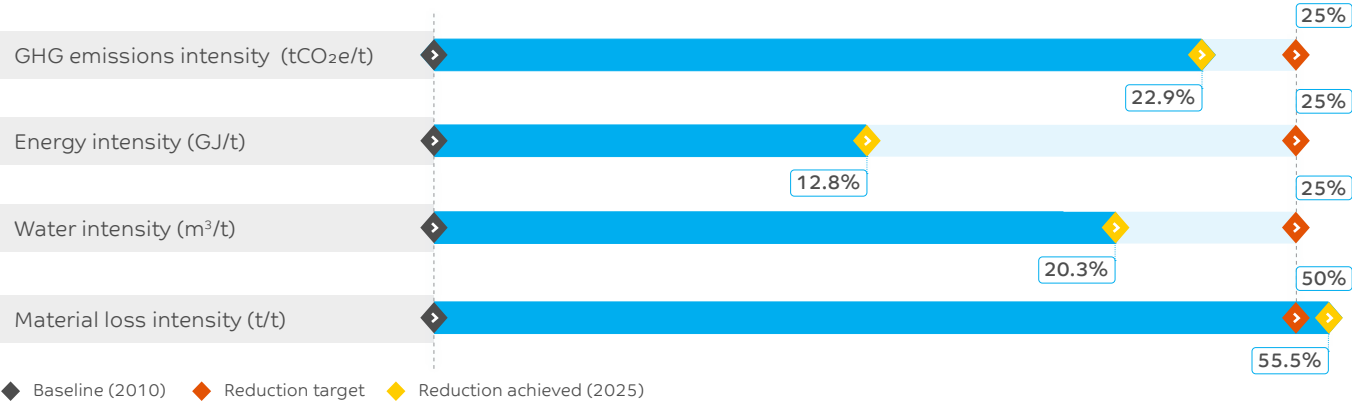
INTEGRATION WITH ENTERPRISE RISK MANAGEMENT

Given the role of our Enterprise Risk Management (ERM) function in identifying key risks across the business that can often overlap with sustainability risks, the function was integral to risk and material topic identification through our DMA. ERM's structure and quantitative approach strengthened the prioritization of material issues using risk-based criteria. The ERM function leveraged its expertise and frameworks to ensure a robust process aligned with our existing risk management processes.

THEME	MATERIAL TOPIC
ENVIRONMENTAL	
Circular carbon economy	Climate change and energy efficiency
	Circular economy and sustainability solutions
Sustainable ecosystems	Resource efficiency – water and waste
	Biodiversity and ecosystems
SOCIAL	
Workforce and community	Employment and workforce management
	Human and labor rights
	Supply chain
Health and safety	Corporate social responsibility
	Occupational health and safety
	Product stewardship
GOVERNANCE	
Business conduct	Governance and ethics

The following reporting on these double materiality topics considers all SABIC operations for the year ended on December 31, 2025. It includes the operations of the European Petrochemicals (EP) business and the Engineering Thermoplastics (ETP) business in the Americas and Europe.

PROGRESS TOWARD 2025 ENVIRONMENTAL SUSTAINABILITY INTENSITY-BASED TARGETS



Intensity values are expressed per metric ton of product sales.

In 2010, SABIC set four intensity-based targets for the period from 2010 to 2025, and over the last 15 years, SABIC made notable progress on its environmental sustainability indicators. As of the 2025 reporting cycle, SABIC achieved a 22.9% reduction in its GHG emissions intensity, and 20.3% reduction in water consumption intensity. In addition, SABIC has reduced its material loss intensity by 55.5%.

Due to feasibility challenges caused by market conditions and the high capital costs that are not in line with SABIC’s financial plans, SABIC achieved a 12.8% reduction of energy intensity.

Moreover, SABIC continued advancing in the execution of its carbon neutrality roadmap which led to a reduction in its absolute GHG emissions by 16.9% compared to the baseline of 2018. This was achieved via the deployment of different measures including renewable energy and energy efficiency improvement programs. We are keeping the focus on realizing our carbon neutrality interim target, which is to achieve a 20% reduction by 2030.

LOOKING AHEAD

SABIC recognizes the increasing maturity and significance of several national and international sustainability frameworks, such as the various national net zero commitments, and the Saudi Energy Efficiency Center (SEEC) mandates. Therefore, going forward, our new set of sustainability aspirations will be more closely aligned with compliance mandates, ensuring that SABIC remains a responsible and forward-thinking actor in every market it serves.

CIRCULAR CARBON ECONOMY

CLIMATE CHANGE AND ENERGY EFFICIENCY

OUR APPROACH

Climate change is a material topic as it can affect the company's financial performance and the company's activities can have an impact on the climate. Addressing climate change is aligned with the goals of Saudi Vision 2030, which emphasizes environmental sustainability, emissions reduction, and climate resilience as foundations for the long-term economic diversification of Saudi Arabia.

SABIC aspires to achieve carbon neutrality in its operations by 2050. To realize this ambition, the company has defined a carbon neutrality roadmap, which lays out its plans to decarbonize owned operations, through interim goals along the way.

The carbon neutrality roadmap defines five key decarbonisation pathways: reliability and energy efficiency, renewable energy, carbon capture and utilization (CCU), electrification, and low-carbon hydrogen. To meet our interim target of reducing absolute Scopes 1 and 2 GHG emissions by 20%, by 2030 from a 2018 baseline, we have tangible actions in the areas of energy efficiency, operational excellence, process optimization, and the development of low-carbon solutions. Beyond 2030, we will explore strategic options to continue reducing emissions while maintaining operational efficiency.

SABIC also engages with its partners to reduce the emissions in the value chain. We explore ways to optimise our logistics, and to source materials and services that have a lower environmental footprint. At the same time, we continue our efforts to increase our offerings of low-carbon solutions. We undertake these actions with the recognition that value chain impacts require collaboration and are not within our direct control.

CARBON NEUTRALITY ROADMAP

2030: 20% GHG emissions reduction (Scopes 1 and 2; vs. 2018 baseline)



PATHWAYS



Improve **energy efficiency** through technology upgrades and asset reliability and rationalization.



Increase **renewable energy** sourcing by shifting the purchased electricity mix toward renewable electricity, indirectly supporting Saudi Arabia's 2030 target of 50% renewable power in the national grid.



Scale **carbon capture, utilization and storage** by leveraging utilization-ready, high-concentration CO₂ streams and expanding CCU collaborations.

KEY CONSIDERATIONS

- Uses mature, high-readiness technologies.
- Renewable electricity procurement planned via renewable energy certificates (RECs), aligned with national policy frameworks.

2050: Carbon neutrality ambition (Scopes 1 and 2)



PATHWAYS



Electrify key steam-driven rotating equipment and crackers, powered by renewable electricity.



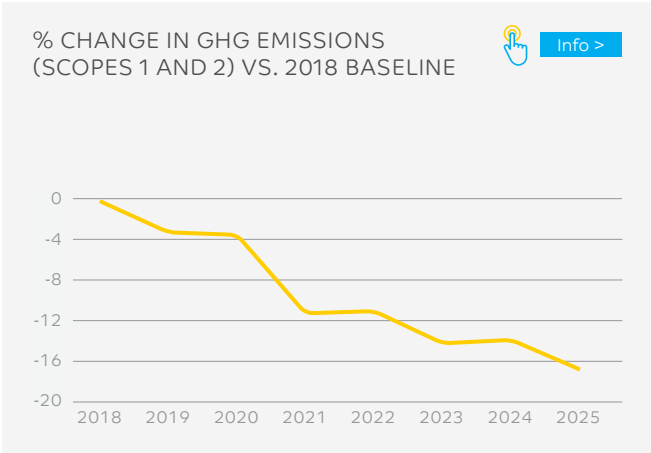
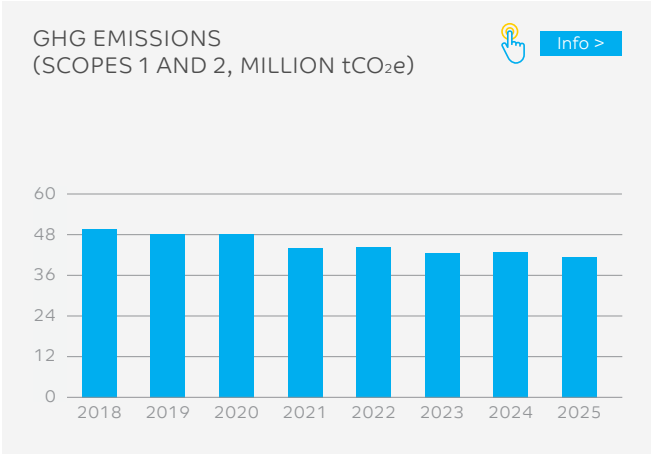
Deploy **low-carbon hydrogen** through a combination of commercially available and emerging solutions.

KEY CONSIDERATIONS

- Larger capital investment expected.
- Focuses on strategic industry partnerships.
- Explores technologies currently under development.

2025 DEVELOPMENTS

SABIC reduced its absolute GHG emissions by 16.9% compared to the baseline of 2018. This was achieved via the deployment of different measures including renewable energy and energy efficiency improvement programs.



ENERGY EFFICIENCY

SABIC advanced energy-efficiency initiatives aligned with the Saudi Energy Efficiency Program (SEEP) by completing a mega project in an MTBE production unit and implementing a low temperature recovery system (LTRS), which contributed to improved plant efficiency and reduced emissions.

RENEWABLE ENERGY

In Europe, the company transitioned 65% of electricity consumption to renewable sources, achieving a cumulative 79% reduction in electricity-related indirect emissions versus 2018. In China, the Shanghai Technology Center reached 100% renewable electricity, while solar installations at Shanghai, Nansha and Chongqing increased on-site renewable generation, with Nansha reaching full coverage. In Saudi Arabia, we aim to increase our renewable electricity share driven primarily through plans for Renewable Energy Certificates (RECs) in alignment with national policy frameworks. As the Saudi ecosystem for renewable energy matures, SABIC will continue to avail itself of RECs and other schemes for the procurement of renewable energy for our plants.

CARBON CAPTURE AND UTILIZATION (CCU)

SABIC operates a CO₂ capturing unit in Jubail, Saudi Arabia, with a capacity of up to 500 kilotons per annum, which is removing CO₂ from our glycols production plants. This CO₂ is converted into downstream products methanol and 2-ethylhexanol. The product carbon footprint and mass balance accounting of the products produced at our glycols unit, including the CO₂ plant as well as the downstream methanol and 2-ethylhexanol plants, were certified under the ISCC Carbon Footprint Certification (CFC) scheme and verified by an independent third party.

ELECTRIFICATION

The SABIC-BASF-Linde steam cracker electrification project progressed with extended operational testing of the world's first large-scale demonstration plant for an electrically heated

steam-cracking furnace. Development of this technology improved heat-transfer efficiency with the potential to reduce the direct emissions from one of the most energy-intensive chemical processes by about 90%.

LOW-CARBON HYDROGEN

SABIC continues to explore low-carbon hydrogen as a key enabler in its carbon neutrality journey. This effort comes in the form of partnerships and collaborations with low-carbon hydrogen producers, as we move toward utilizing it in fuel and feedstock applications.

KEY METRICS

16.9%

Absolute GHG emissions reduction (Scopes 1 and 2) vs. 2018 baseline (2030 target: 20%)

57%

Flaring emissions reduction¹ vs. 2010 baseline (2025 target: 65%)

3.9 Mn. t

Total CO₂ utilization², including CO₂ captured from ammonia production and converted into urea (2025)

23,742.69 t

NO_x emissions (2025)

3,298.38 t

SO_x emissions (2025)

¹ Flaring reduction measures the decrease in GHG emissions from the controlled combustion of excess process gases.

² CO₂ utilization refers to capturing CO₂ emitted from SABIC process operations and using it as a feedstock to produce SABIC products. This includes CO₂ captured from ammonia production for conversion into urea.

CIRCULAR ECONOMY AND SUSTAINABILITY SOLUTIONS

OUR APPROACH

The transition toward more sustainable products and solutions is important to achieving our own goals as well as those of our customers and other stakeholders. Circular economy as a material topic directly supports Saudi Arabia's national priorities of sustainable resource use, waste reduction and the development of a low-carbon, diversified economy. SABIC pursues its circular economy objectives through a comprehensive approach that includes sustainable product design, portfolio- and life cycle-level assessments, carbon footprint management, and business model innovation. By advancing circular solutions, increasing the use of recycled and bio-renewable feedstocks and supporting waste reduction across the value chain, SABIC supports value creation in line with the goals of Saudi Vision 2030.

We use third-party certification systems (such as the International Sustainability and Carbon Certification (ISCC) PLUS scheme) to support the certification of recycled and renewable content in our products.

PRODUCT LIFE CYCLE ASSESSMENT (LCA)

SABIC evaluates environmental impacts of products across the full value chain, from extraction of natural resources for raw materials, product manufacturing, to distribution, customer use, and end-of-life LCAs to help identify where impacts and benefits occur beyond direct operations linked to product manufacturing, such as downstream emissions reductions enabled by lightweighting, durability, and energy-efficient applications. These insights inform portfolio optimization, support circular design decisions, and drive continuous improvement toward lower product footprints.

2025 DEVELOPMENTS

LOW-CARBON PRODUCT PORTFOLIO AND CERTIFICATION

SABIC continued to develop its low-carbon product portfolio during the year. ISCC CFC was secured for polymethyl methacrylate, with additional certified low-carbon products to follow. SABIC is collaborating with Saudi Aramco to leverage the fact that the carbon intensity of upstream operations of Aramco stands among the lowest when compared to major crude oil producers due to its use of advanced technologies and innovative practices. The result for the cradle-to-gate product carbon footprint (PCF) from the use of such feedstocks in SABIC assets in the Netherlands has been third-party verified and certified.

PCF CAPABILITY AND AUTOMATION

SABIC implemented an automation tool that can assess carbon footprints of products at scale. The tool enables product carbon footprint (PCF) calculations for the entire product portfolio of SABIC-operated assets using primary manufacturing data. It supports transparent customer disclosure, informs asset-and product level decarbonization decisions, and underpins the development and certification of SABIC's low-carbon and circular product portfolios. This capability achieved program certification for compliance with ISO 14067:2018 and Together for Sustainability PCF Guidelines by TÜV Rheinland. It can also support PCF calculations aligned with European Union Carbon Border Adjustment Mechanism (CBAM) reporting requirements and ISCC-CFC for products of relevance.



SUSTAINABLE ECOSYSTEMS

RESOURCE EFFICIENCY – WATER AND WASTE

OUR APPROACH

Resource efficiency emerged as a material topic because the efficient use of water and materials is essential to the longevity of SABIC’s business and the communities where we operate. Resource efficiency is a core enabler of Saudi Vision 2030, which prioritizes the efficient use of natural resources, circular economy principles, and sustainable industrial growth. Improving energy, water, and materials efficiency across our operations and value chain supports national objectives to reduce environmental impacts, enhance competitiveness and separate economic growth from consumption.

Water stewardship and waste reduction initiatives facilitate lasting value across our operations. SABIC works with industry associations, regulators, academic institutions, and community stakeholders to advance responsible water and waste management through knowledge sharing and continuous improvement.

2025 DEVELOPMENTS

WATER INTENSITY

We are continuously searching for technologies that conserve water and minimize the environmental impact of water waste. Processes that led to water conservation from 2010-2025 were robust monitoring, detailed wastewater inventories and accurate reporting to ensure compliance and process quality. Along with established periodic assessments that identify opportunities to optimize water usage, we are exploring wastewater recycling opportunities with regional utility companies to improve the use of our water.

MATERIAL LOSS

Most of the material loss reduction from 2010 to 2025 was driven by flaring reduction and CO₂ utilization. SABIC optimized selected processes to reduce CO₂ generation and increase its utilization as a feedstock to produce various products. Successful implementation of flaring reduction programs within our assets, such as the commissioning of improved fuel gas systems in our Ibn Zahr affiliate, has also resulted in improvements of our material loss over the years.

Another key material loss initiative was the reclassification of fuel oil as a by-product, which reduced the overall waste management footprint and improved resource recovery outcomes. This reclassification also supports SABIC’s circular economy objectives.

Read more about our waste management and material loss prevention efforts in the value chain under our material topic [Supply Chain](#).

ENGAGEMENT AND COLLABORATION

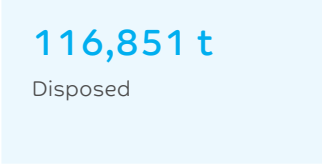
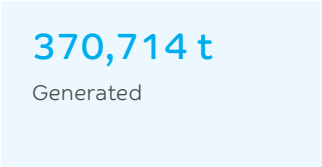
During April 2025, SABIC participated in Saudi Environment Week in Riyadh. Sponsored by Saudi Ministry of Environment, Water, and Agriculture (MEWA), the event engaged over 4,000 visitors, including senior Saudi government delegates, and provided a platform for SABIC to showcase our sustainability initiatives and reinforce stakeholder dialogue.

SABIC has strategic partnerships with local universities, including King Abdullah University of Science and Technology (KAUST), King Fahd University of Petroleum and Minerals, and King Faisal University, to examine local groundwater and wastewater management challenges and collectively develop innovative solutions to tackle them.

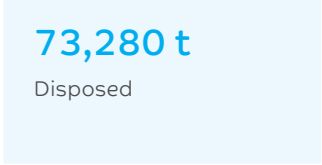
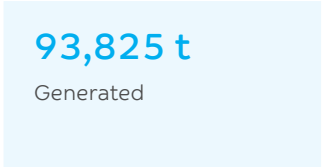
SABIC also engaged with regulators proactively, assessing the impact of updates such as the Royal Commission Environment Regulation (RCER 2025) in Jubail and Yanbu, ensuring compliance and promoting responsible operations.

KEY METRICS

HAZARDOUS WASTE



NON-HAZARDOUS WASTE



BIODIVERSITY AND ECOSYSTEMS

OUR APPROACH

SABIC’s DMA identified biodiversity as a material topic, recognizing that long-term business resilience is linked to the health of natural systems. This also aligns with Saudi Vision 2030, which emphasizes environmental sustainability, ecosystem protection, and the responsible use of natural resources. By prioritizing biodiversity, SABIC contributes to Saudi Arabia’s national objectives such as land restoration, habitat conservation, and improved environmental performance, while supporting economic diversification and resilience.

Biodiversity interactions occur across SABIC’s operations and value chain, including potential impacts from land use, land degradation, desertification, deforestation, and changes in ecosystem condition. Understanding these interactions enables informed risk management, opportunity identification, and responsible decision-making. Preliminary assessments map locations where biodiversity interactions are most significant, guiding prioritization of resources and risk-based approaches across its global operations.

2025 DEVELOPMENTS

SABIC launched a biodiversity assessment program to build a deeper understanding of its impacts and dependencies on nature. The initiative integrates company-level analyses, petrochemical-sector-focused evaluations, and targeted site-level assessments across selected assets in Europe and Saudi Arabia. These assessments identify nature-related risks and opportunities, inform strategic responses, and lay the groundwork for measurable future performance indicators.

The program also strengthened external engagement, including site visits and knowledge exchange with peer industries, benchmarking of best practices and enhancing internal capability.



WORKFORCE AND COMMUNITY

EMPLOYMENT AND WORKFORCE MANAGEMENT

OUR APPROACH

Employment and workforce management emerged as a material topic because it directly affects SABIC's ability to operate, grow, and create long-term value. Our approach to workforce management covers all employees across global operations and encompasses recruitment, job creation, capability development, engagement, sense of belonging, compensation, wellbeing, and culture.

2025 DEVELOPMENTS

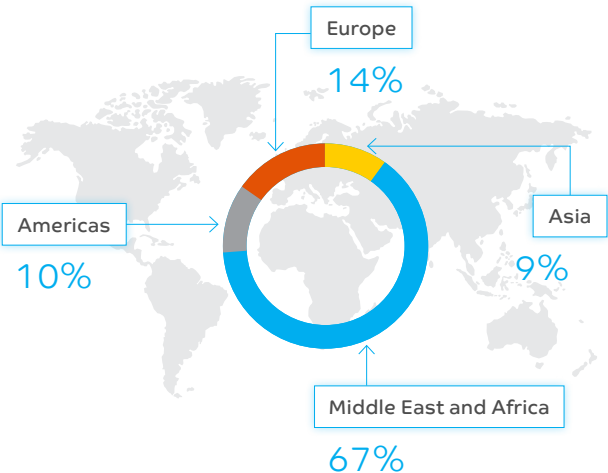
PERFORMANCE MANAGEMENT

Performance reviews are a core mechanism for strengthening our talent and directly advancing our workforce priorities. All professional employees, including executives, participate in a globally defined and managed annual performance review and receive a performance rating, with 100% of eligible employees receiving a rating in 2025.

CAPABILITY DEVELOPMENT

Employee development is underpinned by our Leadership Way framework. Global mobility assignments, AI-enabled learning platforms, scholarship programs, leadership readiness programs, and our wellbeing framework expand capability development. Structured talent-pipeline programs support career development and national workforce priorities.

These concepts are reinforced through an immersive Boot Camp program designed to guide global leaders through transformative and personal change journeys. The initiative reached senior leaders across Saudi Arabia, Singapore, India, and China. Other internal leadership programs, including Leadership in SABIC and The Impactful Leaders, similarly strengthen capabilities across the organization.



KEY METRICS

26,000+ Employees globally	60 New hires
9% Women in the workforce	10% Turnover rate (inclusive of turnover related to portfolio optimization)
96% Employees in performance-based incentive plans	100% Eligible employees receiving a performance rating

OUR LEADERSHIP WAY How we lead SABIC's transformation	TALENT CHAMPION INSPIRE We generate pride and commitment about making an impact	COLLABORATION PARTNER ENGAGE We connect with others to achieve more together	INNOVATION PIONEER CREATE We find and embrace new and better ways of working	EXCELLENCE DRIVER DELIVER We take responsibility to drive meaningful results
OUR VALUES How we act each day				

KEY METRICS

67 Average training hours per employee (direct hire)	4,000+ Global mentoring enrollment
150 Executives in global mentoring programs	190 Employees on global assignments
73% Employees feel they can thrive at SABIC	56% 44% Male Female SABIC Scholarship Program (total enrollment: 669)

Our career co-ownership model empowers employees to shape their development through clear competency frameworks, accessible learning platforms, self-paced programs, and management support. A new digital learning platform provides access to over 100,000 resources, including videos, custom role plays and professional certifications, ensuring training is relevant and future focused. Collaboration with Saudi Aramco continued on benchmarking, knowledge exchange and on a number of employee and professional development programs.

PAY EQUITY

SABIC maintains a global compensation philosophy that balances external market competitiveness, internal equity and performance-based differentiation. The company conducts annual pay equity analyses across the Americas, Europe and Asia Pacific. The outcomes of these reviews indicate that compensation outcomes are equitable, with no material or

systematic gender-based pay disparities identified across employee demographic groups. SABIC monitors pay-equity outcomes as part of its ongoing compensation governance and review processes.

An external consultant verified that 100% of our employees working in countries with a statutory minimum wage were compensated above statutory thresholds, excluding allowances, overtime, or bonus payments. Periodic audits paid particular attention to high-inflation regions and markets undergoing new regulatory changes. SABIC also advanced its “Living Wage” initiative in collaboration with an external agency.

EMPLOYEE EXPERIENCE

Our annual global employee survey had its highest ever participation rate of 81%. We introduced enhancements to enable increased digital access for all employees, including those in manufacturing plants, and a faster execution compared to previous survey cycles.

SABIC'S WELLBEING FRAMEWORK



EMPLOYEE NETWORKS

We encourage this sense of belonging for all employees through various initiatives, such as our women’s network (SHE), the SABIC Young Leadership Council (SYLC), and others. SYLC is an advisory council of talented early career employees who provide perspectives, research, and insights to the Executive Management Committee on strategic topics such as technology, knowledge retention, future of work, and the employee experience. The council contributed to SABIC’s transformation agenda, strengthening cross-functional alignment and informing decisions.



The SABIC Young Leadership Council (SYLC) at SABIC’s year-end meeting in December. SYLC plays a unique role in bringing the unfiltered voice of younger employees to the table.

SABIC SCHOLARSHIP PROGRAM CELEBRATES 20 YEARS OF IMPACT

2025 marked the 20th anniversary of the SABIC Scholarship Program, a flagship initiative that provides high-potential Saudi students with full scholarships to study at leading local and international universities. Throughout their journey, participants work closely with SABIC advisors and engage in workshops, conferences, internships, and development programs. Upon completion of their studies, graduates are placed across SABIC’s businesses, enabling a smooth transition into corporate life and providing first-hand exposure to our culture, values, and purpose. This program remains a key pathway for developing national talent and strengthening SABIC’s future leadership pipeline.



Scholarship program events held in Saudi Arabia and the USA during 2025.

HUMAN AND LABOR RIGHTS

OUR APPROACH

Saudi Vision 2030 links social progress, economic growth, and global competitiveness to the protection and promotion of human rights. Accordingly, human and labor rights were identified as a material topic during our DMA and will be a focus area for further development in the coming years. This will enable more transparent reporting and stronger oversight as we continue to advance our responsible business agenda.

Our program is aligned with the UN Guiding Principles on Business and Human Rights, the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work, and the principles of the UN Global Compact. SABIC participates in collaborative initiatives such as the UN Global Compact and the chemical industry’s Responsible Care® program, which supports human rights through its focus on safety, health, environmental stewardship, transparency, product safety, and community participation. SABIC’s approach is also informed by national priorities under Saudi Vision 2030 and the principles of the Saudi Human Rights Commission.

As described under the material topics of [Supply Chain](#) and [Governance and Ethics](#), SABIC has an extensive supplier due diligence program designed to support respect for human rights both in our own operations and in the practices of our value chain partners.

2025 DEVELOPMENTS

Human rights assessments were conducted at company sites in Genk, Belgium, and Vadodara, India, covering both own operations and the associated value chain. As a result of the assessments, we identified and began implementation of a process improvement opportunity around expanding the accessibility of our Speak Up tools to on-site contractors.



SUPPLY CHAIN

OUR APPROACH

SABIC’s supply chain underpins both our business performance and environmental and social outcomes. Strong, ethical supply chains are a key enabler of SABIC’s global business operations, enhancing competitive advantages and directly contributing to the goals of Saudi Vision 2030. By strengthening environmental, social, and ethical standards across the value chain, SABIC contributes to economic diversification, workforce development, and environmental protection.

Our supply chain is designed to deliver the right products at the right time with consistency, resilience, and customer-focused reliability. Integration with Saudi Aramco further enhances this capability through shared synergies, optimized facilities, and a more connected end-to-end value chain. Procurement plays a critical enabling role by selecting qualified suppliers that meet stringent technical, quality, EHSS, and ethical standards, reinforcing operational continuity and responsible sourcing.

By leveraging our global logistics network, long-standing partnerships, and localized supplier base, SABIC captures economies of scale, simplifies operations, and implements innovative solutions that reduce cost to serve, strengthen financial performance, and support sustainable industrial growth.

GLOBAL DISTRIBUTION FOOTPRINT



2025 DEVELOPMENTS

- Optimized global supply networks led to improved lead times, reduced dependence on long-haul feedstocks, and enhanced customer service. Regional delivery models and logistics coordination improved reliability amid geopolitical disruption.
- SABIC’s distribution network advanced by adding capacity through new assets, warehouses, service points, and packaging types. Customer feedback mechanisms were strengthened through new channels and availability in more languages.

- Our logistics partner, Saudi Arabia Railways, moved more than 30,000 containers with improved efficiency and safety.
- In the US, increased payloads across railcars, bulk trucks, and containers helped cut trips and fuel consumption. Operational performance improved as vessel waiting times for chemicals were reduced to an efficient waiting time.
- In Asia, our global supply chain network was able to minimize the impact of trade wars by leveraging our global presence. Furthermore, new delivery models, such as sales while the material is still in transit, improved material availability, reduced shipment times, and provided more logistical flexibility and cost control. Operational coordination among manufacturing affiliates, distribution terminals, and vessel owners helped reduce anchorage waiting times, while strengthened business-continuity processes ensured uninterrupted service during periods of geopolitical tension.
- Together for Sustainability (TfS) assessments were extended to global road and rail transportation and to SABIC’s procurement in Asia. SABIC also actively participated in TfS global workstreams and in regional initiatives in China and Japan, to strengthen the integration of responsible sourcing across its supply chain.
- Our Global Procurement department won an internal Shared Services Award in the category "EHSS, Compliance and Sustainability" for its ESG efforts.

OPERATION CLEAN SWEEP®

Operation Clean Sweep® (OCS) is a voluntary program aimed at promoting best practices and helping companies in the plastics value chain eliminate plastic loss in operations and reduce the risk of plastic leakage into the environment. Implementing its principles helps reduce the loss of plastic pellets, flakes, and powders throughout our operations and supply chain.

OCS certification was achieved for a three-year period across all SABIC plastic handling sites in Europe and the Middle East and Africa region, with certification progressing for our sites in the United States. Participation reinforces accountability, regulatory readiness, and responsible materials management across our value chain, and we encourage our supply chain partners to join the program.

Read more about our  [Resource Efficiency](#) efforts.

KEY METRICS

1,318

New suppliers registered in SLM

3,719

Suppliers deactivated in SLM

25,038

Total suppliers active in SLM

364

Suppliers assessed through independent TfS-EcoVadis sustainability platform

269

Suppliers audited through independent (TÜV) supplier sustainability assessments

203

Suppliers qualified through independent (TÜV) supplier sustainability assessments



SLM: SABIC's supplier life cycle and performance management program

CORPORATE SOCIAL RESPONSIBILITY

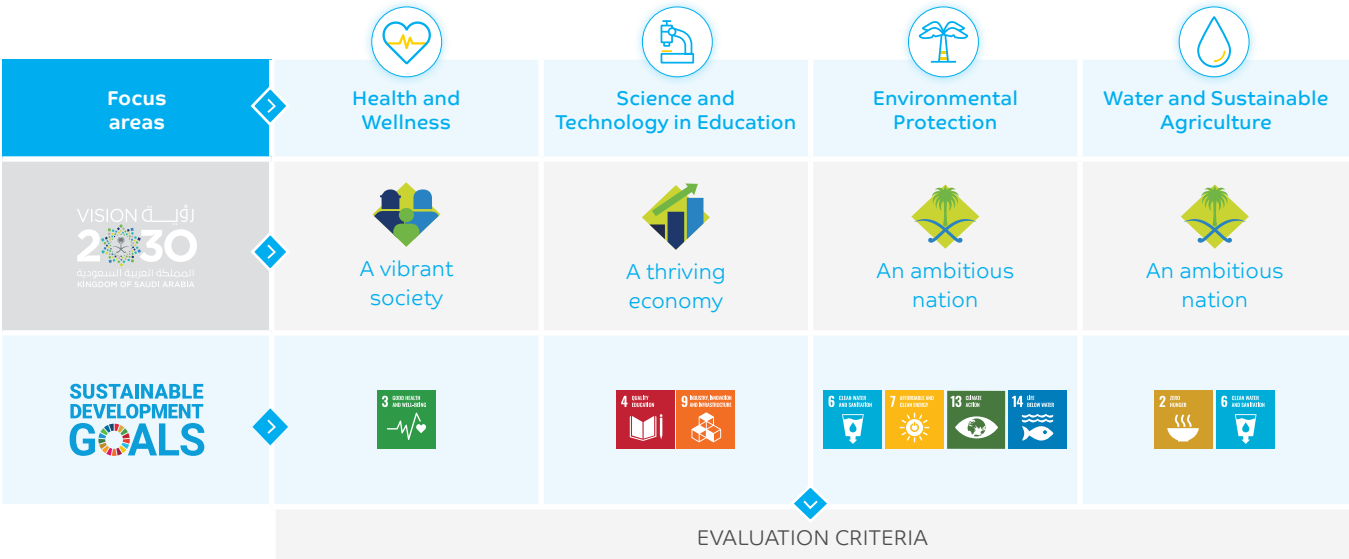
OUR APPROACH

Corporate Social Responsibility (CSR) emerged as a material topic because it has a direct impact on both business performance and stakeholder outcomes. SABIC’s CSR efforts are grounded in creating value for society and supporting the communities where our employees live and work. Over nearly five decades, we made sustained investments in community programs around the world.

Each site is part of SABIC’s commitment to the chemical industry’s Responsible Care® initiative. Through ongoing stakeholder dialogue, we identify volunteer and financial projects in our communities.

Our global CSR activities are directed by the RAISE framework – Reputation, Audience, Innovation, Strategy, and Endurance – which ensures that all initiatives strengthen the company brand, address priority community needs, and reflect our corporate values.

To support disciplined and regionally relevant implementation, our regional RAISE Committees evaluate opportunities, oversee program selection, and align with both global strategy and community needs. Each committee focuses on programs that are impactful, scalable, and oriented toward SABIC’s long-term priorities.



2025 DEVELOPMENTS



HEALTH AND WELLNESS

CSR initiatives are focused on health access, food security, and preventative care across multiple regions.

- Contributed 10 Mn. (US\$ 2.67 Mn.) through Sadaia Ehsan toward social responsibility programs in Saudi Arabia. SABIC also matched employee donations exceeding US\$ 2.4 Mn. to support beneficiaries through the Berr charity.
- Provided mobile eye-exam camps for students in underserved schools in rural India. Children requiring corrective lenses received free spectacles, while those needing further care were referred to partner eye hospitals.

- Delivered packaged food to vulnerable families in Houston, USA. The effort resulted in over 34,000 pounds (over 15,000 kilograms) of food distributed to local communities.
- Collaborated with Cartagena Medical Service in Spain to carry out a range of employee activities including diet and sports nutrition workshops, physiotherapy consultations, and a flu vaccination campaign.
- Partnered with De FitFabriek in the Netherlands to organize various fitness activities for elderly people, people with disabilities, and low-income families and children.
- Held annual blood-donation drives, with hundreds of volunteers giving blood in partnership with the Ministry of National Guard Health Affairs in Saudi Arabia and the Japanese Red Cross Society in Japan.



SCIENCE AND TECHNOLOGY EDUCATION

STEM (science, technology, engineering, and mathematics) focused education programs reached students across multiple countries through university partnerships, school upgrades, and hands on learning activities.

- Delivered workshops at the South China University of Technology and Shanghai Jiaotong University, in collaboration with China Petroleum and Chemical Industry Federation (CPCIF), engaging more than 2,800 students in hands-on learning.
- Upgraded government schools in rural India, providing modern classrooms, washrooms, drinking-water systems, lighting, and fully equipped computer and science labs to support practical learning and interactive teaching.
- Provided school supplies and companionship at the Green School in Chungju, South Korea, which serves elderly learners who did not have access to formal education.
- Enabled students in the Netherlands and Spain to take part in the FIRST LEGO League, a program that introduces children to problem-solving and robotics in a fun, engaging way.
- Delivered sustainability and leadership focused programs in collaboration with Injaz Saudi Arabia across 939 Saudi schools in 16 cities. Altogether, 58,652 students participated, while 1,955 teachers received dedicated training from Injaz.
- Distributed essential school supplies to children in need across Brazil, Mexico, Saudi Arabia, China, and Southeast Asia.



ENVIRONMENTAL PROTECTION; WATER AND SUSTAINABLE AGRICULTURE

Activities included ecosystem restoration, tree planting, clean-up campaigns, and water and energy awareness programs tailored to local community needs.

- Joined ARBA Cartagena La Unión in Spain to collect native plant seeds around the Cartagena site, cultivate nursery gardens, and help restore local ecosystems.
- Planted 100 trees for World Environment Day at the Unidad Deportiva La Garita Sports Complex in Mexico, working alongside local authorities and community partners.
- Removed debris in Galveston Bay near our Houston, USA sites, to help protect the local ecosystem.
- Carried out cleanups along the Kinugawa River near the Moka, Japan plant, addressing pollution threats in an otherwise rich natural habitat.
- Delivered Water and Energy Efficiency Awareness sessions to primary school students in Jubail, Saudi Arabia, encouraging early adoption of sustainable habits and prompting students to share these practices at home.



SABIC volunteers join forces to clean up the Galveston Bay shoreline in Texas, USA

LOOKING AHEAD

CSR initiatives will be tailored to each region’s specific needs, and supportive of Saudi Vision 2030 as well as United Nations Sustainable Development Goals. The SABIC Mental Health and Drug Addiction Treatment Hospital in Riyadh is scheduled for opening in 2026, representing an investment of US\$ 80 Mn.

KEY METRICS

66 Global CSR programs	14 Countries with global CSR programs
41 External CSR partnerships	US\$ 11.18 Mn. Invested in CSR programs
334,000+ People reached through CSR programs	3,569 Total employee volunteer hours
1,229 Employee volunteers	24 Sites undertaking community stakeholder mapping

HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

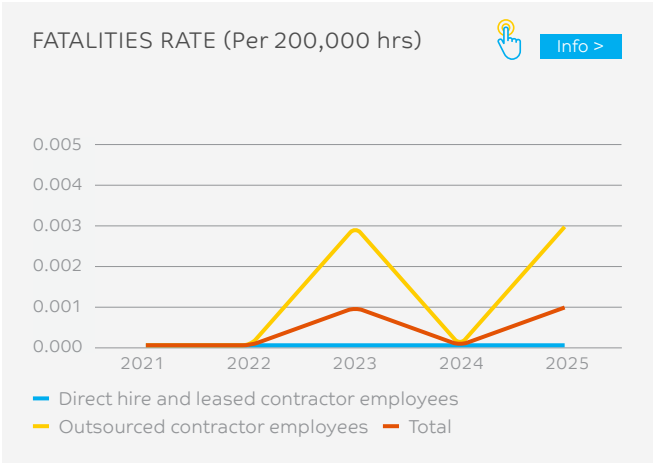
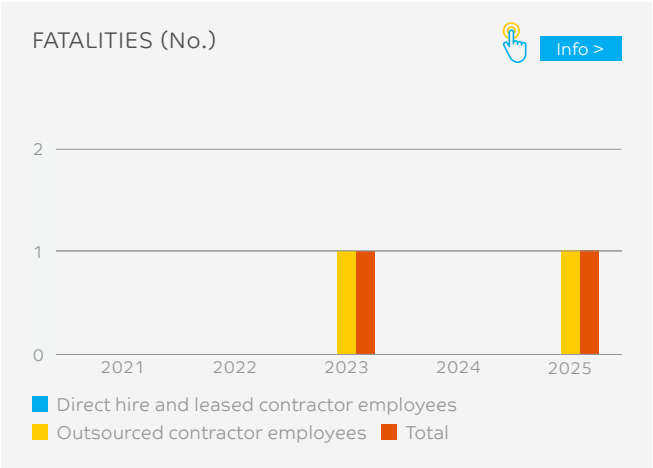
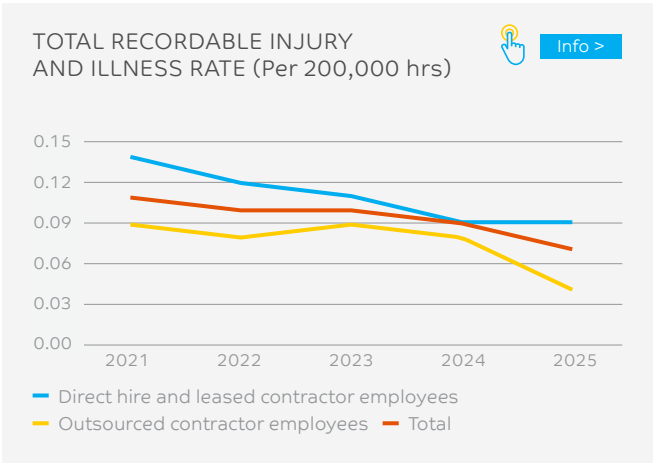
OUR APPROACH

Occupational health and safety is a key material topic due to the inherent risks associated with the production and use of chemicals. SABIC addresses these risks through regulatory compliance, proactive risk governance, and a strong culture of accountability. EHSS expectations are embedded across business divisions, partnerships, and supply chains, reinforcing operational discipline and strengthening our focus on safeguarding people and protecting the environment. Oversight by the EHSS Executive Council provides strategic alignment and drives continuous improvement.

2025 DEVELOPMENTS

EHSS PERFORMANCE

SABIC's Total Recordable Injury and Illness Rate (TRIR) improved by 22% compared to the previous year, reflecting our commitment to protect our people, strengthen operational resilience, and sustain long-term business performance through a strong safety culture.



KEY METRICS

0.07

Total recordable injury and illness rate¹

1

Fatality

0.001

Fatalities rate²

4

Tier 1 Process Safety Events

0.005

Tier 1 Process Safety Events Rate³

¹ (No. of recordable injuries + illnesses) * 200,000 hours worked/Total man-hours worked
² No. of fatalities * 200,000 hours worked/Total man-hours worked
³ Number of Tier 1 Process Safety Events / 200,000 hours worked/Total man-hours worked

CERTIFICATIONS AND AUDITS

- Responsible Care® 14001 certification maintained across global chemical manufacturing locations, with the second periodic audit for the Responsible Care® technical specification 14001:2023 completed.
- ISO 14001:2015 certification maintained at plants worldwide, with audits completed across sites in the Middle East and Africa, the Americas, Europe, and Asia.

- ISO 45001:2018 certification for occupational health and safety maintained across sites in the Middle East and Africa and other selected global operations, with Middle East and Africa sites passing the second periodic ISO 45001:2018 audit.
- Operation Clean Sweep® external certification obtained across all European sites, with all Middle East and Africa sites also obtaining external certification in 2025. In the United States, three sites were verified and obtained certification, while the remaining sites are under verification.

COMPETENCY DEVELOPMENT

Competency development was emphasized through various training activities in conjunction with both internal and external experts, including:

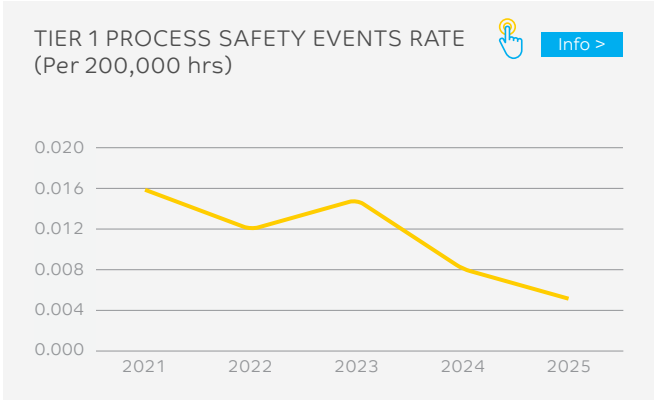
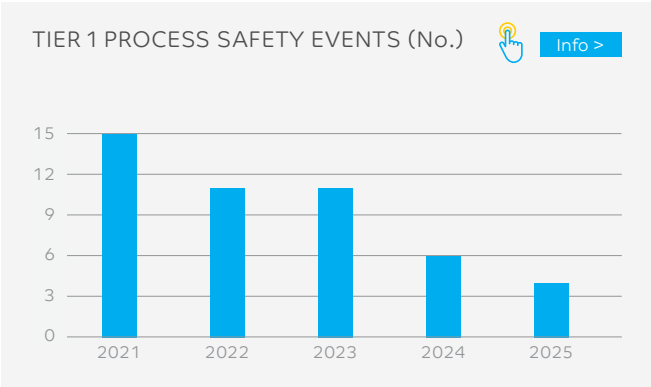
- National Examination Board in Occupational Safety and Health (NEBOSH) environmental certification program.
- Process Safety Competency Development Program (PSCDP) at Texas A&M University.
- Process Hazard Analysis Leaders’ Qualification (PHALQ).
- PHALQ M3, an advanced PHALQ module for the APAC region.
- Dust Hazard Analysis training focused on identifying and managing combustible dust hazards.
- Management of Change and Pre-Startup Safety Review sessions.
- Process Safety Foundation sessions covering baseline process safety principles.
- Layer of Protection Analysis (LOPA) proficiency courses focused on LOPA methodology and application.
- Consequence modeling sessions using PHAST and SAFETI software for process safety and risk analysis.

- Occupational health and safety training, including Job Safety Analysis (JSA) and British Occupational Hygiene Society (BOHS) accredited courses.
- EHSS contractor award program in Europe, covering nearly two million work hours and 63 EHSS initiatives.

SABIC refined its contractor qualification process, placing greater emphasis on EHSS awareness. The “Third Party Contractor Safety Recognition” initiative deepened engagement through incident-learning exchanges, best-practice sharing, and joint performance evaluations. These efforts contributed to a stronger, more unified safety culture. Workshops and awareness campaigns, supported by a global EHSS skills database, enabled wider knowledge-sharing, deeper technical collaboration, and more consistent application of best practices.

PROCESS SAFETY

SABIC’s Tier 1 Process Safety Events Rate improved by 30% compared to the previous year as a result of our continuous focus on controlling process safety leading indicators and enhancing capabilities.



Initiatives during the year included:

- Process Safety Leadership workshops conducted for leaders across Middle East sites, with 75% of locations completing training.
- Deployment of MAKEEN, a structured initiative under the SABIC Leader Process Safety Competency Assurance Program (LPSCAP) that drives process safety leadership and competency for operation leaders.
- High Consequence Risk Scenarios (HCRS) initiative, which established a focus on scenarios supported by bow-tie analysis to strengthen risk visibility and reinforce effectiveness of critical controls, frontline training, and safeguard verification.
- Hosting the Supreme Authority for Industrial Security (SAIS) and the Center for Chemical Process Safety (CCPS) Process Safety Forum at SABIC’s Jubail building and chaired multiple Gulf Petrochemicals & Chemicals Association (GPCA) Gulf Process Safety Network activities.
- Process safety training across Europe, reaching around 50 participants, to address high-hazard operations and compounding facilities.

SECURITY, EMERGENCY, AND CRISIS RESPONSE

Initiatives during the year included:

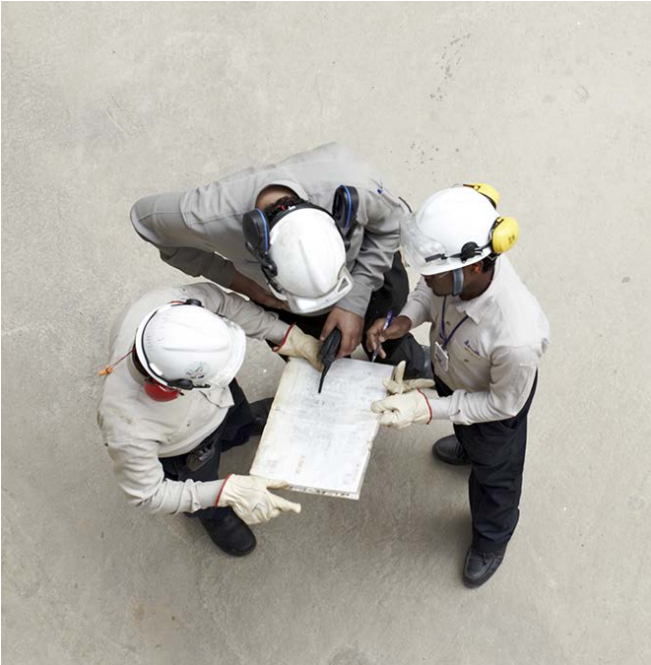
- Upgrading security infrastructure to meet directives from Saudi Arabia's Supreme Authority for Industrial Security.
- Conducting six Middle East & Africa focused security network meetings, facilitating continuous exchange of learning and best practices.
- Advancing crisis management capability through global workshops and scenario-based exercises, including case study-driven sessions with regional teams and government entities.
- Developing pandemic crisis simulation with extensive knowledge sharing among crisis and security subject-matter experts.
- Finalizing a new annual fitness testing model for firefighters to be implemented from 2026, with SHEM-11 updates underway to ensure long-term sustainability.
- SABIC's Emergency Response Academy (SERA) received international accreditation under the latest National Fire Protection Association (NFPA) standards, secured drone authorization from the General Authority for Civil Aviation (GACA), delivered training to over 4,200 participants, and supported external partners in strengthening preparedness.

STAKEHOLDER ENGAGEMENT AND COLLABORATION

Collaboration with Saudi Aramco has lead to performance improvements, advanced regulatory alignment, and developed digitalization initiatives. The collaboration was extended to emergency response management, where joint drills were conducted with Saudi Aramco emergency response services across multiple fire scenarios to maximize shared learning.

In Saudi Arabia, SABIC also contributed to the national Supreme Authority of Industrial Security (SAIS) Tamheen project, which aims to standardize competencies for people in security, safety and fire protection roles by establishing national professional certifications.

Workshops on radio communication modernisation, expanded drone permits and operational licences, and strengthened intelligence cooperation in Jubail further enhanced SABIC's overall security management.



PRODUCT STEWARDSHIP

OUR APPROACH

Product stewardship is a material topic as it directly affects regulatory compliance, customer trust and long-term value creation across the entire product life cycle.

Our approach to product stewardship is to manage product-related risks, health, environmental and compliance risks and to have consistent, accurate communication with downstream users. This includes hazard identification, regulatory alignment, responsible marketing and labelling, and transparency on substances of concern.

2025 DEVELOPMENTS

SAFER CHEMISTRY

SABIC released the fifth batch of compounds under its Safer Chemistry program, an internal initiative focused on developing products with lower human and environmental hazard profiles. Each chemical substance in the batch was reviewed by our technology and business functions for substitute, eliminate, reduce (SER) opportunities.

DATA, CLASSIFICATION AND DOCUMENTATION IMPROVEMENTS

SABIC’s Globally Harmonized System of Classification and Labelling of Chemicals (GHS) database was updated to include additional categories such as endocrine disruption (ED), persistent, mobile, toxic (PMT) and persistent, bioaccumulative, toxic (PBT). These updates were reflected in our Safety Data Sheet and Regulatory Data Sheet (RDS) outputs and improve the level of information available to customers and regulators.

RDS coverage was also expanded, with new RDS documents added for key chemicals including methanol and glycols, alongside routine updates to other chemicals and polymers. This work broadens transparency across topics such as substances of very high concern (SVHC), volatile organic

compounds (VOCs), polyaromatic hydrocarbons (PAHs) and persistent organic pollutants (POPs), ensuring downstream users have a clearer view of regulatory status and potential areas of concern.

SYSTEMS AND PROCESS MODERNIZATION

The transition to a cloud-enabled planning system that strengthens integration between internal regulatory processes, master data, and compliance workflows was completed. Meanwhile, our Accolade product development workflow was also remodelled to allow teams to identify early potential regulatory considerations. The Product Stewardship team reviewed more than 200 Accolade projects, primarily focused on PFAS and catalyst replacement.

PORTFOLIO ACTIONS AND TECHNICAL INNOVATION

A new non-intentionally added PFAS (NIA PFAS) product portfolio that addresses customer product functionality needs (for example, flame retardancy) while avoiding PFAS where possible was developed. The offering was made available to customers for testing and evaluation.

EDUCATION, ADVOCACY AND EXTERNAL ENGAGEMENT

The internal Product Stewardship Experience program, which provides foundational training in toxicology, regulatory affairs and hazard communication, strengthening organizational capabilities and supporting consistent application of internal standards, was held across sites.

Externally, SABIC contributed to regional industry discourse through its participation in the 2025 GPCA Product Stewardship Workshop, where we presented insights on regulatory innovation, AI-enabled compliance and sustainable chemistry practices. These engagements help align industry positions on emerging challenges and demonstrate SABIC’s willingness to support collective progress on stewardship issues.

KEY METRICS

14,152 Customer product inquiries answered	321,906 Safety Data Sheets (SDS) published
25,611 Customer response letters	15 Social and environmental responsibility commitments met
0 Non-compliance incidents with regulations and voluntary codes concerning marketing communications	217 Product stewardship reviews of T&I projects in Accolade (in progress)

BUSINESS CONDUCT

GOVERNANCE AND ETHICS

OUR APPROACH

Governance and ethics is a material topic because it directly affects SABIC’s legal compliance, performance, reputation, and long-term ability to operate. At the center of SABIC’s business conduct framework is SABIC’s Code of Ethics, which serves as an operational guide. To support accessibility and consistent application, the Code is available in multiple languages, including English, Arabic, Chinese, Dutch, and Portuguese.

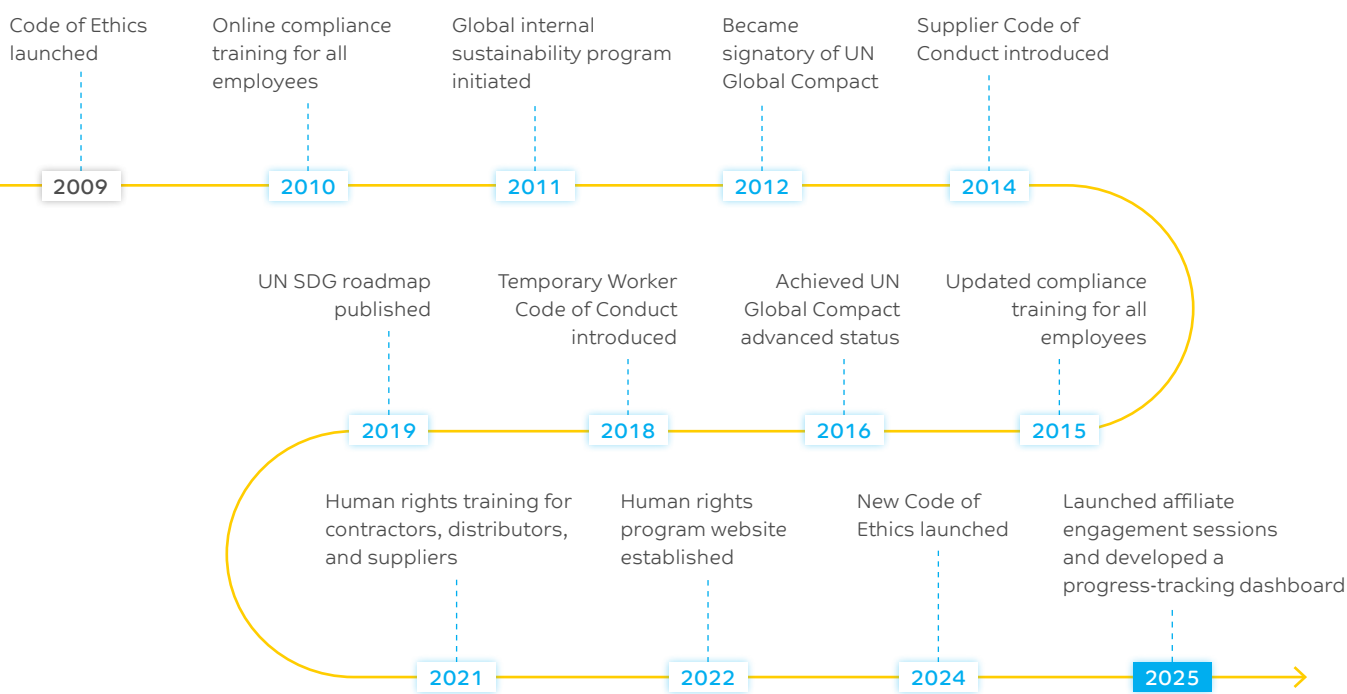
All employees are required to comply with the Code of Ethics, annually acknowledge their understanding, and complete mandatory training on relevant policies every two years. These requirements are reinforced through targeted in-person and virtual training sessions aimed at strengthening collective awareness of compliance obligations and fostering a culture of integrity. SABIC also encourages the reporting of integrity concerns through confidential channels, including an anonymous internal and external speak-up mechanism, supported by a non-retaliation policy that protects individuals who raise concerns in good faith or participate in investigations.

Clear accountability underpins the effectiveness of this approach. The CEO holds overall responsibility for the implementation of the Code of Ethics, while the Corporate Governance department is responsible for developing, implementing, and monitoring compliance in line with Board-approved requirements. This function also oversees communication, training, and investigations of actual or potential violations, and provides regular updates to the Board Audit Committee on risks, mitigation measures, and ongoing initiatives, with additional reporting as required.

Ethical standards are extended beyond SABIC’s direct workforce to the broader value chain. Suppliers are required to adhere to SABIC’s Supplier Code of Conduct, and temporary and contract workers follow a dedicated Temporary Worker Code of Conduct, both of which reflect the principles and expectations set out in SABIC’s Code of Ethics.

SABIC also engages with its business partners, using online compliance training to build a shared understanding of key topics such as fair labor standards, anti-corruption, and anti-money laundering. Through this integrated and structured approach, SABIC seeks to embed ethical conduct consistently across its operations and relationships, reinforcing governance as a critical pillar of sustainable and responsible business practice.

JOURNEYING TOWARD EXCELLENCE IN BUSINESS ETHICS



2025 DEVELOPMENTS

Compliance efforts were strengthened through enhanced communication campaigns, including visual reminders, monthly messages to leaders, updated ethical leadership toolkits, and the launch of a dedicated compliance campaign in China.

More than 50 new “Integrity Ambassadors” were selected across the Middle East and Africa region. New training and onboarding programs were rolled out across affiliates and corporate functions, with over 150 participants attending compliance sessions across 13 affiliates.

Governance and stakeholder engagement were strengthened through closer collaboration among key internal functions, including HR, EHSS, Cybersecurity, Procurement, Sales, and Marketing, to assess and manage compliance risks. Regular quarterly updates were provided to the Board Audit Committee on progress, risks, and mitigation measures, with no high risks identified for 2025.

Beyond core compliance activities, two interactive workshops were hosted in Riyadh, Saudi Arabia, in partnership with the Pearl Initiative, which focused on workplace diversity, inclusion, and integrity for senior business leaders. The sessions sought to foster inclusive cultures, examining the relationship between gender diversity and corruption, and equipping participants with practical approaches to embedding integrity into organizational culture and compliance systems.

SABIC participated in the B20 South Africa Integrity & Compliance Task Force, an initiative to advance recommendations that help embed responsible business conduct and fight corruption across global markets and value chains.

KEY METRICS



Corporate governance framework	Board of directors	Board committees	Executive management
90	91	104	111

Remuneration	Related-party transactions	Internal audit	Declarations
115	121	122	123

CORPORATE GOVERNANCE

Strong corporate governance is at the core of SABIC’s success. Through clear accountability, strategic oversight, and adherence to global best practices, we uphold responsible decision-making and build long-term stakeholder trust.





Members of the Board as pictured from left to right: Dr. Ramesh Ramachandran, Dr. Faisal Al-Faqeer, Lucrèce De Ridder, Dr. Mohammed Al-Qahtani, Khalid Al-Dabbagh, Abdulrahman Al-Fageeh, Ziad Al-Murshed, Yousef Al-Zamel, Mohammed Al-Subaie.

CORPORATE GOVERNANCE FRAMEWORK

SABIC is committed to sound corporate governance principles and practices as a strategic enabler for achieving its objectives, promoting ethical leadership, ensuring accountability, transparency and the fair treatment of shareholders. Our governance practices are aligned with relevant laws and regulations, including those of the Capital Market Authority (CMA), while also adhering to internationally recognized best practices. The framework is established under SABIC's bylaws and the charters of the Board and its committees and is designed to foster long-term value creation, sustainability, and robust oversight across all levels of the organization. Key components include Board governance, corporate policies, internal controls, stakeholder engagement, and performance measurement.

The Board holds ultimate responsibility for defining SABIC's purpose, values, and strategic direction, ensuring that these elements remain aligned with its culture and are periodically reviewed and updated as necessary. Management is responsible for ensuring that adequate resources are allocated to achieve the company's objectives. The Board is composed of a majority of independent and non-executive directors, ensuring a clear division of responsibilities and effective oversight of management to further foster good governance. Regular evaluations are conducted to assess the Board's effectiveness, diversity, and the adequacy of its collective skills and experience.

Upon completion of its previous term, the Board and its Committees were duly reconstituted in April 2025. Their new term will continue for three years, in line with SABIC's commitment to regular Board renewal and effective corporate governance practices. The new Board appointments reflect effective governance, diversity, and the alignment of the Board composition with the company's strategic objectives. In 2025, the Board approved revisions to the Risk Management and Cybersecurity policies, strengthening business continuity management and embedding risk management practices in decision-making. Additional corporate policies are currently under review and are scheduled to be presented to the Board in 2026.

The Board remains committed to the ongoing review and enhancement of all corporate policies to ensure the effectiveness and integrity of SABIC's corporate governance framework.

SABIC's key corporate policies which include Code of Ethics and Human Resources policies are structured to uphold high standards of business conduct and to support the company's success. These policies include clear procedures for employees to raise concerns and report potential misconduct, supporting a culture of integrity and accountability.

Remuneration policies are closely aligned with SABIC's purpose and values. These policies are developed through formal and transparent procedures, with independent judgment exercised in determining remuneration outcomes.

The company's internal controls and risk management framework are subject to continuous review and enhancement under the oversight of the Board Audit Committee. The integrity of SABIC's financial statements is safeguarded through transparent and rigorous audit processes.

Stakeholder engagement is also a fundamental principle, with the interests of customers, investors, employees, regulators,

communities, governments, and suppliers actively considered in decision-making processes.

The SABIC Corporate Governance framework also incorporates comprehensive performance measurement and control mechanisms.

BOARD RESPONSIBILITIES

The Board is ultimately responsible for setting the company strategy, direction and policies, overseeing its management, protecting the interests of its stakeholders, and ensuring its operation in an effective, compliant, and ethical manner. Collectively, the Board oversees key areas such as capital structure, financial performance, reporting, auditing, internal controls, regulatory compliance, stakeholder relations, organizational governance, risk management, sustainability and the appointment and evaluation of the Board and its committees. It is accountable to shareholders for generating value through effective management of operations and strategic goals*.

*Detailed Board duties and responsibilities are set out in the [Board Charter](#).



BOARD OF DIRECTORS

BIOGRAPHIES OF BOARD AND COMMITTEE MEMBERS



KHALID AL-DABBAGH

BSc Industrial Engineering, Exec. Cert Management
Board Chairman, Non-Executive Director



DR. MOHAMMED AL-QAHTANI

PhD, MSc and BSc Petroleum Engineering
Board Vice Chairman, Non-Executive Director

Other Current Positions/ Memberships

- Member, Board of Saudi Aramco
- Member, Investment Committee of the Public Investment Fund
- Member, Committee of Chairmen of the Boards of Directors of the World Economic Forum
- Member, Board of Governors of the GCC Board Directors Institute
- Member, the Advisory Board of King Abdulaziz Award for Excellence

Previous Positions

- Senior Vice President, Finance Strategy & Development, Saudi Aramco
- Financial Controller, Saudi Aramco
- Treasurer, Saudi Aramco
- Director, Joint Venture Development & Support, Saudi Aramco

- Manager, Business Analysis Department, Saudi Aramco
- Managing Director, Saudi Petroleum Company, Tokyo, Japan
- Key positions at Saudi Aramco-owned companies in London and New York
- President & Chief Executive Officer, Saudi Petroleum International, Inc.

Previous Board Memberships

- Chairman, Board of Saudi Aramco Development Company (SADCO)
- Chairman, Board of Wisayah Global Investment Company (WISAYAH)
- Member, Board of Pengerang Petrochemical Sdn Bhd
- Member, Board of Pengerang Refining Sdn Bhd

- Member, Board of Sadara Chemical Company (SADARA)
- Member, Board of ARLANXEO Holding B.V.
- Member, Board of Fujian Refining & Petrochemical Company
- Member, Board of Aramco Trading Company (ATC)
- Member, Board of Saudi Aramco Base Oil Company (Luberef)
- Member, Board of Arab Petroleum Pipelines Company (SUMED)

Other Current Positions/ Memberships

- President, Downstream, Saudi Aramco
- Chairman, Board of Aramco Trading Company (ATC)
- Chairman, Board of Motiva Enterprises LLC
- Chairman, Board of Saudi Aramco Total Refining & Petrochemical Company (SATORP)
- Member Board of S-Oil Corporation
- Member, Board of Saudi Arabian Mining Company (Ma'aden)
- Member, Board of Dhahran Techno Valley Company
- Member, Board of Bilateral US-Arab Chamber of Commerce

- Honorary Membership, Society of Petroleum Engineers
- Member, U.S. National Academy of Engineering (NAE)

Previous Positions

- Executive Vice President, Upstream, Saudi Aramco
- Vice President, Corporate Planning, Saudi Aramco
- Vice President, Corporate Affairs, Saudi Aramco
- Vice President, Petroleum Engineering & Development, Saudi Aramco
- Executive Director, Petroleum Engineering & Development, Saudi Aramco
- Chief Petroleum Engineer, Saudi Aramco
- President & CEO, Aramco Services Company, Houston, TX, USA.

Previous Board Memberships

- Chairman, Board of Saudi Aramco Jubail Refinery Company (SASREF)
- Member, Board of Pengerang Petrochemical Company Sdn Bhd
- Member, Board of Pengerang Refining Company Sdn Bhd.
- Member, Board of Saudi Aramco Upstream Technology Company (SAUTC)
- Member, Gulf Petrochemicals & Chemicals Association (GPCA)
- Member, Board of King Salman Energy City Development Company (SPARK)
- Member, Board of International Society of Petroleum Engineers
- Member, Board of Arabian Geophysical & Survey Company Ltd. (ARGAS)

● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairperson Hollow Circle: Committee Member



ABDULRAHMAN AL-FAGEEH

MBA, BSc Chemical Engineering

Board Executive Director & Chief Executive Officer

○



ZIAD AL-MURSHED

MBA, BSc Chemical Engineering

Board Non-Executive Director

○ ○

Other Current Positions/
Memberships

- Chairman, Board of SABIC Agri-Nutrients Company
- Chairman, Board of Nusaned Investment Company
- Chairman, Board of Gulf Petrochemicals & Chemicals Association (GPCA)
- Head, Saudi Delegation to B20s in South Africa
- Chairman, Saudi Petrochemical Manufacturers Committee (PMC)
- Member, Board of General Authority of Foreign Trade (GAFT)
- Member, Board of Saudi Investment Council
- Member, Board of Boao Forum for Asia in China
- Member, International Business Council (IBC) of the World Economic Forum (WEF)
- Member, Board of Saudi Ports Authority (MAWANI)

- Member, Global Hydrogen Council
 - Member, International Council of Chemical Associations (ICCA)
- Previous Positions
- Executive Vice President, Petrochemicals, SABIC
 - Executive Vice President, Performance Chemicals, SABIC
 - Executive Vice President, Polymers, SABIC
 - President, YANSAB

Previous Board Memberships

- Chairman, Board of Petrokemya
- Chairman, Board of Sadaf
- Chairman, Board of Ibn Sina
- Chairman, Board of Shrouq
- Chairman, Board of Yanpet
- Chairman, Board of Kemya
- Chairman, Board of SAMAC

- Chairman, Board of SABIC SK Nexlene Company
- Chairman, Board of Gulf Coast Growth Ventures (GCGV)
- Chairman, Board of SABIC Fujian
- Vice Chairman, Board of Ibn Zahr
- Member, Board of Ar-Razi
- Member, Board of SABIC Capital B.V.

Other Current Positions/
Memberships

- Executive Vice President & Chief Financial Officer, Saudi Aramco
- Chairman, Board of Wisayah Global Investment Company (WISAYAH)
- Member, Board of Global Digital Integrated Solutions Company (Aramco Digital)

Previous Positions

- Senior Vice President, Finance, Strategy & Development, Saudi Aramco
- Vice President, Fuels & Lubricants, Saudi Aramco
- Vice President, International Operations, Saudi Aramco
- Vice President, Downstream Growth & Integration, Saudi Aramco
- Executive Director, New Business Development, Saudi Aramco
- General Manager, Transaction Development, Saudi Aramco

- Director, Strategic Planning, Saudi Aramco
- Director, Economic & Energy Analysis, Saudi Aramco
- Manager, Yanbu NGL Fractionation Department, Saudi Aramco
- Manager, Business Analysis, Saudi Aramco
- Executive Manager, Saudi Aramco Asia Co. Ltd.

Previous Board Memberships

- Member, Board of S-Oil Corporation
- Member, Board of Aramco Trading Company (ATC)
- Member, Board of Aramco Chemicals Company (ACC)
- Member, Board of Sadara Chemical Company (SADARA)
- Member, Board of Aramco Overseas Company B.V.
- Member, Board of Saudi Arabian Industrial Investment Company (Dussur)

- Member, Board of Aramco Services Company (ASC)
- Member, Board of Saudi Aramco Asia Company (SAAC)
- Member, Board of ARLANXEO Holding B.V.
- Member, Board of Saudi Aramco Development Company (SADCO)
- Member, Board of Industrialization & Energy Services Company (TAQA)
- Member, Board of Motiva Enterprises LLC
- Member, Board of Saudi Aramco Entrepreneurship Center (Wa'ed)
- Member, Board of Saudi Refining, Inc. (SRI)
- Member, Board of Tas'helat Marketing Company (TMC)
- Member, Board of International Maritime Industries Company (IMIC)
- Member, Board of Aramco Lubricants & Retail Company
- Member, Board of Saudi Authority for Industrial Cities and Technology Zones (Modon)

● Board Audit Committee (BAC)
 ● Board Remuneration and Nomination Committee (BRNC)
 ● Board Sustainability, Risk, and EHSS Committee (BSREC)
 ● Board Investment Committee (BIC)

Filled circle: Committee Chairperson Hollow Circle: Committee Member



YOUSEF AL-ZAMEL

BSc Chemical Engineering
Board Member, Independent Director



DR. FAISAL AL-FAQEER

PhD and MSc Materials Science & Engineering, BSc Chemical Engineering
Board Non-Executive Director



Other Current Positions/
Memberships

- Member, Board of Water Solution Company

Previous Positions

- Advisor to HE Minister of Energy, Industry and Mineral Resources; and President of National Industrial Strategy Project
- Senior Advisor to Vice Chairman and CEO, SABIC
- Executive Vice President, Strategy and Planning, SABIC
- Executive Vice President, Chemicals, SABIC

- Executive Vice President, Fertilizers, SABIC
- Vice President, Marketing, SABIC
- General Manager – Saudi Arabian Fertilizer Marketing Company (SNABIC)
- Manager, Chemicals Marketing, SABIC
- Manager, Manufacturing Operations (Ethylene – thermal cracking), SADAF
- Engineer, Manufacturing Operations, Shell Chemicals Company
- Chemical Engineer, SABIC
- Other general management positions

Previous Board Memberships

- Member, Board of Sahara International Petrochemical Company (SIPCHEM)
- Member, Board of Al Watania for Industries (WFI)
- Member, Board of Alinma Investment Company

Other Current Positions/
Memberships

- Senior Vice President, In Kingdom Liquids to Chemicals Development, Saudi Aramco
- Chairman, Board of ARLANXEO Holding B.V.
- Chairman, Board of Saudi Aramco Mobil Refinery Company Ltd (SAMREF)
- Member, Board of Yanbu Aramco Sinopec Refining Company (YASREF)
- Member, Board of the Gulf Petrochemicals & Chemicals Association (GPCA)
- Member, Board of Trustees of National Industrial Training Institute (NITI)

Previous Positions

- Chief Executive Officer, Sadara Chemical Company (SADARA)
- Vice President, Ras Tanura Refinery, Saudi Aramco
- Director, Operations Department, Ras Tanura Refinery, Saudi Aramco
- Director, Engineering Department, Ras Tanura Refinery, Saudi Aramco
- Director, Research and Technology Center, Saudi Aramco
- Program Director, Downstream and Strategic Research and Development, Saudi Aramco
- Manager, Oil Operations, Saudi Aramco

Previous Board Memberships

- Member, Board of Sadara Chemical Company (SADARA)

● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairperson Hollow Circle: Committee Member



DR. RAMESH RAMACHANDRAN



PhD & MSc Chemical Engineering, MBA (Finance),
BSc Engineering (Production)
Board Independent Director

Joined on April 10, 2025

Other Current Positions/
Memberships

- Founder & CEO, MEGVIN Advisors, USA
- Advisory Member, Board of SANMAR Group, India

Previous Positions

- CEO, Minderoo Philanthropy; and Leader of “No Plastic Waste Initiative”
- CEO, EQUATE Petrochemical Company, Kuwait
- CEO, MEGLOBAL Inc., Dubai
- President, Dow Chemical Inc. (India)
- Director of Strategic Planning, Dow Chemical Inc.

- President, Dow Chemical Canada
- Director, Dow Hydrocarbon, Houston, USA
- Several research and marketing roles with Dow Chemical

Previous Board Memberships

- Member, Board of MATTR, Canada



MOHAMMED AL-SUBAIE



MBA (Accounting), Bachelor of Business Administration (BBA), Executive Management Program
Certified Internal Auditor (CIA)
Board Independent Director

Joined on April 10, 2025

Other Current Positions/
Memberships

- Member, Board of Business Park Center Company (KFUPM) (and Chairman of Audit, Risk & Governance Committee)
- Member, Audit & Risk Committee of Wisayah Investment Company
- Member, Audit, Risk & Governance Committee of Olayan Holding Company
- Member, Board of Trustee of Takaful Charity Foundation (and Chairman of Audit Committee)
- Member, Audit Committee of BSF

Previous Positions

- Chief Audit Executive, Saudi Aramco
- Assistant Controller, Saudi Aramco
- Manager, Operations’ Accounting Department, Saudi Aramco
- Associate General Auditor, Saudi Aramco

Previous Board Memberships

- Member, Board of Tanami Arabia Company
- Member, Audit & Risk Committee, Saudi Air Navigation Services
- Member, Audit & Risk Committee, Saudi Energy Efficiency Center (SEEC)

- Chairman, Audit & Risk Committee, Riyadh Airports Company
- Member, Audit Committee, Etihad Etisalat Company (Mobily)
- Chairman, Audit Committee, King Fahad University of Petroleum & Minerals Endowment
- Chairman, Board of Saudi Anti-Fraud Association
- Member, Audit Committee, Saudi Ports Authority
- Member, Board of Institute of Internal Auditors KSA (& founding member)
- Member, Board and Audit Committee, S-Oil Company (Korea)

- Member, Board of Aramco Gulf Operations Company
- Member, Audit Committee and Executive Committee, Khafji Joint Operations
- Member, Board of Medad Office Solutions (and Chairman of Audit Committee)
- Member, Board of Ektimal Sports Company (and Chairman of Audit Committee)



LUCRÈCE DE RIDDER



MSc Polymers & Composites Engineering, MSc Materials & Metallurgical Engineering,
Executive Business Education
Board Non-Executive Director

Joined on April 10, 2025

Other Current Positions/
Memberships

- Senior Advisor to Venture Capital (Emerald Ventures)
- Member of boards and chair of committees of a few startups
- Member of boards and chair of committees of a portfolio of public and private companies
- Chair, Sustainability Committee, Sika AG
- Chair, Nomination & Corporate Governance Committee, Amcor
- Member, Compensation Committee, Amcor
- Member, Corporate Governance & Sustainability Committee, Tronox
- Member, Compensation Committee, Quaker Houghton
- Member, Sustainability Committee, Quaker Houghton

Previous Positions

- Executive Vice President of Polyolefins Business Unit, and Chief Technology Officer, Borealis Group
- Vice President & General Manager, Rubber Additives Business Unit, Eastman Chemical
- Chief Commercial Officer, Eastman Chemical
- General Manager & Global Marketing Director, Dow Chemical, Switzerland
- Corporate Strategic Planning Director, Rohm and Haas (Dow Chemical), Switzerland
- Business, Sales, Marketing, and Technico-Commercial leadership roles at Dow Corning (Belgium, France & China)

Previous Board Memberships

- Member, Board of Borouge
- Member, Board of Vopak
- Vice President, Plastic Europe Association

● Board Audit Committee (BAC) ● Board Remuneration and Nomination Committee (BRNC) ● Board Sustainability, Risk, and EHSS Committee (BSREC) ● Board Investment Committee (BIC)
Filled circle: Committee Chairperson Hollow Circle: Committee Member

MEMBERS WHO LEFT THE BOARD AND ITS COMMITTEES ON APRIL 9, 2025



MOHAMMED AL-NAHAS

BSc Accounting, Executive Business Administration
Board Non-Executive Director

Left on April 9, 2025

Other Current Positions/
Memberships

- Chairman, Audit Committee of King Abdulaziz University
- Chairman, Governance Committee of King Abdulaziz University
- Chairman, Risk Committee of King Abdulaziz University
- Chairman, Investment Committee of King Abdulaziz University
- Member, Board of Remat Alriyadh
- Member, Board of Herfy Food Services Company

Previous Positions

- Governor, GOSI
- Governor, Public Pension Agency
- General Manager, Branches, Al-Inma Bank
- Multiple positions, SAMBA Financial Group

Previous Board Memberships

- Member, Board of Tibah Holding Company
- Member, Board of International Company for Water, Power Projects (ACWA Power)
- Member, Board of Saudi Travellers Cheque Company
- Member, Board of Riyadh Bank
- Member, Board of Raza Cooperative Real Estate Company
- Chairman, Board of Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)
- Chairman, Board of Al Taawuniyah Real Estate Investment
- Chairman, Board of ASMA Capital
- Chairman, Board of Dammam Pharma
- Member, Board of Future Work
- Member, Board of Saudi Telecom Company (STC)



NADER AL-WEHIBI

MA Social Protection Policy, BSc Insurance
Board Independent Director

Left on April 9, 2025

Other Current Positions/
Memberships

- CEO, Gulf Catering Co.
- CEO, of Abdullah A. Almunajem Sons Company
- Member, Board of Riyadh Bank

Previous Positions

- Assistant Governor for Insurance Affairs, GOSI
- General Manager, Planning and Development, GOSI

Previous Board Memberships

- Member, Board of National Medical Care
- Member, Board of Jarir Marketing
- Member, Board of Clariant
- Member, Board of Future Work Co.
- Member, Board of Mudab Business



CALUM MACLEAN

BSc Chemistry
Board Independent Director

Left on April 9, 2025

Other Current Positions/
Memberships

- CEO, Envalor

Previous Positions

- CEO, Synthomer
- CEO, Ineos Olefins and Polymers Europe
- CEO, EVC

Previous Board Memberships

- Member, Board of Clariant
- Member, Board of Ineos Olefins Group
- Member, Board of EVC Co.
- Member, Board of Petroineos Refining
- Member, Board of Ineos Phenol
- Member, Board of Styrolution
- Member, Board of Ineos ChiorVinyls
- Member, Board of Ineos Olefins and Polymers Europe

BIOGRAPHIES OF NON-DIRECTOR (OUTSIDE) MEMBERS OF COMMITTEES



WILHELMUS JANSEN

MSc Economics, Fellow Chartered Accountant (FCA)
Audit Committee Non-Director (Outside) Member

Other Current Positions/
Memberships

- Independent Financial Consultant

Previous Positions

- Senior Audit Partner, PwC, Saudi Arabia
- Audit Partner, PwC, Netherlands
- Audit Partner, PwC, South Africa
- Audit Partner, PwC, Nigeria

Previous Board Memberships

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BASSAM ASIRI

MBA, BSc Electrical Engineering
Audit Committee Non-Director (Outside) Member

Other Current Positions/
Memberships

- Senior Vice President & Group Controller, Saudi Aramco
- Member, Board of ARLANXEO Holding B.V.
- Member, Board of Energy City Development Company
- Member, Board of Motiva Enterprises LLC
- Member, Board of Saudi Aramco Development Co. Ltd
- Governor, GCC BDI

Previous Positions

- Assistant Controller, Saudi Aramco
- Head, Transaction Development, Saudi Aramco
- Head, Planning & Performance Management Department, Saudi Aramco

Previous Board Memberships

- Member, Board of Pandlewood Corporation



RALPH WETZELS

MSc Finance Economics, LLM Tax Law, BSc Business Administration, Executive courses (INSEAD and IMD Lausanne)
Audit Committee Non-Director (Outside) Member

Other Current Positions/
Memberships

- Senior Vice President, Downstream Finance, Saudi Aramco
- Member, Board Audit Committee of Aramco Trading Company (ATC)
- Member, Board Audit Committee of Aramco Total Refining and Petrochemical Company (SATORP)

Previous Positions

- Executive Vice President, Finance Upstream, Shell plc & Senior VP, Conventional Oil & Gas
- Finance Director, Downstream Europe, Africa, Middle East & Russia, Shell plc
- Various senior finance roles in Shell plc across Europe, Africa, Middle Est, Far East

Previous Board Memberships

- Member, Board of Brunei Shell Petroleum
- Member, Board of Petroleum Development Oman
- Member, Board of Shell Kazakhstan
- Member, Board of Shell Vivo Lubricants
- Member, Board of Shell Egypt



THOMAS PALMER

MSc Occupational Psychology, BSc (Hon) Occupational Psychology, Executive Program, Business Administration (Stanford)
Remuneration and Nomination Committee Non-Director (Outside) Member

Joined on April 10, 2025

Other Current Positions/
Memberships

- Vice President, Executive Development & Compensation, Saudi Aramco
- Member, Board Nomination & Remuneration Committee of PIF
- Secretary, Board Compensation Committee of Saudi Aramco

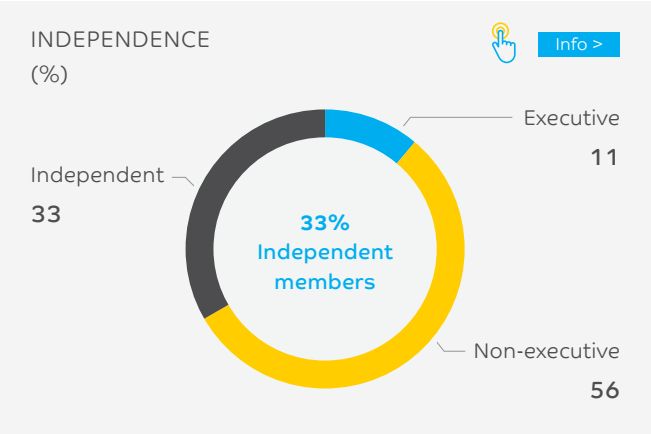
Previous Positions

- Director, Executive Development & Compensation, Saudi Aramco
- Specialist, Executive Compensation, Saudi Aramco
- Senior HR Business Partner, Upstream, Saudi Aramco
- Management Trainer, Leadership Assessment Center, Saudi Aramco
- Various senior consulting roles with Korn Ferry and other firms in Australia, Europe and Middle East

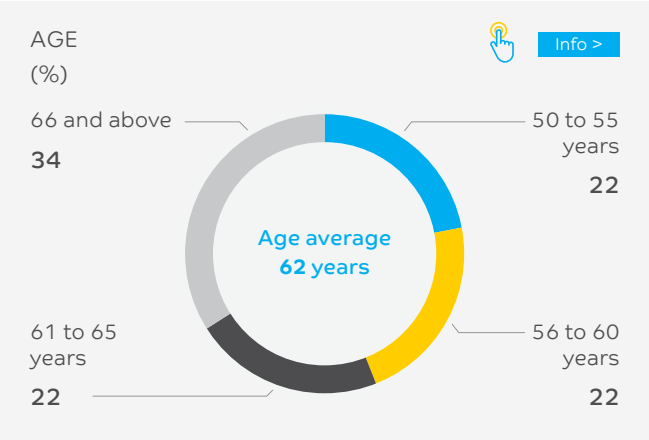
Previous Board Memberships

—

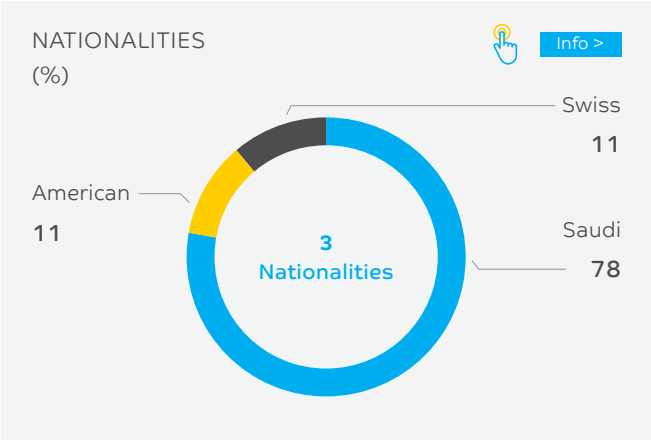
BOARD STRUCTURE, COMPOSITION, AND DIVERSITY



SABIC has a one-tier Board consisting of nine directors, the majority of whom are non-executives, including independent directors. The SABIC Board has the right size and skill mix for managing the company effectively. On April 10, 2025, the Board commenced a new three-year term with a refreshed formation with three new directors, including a woman. The new formation is in furtherance of the Board’s diversity and skill balance.



SABIC directors are of diverse academic backgrounds, experiences, expertise, nationalities, ages, tenures, and cultural backgrounds. They come from Saudi Arabia, the United States of America and Switzerland. Three non-director members on the Board committees come from the Netherlands and Australia.



As of December 31, 2025, the SABIC Board comprises the following directors:

Name	Gender	Age	Nationality	Expertise	International exp.	Tenure		Class*	Other Mandates**
						D. Joined	Yrs		
Khalid Al-Dabbagh	M	64	Saudi	Finance; management; strategy, planning; sales and marketing	✓	Jun. 2020	>5	NED	1
Dr. Mohammed Al-Qahtani	M	60	Saudi	Industry; energy; corporate planning	✓	Apr. 2022	>3	NED	2
Abdulrahman Al-Fageeh	M	63	Saudi	Industry (chemicals); management; business development	✓	Mar. 2023	>2	ED	1
Yousef Al-Zamel	M	73	Saudi	Manufacturing; strategy, business development and investment	✓	Apr. 2022	>3	ID	–
Dr. Ramesh Ramachandran	M	66	American	Leadership; strategic planning; sustainability; strategic business counselling; chemistry, CEO experience	✓	Apr. 2025	<1	ID	–
Mohammed Al-Subaie	M	68	Saudi	Risk management; corporate governance; finance; internal audit	✓	Apr. 2025	<1	ID	1
Ziad Al-Murshed	M	52	Saudi	Industry; finance, manufacturing; business development, strategic planning; international business	✓	Jun. 2020	>5	NED	–
Dr. Faisal Al-Faqeer	M	54	Saudi	Downstream oil & gas operations; chemicals, petrochemicals and related manufacturing; energy production & services; R&D services	✓	Sep. 2023	>2	NED	–
Lucrèce De Ridder	F	58	Swiss	Global Petrochemical, Specialty Chemicals & Materials Industry; Business Leadership, Strategic Planning & Transformation, Commercial Excellence, Technology & Innovation, ESG & Sustainability, Organizational Effectiveness	✓	Apr. 2025	<1	NED	5
Mohammed Al-Nahas ⁽¹⁾	M	63	Saudi	Finance; training; investment; pensions; banking; management; business development	✓	Sep. 2016	>9	NED	1
Nader Al-Wehibi ⁽¹⁾	M	46	Saudi	Risk management; social protection; insurance; planning and development	✓	Apr. 2018	>7	ID	1
Calum MacLean ⁽¹⁾	M	62	British	Industry (chemicals); management	✓	Oct. 2017	>8	ID	–

* ED = Executive Director; NED = Non-Executive Director; ID = Independent Director

** In listed joint stock companies.

⁽¹⁾ Left the Board and its Committees on April 9, 2025.

NON-DIRECTOR (OUTSIDE) MEMBERS OF SABIC BOARD COMMITTEES

A non-director (outside) member on SABIC committees has all the membership’s duties, rights, and authorities, including voting, and is independent of SABIC management.

Name	Member of:	Gender	Age	Nationality	Expertise	International Expertise	Tenure (Years)	Other mandates
Wilhelm Jansen	BAC	M	65	Dutch	Finance; auditing, external reporting; risk management; governance.	✓	>3	–
Bassam Asiri	BAC	M	57	Saudi	Finance; planning and performance, financial reporting, governance & controls.	✓	<3	–
Ralph Wetzels	BAC	M	53	Dutch	Finance, accounting, law (tax); JV experience; ethics & compliance; IT; contracting & procurement; economics, valuation.	✓	>2	–
Thomas Palmer	BRNC	M	47	Australian	Human Resources; Organizational Psychology; Management; Consultancy.	✓	<1	–

BOARD TENURE AND AGE

As of December 31, 2025, the ages of SABIC directors range from 52 to 73 years with an average age of 62 years. In line with the Capital Market Authority's (CMA) Corporate Governance Regulations (CGRs), SABIC does not currently impose a Board age limit. Our directors also have varied tenure lengths ranging from less than one to more than five years. The average Board tenure is 2.6 years. Aside from the legally prescribed limit of nine years for an independent

director’s maximum tenure, SABIC does not apply a tenure limit. A director’s tenure concludes upon the expiry of the Board term of three years or upon his/her resignation, death, or dismissal for any of the reasons prescribed under the relevant laws and regulations. Directors from the outgoing Board are eligible for reappointment if they meet the Board membership criteria. This broad diversity in age and tenure enables the Board to benefit from a positive interplay of wide-ranging perspectives and experiences.

GENDER DIVERSITY

In line with its approach to enhancing women's representation at the executive leadership and Board of Directors levels, SABIC appointed Ms. Lucrèce De Ridder to its Board of Directors for its new term (April 10, 2025 to April 9, 2028). Ms. De Ridder brings to the SABIC Board proven expertise in specialty chemicals, technology and innovation, ESG and sustainability, and other areas of expertise significant to the present-day business.

NOMINATION AND SELECTION

Nominations for Board membership are publicly invited. Candidates are objectively assessed and short-listed based on merit and in accordance with the principles and criteria set forth in SABIC’s Board Membership Policy. The Board’s needs for skills, expertise balance, and enhanced diversity are also considered during the nomination process. Candidates are nominated by the Board Remuneration and Nomination Committee (BRNC) and the Board for election by voting at the General Assembly (GA) for a three-year term or for the remainder of the Board term. The Board was reformed through GA voting on April 9, 2025, for a new three-year term ending on April 9, 2028.

BOARD INDEPENDENCE

SABIC separates the Chairperson and CEO roles, with the Chairperson holding no executive position. As of December 31, 2025, one-third (33.3%) of the Board directors are independent, in line with the CMA’s CGRs. Non-executive directors make up the majority of the Board (55.5%); combined with the independent directors, they constitute 88.8% of the Board.

Each year, the SABIC Board, through the BRNC, verifies the independence of independent directors to identify any relationships or circumstances that may affect their independence. SABIC fully adheres to the independence criteria set forth under Article (19) of CMA’s CGRs.

Absence of conflicts of interest among all Board and committee members is also verified and assessed annually. This verification takes place in accordance with SABIC’s Conflict of Interest policy, which is aligned with the applicable laws and regulations. The policy outlines principles for avoiding, managing, mitigating, disclosing, recusing (when a conflict arises), and regular monitoring of any cases of conflicts of interest, whether they are actual, perceived or potential. The Board is responsible for ensuring observance of the Policy as well as disclosing, to the CMA and the public, the company’s contracts or transactions with related parties.

BOARD PERFORMANCE ASSESSMENT

SABIC has updated the guidelines and tools for conducting its Board assessment with the following frequency and scopes:

- An annual assessment conducted through a tailored written survey, which assesses the individual and collective performance of the Board. Board members reflect on and transparently respond to questions covering aspects such as the Board’s size, independence, diversity, skills, relationship with management, meeting effectiveness, and information flow. The assessment results are considered for the creation of an action plan as part of the Board’s continuous improvement process.

- A Board assessment facilitated by an external board performance review consultant, conducted every three years. It uses written surveys and individual interviews to assess the individual and collective performance of the Board and committees, Board dynamics, information structure, and selected executives’ performance is also assessed. In 2025, the Company assigned an external consultant and preparations for the assessment process have been initiated.

GOVERNANCE DOCUMENTS

Several of SABIC governance documents, including the Board Charter, the Audit Committee Charter, the Remuneration & Nomination Committee Charter, the Sustainability, Risk and EHSS Committee Charter, the Investment Committee Charter, the Board Membership Policy and the Remuneration Policy, as well as corporate policies and guidelines such as the following, are published on our corporate website:

- Risk Management Policy
- Stakeholder Policy
- Conflict of Interest Policy
- Corporate Social Responsibility
- Global Tax Strategy

INDUCTION

All new directors receive a tailored induction program including topics on the company’s purpose, culture, values, governance, risk management, Code of Ethics and strategy including the business model and operations. The program also includes site visits to major plants and facilities. A Director Induction Kit, containing reference information on the company is also provided. The program aims at preparing the director to participate right away and effectively in the Board discussions and decision-making.

TRAINING

The Board and committees go through designed workshops and awareness programs, tailored and delivered by both internal and external experts. The Board members individually attend local, regional, and global conferences of relevance to the company’s industry and its global context. The Board, sufficiently represented, attends the Annual GPCA Forum.

INFORMATION FLOW

In addition to the rich pre-read papers and meeting presentations, the Board receives a Quarterly Performance Report featuring the business performance and global emerging matters and trends, as well as areas of focus around ESG, cybersecurity, climate, and risks. Significant news and highlights relating to or affecting the company are relayed in a timely manner to the Board members.

SITE VISITS

Site visits are also part of the Board continuous development program. These visits typically include tours of operational facilities, meetings with local staff, and receiving presentations on the site operations. These visits enable the Board members to familiarize themselves further with the business operations. In 2025, the Board visited SABIC’s Plastics Application Development Center (SPADC) and Home of Innovation (HoI). Some members also visited other locations within Saudi Arabia.

BOARD MEETINGS

The Board holds at least four quarterly meetings a year at the Chairperson’s invitation. Additional meetings are held upon request of any Board member, the external auditors, the internal auditor, or the CEO. The quorum for a Board meeting is constituted by the presence of a majority of members. During the year ended December 31, 2025, the Board met seven times.

The Board members’ attendance at the Board and GA meetings was as follows:

BOARD PARTICIPATION IN THE GENERAL ASSEMBLY (GA) MEETINGS

According to the Board Charter, the Board members are mandated to attend the GA meetings to engage directly with shareholders and collect their remarks on the company’s performance. In 2025, SABIC held one Ordinary General Assembly (OGA) meeting on April 9, and one Extraordinary General Assembly (EGA) meeting on December 31.

Name	Board meetings								GA Meetings		
	1st	2nd	3rd	4th	5th	6th	7th	Total attended	OGA	EGA	Total attended
	Jan. 8, 2025	Feb. 25, 2025	Apr. 10, 2025	May 1, 2025	Jul. 31, 2025	Oct. 30, 2025	Dec. 16, 2025	No.	Apr. 9, 2025	Dec. 31,2025	No.
Khalid Al-Dabbagh	✓	✓	✓	✓	✓	✓	✓	7/7	✓	–	1/2
Dr. Mohammed Al-Qahtani	✓	✓	✓	✓	✓	✓	✓	7/7	✓	✓	2/2
Abdulrahman Al-Fageeh	✓	✓	✓	✓	✓	✓	✓	7/7	✓	✓	2/2
Yousef Al-Zamel	✓	✓	✓	✓	✓	✓	✓	7/7	✓	✓	2/2
Dr. Ramesh Ramachandran ⁽¹⁾	–	–	✓	✓	✓	✓	✓	5/5	–	✓	1/1
Mohammed Al-Subaie ⁽¹⁾	–	–	✓	✓	✓	✓	✓	5/5	–	✓	1/1
Ziad Al-Murshed	✓	✓	✓	✓	✓	✓	✓	7/7	✓	✓	2/2
Dr. Faisal Al-Faqeer	✓	✓	✓	✓	✓	✓	✓	7/7	✓	✓	2/2
Lucrèce De Ridder ⁽¹⁾	–	–	✓	✓	✓	✓	✓	5/5	–	✓	1/1
Mohammed Al-Nahas ⁽²⁾	✓	✓	–	–	–	–	–	2/2	✓	–	1/1
Nader Al-Wehibi ⁽²⁾	✓	✓	–	–	–	–	–	2/2	✓	–	1/1
Calum MacLean ⁽²⁾	✓	✓	–	–	–	–	–	2/2	✓	–	1/1
								Board Attendance 100%	GA Attendance 94.4%		

⁽¹⁾ Joined the Board on April 10, 2025.

⁽²⁾ Left the Board on April 9, 2025.

BOARD COMMITTEES

The Board holds ultimate responsibility for the oversight and overall leadership of SABIC. To enhance specialized focus, leverage expert knowledge and maintain good corporate governance, the Board has established four committees: the Audit Committee; Remuneration and Nomination Committee; Sustainability, Risk, and EHSS Committee; and Investment Committee. These committees oversee specific areas of the Board responsibilities as delegated by the Board, mandated by the law, regulations or corporate governance best practices, in order to provide guidance and advice to the Board. The Board committees are provided with sufficient resources to discharge their duties and are empowered to obtain external independent advice when needed. The Board is responsible for the committees’ performance of their duties and responsibilities and for assessing that periodically. In parallel to the Board re-formation for a new three-year term in April 2025, the Board committees were reformed likewise. The Board forms the Audit Committee and the Remuneration and Nomination Committee according to their respective charters, which are approved by the GA.

BOARD AUDIT COMMITTEE (BAC)

5

Members

2

Independent

3

Non-Director
(Outside) Members

Independent

Chairman

96%

Attendance

None of the BAC members is an executive director or executive officer; and one of its members has cross membership with the BSREC. The SABIC BAC collective expertise comprises finance, accounting, external reporting, law & governance, ethics & compliance, risk management, and IT. This composition underpins strong independence and ensures independent and effective audit oversight.

BAC COMPOSITION AND MEETINGS (AS ON DECEMBER 31, 2025)

Name	Member Classification	1 st	2 nd	3 rd	4 th	5 th	Total attended
		Feb. 24, 2025	Apr. 30, 2025	Jul. 30, 2025	Oct. 29, 2025	Dec. 15, 2025	No.
Mohammed Al-Subaie (Chair) ⁽¹⁾	ID	–	✓	✓	✓	✓	4/4
Dr. Ramesh Ramachandran ⁽¹⁾	ID	–	✓	✓	✓	✓	4/4
Bassam M. Asiri	NDM	✓	✓	✓	✓	✓	5/5
Wilhelmus Jansen	NDM	✓	✓	✓	✓	✓	5/5
Ralph M. Wetzels	NDM	✓	✓	✓	✓	✓	5/5
Nader Al-Wehibi ⁽²⁾	ID	✓	–	–	–	–	1/1
Calum MacLean ⁽²⁾	ID	–	–	–	–	–	0/1

*NDM = Non-Director Member; ID = Independent Director

⁽¹⁾ Joined the BAC on April 10, 2025.

⁽²⁾ Left the BAC on April 9, 2025.

BAC RESPONSIBILITIES

The BAC role is to assist the Board in exercising its oversight with respect to:

- **Financial reporting:** including, among others, the group’s financial statements, including unusual transactions and accounting estimates, and financial and accounting policies, and the Board report.
- **Internal control systems:** including, among others, evaluating the process of setting the controls culture and ensuring disclosure controls compliance.
- **Internal audit:** including, among others, overseeing the Internal Audit function, assessing its performance, ensuring its independence, and evaluating the performance of its Head; and reviewing and approving the annual audit plan.
- **External audit:** including, among others, recommending appointment or dismissal of the external auditor and determining their fee; assessing their performance, independence, scope of work, and terms of engagement; reviewing the external audit plan; reviewing the external auditor reports; and ensuring that their recommendations are executed.

External auditor (PwC) fees for the year related to the audit and review of SABIC’s consolidated financial statements were ₪ 29 Mn. (2024¹: ₪ 28 Mn.). Other fees for the year comprised of ₪ 29 Mn. (2024¹: ₪ 27 Mn.) for the audit of the subsidiaries² and ₪ 6 Mn. (2024¹: ₪ 4 Mn.) for audit-related and compliance services.

¹ 2024 amounts have been updated to reflect the final fees for the year.
² The term subsidiaries, as defined by IFRS, refer to entities over which the company has control.

- Compliance and Whistleblowing:** including, among others, ensuring compliance with relevant regulations, by-laws, and policies; reviewing regulatory bodies reports on the company compliance and ensuring recommended action are executed; reviewing proposed related-party transactions; and establishing and ensuring independence of appropriate procedures for whistleblowing to report compliance violations.

BAC DELIBERATIONS IN 2025

In 2025, the BAC discharged its responsibilities in line with its Charter, maintaining oversight of SABIC’s financial reporting, internal controls, audits, and compliance activities.

- The Committee reviewed all quarterly and annual financial statements to help ensure that reporting remained accurate, transparent, and compliant with IFRS. Key accounting matters and significant judgments, including restatements, restructuring impacts, employee-related provisions, impairment indicators, and tax-related matters were evaluated with a focus on clarity and consistency. The Committee also held regular sessions with the External Auditor, reinforcing independence and supporting high-quality assurance.
- The Committee reinforced SABIC’s Adjusted Earnings framework to support clearer investor communication and alignment with financial reporting best practices.
- As SABIC continued its integrated reporting journey, the Committee oversaw improvements in disclosure discipline, the governance of non-financial metrics, and the strengthening of sustainability-related reporting processes. Attention was placed on enhancing the reliability of data and ensuring alignment with internal governance bodies.
- The Committee monitored progress in internal control maturity, including Internal Control over Financial Reporting (ICFR) implementation, remediation of identified gaps, tax governance protocols, and enhancements linked to major systems programs such as SAP-related transformation initiatives. These deliberations supported a more consistent control environment and improved transparency in the company’s year-end reporting.

- Internal Audit performance, coverage, and findings were regularly reviewed, ensuring the function operated independently and fulfilling approved plans. The Committee also monitored compliance updates, whistleblowing matters, and regulatory themes, maintaining a steady focus on ethical conduct and alignment with governance obligations.
- Oversight of Related Party Transactions (RPTs) remained an important deliberation area. The Committee reviewed Management’s assessments, assurance updates, and year-end RPT summaries to ensure compliance with regulatory requirements and governance standards, including arm’s-length principles.
- The Committee met privately with the external auditors to confirm their independence and objectivity, and reviewed the external audit plan, key audit matters, and audit findings to ensure the financial statements were free from material misstatement and that Management responded appropriately to recommendations.
- The Committee conducted a performance review, confirming that its activities during the year were aligned with the responsibilities assigned and that oversight across financial reporting, controls, audit, and compliance remained effective.
- Overall and based on the foregoing, the Committee is of the opinion that the Company’s Executive Management has maintained an effective internal control system capable of providing reasonable assurances; and that the audits outcome together with the Audit Committee meeting discussions, have all provided reasonable grounds for formulating this opinion.

BOARD REMUNERATION AND NOMINATION COMMITTEE (BRNC)

4 Members	1 Independent Director
2 Non-Executive Directors	1 Non-Director (Outside) Member
Independent Chairman	96.9% Attendance

None of the BRNC members holds an executive role in the company; and one member has cross membership with the BAC. The SABIC BRNC collective expertise comprises human resources, organizational psychology, finance, industry, training, pensions, corporate planning, and business development. With this composition, the BRNC is capable of exercising an independent, expert, and effective oversight and decision making in matters falling in its remit.

BRNC COMPOSITION AND MEETING ATTENDANCE

		BRNC meetings								
		1st	2nd	3rd	4th	5th	6th	7th	8th	Total attended
Name	Member Classification*	Jan. 8, 2025	Feb. 24, 2025	Apr. 10, 2025	Apr. 30, 2025	Jul 15, 2025	Jul 30, 2025	Oct. 29, 2025	Dec. 15, 2025	No.
Dr. Ramesh Ramachandran (Chair) ⁽¹⁾	ID	–	–	✓	✓	✓	✓	✓	✓	6/6
Dr. Mohammed Al-Qahtani	NED	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Ziad Al-Murshed	NED	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Thomas Palmer ⁽³⁾	NDM	–	–	✓	✓	✓	✓	✓	✓	6/6
Mohammed Al-Nahas ⁽²⁾	NED	✓	✓	–	–	–	–	–	–	2/2
Calum MacLean ⁽²⁾	ID	✓	–	–	–	–	–	–	–	1/2

*ID = Independent Director; NED = Non-Executive Director; NDM = Non-Director Member

⁽¹⁾ Joined the Board and BRNC on April 10, 2025.

⁽²⁾ Left the BRNC on April 9, 2025.

⁽³⁾ Joined the BRNC on April 10, 2025.

BRNC RESPONSIBILITIES

The BRNC’s role is to assist the Board in exercising its oversight with respect to:

- Remuneration policy and reporting:** including, among others, developing and recommending remuneration policy to the Board for onward recommendation to the GA for approval ensuring SABIC is able to attract and retain necessary skills and qualifications; and reviewing and recommending the annual remuneration disclosures.
- Setting remuneration:** including, among others, recommending to the Board remuneration of the Members of the Board, Committees and Executive Management in accordance with the Remuneration Policy approved by the

- OGA; reviewing executive compensation arrangements and rewards including long-term incentive plans to ensure alignment with SABIC’s purpose, values and long-term objectives; specifying the types of employee rewards and recommending them to the Board for approval; and ensuring appropriate and regular benchmarking of remuneration takes place to make informed decisions.
- Performance evaluation and composition:** including, among others, developing and overseeing the performance evaluation process for the Board, the Board Committees and individual Directors and the CEO; reviewing the structure, size and composition of the Board and its Committees and determining weaknesses and strengths and making recommendations to the Board.

- Succession planning and appointments:** including, among others, ensuring that a formal, rigorous and transparent procedure and effective succession plan is in place for the Board, its committees, and the Executive Management; assessing and recommending the Board and committees membership candidates for appointment in line with the Board Membership Policy; recommending appropriate policies and standards for the appointment of senior executives; evaluating the effectiveness of the succession planning process regularly.
- Board membership:** including, among others, developing the Board Membership Policy and Standards; verifying independence of Independent Directors and absence of any conflict of interest among members; and recommending the appointment or dismissal of members as needed.
- Board development:** overseeing, reviewing and making recommendations to the Board on induction of the Board and Committee members and the training and development program to ensure the members receive briefings on relevant material developments.

BRNC DELIBERATIONS IN 2025

The key matters deliberated on, endorsed or determined by the BRNC included the following:

- Examined and assessed the candidacy applications for the membership of the board of directors’ new term, and shortlisted nominees with recommendations to the board to make onward nomination to the AGM.
- Recommended the board committees’ formation for the new term for the board approval.
- Reviewed the Executives’ succession planning.
- Reviewed the company operating model with a view to the company strategy and transformational programs.
- Recommended to the Board the approval of the annual remuneration for board members and committees for 2025.
- Verified the independence of the board independent members, and the absence of any conflicts of interest with respect to any member.

BOARD SUSTAINABILITY, RISK, AND EHSS COMMITTEE (BSREC)

4

Members

2

Independent Director

2

Non-Executive Directors

Non-Executive

Chairman

100%

Attendance

SABIC’s BSREC is formed according to its charter approved by the Board following recommendations from the BRNC.

None of the BSREC members is an executive director or executive officers; and one of its members has cross membership with the BAC. The BSREC collective expertise comprise risk management, sustainability & ESG, technology & innovation, corporate governance, finance, strategic planning & transformation, and business development.

BSREC COMPOSITION AND MEETING ATTENDANCE

		BSREC meetings					
		1st	2nd	3rd	4th	5th	Total attended
Name	Member Classification*	Feb.24, 2025	Apr. 30, 2025	Jul. 30, 2025	Oct. 29, 2025	Dec.15, 2025	No.
Dr. Faisal Al-Faqeer (Chair)	NED	✓	✓	✓	✓	✓	5/5
Yousef Al-Zamel	ID	✓	✓	✓	✓	✓	5/5
Mohammed Al-Subaie ⁽¹⁾	ID	–	✓	✓	✓	✓	4/4
Ms. Lucrèce De Ridder ⁽¹⁾	NED	–	✓	✓	✓	✓	4/4
Nader Al-Wehibi ⁽²⁾	ID	✓	–	–	–	–	1/1

*ID = Independent Director; NED = Non-Executive Director

⁽¹⁾ Joined the Board and BSREC on April 10, 2025.

⁽²⁾ Left the BSREC on April 9, 2025.

BSREC RESPONSIBILITIES

The BSREC operates under its charter, which is approved by the Board, and in accordance with applicable laws and regulations. The BSREC role is to assist the Board in exercising its oversight with respect to:

- Risk management and risk strategy:** including, among others, overseeing the development of the Risk Management Policy and Framework and reviewing them periodically; overseeing risk management systems and assessing their effectiveness; ensuring the feasibility of the company’s continuation; assessing the company’s risk tolerance and risk exposure; evaluating the effectiveness of risk response strategies; addressing any issues raised by the BAC that may affect risk management; informing the Board on the risk aspects of proposed strategic changes; and reviewing the appropriateness of the company’s values and culture for managing risks.
- Sustainability:** including, among others, overseeing the development of a corporate Sustainability Strategy and policies, reviewing them periodically and overseeing

their execution; overseeing the development of metrics to monitor sustainability; providing input to disclosures regarding sustainability; assessing overall sustainability performance and reviewing relevant annual report disclosures; advising the Board on corporate social responsibility matters and contribution to community development; advising on the adequacy of the risk management framework in addressing contemporary sustainability risks and monitoring developments and emerging best practices in sustainability approaches.

- Environment, Health, Safety and Security (EHSS):** including, among others, reviewing and recommending changes to the EHSS Policy for the Board approval; ensuring EHSS system comply with laws and regulations; monitoring safety performance and developing performance improvement measures; reviewing executive management reports on EHSS system effectiveness; and examining the management of major public concerns affecting SABIC’s reputation and operational license including waste management, emissions and climate change.

BSREC DELIBERATIONS IN 2025

The key matters reviewed, endorsed and/or approved as appropriate by the committee included the following:

- Reviewed routine updates and assessments on several risks, which are being managed by the company, including risks related to process safety, evolving sustainability regulations compliance, competitive performance, cyberattacks, digitalization, global trade tensions and new tariffs.
- Reviewed and endorsed 2024 Integrated Annual Report for the Board approval.
- Reviewed and endorsed the updated ERM Risk Management Policy for the Board approval.
- Reviewed detailed analysis of the new tariffs impact and opportunities in relation to the company global business.
- Regularly reviewed the company’s EHSS performance and the KPIs used to monitor and assess the EHSS performance.
- Regularly reviewed updates on the progress toward Sustainability targets on the defined metrics.
- Reviewed the ERM framework, and the Business Continuity Management (BCM) framework.
- Reviewed the company targets and plans in relation to renewable energy in Europe and Saudi Arabia.
- Reviewed risk management and business continuity maturity including top and major risks and response plans status.
- Reviewed detailed reports on operational reliability at affiliates.
- Reviewed reports on rapidly evolving local and global legislation including Carbon Border Adjustment Mechanism (CBAM), Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD) and their impact on the company’s business.



BOARD INVESTMENT COMMITTEE (BIC)

5

Members

1

Independent Director

3

Non-Executive Directors

1

Executive Director (CEO)

Non-Executive

Chairman

95%

Attendance

SABIC’s BIC is formed according to its charter approved by the Board following recommendations from the BRNC.

The BIC’s collective expertise includes strategic planning, business development, industry, finance, international business, business transformation, sustainability, and ESG.

BIC COMPOSITION AND MEETING ATTENDANCE

BIC composition		BIC meetings								
Name	Member Classification	1st	2nd	3rd	4th	5th	6th	7th	8th	Total attended
		Feb. 24, 2025	Apr. 7, 2025	Apr. 30, 2025	Jul. 30, 2025	Sep. 25, 2025	Oct. 29, 2025	Dec. 01, 2025	Dec. 16, 2025	No.
Dr. Mohammed Al-Qahtani (Chair)	NED	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Abdulrahman Al-Fageeh	ED&CEO	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Ziad Al-Murshed	NED	✓	✓	✓	✓	✓	✓	–	✓	7/8
Yousef Al-Zamel	ID	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Ms. Lucrèce De Ridder ⁽¹⁾	NED	–	–	✓	✓	✓	✓	✓	✓	6/6
Calum MacLean ⁽²⁾	ID	–	✓	–	–	–	–	–	–	1/2

*ID = Independent Director; NED = Non-Executive Director; ED&CEO = Executive Director & CEO

⁽¹⁾ Joined the BIC on April 10, 2025.

⁽²⁾ Left the BIC on April 9, 2025.

BIC RESPONSIBILITIES

The BIC operates under its charter, which is approved by the Board. Its role is to assist the Board in exercising its oversight with respect to the investment strategy, policy, and activities, including:

- **Investment strategy and investment policy:** including, among others, overseeing the development and regular review of the investment strategy and policy to ensure alignment with SABIC’s business, activities, and risk exposure as well as any changes in the external environment or relevant legislation before approving or recommending to the Board as appropriate.
- **Investment activities:** including, among others, reviewing and evaluating the investment activities proposed by management to consider financing prospects and ensure alignment with SABIC’s sustainability objectives, risk appetite and financial viability before approving or rejecting investments; or recommending to the Board to approve or reject as appropriate; prioritizing investment proposals; ensuring that proposed investment opportunities comply

with relevant regulations and reviewing the executive management interim progress reports on approved investment opportunities.

BIC DELIBERATIONS IN 2025

- In 2025, the BIC received reports and proposals from management with respect to various investment matters. The key matters reviewed, evaluated, endorsed and/or decided by the BIC, included the following:
- The company’s 10-year investment plans.
 - Management’s proposals of new and ongoing investment opportunities and projects.
 - Progress reports on various ongoing investments projects, including mergers and acquisitions, mega, and growth projects.
 - Progress reports and proposals related to the company Portfolio Optimization initiatives.
 - Reports on 2025 capital expenditure actual spending versus planned as well as outlook for year-end 2025.

EXECUTIVE MANAGEMENT

BIOGRAPHIES OF EXECUTIVE MANAGEMENT MEMBERS



ABDULRAHMAN AL-FAGEEH

Chief Executive Officer

See Mr. Al-Fageeh's profile under
[Board Member biographies](#)



SALAH AL-HAREKY

Executive Vice President, Corporate Finance

Other current positions/
memberships

- Member, Audit Committee, Saudi Industrial Development Fund (SIDF)
- Chairman, Board of Sukuk Company
- Chairman, Board of Ibn Zahr
- Chairman, Supervisory Board of SABIC Capital

Work Experience and
Previous Positions

- Senior Vice President & Group Treasurer, Saudi Aramco
- Vice President & Treasurer, Saudi Aramco
- Group Controller, Saudi Aramco
- Assistant Treasurer, Saudi Aramco
- Board Member and Chairman, Audit Committee, Aramco Trading Company
- Vice Chairman, Investment Management Company (WISAYAH)
- Board Member, S-Oil Corporation
- Board member, Saudi Aramco Development Company
- Managing Director, Saudi Petroleum Overseas Ltd (SPOL), UK

- Manager, Treasury Advisory Department, Saudi Aramco
- Manager, Treasury Services Department, Saudi Aramco
- Member, Board of Sadara Chemical Company (Sadara)
- Member, Board of Saudi Aramco Sukuk Company
- Member, Board of Saudi Aramco Total Refining and Petrochemical Company (SATORP)
- Member, Board of Yanbu Aramco Sinopec Refining (YASREF)

Educational Qualifications

- BSc in Accounting, King Faisal University
- MBA, King Fahd University of Petroleum and Minerals
- Completed executive leadership programs at Indiana University, Harvard, and the Economics of Oil Program in London



ERNESTO OCCHIELLO

Executive Vice President, Corporate Technology & Innovation and Sustainability

Other current positions/
memberships

- Acting Leader EP & ETP (Europe & Americas) Transformation & Portfolio Optimization
- Member of the Supreme Committee for Research, Development and Innovation

Work Experience and
Previous Positions

- Executive Vice President, Technology & Innovation, SABIC
- Chief Executive Officer, Clariant
- Executive Vice President, Specialties, SABIC
- Various roles at Dow Chemical, Enichem, and Montedison, focusing on research and technology development for specialty and performance products
- Experience in technical service, manufacturing leadership, and post-acquisition integration

Educational Qualifications

- Laurea in Chemistry, cum laude, University of Turin



ABDULAZIZ AL-UDAN

Executive Vice President, Shared Services

Other current positions/ memberships

- Chairman of the Board of Al-Jubail Fertilizer Co. (AL-BAYRONI)
- Board member of the Royal Commission for Jubail and Yanbu
- Board member of the Institute of Public Administration

Work Experience and Previous Positions

- Executive Vice President, Human Resources, SABIC
- General Manager, Global Talent Management, SABIC
- General Manager, HR Middle East and Africa, SABIC
- Director, Global Information Technology Center of Excellence, SABIC

- Director, Global Information Technology Business Partnership, SABIC
- Corporate IT Strategy & Planning Leader, SABIC
- SAP Financial Controlling Consultant, SABIC (FANAR Business Transformation Project)
- Finance Team Lead, SABIC (BaaN Business Transformation Project)

Educational Qualifications

- BSc in Management Information Systems, King Saud University, Riyadh



AHMED AL-SHAIKH

Executive Vice President, Engineering and Project Management

Other current positions/ memberships

- Chairman, Board of SSTPC
- Chairman, Board of SABIC Fujian
- Chairman, Board of the Saudi Council of Engineers
- Member, Saudi Bulling Code

Work Experience and Previous Positions

- Executive Vice President, Manufacturing, SABIC
- Oversaw global manufacturing operations across the Americas, Europe, Asia, and Middle East & Africa, including major industrial sites in Saudi Arabia (Jubail and Yanbu)
- Worked closely with key joint venture partners, including ExxonMobil, Sinopec, and Shell

- Began career with Saudi Aramco Shell Refinery (SASREF)
- Chairman, Board of Saudi Kayan & Hadeed & Takamol & Ibn Zahr & PK. Board Member in Marafiq.
- President, of Al-Razi & Yanput

Educational Qualifications

- BSc in Electrical Engineering, King Abdulaziz University, Saudi Arabia
- Completed executive programs at IMD, INSEAD, and General Electric



ABDULRAHMAN SHAMSADDIN

Executive Vice President, Manufacturing

Other current positions/ memberships

- Chairman, Board of YANSAB
- Chairman, Board of SHARQ
- Chairman, Board of Petrokemya

Work Experience and Previous Positions

- Vice Chairman, Board of Gulf Petrochemical Industries Company (GPIC)
- Chief Executive Officer, SABIC Agri-Nutrients Company
- Executive Vice President, Shared Services, SABIC
- Vice President, Internal Audit, SABIC
- General Manager, Enterprise Risk Management, SABIC
- General Manager, Manufacturing Turnaround, SABIC
- General Manager, Manufacturing Services/Planning, SABIC

- General Manager, Operations, Ibn Rushd, SABIC
- General Manager, Continuous Improvement, SABIC Manufacturing Center of Excellence
- Senior Manager, Manufacturing, Saudi Aramco-Exxon Mobil Refinery (SAMREF)
- Member, Risk Management Executive Committee, SABIC
- Secretary, Board Risk & Compliance Committee, SABIC
- Member, Corporate Finance Leadership Team, SABIC

Educational Qualifications

- BSc in Applied Mechanical Engineering (Hons), King Fahd University of Petroleum & Minerals (KFUPM), Saudi Arabia



FAISAL AL-SUWAILEM

Executive Vice President,
Corporate Human Resources

Other current positions/
memberships

- Chairman, Board of Ibn Rushd
- Chairman, Board of United
- Member, Supervisory Board of SABIC Capital
- Various boards and committees of unaffiliated organizations

Work Experience and
Previous Positions

- Executive Vice President, Shared Services, SABIC
- Vice President, Internal Audit, SABIC
- General Manager, Board Affairs and Corporate Governance, SABIC
- General Manager, Enterprise Risk Management, SABIC
- Led the formalization of risk management, business continuity management, insurance, and credit frameworks at SABIC

Educational Qualifications

- Executive MBA, Thunderbird School of Global Management (Arizona State University)
- BSc in Accounting, Western Illinois University
- Completed leadership and executive development programs at IMD and Harvard



SAMI AL-OSAIMI

Executive Vice President,
Polymers

Other current positions/
memberships

- Chairman, Board of Ibn Sina
- Chairman, Board of SAMAC
- Chairman, Board of SHPP Holding B.V.
- Chairman, Board of the Saudi Turkish Business Council
- Board Member, multiple SABIC affiliates in Saudi Arabia and overseas
- Board Member, Nusaned Investment™

Work Experience and
Previous Positions

- Vice President, Polyethylene (PE) Business Unit, SABIC
- Vice President, Corporate Affairs, SABIC
- Vice President, Global Polymers Sales and MTDS, SABIC

- Vice President, Elastomers & 5Ps Business Unit, SABIC
- Vice President, LL/LD PE Business Unit, SABIC
- Chairman, Gulf Plastic Pipe Academy, Abu Dhabi
- Chairman, Board of SINOPEC SABIC Tianjin Petrochemical Co. Ltd. (SSTPC)
- Chairman, Board of SABIC SK Nexlene Company (SSNC)

Educational Qualifications

- MSc in Chemical Engineering, King Saud University, Riyadh
- BSc in Chemical Engineering, King Saud University, Riyadh



OLIVIER THOREL

Executive Vice President,
Chemicals

Other current positions/
memberships

—

Work Experience and
Previous Positions

- Senior Vice President, Chemicals and Low Carbon Hydrogen, Saudi Aramco
- Vice President, Chemicals Asia, Ventures, and New Business Development, Royal Dutch Shell plc (Shell)
- Vice President, Global Intermediates, Shell, Singapore
- Vice President, Supply, Distribution, and Shell Pipelines, Shell North America
- Member, Board of SABIC
- Member, Board of Pengerang Refining and Petrochemical Sdn Bhd

- Member, Board of Fujian Refining and Petrochemical Company Limited (FREP)
- Member, Board of Sadara Chemical Company (Sadara)
- Member, Board of Saudi Aramco Total Refining and Petrochemical Company (SATORP)
- Member, Board of Aramco Chemicals Company (ACC)
- Member, Board of ARLANXEO

Educational Qualifications

- Master's in Science and Economy, École Polytechnique, Paris
- Master (DESS) in Corporate Finance, Université Paris IX – Dauphine, France
- Completed executive leadership programs at Shell, Harvard, and INSEAD



NAVEENA SHASTRI

Executive Vice President,
Corporate Governance

Other current positions/
memberships

- Global Leader, SHE (SABIC Women’s Network)
- Member, Supervisory Board of SABIC Capital

Work Experience and
Previous Positions

- Vice President and General Counsel, SABIC
- Chief Regional Counsel, Americas, SABIC
- Legal Business Partner, Specialties Business Unit, SABIC
- Senior Legal Counsel, SABIC and GE Plastics, United States and India
- Associate, Dresdner Kleinwort Benson Investment Bank
- Associate, Linklaters Law Firm, London (Project Finance Department)

Educational Qualifications

- LLM, Harvard University
- BA in History and Political Science, Bangalore University, India
- Law Degree, Cambridge University, England.



ANAS KENTAB

Executive Vice President, Strategy & Transformation

Until April 01, 2025

Other current positions/
memberships

- Chairman, Board of Yanpet
- Chairman, Board of Kemya
- Vice Chairman, Board of Gulf Coast Growth Ventures (GCGV)
- Member, Board of SABIC Agri-Nutrients Company
- Vice Chairman, Board of Saudi Facilities Management Co. (Marafiq)
- Member, Board of Maaden Phosphate Company

Work Experience and
Previous Positions

- Executive Vice President, Europe Repositioning, SABIC
- Executive Vice President, Crude Oil to Chemicals (COTC) Project, SABIC
- Executive Vice President, Agri-Nutrients Business Unit, SABIC
- Vice President, Polyethylene Business Unit, SABIC

- Vice President, Polypropylene and Olefins Business Unit, SABIC
- Vice President, Industrial Gases Business Unit, SABIC
- General Manager, Intermediate Operations and Planning, SABIC
- Project Manager, Sharq, SABIC
- Business Manager, MEG Business, SABIC
- Chairman, Board of Arabian Petrochemical Company (Petrokemya), Jubail United Petrochemical Company (United), and Saudi Organometallic Chemicals Company (SOCC)
- Member, Board of Kemya, Sharq, Safco, Al-Bayroni, Sadaf, Yanpet, and SINOPEC SABIC Tianjin Petrochemical Company (SSTPC)

Educational Qualifications

- BSc in Mechanical Engineering, King Saud University, Riyadh
- Completed executive leadership programs at GE, Insead, IMD, and London Business School

REMUNERATION

Remuneration, allowances, and other benefits for the members of SABIC Board, the Board committees – including non-director (outside) members – and executive management are governed by the SABIC Remuneration Policy which was approved at the General Assembly and is subject to regular review.

The Policy sets out the objectives, principles, and rules underpinning the remuneration and other benefits for the members of the Board, committees, and senior management.

The key principles in respect of the Policy are as follows:

- Remuneration shall attract relevant individuals with the required qualifications, skills and expertise.
- Remuneration shall be a motivating factor (without exaggeration) for the achievement of objectives, and to enhance the company’s ability to grow and sustain its business.
- Risk and compliance shall be among the factors of determining executive remuneration to promote sound and effective risk management and to discourage risk-taking that exceeds the risk tolerance level.
- Executive remuneration shall be competitive in accordance with the market and peer practices to attract, motivate and retain talent.

- Executive remuneration shall be considered based on job level, level of performance, duties, responsibilities and practical experience.
- Executive remuneration packages shall consist of base salary, allowances, benefits in kind and incentive plans.
- The Board and Committees’ Members remuneration shall consist of a fixed fee and an allowance for attendance at the Board and Committee meetings.
- The company shall be entitled to claim compensation for damage to its reputation or interests or in the event of the Board or Committee Members committing an offence or breaching their duties or responsibilities.

On the recommendation of the Remuneration and Nominations Committee, the Board of Directors determines remunerations of the Board Chairman and members at its discretion; provided, however, that the total of annual remuneration and financial or in kind benefits shall not exceed ﷲ 1,800,000. To exceed that limit, the matter shall be presented to the General Assembly to decide thereon as it may deem appropriate.

Non-Director member of a committee (including the Audit Committee) is entitled to annual remuneration of ﷲ 300,000.

BOARD MEMBERS’ REMUNERATION

The total remuneration paid by the company to the members of the Board for the fiscal year ended on December 31, 2025, are set out below:

Fixed remunerations								Variable remunerations								Grand total	Expenditure allowance
Name	Fixed amount ⁽¹⁾	Attendance allowance for the board meetings	Total attendance allowance for committee meetings	In-kind benefits	Remuneration of technical, administrative, and consulting works	Remuneration for Board/ Committee Chairmanship	Total of remuneration & meeting allowance	Profit rate	Periodic bonuses	Short-term incentive service	Long-term incentive service	Shares awarded	Total	End of service award			
Board Members																	
Independent directors																	
Yousef Al-Zamel	800,000	35,000	65,000	–	–	–	900,000	–	–	–	–	–	–	–	900,000	–	
Dr. Ramesh Ramachandran ⁽²⁾	583,014	25,000	50,000	–	–	72,877	730,891	–	–	–	–	–	–	–	730,891	–	
Mohammed Al-Subaie ⁽²⁾	583,014	25,000	40,000	–	–	72,877	720,891	–	–	–	–	–	–	–	720,891	–	
Nader Al-Wehibi ⁽³⁾	216,986	10,000	10,000	–	–	27,123	264,109	–	–	–	–	–	–	–	264,109	–	
Calum MacLean ⁽³⁾	216,986	10,000	10,000	–	–	27,123	264,109	–	–	–	–	–	–	–	264,109	–	
Subtotal	2,400,000	105,000	175,000	–	–	200,000	2,880,000	–	–	–	–	–	–	–	2,880,000	–	
Non-executive directors																	
Khalid Al-Dabbagh	800,000	35,000	–	–	–	800,000	1,635,000	–	–	–	–	–	–	–	1,635,000	–	
Dr. Mohammed Al-Qahtani	800,000	35,000	80,000	–	–	100,000	1,015,000	–	–	–	–	–	–	–	1,015,000	–	
Eng. Ziad Al-Murshed	800,000	35,000	75,000	–	–	–	910,000	–	–	–	–	–	–	–	910,000	–	
Dr. Faisal Al-Faqeer	800,000	35,000	25,000	–	–	100,000	960,000	–	–	–	–	–	–	–	960,000	–	
Lucrèce De Ridder ⁽²⁾	583,014	25,000	50,000	–	–	–	658,014	–	–	–	–	–	–	–	658,014	–	
Mohammed Al-Nahas ⁽³⁾	216,986	10,000	10,000	–	–	–	236,986	–	–	–	–	–	–	–	236,986	–	
Subtotal	4,000,000	175,000	240,000	–	–	1,000,000	5,415,000	–	–	–	–	–	–	–	5,415,000	–	
Executive directors																	
Abdulrahman Al-Fageeh ⁽⁴⁾	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Subtotal	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total	6,400,000	280,000	415,000	–	–	1,200,000	8,295,000	–	–	–	–	–	–	–	8,295,000	–	

All amounts are in Saudi Riyals

⁽¹⁾ The fixed amount is the annual remuneration specified for membership of the board for the year 2025.

⁽²⁾ Joined the Board on Apr. 10, 2025.

⁽³⁾ Left the board on Apr. 9, 2025.

⁽⁴⁾ Executive directors are not remunerated for their services as directors.

BOARD COMMITTEES’ MEMBERS REMUNERATION 2025

The total remuneration paid by SABIC to the members of the Board committees for the fiscal year ended on December 31, 2025, are set out below:

Name	Fixed remunerations (excluding session attendance allowance)				Meeting attendance allowance				Total
	BAC	BRNC	BRSEC	BIC	BAC	BRNC	BRSEC	BIC	
Board members									
Khalid Al-Dabbagh	–	–	–	–	–	–	–	–	
Dr. Mohammed Al-Qahtani	–	–	–	100,000*	–	40,000	–	40,000	180,000
Ziad Al-Murshed	–	–	–	–	–	40,000	–	35,000	75,000
Dr. Faisal Al-Faqeer	–	–	100,000*	–	–	–	25,000	–	125,000
Lucrèce De Ridder ⁽¹⁾	–	–	–	–	–	–	20,000	30,000	50,000
Yousef Al-Zamel	–	–	–	–	–	–	25,000	40,000	65,000
Dr. Ramesh Ramachandran ⁽²⁾	–	72,877*	–	–	20,000	30,000	–	–	122,877
Mohammed Al-Subaie ⁽³⁾	72,877*	–	–	–	20,000	–	20,000	–	112,877
Abdulrahman Al-Fageeh ⁽⁹⁾	–	–	–	–	–	–	–	–	–
Mohammed Al-Nahas ⁽⁴⁾	–	–	–	–	–	10,000	–	–	10,000
Nader Al-Wehibi ^{(5), (6)}	27,123*	–	–	–	5,000	–	5,000	–	37,123
Calum MacLean ^{(4), (5), (7)}		27,123*	–	–	–	5,000	–	5,000	37,123
Subtotal	100,000	100,000	100,000	100,000	45,000	125,000	95,000	150,000	815,000
Non-director members									
Wilhelmus Jansen	300,000				25,000				325,000
Bassam M. Asiri	300,000				25,000				325,000
Ralph M. Wetzels	300,000				25,000				325,000
Thomas Palmer ⁽⁸⁾		218,630				30,000			248,630
Subtotal	900,000	218,630			75,000	30,000			1,223,630
Total	1,000,000	318,630	100,000	100,000	120,000	155,000	95,000	150,000	2,038,630

All amounts are in Saudi Riyals
⁽¹⁾ Joined the BSREC and BIC on April 10, 2025.
⁽²⁾ Joined the BRNC and BAC on April 10, 2025.
⁽³⁾ Joined the BSREC and BAC on April 10, 2025.

⁽⁴⁾ Left the BRNC on April 9, 2025.
⁽⁵⁾ Left the BAC on April 9, 2025.
⁽⁶⁾ Left the BSREC on April 9, 2025.
⁽⁷⁾ Left the BIC on April 9, 2025.

⁽⁸⁾ Joined the BRNC on April 10, 2025.
⁽⁹⁾ Executive directors are not remunerated for their services as directors.
*Annual remuneration for committee chairmanship.

SENIOR EXECUTIVES REMUNERATION 2025

The aggregate total remunerations paid by SABIC to five executives who received the highest remuneration, including the CEO and CFO, for the year ended December 31, 2025, are as below:

Senior executives	Fixed remunerations				Variable remunerations					End-of-service benefits	Total remunerations for the Board	Total aggregate amount
	Salaries	Allowances	In-kind benefits***	Total	Periodic profits	Short-term incentive plans*	Long-term incentive plans**	Granted shares	Total			
2025	13,751,487	3,753,072	2,466,789	19,971,349	–	7,931,024	6,121,879	–	14,052,903	6,124,288	–	40,148,540

All amounts are in Saudi Riyals

*Remuneration for 2024.

**Remuneration for 2024.

***A revised methodology for calculating in-kind benefits has been applied in 2025.

Performance against business and functional goals is linked to the financial compensation for executive and senior leaders. The variable compensation for executives and senior leaders at SABIC comprises a short-term and a long-term incentive plan, which incorporates both financial and non-financial performance measures.

The 2025 short-term incentive scorecard includes two criteria linked to environmental, social and governance related objectives; (1) reduction in GHG emissions and (2) an internal measurement related to the safety, health, and environmental performance of SABIC globally. The long-term incentive plan is designed to drive performance in key financial, operational, and environmental/sustainability focus areas.

SHARE OWNERSHIP

BOARD SHARE OWNERSHIP

As on December 31, 2025, Board members, their spouses, and their minor children held the following shares in SABIC and/or its subsidiaries:

Name	2025 Beginning of year shares (Number)				2025 End of year shares (Number)				2025 Net Change			
	SABIC	Subsidiaries			SABIC	Subsidiaries			SABIC	Subsidiaries		
		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab
Board members												
Independent directors												
Yousef Al-Zamel	69,200	4,030	82,017	137,000	69,200	1,700	105,200	137,000	–	(2,330)	23,183	–
Dr. Ramesh Ramachandran ⁽¹⁾	–	–	–	–	–	–	–	–	–	–	–	–
Mohammed Al-Subaie ⁽¹⁾	–	–	–	–	2,000	1,000	–	–	2,000	1,000	–	–
Calum MacLean ⁽²⁾	–	–	–	–	–	–	–	–	–	–	–	–
Nader Al-Wehibi ⁽²⁾	310	6,900	13,000	350	310	6,900	13,000	350	–	–	–	–
Non-executive directors												
Khalid Al-Dabbagh	–	–	–	17,300	–	–	–	17,300	–	–	–	–
Dr. Mohammed Al-Qahtani	–	–	–	130	–	–	–	130	–	–	–	–
Ziad Al-Murshed	–	–	–	30	–	–	–	30	–	–	–	–
Dr. Faisal Al-Faqeer	6,600	–	–	–	7,500	–	–	–	900	–	–	–
Lucrèce De Ridder ⁽¹⁾	–	–	–	–	–	–	–	–	–	–	–	–
Mohammed Al-Nahas ⁽²⁾	–	–	–	–	–	–	–	–	–	–	–	–
Executive directors												
Abdulrahman Al-Fageeh	–	–	–	10,397	–	–	–	10,742	–	–	–	345

⁽¹⁾ Joined on April 10, 2025.

⁽²⁾ Until April 9, 2025.

SENIOR EXECUTIVES SHARE OWNERSHIP

Name	SABIC	2025 Beginning of year shares (Numbers)			SABIC	2025 End of year shares (Numbers)			SABIC	2025 Net Change			
		Subsidiaries				Subsidiaries				Subsidiaries			
		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab		SABIC Agri-Nutrients	Saudi Kayan	Yansab	
Executives Members													
Salah Al-Hareky	–	–	–	–	–	–	–	–	–	–	–	–	
Sami Al-Osaimi	–	–	–	10,000	–	–	–	10,000	–	–	–	–	
Ernesto Occhiello	–	–	–	–	–	–	–	–	–	–	–	–	
Abdulaziz Al-Oudan	–	–	–	–	–	–	–	–	–	–	–	–	
Ahmed Al-Shaikh	–	–	–	–	2,500	500	–	–	2,500	500	–	–	
Naveena Shastri	–	–	–	–	–	–	–	–	–	–	–	–	
Faisal Al Suwailem	–	–	–	–	–	–	–	–	–	–	–	–	
Olivier Gerard Thorel	–	–	–	–	–	–	–	–	–	–	–	–	
Abdulaheman Shamsaddin	–	–	–	–	–	–	–	–	–	–	–	–	
Anas Kentab ⁽¹⁾	15,000	12,000	10,000	12,000	15,000	12,000	10,000	12,000	–	–	–	–	

⁽¹⁾Until April 1, 2025.

RELATED-PARTY TRANSACTIONS

SABIC has an approved comprehensive policy in place to identify, manage, and mitigate actual or potential conflicts of interest that could affect the performance of SABIC Board members, committee members, executive management, or other employees when dealing with the company, its stakeholders, or when SABIC contracts or enters into a transaction with related parties.

In the normal course of business, SABIC, together with its subsidiaries and joint ventures, enters into various transactions and contracts with related parties. These primarily comprise sales and purchases, provision and receipt of services, and the granting and receiving of loans. All such transactions are conducted on terms equivalent to those prevailing in arm’s-length transactions. Compliance with transfer pricing and related-party requirements is monitored by dedicated teams within the Global Financial Operations function.

SABIC entered into several service-level agreements with its subsidiaries and joint ventures to provide corporate shared services, including procurement, engineering, transportation, warehousing, information technology, human resources, accounting, and compliance and ethics services.

In addition, SABIC undertakes the marketing and sale of products in various local, regional and global markets for its subsidiaries, joint ventures, and certain affiliates of Saudi Aramco through formal marketing agreements. SABIC’s subsidiaries and joint ventures also participate in joint-ownership production arrangements and tolling agreements with one another.

All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the SABIC Group are eliminated to the extent of the Group’s interest in these entities. All transactions and balances with related parties outside the Group are reported in the financial statements.

SABIC also engages in sales to and purchases from Saudi Aramco (including its subsidiaries, joint ventures, and associates), Saudi government and semi-government entities, and other entities in which the government exercises ownership or control. These transactions are executed in accordance with applicable regulatory frameworks in Saudi Arabia.

 [Consolidated Financial Statements Note 33.](#)



INTERNAL AUDIT

SABIC Internal Audit (IA) is a corporate function, led by the Chief Audit Executive, who reports functionally to the Board Audit Committee (BAC) and administratively to the CEO.

IA is an independent function that performs its duties with full access to SABIC’s sites around the world, information, documents, relevant resources, and employee-related matters.

IA operates in accordance with the Global internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA). Conformance is verified through an external quality assurance and improvement program, and a comprehensive, ongoing internal/external quality program is maintained to evaluate, improve, and ensure compliance with all aspects of IA activities.

IA conducted its planned audits in accordance with the BAC-approved schedule to objectively and independently evaluate the adequacy and effectiveness of the internal control system. Additionally, SABIC IA adds value by providing consulting services and other advisory engagements.

Throughout 2025, in accordance with applicable standards, IA regularly issued audit progress reports to the BAC, including the audit plan progress, audit activities/observations, progress on internal audits’ outcome, and overall update/view on internal controls’ effectiveness. During 2025, IA continued its efforts with respective stakeholders to bring the audit findings to closure in a timely and reasonable manner.

SABIC IA continued working towards achieving the IA Strategy in 2025. The strategy focuses on three strategic pillars:

- 1. Stronger lines of assurance
- 2. Ambitious talent
- 3. Value creation

The three strategic pillars will enable more efficient and effective audits with tangible global influence on governance, internal controls, and risk management across SABIC’s corporate functions, business units, and affiliates.

In strengthening the three lines of assurance, the IA Leadership team continued structured engagement sessions with SABIC Leadership Teams, proactively sharing key risks and common themes from audit observations while enhancing internal controls.

Human capital remained a top priority, with the focus on attracting, developing, and equipping talent with the skills and qualifications needed for effective and efficient auditing, consulting and advisory engagements. Furthermore, SABIC IA contributes to SABIC’s people development through various programs, such as the Internal Audit Capability Program, where employees from different departments are seconded to SABIC IA to improve governance, risk management, and internal controls culture and gain relevant experience in internal audit processes.

IA maintains active collaboration with SABIC’s external auditors to add value to the organization and its shareholders. The Internal Audit reports to management contribute to the formation of BAC’s opinion on the effectiveness of the company’s internal control system.

DECLARATIONS

The Board of Directors acknowledges that:

- the accounting records were properly prepared;
- the internal control system was established on a sound basis and implemented effectively; and
- there are no doubts about the company's ability to continue its business for the foreseeable future.

COMPANY DECLARATIONS

The company has not concluded any transaction or contract of interest involving any Board member, senior executive, or any person related to them, except as approved by the Ordinary General Assembly Meeting held on April 9, 2025 for the business and contracts between SABIC Industrial Investments Co., a SABIC affiliate, and Ma’aden Co., in which the Board’s Vice Chairman, Dr. Mohammed Y. Al-Qahtani, has an indirect interest through his present position in SABIC and his role as the Vice Chairman of the SABIC Board and a member of the Ma’aden Board, and under which SABIC Industrial Investments Co. (fully owned by SABIC) sold its stake in ALBA Co., amounting to 292,804,000 common shares representing 20.62% of the total shareholding of ALBA, to the Saudi Arabian Mining Company (Ma’aden) for proceeds amounting to BHD 363,076,960 (approximately ﷼ 3,611,504,737), without any preferential terms.

The company adhered to all provisions of the Capital Market Authority’s Corporate Governance Regulations, with the exception of the following:

Article/Clause no.	Provision of Article/Clause	Reason
Article 92 (Guiding Article): Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competences 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 once annually.	Based on Article (47) of the CGRs, which stipulates that the Board shall form specialized committees, based on the need and circumstances of the company, in a manner that enables it to perform effectively, the Board has not opted to form a “corporate governance committee”. The Board and its committees collectively fulfil the corporate governance committee’s functions and objectives through their duties and activities.

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CONSOLIDATED STATEMENTS

A comprehensive view of our financial and non-financial performance, including complete financial statements and sustainability metrics and assurance disclosures.



CONSOLIDATED FINANCIAL STATEMENTS

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*Independent auditor’s report to the shareholders of Saudi Basic Industries Corporation
(A Saudi Joint Stock Company)*

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Saudi Basic Industries Corporation (the “Company”) and its subsidiaries (together the “Group”) as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent auditor’s report to the shareholders of Saudi Basic Industries Corporation (continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code’s requirements.

Our audit approach

Overview

Key audit matter	Assessment of the presentation and measurement of businesses as held for sale and discontinued operations
------------------	---

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor’s report to the shareholders of Saudi Basic Industries Corporation (continued)

Key audit matter	How our audit addressed the Key audit matter
Assessment of the presentation and measurement of businesses as held for sale and discontinued operations As at 31 December 2025, the assets and liabilities of the Group’s European Petrochemicals business (“EP”) and Engineering Thermoplastics business in the Americas and Europe (“ETP”) (together the “disposal groups”) were presented and measured as ‘held for sale’ and their results for the year then ended were presented as ‘discontinued operations’ in accordance with International Financial Reporting Standards (“IFRS”) 5 ‘Non-current Assets Held for Sale and Discontinued Operations’, that is endorsed in the Kingdom of Saudi Arabia. The assets and liabilities, including goodwill, attributable to the disposal groups were segregated and measured at the lower of their carrying amounts and fair values less costs to sell. The fair values were determined in accordance with the considerations, that include contingent and deferred proceeds as well as certain adjustments, agreed as part of the transaction agreements. The fair values of the contingent and deferred proceeds were determined based on cash flow projections (EP and ETP) and estimates of net exit proceeds (ETP), discounted to reflect the timing and risk characteristics of the proceeds. As a result of these re-measurements, losses of SR 9,847 million and SR 5,329 million were recorded for EP and ETP, respectively, in the consolidated financial statements. We considered this to be a key audit matter given the significant judgment and estimates involved in determining the fair values of the considerations as well as the uncertainty inherent in the underlying forecasts and assumptions. The key inputs to the fair value measurements included the following, where applicable: • Cash flow projections; • Net exit proceeds (including exit multiple and timing); and • Discount rates. <i>Refer to Note 3.1.8, Note 6.23, Note 34.1 and Note 34.2 to the consolidated financial statements for further information.</i>	Our procedures included the following: • We considered the appropriateness of management’s classification of the disposal groups as ‘held for sale’ and their presentation as ‘discontinued operations’ in accordance with the requirements of IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’, that is endorsed in the Kingdom of Saudi Arabia. • We read the transaction agreements to understand the key terms of the arrangements, including the considerations. • We assessed the completeness of the carrying amounts of the assets held for sale, including the allocated goodwill, and of the liabilities directly associated with these assets. • With input from internal valuation experts, where considered necessary, we performed the following procedures over the fair values of the considerations, as deemed appropriate: ◦ Considered the consistency of the bases for determining the considerations with the transaction agreements; ◦ Assessed the reasonableness of the valuation methodologies and the key inputs used to determine the cash flow projections and the net exit proceeds; ◦ Evaluated the reasonableness of the discount rates used by cross-checking the underlying assumptions against observable market data and the risk characteristics of the proceeds; ◦ Tested the mathematical accuracy and logical integrity of the fair valuations; ◦ Tested management’s sensitivity analyses that considered the impact of changes in key assumptions on the fair value measurements; and ◦ Assessed the completeness and accuracy of the adjustments to the considerations based on the terms of the transaction agreements. • We considered the appropriateness of the related accounting policies, presentation and disclosures in the consolidated financial statements.



Independent auditor’s report to the shareholders of Saudi Basic Industries Corporation (continued)

Other information

Management is responsible for the other information. The other information comprises the Integrated Annual Report but does not include the consolidated financial statements and our auditor’s report thereon, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company’s By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group’s financial reporting process.



Independent auditor’s report to the shareholders of Saudi Basic Industries Corporation (continued)

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent auditor’s report to the shareholders of Saudi Basic Industries Corporation (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers



Bader I. Benmohareb
License No. 471
5 March 2026



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All amounts in thousands of Saudi Riyals unless otherwise stated.

As at 31 December	Note	2025	2024 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	7	93,069,696	112,580,575
Right-of-use assets	8	3,412,073	4,835,543
Intangible assets	9	18,279,953	19,141,633
Investments in associates and joint ventures	10, 42	33,326,389	34,960,835
Investments in debt instruments	11	332,458	332,458
Investments in equity instruments	12	304,260	253,402
Deferred tax assets	31	367,773	2,365,609
Derivative financial instruments	13	2,421,604	3,669,688
Other assets and receivables	14	5,204,351	8,020,234
Total non-current assets		156,718,557	186,159,977
Current assets			
Inventories	16	12,847,432	18,813,581
Trade receivables	17	16,675,007	20,439,823
Other assets and receivables	14	8,425,796	10,298,362
Short-term investments	11	12,917,548	7,668,807
Cash and cash equivalents	18	27,746,328	30,539,668
		78,612,111	87,760,241
Assets held for sale	34, 35	8,961,521	3,623,625
Total current assets		87,573,632	91,383,866
Total assets		244,292,189	277,543,843



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

As at 31 December	Note	2025	2024 (Restated)
Equity and liabilities			
Equity			
Share capital	19	30,000,000	30,000,000
General reserve	20	–	110,889,032
Other reserves	20	(1,472,793)	(4,112,475)
Retained earnings	42	100,191,427	19,581,626
Equity attributable to equity holders of the Parent		128,718,634	156,358,183
Non-controlling interests	21	26,100,907	27,085,026
Total equity		154,819,541	183,443,209
Non-current liabilities			
Debt	22	21,311,688	26,165,086
Lease liabilities	22	3,024,234	3,983,960
Employee benefits	23	12,514,849	13,507,010
Deferred tax liabilities	31	364,718	611,582
Derivative financial instruments	13	1,870,894	1,975,894
Provisions	24	237,933	870,565
Other liabilities	25	1,513,088	1,605,249
Total non-current liabilities		40,837,404	48,719,346
Current liabilities			
Short-term borrowings	22	998,944	2,080,922
Current portion of debt	22	11,235,731	2,022,996
Current portion of lease liabilities	22	484,630	945,105
Trade payables	26	17,103,449	19,793,604
Provisions	24	83,392	137,248
Other liabilities	25	10,687,055	19,695,999
Income tax payable	31	419,488	587,075
Zakat payable	31	635,203	118,339
		41,647,892	45,381,288
Liabilities directly associated with assets held for sale	34	6,987,352	–
Total current liabilities		48,635,244	45,381,288
Total liabilities		89,472,648	94,100,634
Total equity and liabilities		244,292,189	277,543,843

CONSOLIDATED STATEMENT OF INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2025	2024
Revenue	27	116,525,214	117,736,492
Cost of sales	28	(95,528,226)	(92,375,651)
Gross profit		20,996,988	25,360,841
General and administrative expenses	28	(7,823,915)	(8,516,977)
Research and development expenses	28	(1,629,979)	(1,741,214)
Selling and distribution expenses	28	(6,684,738)	(6,417,287)
Results from integral joint ventures	10	443,363	765,158
Other operating income	29	959,650	1,286,075
Other operating expenses	29	(1,894,375)	(1,310,083)
Income from operations		4,366,994	9,426,513
Results from associates and non-integral joint ventures	10	33,455	913,507
Impairment loss from associates and non-integral joint ventures	10	(1,493,344)	(1,387,437)
Finance income	30	2,389,890	1,912,096
Finance costs	30	(4,038,693)	(2,768,639)
Income before Zakat and income tax		1,258,302	8,096,040
Zakat expense	31	(907,776)	(213,827)
Income tax benefit	31	(696,178)	(607,246)
Net income from continuing operations		(345,652)	7,274,967
Net loss from discontinued operation	34	(24,379,314)	(3,551,832)
Net income (loss)		(24,724,966)	3,723,135

For the years ended 31 December	Note	2025	2024
Net (loss) income from continuing operations attributable to:			
• Equity holders of the Parent		(1,533,112)	5,090,374
• Non-controlling interests		1,187,460	2,184,593
		(345,652)	7,274,967
Net (loss) income attributable to:			
• Equity holders of the Parent		(25,779,231)	1,538,542
• Non-controlling interests		1,054,265	2,184,593
		(24,724,966)	3,723,135
Basic and diluted earnings per share from net (loss) income attributable to equity holders of the Parent (Saudi Riyals)	32		
Net (loss) income from continuing operations		(0.51)	1.70
Net (loss) income		(8.59)	0.51



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2025	2024
Net (loss) income		(24,724,966)	3,723,135
Other comprehensive income			
<i>Items that will not be reclassified subsequently to the consolidated statement of income</i>			
• Remeasurement (loss) gain on defined benefit plans	23	(69,703)	323,152
• Share of other comprehensive income (loss) of associates and joint ventures	10, 20	153,475	(135,099)
• Net change on revaluation of investments in equity instruments classified as fair value through other comprehensive income	20	(155,040)	(19,297)
• Tax (expense) benefit	31	(175,382)	36,794
		(246,650)	205,550
<i>Items that may be reclassified subsequently to the consolidated statement of income</i>			
• Foreign exchange difference on translation	20	1,777,550	(1,255,981)
• Share of other comprehensive income (loss) of associates and joint ventures	10, 20	1,099,398	(847,156)
		2,876,948	(2,103,137)
<i>Reclassification of other comprehensive income related to disposal groups</i>			
• Share of other comprehensive loss of a joint venture	34, 35	(30,955)	(2,111)
		(30,955)	(2,111)
Net movement of other comprehensive income		2,599,343	(1,899,698)
Total comprehensive (loss) income		(22,125,623)	1,823,437



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

For the years ended 31 December	2025	2024
Total comprehensive (loss) income		
<i>Attributable to:</i>		
• Equity holders of the Parent	(23,139,549)	(395,481)
• Non-controlling interests	1,013,926	2,218,918
	(22,125,623)	1,823,437
Total comprehensive income (loss) attributable to equity holders of the Parent		
• Continuing operations	12,588	3,937,604
• Discontinued operations	(23,152,137)	(4,333,085)
	(23,139,549)	(395,481)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts in thousands of Saudi Riyals unless otherwise stated.

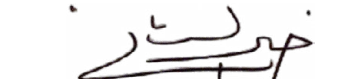
	Attributable to the equity holders of the Parent						Non-controlling interests	Total equity
	Note	Share capital	General reserve	Other reserves	Retained earnings	Total		
Balance as at 1 January 2024 (as previously reported)		30,000,000	110,889,032	(1,576,557)	28,116,139	167,428,614	27,853,926	195,282,540
Restatement	42	–	–	–	(474,950)	(474,950)	–	(474,950)
Balance as at 1 January 2024 (restated)		30,000,000	110,889,032	(1,576,557)	27,641,189	166,953,664	27,853,926	194,807,590
Net income		–	–	–	1,538,542	1,538,542	2,184,593	3,723,135
Other comprehensive (loss) income		–	–	(1,934,023)	–	(1,934,023)	34,325	(1,899,698)
Total comprehensive (loss) income		–	–	(1,934,023)	1,538,542	(395,481)	2,218,918	1,823,437
Reclassification of remeasurement gain on defined benefit plans related to discontinued operation		–	–	(601,895)	601,895	–	–	–
Dividends and others	40	–	–	–	(10,200,000)	(10,200,000)	(2,987,818)	(13,187,818)
Balance as at 31 December 2024 (restated)		30,000,000	110,889,032	(4,112,475)	19,581,626	156,358,183	27,085,026	183,443,209
Balance as at 1 January 2025		30,000,000	110,889,032	(4,112,475)	19,581,626	156,358,183	27,085,026	183,443,209
Net (loss) income		–	–	–	(25,779,231)	(25,779,231)	1,054,265	(24,724,966)
Other comprehensive income (loss)		–	–	2,639,682	–	2,639,682	(40,339)	2,599,343
Total comprehensive (loss) income		–	–	2,639,682	(25,779,231)	(23,139,549)	1,013,926	(22,125,623)
Transfer of general reserve	20	–	(110,889,032)	–	110,889,032	–	–	–
Non-controlling interests recognised on acquisition of subsidiary	10.3	–	–	–	–	–	129,634	129,634
Dividends and others	40	–	–	–	(4,500,000)	(4,500,000)	(2,127,679)	(6,627,679)
Balance as at 31 December 2025		30,000,000	–	(1,472,793)	100,191,427	128,718,634	26,100,907	154,819,541



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2025	2024
Operating activities			
Income (loss) before zakat and income tax			
• from continuing operations		1,258,302	8,096,040
• from discontinued operations	34	(22,357,920)	(4,192,674)
Adjustment to reconcile income (loss) before zakat and income tax to net cash from operating activities:			
• Depreciation of property, plant and equipment	7	11,185,373	11,494,649
• Depreciation of right-of-use assets	8	1,184,728	1,155,390
• Amortisation of intangible assets and other assets		527,578	359,066
• Impairments and write-offs	7, 8, 9	4,598,013	720,359
• Fair value remeasurement on assets held for sale	34	15,175,854	304,129
• Gain on sale of assets held for sale		–	(291,359)
• Results of associates and non-integral joint ventures	10	(94,419)	(952,803)
• Impairment loss from associates and non-integral joint ventures	10	1,493,344	1,387,437
• Results of integral joint ventures	10	(443,363)	(765,158)
• Inventory write-down charge (reversal)	16	136,839	(190,164)
• Loss on disposals of property, plant and equipment		177,622	38,693
• Finance income	30	(2,409,657)	(1,933,971)
• Finance costs	30	4,193,360	2,820,297

For the years ended 31 December	Note	2025	2024
Change in operating assets and liabilities:			
Decrease in other non-current assets and receivables		3,079,518	278,093
Decrease (Increase) in inventories		1,403,933	(777,132)
Decrease (Increase) in trade receivables		1,549,541	(1,166,810)
(Increase) decrease in other current assets and receivables		(1,843,395)	1,986,411
Decrease in other non-current liabilities		(198,338)	(6,796)
Increase (decrease) in provisions		331,438	(1,258,522)
Decrease in trade payables		(304,226)	(668,661)
(Decrease) Increase in employee benefits		(911,535)	307,597
(Decrease) increase in other current liabilities		(1,203,471)	399,486
		16,529,117	17,143,597
Dividends received from integral joint ventures	10	1,334,917	1,756,390
Interest received		2,354,784	1,906,610
Interest paid		(2,216,133)	(2,130,000)
Zakat and income tax paid	31	(2,043,686)	(2,318,001)
Net cash from operating activities		15,958,999	16,358,596

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

For the years ended 31 December	Note	2025	2024
Investing activities			
Purchase of property, plant and equipment		(8,750,028)	(10,114,320)
Purchase of investments in equity instruments	12	(502,346)	(42,124)
Proceeds on the maturity of investments in debt	11	–	50,000
Additions of intangible assets	9	(24,777)	(85,909)
Proceeds from sale of property, plant and equipment		82,308	33,343
Capital contribution and acquisition in associates and joint ventures	10	(1,628,510)	(1,047,703)
Dividend received from associates and non-integral joint ventures	10	1,211,374	841,891
Proceeds from sale and divestiture of equity investments		–	855
Short-term investments, net		(4,883,950)	2,160,060
Proceeds from sale of discontinued operation	34	3,173,005	1,163,045
Cash and cash equivalents transferred	34	–	(1,365,147)
Net cash flow from disposal of discontinued operation		3,173,005	(202,102)
Proceeds from sale of assets held for sale		3,605,726	562,424
Cash and cash equivalents transferred		–	(142,781)
Net cash flow from disposal of assets held for sale		3,605,726	419,643
Net cash used in investing activities		(7,717,198)	(7,986,366)

For the years ended 31 December	Note	2025	2024
Financing activities			
Proceeds from debt	18	18,495,107	12,643,750
Repayment of debt	18	(15,288,056)	(10,405,275)
Lease payments	18	(1,102,688)	(1,075,329)
Dividends paid to shareholders	18	(9,625,654)	(10,100,547)
Dividends paid to non-controlling interests	18	(3,352,421)	(2,618,770)
Net cash used in financing activities		(10,873,712)	(11,556,171)
Decrease in cash and cash equivalents		(2,631,911)	(3,183,941)
Net foreign exchange gain (loss) on cash and cash equivalents		46,107	(75,025)
Cash and cash equivalents at the beginning of the year	18	30,536,409	33,795,375
Cash and cash equivalents at the end of the year	18	27,950,605	30,536,409
Cash and cash equivalents	18	27,746,328	30,539,668
Cash and cash equivalents (included in assets held for sale)	34	204,876	–
Less: Short-term borrowings (bank overdrafts)		(599)	(3,259)
Cash and cash equivalents at the end of the year		27,950,605	30,536,409
Cash flows of discontinued operations	34		



EVP Corporate Finance



Chief Executive Officer



Chairman of the Board of Directors

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts in thousands of Saudi Riyals unless otherwise stated.

1. CORPORATE INFORMATION

Saudi Basic Industries Corporation (“SABIC” or “the Parent”) is a Saudi Joint Stock Company established pursuant to Royal Decree Number M/66 dated 13 Ramadan 1396H (corresponding to 6 September 1976) registered in Riyadh under commercial registration No. 1010010813 dated 14 Muharram 1397H (corresponding to 4 January 1977). The registered office is located at Qurtubah District, P.O. Box 5101, Riyadh 11422, Kingdom of Saudi Arabia (“KSA”).

Saudi Arabian Oil Company (“Saudi Aramco”) owns 70% of SABIC through one of its subsidiaries, Aramco Downstream Company (formerly, Aramco Chemicals Company). The Saudi Arabian Government is the largest shareholder by 81.48% direct shareholding in Saudi Aramco. The remaining 30% of SABIC shares are held by the private sector.

SABIC and its subsidiaries (collectively the “Group”) are engaged in the manufacturing, marketing and distribution of chemicals, polymers, plastics and agri-nutrients products in global markets.

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 3 March 2026.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations as endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”).

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern.

These consolidated financial statements are prepared under the historical cost convention, except for certain items, which are primarily investment in debt instruments, short-term investments, derivative financial instruments and post-employment benefit plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of the transaction. Certain comparative amounts have been reclassified to conform to the current year presentation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date, regardless whether that price is directly observable or estimated using another technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 ‘Leases’, and measurements that have some similarities to fair value but are not, such as net realisable value in IAS 2 ‘Inventories’, value in use in IAS 36 ‘Impairment of Assets’ or net present value for employee benefits in IAS 19 ‘Employee Benefits’.

The Group has categorised its financial assets and liabilities into a three-level fair value hierarchy, based on the degree to which the lowest level inputs to fair value measurement are

observable and the significance of the inputs to the fair value measurement, which are described as follows:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of SABIC, and subsidiaries controlled by SABIC, besides joint operations which are consolidated based on the Group’s relative share in the arrangement.

Consolidation of a subsidiary begins when SABIC obtains control over the subsidiary and ceases when SABIC loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the period are included in the consolidated financial statements from the date SABIC gains control until the date SABIC ceases to control the subsidiary. Refer to Note 3.2.3 for judgements applied by SABIC to assess control. SABIC reassesses whether it controls an investee if facts and circumstances indicate that there are changes to the elements of control.

Net income or loss and each component of Other Comprehensive Income (“OCI”) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests (“NCI”), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

2. BASIS OF PREPARATION (CONTINUED)

2.1 BASIS OF CONSOLIDATION (CONTINUED)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of financial position, income, comprehensive income and changes in equity. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction between shareholders.

If SABIC loses control over a subsidiary, it de-recognises the related assets (including goodwill, if applicable), liabilities, non-controlling interests and other components of equity, while any resulting gain or loss is recognised in the consolidated statement of income.

2.2 FOREIGN CURRENCIES

The consolidated financial statements are presented in Saudi Riyals (“SAR” and/or “ﷲ”), which is the functional currency of the Parent, and all amounts are rounded to the nearest thousand (“ﷲ ‘000’”), except when otherwise indicated. For each entity, the Group determines the functional currency and items included in their financial statements using that functional currency.

TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recognised by the Group’s entities at their respective functional currencies’ spot rates at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of income.

Non-monetary items that are measured at historical cost in a foreign currency are recognised using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are recognised using the exchange rates at the date when the fair value is applied. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item. Foreign exchange gains and losses that relate to debt/borrowings, cash and cash equivalents and short-term investments are presented in the consolidated statement of income within finance income or finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of income within other operating income or expenses.

GROUP’S COMPANIES

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at reporting date and their statements of income are translated at exchange rates prevailing at the transactions dates. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at reporting date.

The rates for SABIC’s major currencies are as follows:

	2025		2024	
	Spot rates at 31 December	Average rates	Spot rates at 31 December	Average rates
– USD	3.75	3.75	3.75	3.75
– EUR	4.40	4.24	3.90	4.06
– GBP	5.05	4.94	4.71	4.79
– CNY	0.54	0.52	0.51	0.52

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Preparation of the Group’s consolidated financial statements require management to make judgements, estimates and assumptions at reporting date that affect the reported amounts of revenues, expenses, assets and liabilities, and related disclosures. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments in the future to the carrying amount of the asset or liability affected.

The estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the changed estimates affect both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES,
ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

Other disclosures relating to the Group’s exposure to risks and uncertainties include:

- capital management, financial instrument risk management and policies (refer to Notes 38 and 37); and
- sensitivity analysis disclosures (refer to Note 37).

3.1 ESTIMATES AND ASSUMPTIONS

The Group used assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key assumptions concerning the future and other key sources of estimation uncertainty, that have a significant risk of causing material differences in the carrying amounts of assets and liabilities within the next financial period, are disclosed in the next paragraphs.

3.1.1 IMPAIRMENT OF NON-FINANCIAL ASSETS
(REFER TO NOTE 7)

Impairment exists when the carrying value of an asset or Cash Generating Unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing the asset. The value in use is based on a Discounted Cash Flow (“DCF”) model. The cash flows are derived from the approved budget

and business plan for the next five years and do not include restructuring activities or significant future investments that will enhance the performance of the CGU being tested or other initiatives that the Group is not yet committed to. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

3.1.2 INCREMENTAL BORROWING RATE FOR LEASE
AGREEMENTS (REFER TO NOTES 8 AND 22)

The Group cannot readily determine the interest rate implicit in the lease agreement. Therefore, it uses its Incremental Borrowing Rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available, such as for subsidiaries that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

3.1.3 MEASUREMENT OF FINANCIAL INSTRUMENTS
(REFER TO NOTES 11, 12, 13, 15 AND 17)

The Group is required to make judgements about the basis to determine the fair value of its investments in equity instruments or derivative financial instruments, in reference to similar kind of investments being sold in the market. The selection of the investments or derivative financial instruments to determine the basis requires judgement by management

to recognise investments in equity instruments and derivative financial instruments. For fair value determination, these investments qualify as Level 2 or Level 3 (refer to Note 2).

3.1.4. PROVISIONS (REFER TO NOTE 24)

SABIC is subject to legal, environmental and regulatory risks. These may include non-compliance with competition and anti-trust laws, export controls, data protection, intellectual property rights, tax and environmental legislations. Furthermore, litigation and regulatory proceedings are unpredictable, and legal or regulatory proceedings in which SABIC is or becomes involved, or settlements thereof, could result in substantial penalties, which may not be recovered by insurance policies.

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Management’s estimates related to provisions for environmental matters are based on an estimate of the costs, considering legal advice and other information. Provisions for termination benefits and exit costs, if any, also involve management’s judgement in estimating the expected cash outflows for severance payments and site closures or other exit costs.

Provisions for onerous contracts involve management’s best estimate for the amount/measurement of unavoidable costs.

3.1.5. DEFINED EMPLOYEE BENEFIT PLANS
(REFER TO NOTE 23)

Post-employment defined benefits plans, end-of-service benefits plans, legal indemnity liabilities and other long-term employee related liabilities, represent obligations that will be settled in the future due to services provided by the employees. These arrangements require actuarial valuations to measure these obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES,
ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.1.5 DEFINED EMPLOYEE BENEFIT PLANS
(REFER TO NOTE 23) (CONTINUED)

The Group is required to make assumptions regarding variables such as discount rates, rate of salary increase, longevity, attrition rates and future healthcare costs, as applicable. Changes in key assumptions can have a significant impact on the projected benefit obligations and subsequent employee defined benefit costs. The assumptions are reviewed at each reporting date.

Defined benefit obligations are discounted at a rate set by reference to relevant market yields at the end of the reporting period on high quality corporate or government bonds, if there is no deep market in such high-quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the size of the bonds, quality of the corporate bonds and the identification of outliers which are excluded, if any.

3.1.6 ACCOUNTING FOR INCOME TAX
(REFER TO NOTE 31)

As part of the process of preparing consolidated financial statements, the Group estimates income tax in each of the jurisdictions it operates. This process involves estimating current and deferred tax expenses. Temporary differences result in deferred tax assets and liabilities, which are included in the consolidated statement of financial position.

Significant judgement is required in assessing the recoverability of deferred tax assets recognised on deductible temporary differences, tax credits and tax losses carried forward. The Group performs analyses of profitability forecasts for future years, which may include scheduled future reversals of taxable temporary differences and available tax planning strategies. Recoverability of deferred tax assets is contingent on the ability of the Group to adhere to its business plan, refer to Note 31.

The Group is exposed to tax risks and uncertainty over complex tax treatments in the many jurisdictions in which it operates. Significant management judgement is required in the recognition and measurement of uncertain tax positions, whereby positive and negative evidence are weighted regarding the facts and circumstances of each case, technical arguments and case law decision or rulings on similar issues.

3.1.7 INVESTMENTS IN EQUITY INSTRUMENTS
(REFER TO NOTES 12 AND 13)

For all equity investments, SABIC assesses such financial assets measured at fair value, whether gains and losses are recognised either in consolidated statement of income (“FVIS”) or consolidated statement of comprehensive income (“FVOCI”) through an irrevocable election at the time of initial recognition.

For investments in equity instruments which are measured as FVIS, further elaborations on the judgements made are disclosed below.

FINANCIAL DERIVATIVES ON EQUITY INSTRUMENTS

Put and call options offer contract parties the right to exercise them or to refrain from exercising the option rights. Call, put options and forward contracts on the equity instruments

are derivative financial instruments recognised at FVIS. Put options and forward contracts are recognised at the present value of the best estimated amount to be paid at the end of the agreement. Call options are recognised at their fair value.

Due to the nature of these derivative financial instruments, the fair values of financial assets and financial liabilities recognised in the consolidated statement of financial position cannot be measured based on quoted prices in active markets. Therefore, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and dividend yield. Changes in assumptions relating to these factors could affect the reported fair value of financial derivative instruments (refer to Note 15).

EQUITY INVESTMENTS MEASURED AT FAIR VALUE
LESS COSTS OF DISPOSAL

For some listed equity investments, the Group has significant influence and ability to affect decisions in general meetings of shareholders due to its relative share in the company without being able to control it. If sources of impairment indicate that an impairment test is required, impairment testing of these listed equity investments, require determining the premium over fair value less costs of disposal as quoted on stock exchanges, due to the Group’s significant influence. The premium is determined, based on market data to capture a reasonable range as premium paid upon business acquisitions for similar partial acquisitions in the same industry. At each reporting date the Group assesses its share in income due to a time lag in the availability of public information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.1 ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.1.8 MEASUREMENT OF ASSETS HELD FOR SALE

The Group measures disposal groups classified as held for sale at the lower of their carrying amount and their fair value less costs to sell. These fair values are determined in accordance with the consideration structure (including contingent and deferred considerations) as agreed with the respective acquiring party. Estimation of these fair values are based on the present value of the future expected cash flows and expected net exit proceeds (in case of a subsequent monetisation by the buyer).

The determination of fair value requires the application of significant management judgment. In developing these estimates, the Group uses business forecasts derived from agreements and draws on historical market experience to estimate future cash inflows expected from potential transactions. These cash flows are discounted to reflect both the timing of receipt and the relevant risk characteristics.

Changes in key valuation assumptions or market inputs may have a material impact on the resulting fair value measurement. At each reporting date, the Group reassesses the fair value of disposal groups classified as held for sale to ensure that the measurement remains appropriate and reflects current conditions.

3.2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING STANDARDS

In addition to the application of the judgement in the above-mentioned estimates and assumptions, the following critical judgements have the most significant effect on the amounts recognised in the consolidated financial statements:

3.2.1 PRINCIPAL VS AGENT CONSIDERATION FOR THE SALE OF GOODS

A certain portion of SABIC’s revenue is derived from marketing agreements, whereby in some cases, SABIC purchases products from its related parties, and sells these to end customers. There is significant judgement whether SABIC controls the products before they are transferred to the customer. It has been concluded that SABIC is ‘the principal’ in these arrangements due to the following factors, as SABIC:

- is exposed to fulfilment risk and is the primary obligor for the goods;
- has a direct relationship with the customer and controls the underlying products before they are transferred to the end customers; and
- remains solely responsible for the quality of the goods and customers hold a substantive right of return which results in the Group being exposed to inventory risk.

3.2.2 PRINCIPAL VS AGENT CONSIDERATION FOR LOGISTICS SERVICES

For sales contracts with C-class Incoterms, revenue from logistics and freight services is recognised as a separate performance obligation. For these contracts, SABIC considers itself to be ‘the principal’. There is significant judgement whether SABIC controls the freight and logistics services prior to transferring this to the customer. It has been concluded that SABIC is ‘the principal’ in these arrangements due to the following factors, as SABIC:

- is exposed to fulfilment risk and is the primary obligor for the freight and logistic service provided;
- is exposed to the risk of losses in relation to the service not being fulfilled; and

- has a direct relationship with the customer and controls the underlying service before it is transferred to the end customers.

3.2.3 DETERMINATION OF CONTROL, JOINT CONTROL AND SIGNIFICANT INFLUENCE

Subsidiaries are all equity investments over which the Group has control. Management considers that it controls an investee when the Group is exposed to or has rights to the majority of the variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

The determination about whether the Group has power depends on the way decisions about the relevant activities are made and the rights the Group has, over the investees. In contrast, there are certain cases where the Group owns less than 50% of voting rights but considers it has control by directing the relevant activities of the investee as it has de-facto control or there are contractual arrangements which allow the Group to exercise control.

It is generally presumed that the Group has significant influence when the Group has 20% shareholding. Judgement is required, particularly where the Group owns shareholding and voting rights of more or less than 20% and where the Group has assessed to have ‘significant influence’ over such investees.

3.2.4 DETERMINING THE LEASE TERM OF CONTRACTS WITH RENEWAL AND TERMINATIONS OPTIONS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES,
ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

3.2 CRITICAL JUDGEMENTS IN APPLYING
ACCOUNTING STANDARDS (CONTINUED)

3.2.4 DETERMINING THE LEASE TERM OF CONTRACTS
WITH RENEWAL AND TERMINATIONS OPTIONS
(CONTINUED)

The Group has several lease contracts that include extension and termination clauses. The Group applies judgement in evaluating if it is reasonably certain whether to exercise the option to renew or terminate the lease. All relevant factors that create an economic incentive for the Group and its contract partners to exercise either the renewal or termination are considered. Such facts and circumstances include a long-term preferential rental rates availability, existence of significant penalty on terminations, substantial lease hold improvements etc. The Group reassesses the lease term if there is a significant event or change in the circumstances that affects its ability to exercise or not to exercise the option to renew or to terminate the contract.

4. CHANGES IN ACCOUNTING POLICIES

The amendments to IFRS, which are relevant to the Group and that have been applied on 1 January 2025 by the Group are described below:

4.1 LACK OF EXCHANGEABILITY – AMENDMENTS
TO IAS 21 THE EFFECTS OF CHANGES IN FOREIGN
EXCHANGE RATES

The amendment prescribes accounting when there is a lack of exchangeability in the currency of an entity when it has a transaction or an operation in a foreign currency. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the

transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. As there are no major transactions or the operations of the Group where the entity is subject to lack of exchangeability, this amendment does not have any material impact on the Group's condensed consolidated interim financial statements. This amendment does not have any material impact on the Group's annual consolidated financial statements.

5. IFRS ISSUED BUT NOT YET EFFECTIVE

The IFRS that are issued and relevant for the Group, but not yet effective, are elaborated below. These standards will be adopted by the Group when they become effective or endorsed by the local jurisdiction.

5.1 AMENDMENTS TO THE CLASSIFICATION
AND MEASUREMENT OF FINANCIAL INSTRUMENTS
(AMENDMENTS TO IFRS 9 – 'FINANCIAL
INSTRUMENTS' AND IFRS 7 – 'FINANCIAL
INSTRUMENTS: DISCLOSURES')

The amendments clarify financial assets and financial liabilities are recognised and de-recognised at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception.

The new exception permits companies to elect to de-recognise certain financial liabilities settled via electronic payment systems earlier than the settlement date.

Additionally, the amendment clarifies with further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) test which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. These amendments also introduce new disclosure requirements and update others. The amendment is

effective for annual reporting periods beginning on or after 1 January 2026 and will be adopted by the Group when applicable. This amendment will not have any material impact on the Group's consolidated financial statements.

5.2 IFRS 18 'PRESENTATION AND DISCLOSURE IN
FINANCIAL STATEMENTS'

IFRS 18 is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. The new standard also requires disclosures in the financial statements for certain management-defined performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The new standard is effective for annual reporting periods beginning on or after 1 January 2027 and will modify the Group's income statement presentation, specifically the presentation of share of results of integral and non-integral JVs. The Group is currently performing an impact assessment and the new standard will be adopted when applicable.

5.3 AMENDMENTS TO IFRS 9 AND IFRS 7 WITH
RESPECT TO POWER PURCHASE AGREEMENTS (PPAS)

On 18 December 2024, IASB issued highly anticipated and deliberated amendment to lend clarity on the accounting exemption and hedge application on the nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

5. IFRS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

5.3 AMENDMENTS TO IFRS 9 AND IFRS 7 WITH RESPECT TO POWER PURCHASE AGREEMENTS (PPAS) (CONTINUED)

The IASB has now clarified vide targeted amendments to IFRS 9 ‘Financial Instruments’, the application of "own use" exemptions to such PPAs. Additionally, IASB has also permitted hedge accounting if these agreements are used as hedging instruments. Consequently, IASB has amended IFRS 7 ‘Financial Instruments: Disclosures’ to add disclosure requirements to enable investors to understand the effect of these PPAs on a company’s financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted. The new standard will be adopted when applicable. This amendment will not have any material impact on the Group’s consolidated financial statements.

6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Group in preparing these consolidated financial statements are applied consistently and are elaborated below including amendments to IFRS as elaborated in Note 4 that have to be applied from 1 January 2025 onwards.

6.1 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which is measured at fair value on the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at

proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed in the consolidated statement of income when incurred.

When the Group acquires a business, it assesses the financial assets acquired and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with the changes in fair value recognised in the consolidated statement of income or OCI.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is more than the aggregate consideration transferred, the Group reassesses whether it has correctly identified all the assets acquired and all of the liabilities assumed. If the reassessment still results in excess, the gain is recognised in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if applicable. For impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group’s CGUs that are expected to benefit from synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill

disposed in these circumstances is measured based on the relative value in use of respective disposed operation and the portion of the CGU retained.

6.2 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

INVESTMENTS IN JOINT ARRANGEMENTS

Investments in joint arrangements are classified as either joint operations or joint ventures (“JVs”). The classification depends on the legal structure of the joint arrangement and also contractual rights and obligations of each investor. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

• Joint operations

A joint operation is an arrangement whereby the parties that have joint control on the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held assets or incurred liabilities, revenues and expenses for its joint operations.

• Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.2 INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Under the equity method of accounting, the investments in an associate or joint venture are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition results in the consolidated statement of income, and the Group’s share of movements in OCI in the consolidated statement of comprehensive income. Dividends received from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it is liable due to constructive or legal obligations on behalf of the entity.

Income from operations include share of results of integral joint ventures. Integral joint ventures are the joint ventures which are integral to and support SABIC’s core operating activities. Al-Jubail Petrochemical Company (“KEMYA”), Saudi Yanbu Petrochemical Company (“YANPET”) and Eastern Petrochemical Company (“SHARQ”) are integral joint ventures. For integral joint ventures SABIC manages the production, logistics, feedstock and shared services. All other joint ventures are classified as non-integral joint ventures. Share of results of non-integral joint ventures is recognised separately as results from non-integral joint ventures.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated statement of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to the consolidated statement of income.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI, except for the items that will not be reclassified to the consolidated statement of income, are reclassified to the consolidated statement of income, where appropriate.

IMPAIRMENT IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised when the recoverable amount of the investment is lower than its carrying amount and is recognised in consolidated statement of income.

6.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION (CONTINUED)

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6.4 ZAKAT AND TAX

ZAKAT

Zakat is levied based on adjusted income subject to zakat and the zakat base in accordance with the Regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in KSA. The Zakat provision is charged to the consolidated statement of income. Differences, if any, resulting from the final assessments are adjusted in the period of their finalisation.

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant tax authorities.

UNCERTAIN ZAKAT AND TAX POSITIONS

Uncertain positions relate to risk or uncertainty over complex zakat and tax treatments. Such uncertain zakat and tax positions are measured using the single most likely amount or the expected value method, depending on which method is expected to better predict the resolution of the uncertainty.

DEFERRED TAX

Deferred tax is provided for using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax law enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

6.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of plant and equipment and borrowing costs for long-term construction projects, when recognition criteria are met. When significant parts of plant and equipment are required to be replaced in intervals, the Group recognises and depreciates them separately based on its specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement when the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of income when incurred. The present value of the expected cost for demolishing the asset after its use, is included in the cost of the respective asset when the recognition criterion for a provision is met.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

– Buildings	13 to 40 years
– Plant and equipment	4 to 50 years
– Furniture, fixtures and vehicles	3 to 10 years

Assets under construction, which are not ready for their intended use, and land are not depreciated.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising on de-recognising the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of income when the asset is de-recognised.

The assets’ residual values, useful lives and methods of depreciation are periodically reviewed, and adjusted prospectively in case of a significant change in the assets technological capabilities or estimated planned use.

6.6 RIGHT-OF-USE ASSETS

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

– Land and buildings	13 to 99 years
– Plant and equipment	4 to 50 years
– Storage and tanks	20 to 30 years
– Vessels and vehicles	4 to 25 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.7 LEASES

The Group assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

GROUP AS LESSEE

Leases are recognised as right-of-use assets along with their corresponding liabilities at the date of which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance costs.

Lease liabilities include, if applicable, the net present value of fixed payments including in-substance fixed payments, less any lease incentives receivables, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

SHORT-TERM AND LOW VALUE ASSETS’ LEASES

Short-term leases are leases with a contract term of 12 months or less. Low-value assets are items that do not meet the Group’s capitalisation threshold and insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognised on a straight-line basis in the consolidated statement of income.

VARIABLE LEASE PAYMENTS

Some leases contain variable payments that are linked to the usage or performance of the leased asset. Such payments are recognised in the consolidated statement of income.

EXTENSION AND TERMINATION OPTIONS

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options, if there is a significant event or significant change in circumstances within control.

GROUP AS A LESSOR

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6.8 INTANGIBLE ASSETS

Intangible assets are measured at cost upon initial recognition. Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less

any accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indicator that the intangible asset may be impaired. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospectively.

Research costs are expensed as incurred. Development expenditures on projects are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure during development.

Amortisation of the intangible asset begins when development is complete and the asset is available for its intended use. It is amortised over the period of expected future benefits. The amortisation or impairment losses on intangible assets are recognised in the consolidated statement of income in the expense category that is consistent with the function the intangible asset serves. During the period of development, the asset is tested for impairment annually.

The amortisation period for intangible assets with a finite useful life is as follows:

– Software and IT development	3 to 5 years
– Licenses, including trademarks	5 to 22 years
– (Un) patented technology and customer lists	3 to 18 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.9 IMPAIRMENT OF NON-CURRENT ASSETS

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing is required, the Group estimates the assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally covering a five-year period. A long-term growth rate is calculated and applied to project future cash flows after the budget period using a terminal value.

Impairment losses of continuing operations are recognised in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in the consolidated statement of income.

Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future years.

6.10 FINANCIAL ASSETS

Classification of financial assets depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows. The Group classifies its financial assets as:

- Financial assets measured at amortised cost; or
- Financial assets measured at fair value.

Gains or losses of financial assets measured at fair value will be recognised either through the consolidated statement of income or through the consolidated statement of OCI.

Loans receivables which are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests, are measured at amortised cost.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Certain sales contracts have a provisional pricing clause with the final pricing based on an average market price over a specific period. Such trade receivables are measured at fair value because the contractual cash flows are not solely payments of principal and interest. Other trade receivables meet these criteria and are measured at amortised cost.

INITIAL MEASUREMENT

Financial assets are initially measured at their fair value plus transaction costs. Transaction costs of financial assets carried at fair value through income statement are recognised in the consolidated statement of income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payment of principal and interest.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (Debt Instruments)

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.10 FINANCIAL ASSETS (CONTINUED)

- Financial assets at ‘Fair Value through Other Comprehensive Income’ (“FVOCI”) with recycling of cumulative gains and losses (Debt Instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (Equity Instruments)
SABIC measures all equity investments at fair value and presents changes in fair value of equity investments in OCI. Dividends from such investments continue to be recognised in the consolidated statement of income as other income when the SABIC’s right to receive payments is established. Gains and losses on these financial assets are never recycled to the consolidated statement of income. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.
- Financial assets at FVIS
Financial assets that do not meet the criteria for subsequent recognition at amortised cost or FVOCI, are measured at FVIS. A gain or loss on a debt investment that is

subsequently measured at fair value through the income statement and which is not part of a hedging relationship is recognised and presented net in the consolidated statement of income in the period in which it arises.

DE-RECOGNITION

A financial asset or a part of a financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement, and either:
 - a. The Group has transferred substantially all the risks and rewards of the asset; or
 - b. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT

Management assesses on a forward-looking basis the Expected Credit Losses (“ECL”) associated with its debt instruments as part of its financial assets, which are carried at amortised cost and FVOCI.

The ECL is based on a 12-month ECL or a lifetime ECL. The 12-month ECL results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since initial recognition, the allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (the lifetime ECL).

For trade receivables, management applies the simplified approach in calculating ECLs. Therefore, management does not track changes in credit risk, but instead recognised a loss allowance base on lifetime ECLs at each reporting date. Management has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

6.11 FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified under either of the below two classes:

- Financial liabilities at FVIS; and
- Other financial liabilities measured at amortised cost using the EIR method.

The category of financial liability at FVIS has two sub-categories:

- Designated: A financial liability that is designated by the entity as a liability at FVIS upon initial recognition; and
- Held for trading: A financial liability classified as held for trading, such as an obligation for securities borrowed in a short sale, which have to be returned in the future. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are classified as held for trading.

All financial liabilities are recognised initially when the Group becomes party to contractual provisions and obligations under the financial instrument. The liabilities are recognised at fair value, and in the case of loans and borrowings and payables, the proceeds received net of directly attributable transaction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.11 FINANCIAL LIABILITIES (CONTINUED)

SUBSEQUENT MEASUREMENT

Financial liabilities at FVIS continue to be recognised at fair value with changes being recognised in the consolidated statement of income.

For other financial liabilities, including loans and borrowings, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of income when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the consolidated statement of income.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. The fair value of financial guarantee is determined as the

present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

DE-RECOGNITION

A financial liability is de-recognised when the obligation under the liability is settled or discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

6.12 OPTIONS AND FORWARD CONTRACTS ON (OWN) EQUITY INSTRUMENTS

Call and put options on equity instruments are derivative financial instruments to be recognised at fair value through income statement. When there are call or put options on an entity's equity instruments controlled by the shareholder, the shareholder is assumed to have options on its own equity instruments with specific recognition requirements. Due to the nature of the stipulations in (option) agreements, the shareholder has no present ownership interest in the shares subject to these options and therefore, a non-controlling interest will be recognised.

PUT AND CALL OPTIONS

Put options are recognised at the present value of the best estimated amount to be paid at the end of the agreement. Call options are recognised at their fair value. Subsequent remeasurement of put and call options will be recognised through statement of income as financial income and expense. Put and call options offer contract parties the right to exercise them or to refrain from exercising the option rights.

If put options are being exercised, the financial liability, as remeasured immediately before the transaction, is extinguished by payment of the exercise price and the non-controlling interest purchased is de-recognised against equity attributable to the owners of the Parent. If the put option expires unexercised, the financial liability is reclassified to retained earnings.

If call options are being exercised, the fair value of the call option will be recognised as part of the consideration paid for the acquisition of the non-controlling interest. If call option expires unexercised, it is de-recognised through income statement as a finance expense.

FORWARD SHARE PURCHASE CONTRACTS

Forward share purchase contracts are commitments to purchase the shares subject to the contract stipulations in due time. Therefore, the present value of the best estimated amount to be paid at the end of the agreement is recognised as a liability. The subsequent movement in liability is recognised in the consolidated statement of income.

6.13 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is disclosed in the consolidated statement of financial position if there is a currently enforceable legal right to offset recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.14 INVENTORIES

Inventories include raw materials, work in progress, finished goods, and consumables, spare parts and are measured at the lower of cost i.e. historical purchase prices based on the weighted average principle plus directly attributable costs and the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories of work in progress and finished goods include cost of materials, labour and an appropriate proportion of direct overheads.

6.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and fixed term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Fixed term deposits with an original maturity of greater than three months but less than twelvemonths, are included as part of short-term investments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and fixed term deposits, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

6.16 CASH DIVIDEND PAID TO EQUITY HOLDERS OF THE PARENT

The Group recognises a liability for cash dividend distribution to equity holders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. In accordance with the Companies Law in KSA, a distribution is authorised when it is approved by

the shareholders. Interim dividends, if any, are recognised when approved by the Board of Directors. A corresponding amount is recognised directly in the consolidated statement of changes in equity.

6.17 PROVISIONS

Provisions are recognised when the Group has a present obligation, either legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

ENVIRONMENTAL AND REMEDIATION COSTS

In accordance with the Group’s environmental policy and applicable legal requirements, the Group recognises a provision when the amount of cash outflow can be reasonably estimated. Environmental and remedial provisions are recognised for expected costs of environmental remediation and rehabilitating contaminated sites across the regions.

ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost meeting its obligation under the contract. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

ASSET DEMOLISHING AND SITE RESTORATION COSTS

The Group recognises a provision for demolishing costs of manufacturing facilities when an obligation exists. Demolition costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax risk free rate that reflects the risks specific to this liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of income as finance costs. The estimate for this provision is reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

6.18 EMPLOYEE BENEFITS

LONG-TERM EMPLOYEE BENEFITS OBLIGATIONS

Long-term employee benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method and recognised as non-current liabilities. Consideration is given to expected future salary increase and historic attrition rates. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate or government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of changes in actuarial assumptions are recognised in the consolidated statement of comprehensive income. The Group offers various post-employment schemes, including both defined contribution and defined benefit plans, and post-employment medical and life insurance plans for eligible employees and their dependents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.18 EMPLOYEE BENEFITS (CONTINUED)

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the Group pays contributions into a separate entity, trust or fund, and has no other legal or constructive obligation. The contributions are recognised as employee benefit expense in the consolidated statement of income when they are due.

DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group primarily has end of service benefits, defined benefit pension plans and post-retirement medical and life insurance plans, which qualify as defined benefit plans.

END OF SERVICE BENEFITS AND PENSION PLANS

In KSA, for the liability for employees’ end of service benefits, the actuarial valuation process takes into consideration the provisions of the Saudi Labour Law as well as the Group’s policy. In other countries, the respective labour laws are taken into consideration.

The net pension asset or liability recognised in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected Defined Benefits Obligation (“DBO”) less the fair value of plan assets at reporting date, if any.

When the fair value of plan assets exceeds the DBO, the Group assesses whether asset ceiling should be applied; if not, the net balance will be presented as other non-current financial assets.

DBO is remeasured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the net balance of the DBO and the fair value of plan assets.

Service costs are calculated, using the actuarially determined cost rate at the end of the prior year, adjusted for significant market fluctuations and for any significant one-off events, such as plan amendments, curtailments and settlements. In the absence of such significant market fluctuations and one-off events, the actuarial liabilities are rolled forward based on the assumptions as at the beginning of the year. If there are significant changes to the assumptions or arrangements during the year, consideration is given to remeasure such liabilities and the related costs.

Remeasurement gains and losses arising from changes in actuarial assumptions are recognised in the period in which they occur in OCI. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of income as past service costs.

When the benefit plans are amended, the portion of the change in benefit relating to the past service by employees is recognised as an expense or income; if applicable, on a straight-line basis over the average period until the benefits become vested in the consolidated statement of income.

To the extent that benefits vest immediately, the expense or income, if applicable is recognised immediately in the consolidated statement of income.

Current and past service costs related to post-employment benefits are recognised immediately in the consolidated statement of income while unwinding of the liability at discount rates used are recognised as financial cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as remeasurement in OCI.

EMPLOYEE SAVING PLAN

The Group operates a saving plan, a defined benefit plan, to encourage its Saudi employees to make savings. The saving contributions from the participants are deposited in a separate bank account other than the company’s normal operating bank accounts. Employee saving plan represents the contribution made by the employee and SABIC in accordance with the Group HR policy and is presented as current liabilities.

EMPLOYEE HOME OWNERSHIP PROGRAM (“HOP”)

Certain companies within the Group have established employee’s HOP that offer eligible employees the opportunity to buy residential units constructed by these subsidiaries through a series of payments over a particular number of years. Ownership of the houses is transferred upon completion of full payment.

Under the HOP, the amounts paid by the employee towards the house are repayable back to the employee in case the employee discontinues employment and the house is returned back to the Group. HOP is recognised as a non-current prepayment asset at time the residential units are allocated to the employees and are amortised over the repayment period of the facility due from employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.18 EMPLOYEE BENEFITS (CONTINUED)

EMPLOYEE HOME LOAN PROGRAM (“HLP”)

The Group provides interest free home loan to its eligible employees for purposes related to purchase or building of a house or apartment. The loan is repaid in monthly instalment by deduction of employee’s pay.

HLP is recognised as a non-current financial asset initially at fair value and subsequently measured at amortised cost using the EIR method. The difference between the fair value and the actual amount of cash given to the employee is recognised as a “non-current prepaid employee benefit” and is amortised as an expense equally over the period of service. The same amount is also amortised as finance income against the receivables from employees.

6.19 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue arrangements are assessed against specific criteria to determine whether the Group is acting as a principal or agent.

For certain revenue contracts, an intermediary is used to provide the goods and services. The Group assesses whether it is an agent or principal in these arrangements. The Group acts as a principal when it controls the specified good or service prior to transfer. When the Group acts as a principal the revenue recognised is the gross amount billed. Certain other arrangements with certain customer are such that the Group's responsibility is to arrange for a third party to provide a specified good or service to the client. If the Group is acting

as an agent and does not control the relevant good or service before it is transferred to the customer. If the Group is acting as an agent, the revenue is recognised at the net amount retained.

SALES REVENUE

The Group recognises revenue when control of the products sold, transfers to the customer, which shall be considered in the context of a five-step approach and applying the applicable shipping terms.

RIGHTS OF RETURN

When a contract with a customer provides a right of return of the good within a specified period, the Group accounts for the right of return when requested by the customer and contractual conditions are met.

ALLOCATION OF PERFORMANCE OBLIGATIONS

In certain instances, the Group determines delivery services as separately identifiable and distinct from the sale of goods. These are when the Group transfers control of goods at the Group’s loading site and provides delivery services to the buyer’s site. The Group allocates a portion of the total transaction price to delivery services based on a best estimate of a similar stand-alone service.

PROVISIONAL PRICING

Certain revenue contracts with customers include provisional pricing at the time of shipment. Initially, revenue on these contracts is recognised based on the estimate of the final price at the time control is transferred to the customer. The final pricing is based on the actual average market indexed price. Any difference between the estimate and the final price is recognised as a change in fair value of the related receivables, as part of revenue, in the consolidated statement of income.

The associated trade receivables related to contracts with provisional pricing arrangements are subsequently measured at FVIS.

VARIABLE PRICING - VOLUME REBATES

The Group provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. The Group estimates the expected volume rebates using a prudent assessment of the expected amount of rebates, reviewed and updated on a regular basis. These amounts will subsequently be repaid in cash to the customer or are offset against amounts payable by the customer, if allowed by the contract.

Volume rebates give rise to variable consideration. The Group considers the “most likely amount” method to be the best estimate of this variable consideration.

RENDERING OF SERVICES

LOGISTIC SERVICES

In certain instances, the Group provides the delivery services for goods sold based on the C-class Incoterms. The service is considered as a separate performance obligation. The separate transaction price is not explicitly available in the contract and SABIC uses estimation method to allocate the transaction price to such performance obligation. The estimation is based on stand-alone selling price. This service is satisfied over the period of delivery.

RENTAL INCOME

The Group also provides services pertaining to storage and warehousing as well as terminal services for some of the goods handled by group companies. Rental income from these arrangements is recognised on systematic basis over the contract term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6.20 RESEARCH AND DEVELOPMENT EXPENSES

Research and development (“R&D”) activities include expenses to:

- develop and improve our existing materials, products, solutions and processes,
- improve ecological footprint

These activities focus on delivering differentiated and sustainable product and application solutions and sustainable cost-advantaged process innovation to meet the needs of our customers and the value chain over the near, mid-, and long-term horizon.

6.21 FINANCE INCOME

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as investments in equity instruments at FVOCI, finance income is recognised using the EIR. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. For the purpose of the consolidated statement of cash flows, interest received is presented under net cash from operating activities.

6.22 FINANCE COSTS

Finance expense is recognised for interest portion paid to the lender of all financial instruments measured at amortised cost. Finance expense is also recognised for the time value of money considered while discounting the liability to its present value. The finance expense is recognised using the EIR for liabilities measured at amortised cost. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability. Typical financial instruments include bonds, conventional notes, Murabaha, etc. Additionally, the finance expense also includes time value of money for all the lease liabilities recognised. For the purpose of the consolidated statement of cash flows, interest paid is presented under net cash from operating activities.

6.23 DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

A discontinued operation is a component of the entity that has been classified as held for sale and that represents a separate major line of business and is part of a single coordinated plan to dispose of such a line of business. Group of non-current assets under such discontinued operation, referred as disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered

highly probable. The held for sale classification also includes investments that meets the criteria of IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’. Such disposal group is measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of the disposal group, but not more than any cumulative impairment loss previously recognised. Non-current assets that are part of a disposal group are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets and liabilities attributed to a disposal group classified as held for sale are presented separately from the assets and liabilities of the continuing operations in the consolidated statement of financial position. Results of discontinued operations are presented separately in the consolidated statement of income.

Intercompany transactions between the disposal group and continuing operations are eliminated against the results of discontinued operations in case they will remain to form part of the business of continuing operations. The results of the discontinued operations will include only those costs and revenues that will be eliminated from the group upon disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

7. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2025						
Note	Land and buildings	Plant and equipment (i)	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost:						
As at the beginning of the year	28,361,799	260,192,347	1,086,765	702,412	16,850,912	307,194,235
Acquisitions 10.3	–	–	–	–	611,981	611,981
Additions	4,791	144,096	646	–	8,420,570	8,570,103
Transfers ⁽ⁱⁱ⁾	416,915	8,970,269	7,118	30,082	(10,184,788)	(760,404)
Disposals and retirements	(558,995)	(19,111,929)	(34,814)	(25,231)	(706,938)	(20,437,907)
Reclassified to assets held for sale 34	(9,119,469)	(42,786,177)	(112,046)	(85,447)	(4,198,113)	(56,301,252)
Foreign currency translation adjustment	628,124	3,621,278	13,026	1,499	277,594	4,541,521
As at the end of the year	19,733,165	211,029,884	960,695	623,315	11,071,218	243,418,277
Accumulated depreciation and impairment:						
As at the beginning of the year	(15,146,291)	(176,479,848)	(840,223)	(495,166)	(1,652,132)	(194,613,660)
Charge for the year	(780,018)	(10,295,158)	(58,045)	(52,152)	–	(11,185,373)
Impairment and write-offs	(215,545)	(2,397,988)	(83)	–	(1,834,273)	(4,447,889)
Disposals and retirements	527,992	19,082,806	34,732	25,231	507,216	20,177,977
Reclassified to assets held for sale 34	7,087,934	33,834,408	101,342	33,824	1,837,966	42,895,474
Foreign currency translation adjustment	(478,752)	(2,679,813)	(11,786)	(1,453)	(3,306)	(3,175,110)
As at the end of the year	(9,004,680)	(138,935,593)	(774,063)	(489,716)	(1,144,529)	(150,348,581)
Net book value:						
As at 31 December 2025	10,728,485	72,094,291	186,632	133,599	9,926,689	93,069,696
As at 1 January 2025	13,215,508	83,712,499	246,542	207,246	15,198,780	112,580,575

⁽ⁱ⁾ Property, plant and equipment include assets leased to related and third parties. The opening and closing cost of these leased assets amounted to ₪ 2,453 million and ₪ 2,505 million respectively whereas, the opening and closing accumulated depreciation amounted to ₪ 968 million and ₪ 1,099 million respectively. The movement during the year mainly related to depreciation charge for the year amounting to ₪ 131 million.

⁽ⁱⁱ⁾ Transfers are non-cash transactions that mainly involve the capitalisation of assets under construction within the plant and equipment category upon the commencement of operations, as well as the capitalisation of turnaround expenses. Additionally, they include the reclassification of real estate assets from SABIC's Home Ownership Program for employees to "Other assets and receivables" within non-current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

For the year ended 31 December 2024						
	Land and buildings	Plant and equipment ⁽ⁱ⁾	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost:						
As at the beginning of the year	28,495,745	256,591,969	1,048,873	662,483	14,284,682	301,083,752
Additions	60,503	2,390,320	14,719	10,850	8,027,071	10,503,463
Transfers ⁽ⁱⁱ⁾	187,163	4,916,685	39,718	34,589	(5,250,572)	(72,417)
Disposals and retirements	(35,171)	(1,386,270)	(5,771)	(2,594)	(43,118)	(1,472,924)
Reclassified to assets held for sale	(48,825)	(913,335)	(1,541)	(2,125)	(8,305)	(974,131)
Foreign currency translation adjustment	(297,616)	(1,407,022)	(9,233)	(791)	(158,846)	(1,873,508)
As at the end of the year	28,361,799	260,192,347	1,086,765	702,412	16,850,912	307,194,235
Accumulated depreciation and impairment:						
As at the beginning of the year	(14,570,862)	(169,075,725)	(761,804)	(452,465)	(1,100,317)	(185,961,173)
Charge for the year	(823,074)	(10,531,954)	(91,433)	(48,188)	–	(11,494,649)
Transfers ⁽ⁱⁱ⁾	(2,692)	33,956	(477)	254	(31,041)	–
Impairment and write-offs	(54,066)	(25,390)	–	–	(530,531)	(609,987)
Disposals and retirements	33,944	1,358,739	5,583	2,586	36	1,400,888
Reclassified to assets held for sale	36,151	664,357	1,342	1,888	25	703,763
Foreign currency translation adjustment	234,308	1,096,169	6,566	759	9,696	1,347,498
As at the end of the year	(15,146,291)	(176,479,848)	(840,223)	(495,166)	(1,652,132)	(194,613,660)
Net book value:						
As at 31 December 2024	13,215,508	83,712,499	246,542	207,246	15,198,780	112,580,575
As at 1 January 2024	13,924,883	87,516,244	287,069	210,018	13,184,365	115,122,579

⁽ⁱ⁾ Property, plant and equipment includes assets leased to related and third parties. The opening and closing cost of these leased assets amounted to ₪ 2,453 million and ₪ 2,453 million respectively whereas, the opening and closing accumulated depreciation amounted to ₪ 839 million and ₪ 968 million respectively. The movement during the year mainly related to depreciation charge for the year amounting to ₪ 129 million.

⁽ⁱⁱ⁾ Transfers represent the capitalisation of assets under construction, transfers to intangible assets and transfers of HOP related assets to “Other assets and receivables” within non-current assets and are non-cash in nature.

ALLOCATION OF AMORTISATION CHARGE

For the years ended 31 December	2025	2024
Cost of sales	8,999,173	9,270,672
General and administrative expenses	251,148	401,748
Research and development expenses	176,949	118,143
Selling and distribution expenses	38,801	36,366
	9,466,071	9,826,929
Reclassified to discontinued operation	1,719,302	1,667,720
	11,185,373	11,494,649

LAND AND BUILDINGS

Land and buildings include an amount of ₪ 1,675 million as at 31 December 2025 (2024: ₪ 2,251 million) representing the cost of freehold land.

ASSETS UNDER CONSTRUCTION

Assets under construction mainly represents the expansion of existing plants and new projects being executed by certain legal entities. The related capital commitments are reported in Note 39.

PLEDGED PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of certain subsidiaries in the KSA are pledged to the Saudi Industrial Development Fund (“SIDF”) as security for its term loans amounting to ₪ 3,837 million (2024: ₪ 23,883 million).

IMPAIRMENT AND WRITE-OFFS

During the year ended 31 December 2025, as a result of the changed global market conditions which affected the profitability of the related cash generating units (CGUs), management performed a detailed impairment assessment of its underperforming CGUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED) IMPAIRMENT AND WRITE-OFFS (CONTINUED)

Based on the assessment, impairment losses amounting to ٬ 4,497 million (2024: ٬ 190 million), mainly related to:

- Cracker plant located in Teesside, United Kingdom which was decided to be closed. As a result, SABIC recognised an impairment of ٬ 3,514 million for respective assets, which are broken down as follows:

Plant and equipment	1,736,361
Assets under construction	1,697,502
Right-of-use assets	80,267
	3,514,130

- During the year, Ibn Rushd exhibited signs of impairment primarily attributable to changes in market conditions. Consequently, an impairment assessment was conducted on its individual cash generating unit (CGU) for Polyethylene Terephthalate (PET), resulting in recognition of an impairment loss amounting to ٬ 911 million. This loss was recorded within cost of sales, general and administrative expenses, and other operating expenses, and pertains to the entire CGU, as detailed below:

Property, plant and equipment	865,715
Right-of-use assets	35,453
Intangible assets	7,543
Others	2,265
	910,976

The value in use of the Ibn Rushd respective cash generating unit was calculated based on WACC rate of 9.00% and a growth rate of 2.50%.

For the remaining underperforming cash-generating units (CGUs), the recoverable amount exceeds the carrying amount. When assessing value in use, management asserts that reasonably possible variations in the underlying assumptions would not cause the carrying value of these CGUs to exceed their recoverable amount.

- Certain assets under construction were written off due to the discontinuation of specific initiatives and projects.

8. RIGHT-OF-USE ASSETS

		For the year ended 31 December 2025				
	Note	Land and buildings ⁽ⁱ⁾	Plant and equipment	Storage and tanks	Vessels and vehicles	Total
Cost:						
As at the beginning of the year		3,402,115	2,135,619	1,164,887	2,848,895	9,551,516
Additions ⁽ⁱⁱ⁾		129,354	35,484	136,218	314,204	615,260
Disposals and retirements ⁽ⁱⁱ⁾		(360,998)	(237,616)	(228,907)	(281,824)	(1,109,345)
Reclassified to assets held for sale	34	(875,586)	(379,143)	(941,127)	(1,349,596)	(3,545,452)
Foreign currency translation adjustment		93,162	35,655	144,536	131,298	404,651
As at the end of the year		2,388,047	1,589,999	275,607	1,662,977	5,916,630
Accumulated depreciation and impairment:						
As at the beginning of the year		(1,164,253)	(1,167,843)	(879,197)	(1,504,680)	(4,715,973)
Charge for the year		(294,847)	(150,896)	(189,172)	(549,813)	(1,184,728)
Impairment		(38,209)	(12,160)	(5,693)	(64,752)	(120,814)
Disposals and retirements		275,126	236,810	228,907	276,545	1,017,388
Reclassified to assets held for sale	34	388,789	301,520	833,600	1,238,343	2,762,252
Foreign currency translation adjustment		(31,584)	(36,423)	(100,795)	(93,880)	(262,682)
As at the end of the year		(864,978)	(828,992)	(112,350)	(698,237)	(2,504,557)
Net book value:						
As at 31 December 2025		1,523,069	761,007	163,257	964,740	3,412,073
As at 1 January 2025		2,237,862	967,776	285,690	1,344,215	4,835,543

⁽ⁱ⁾ The land on which plant and related facilities of certain subsidiaries in KSA are constructed are leased from the Royal Commission for Jubail and Yanbu, an agency of Saudi Arabian Government. The Group has similar kind of arrangements and terms for some of its major sites in Europe.

⁽ⁱⁱ⁾ Additions, remeasurement and disposals and retirements are non-cash in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

8. RIGHT-OF-USE ASSETS (CONTINUED)

	For the year ended 31 December 2024				
	Land and buildings ⁽ⁱ⁾	Plant and equipment	Storage and tanks	Vessels and vehicles	Total
Cost:					
As at the beginning of the year	3,719,757	2,299,920	1,222,781	2,914,706	10,157,164
Additions ⁽ⁱⁱ⁾	120,612	102,010	73,456	548,790	844,868
Remeasurement ⁽ⁱⁱ⁾	(188,401)	–	–	–	(188,401)
Disposals and retirements ⁽ⁱⁱ⁾	(91,655)	(190,368)	(72,563)	(555,582)	(910,168)
Reclassified to assets held for sale	(117,916)	(59,942)	(1,183)	(1,764)	(180,805)
Foreign currency translation adjustment	(40,282)	(16,001)	(57,604)	(57,255)	(171,142)
As at the end of the year	3,402,115	2,135,619	1,164,887	2,848,895	9,551,516
Accumulated depreciation and impairment:					
As at the beginning of the year	(1,002,031)	(1,179,529)	(802,129)	(1,594,903)	(4,578,592)
Charge for the year	(302,153)	(170,420)	(187,539)	(495,278)	(1,155,390)
Impairment	–	(21,396)	–	–	(21,396)
Disposals and retirements	110,702	186,797	67,196	544,576	909,271
Reclassified to assets held for sale	13,040	4,941	158	664	18,803
Foreign currency translation adjustment	16,189	11,764	43,117	40,261	111,331
At the end of the year	(1,164,253)	(1,167,843)	(879,197)	(1,504,680)	(4,715,973)
Net book value:					
As at 31 December 2024	2,237,862	967,776	285,690	1,344,215	4,835,543
As at 1 January 2024	2,717,726	1,120,391	420,652	1,319,803	5,578,572

⁽ⁱ⁾ The land on which plant and related facilities of certain subsidiaries in KSA are constructed are leased from the Royal Commission for Jubail and Yanbu, an agency of Saudi Arabian Government. The Group has similar kind of arrangements and terms for some of its major sites in Europe.

⁽ⁱⁱ⁾ Additions, remeasurement and disposals and retirements are non-cash in nature.

ALLOCATION OF DEPRECIATION CHARGE

For the years ended 31 December	2025	2024
Cost of sales	480,978	460,134
General and administrative expenses	212,067	195,466
Research and development expenses	9,235	9,610
Selling and distribution expenses	119,948	122,671
	822,228	787,881
Reclassified to discontinued operations	362,500	367,509
	1,184,728	1,155,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

9. INTANGIBLE ASSETS

	For the year ended 31 December 2025						
	Note	Goodwill ⁽ⁱ⁾	Software and IT development	Licences	Others	Intangibles under development	Total
Cost:							
As at the beginning of the year		17,672,338	1,190,234	8,978,936	435,228	200,845	28,477,581
Additions		–	–	16,835	–	7,942	24,777
Transfers ⁽ⁱⁱ⁾		–	583,540	200,971	–	(101,875)	682,636
Disposals and retirements		–	(97)	(122,606)	–	–	(122,703)
Write-offs		–	–	–	(21,767)	–	(21,767)
Reclassified to assets held for sale	34	(1,672,500)	(941,839)	(3,037,959)	–	(67,307)	(5,719,605)
Foreign currency translation adjustment		531,896	43,215	212,412	23,880	–	811,403
As at the end of the year		16,531,734	875,053	6,248,589	437,341	39,605	24,132,322
Accumulated amortisation and impairment:							
As at the beginning of the year		–	(1,044,725)	(8,090,778)	(104,271)	(96,174)	(9,335,948)
Charge for the year		–	(73,036)	(297,137)	(22,301)	–	(392,474)
Disposals and retirements		–	97	122,606	–	–	122,703
Impairment		–	–	(7,543)	–	–	(7,543)
Reclassified to assets held for sale	34	–	911,558	2,950,271	–	67,307	3,929,136
Foreign currency translation adjustment		–	(42,692)	(125,386)	(165)	–	(168,243)
As at the end of the year		–	(248,798)	(5,447,967)	(126,737)	(28,867)	(5,852,369)
Net book value:							
As at 31 December 2025		16,531,734	626,255	800,622	310,604	10,738	18,279,953
As at 1 January 2025		17,672,338	145,509	888,158	330,957	104,671	19,141,633

⁽ⁱ⁾ This includes goodwill amounting to ₪ 8,888 million as a result of exercising option to purchase the remaining shares held by another investor in some of the SABIC subsidiaries, out of which ₪ 3,186 million related to Saudi Petrochemical Company ("SADAF") and ₪ 5,702 million related to Saudi Methanol Company ("AR-RAZI"). Effective 1 October 2019, SADAF merged with Arabian Petrochemical Company ("PETROKEMYA").

⁽ⁱⁱ⁾ Includes transfers within intangible assets, transfers from property, plant and equipment and transfers from/to other assets, which are non-cash in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

9. INTANGIBLE ASSETS (CONTINUED)

For the year ended 31 December 2024						
	Goodwill (i)	Software and IT development	Licences	Others	Intangibles under development	Total
Cost:						
As at the beginning of the year	17,937,205	1,903,021	9,117,052	409,837	180,548	29,547,663
Additions	–	11,891	4,414	17,711	89,393	123,409
Transfers ⁽ⁱⁱ⁾	–	43,081	24,924	8,810	(69,096)	7,719
Disposals and retirements	–	(746,713)	(8,017)	–	–	(754,730)
Reclassified to assets held for sale	–	(197)	(81,022)	(679)	–	(81,898)
Foreign currency translation adjustment	(264,867)	(20,849)	(78,415)	(451)	–	(364,582)
As at the end of the year	17,672,338	1,190,234	8,978,936	435,228	200,845	28,477,581
Accumulated amortisation and impairment:						
As at the beginning of the year	–	(1,786,509)	(7,886,281)	(82,996)	(28,868)	(9,784,654)
Charge for the year	–	(25,342)	(311,211)	(22,513)	–	(359,066)
Disposals and retirements	–	746,674	7,568	–	–	754,242
Impairment	–	–	(21,670)	–	(67,306)	(88,976)
Reclassified to assets held for sale	–	197	80,456	678	–	81,331
Foreign currency translation adjustment	–	20,255	40,360	560	–	61,175
As at the end of the year	–	(1,044,725)	(8,090,778)	(104,271)	(96,174)	(9,335,948)
Net book value:						
As at 31 December 2024	17,672,338	145,509	888,158	330,957	104,671	19,141,633
As at 1 January 2024	17,937,205	116,512	1,230,771	326,841	151,680	19,763,009

⁽ⁱ⁾ This includes goodwill amounting to ﷲ 8,888 million as a result of exercising option to purchase the remaining shares held by another investor in some of the SABIC subsidiaries, out of which ﷲ 3,186 million related to Saudi Petrochemical Company (“SADAF”) and ﷲ 5,702 million related to Saudi Methanol Company (“AR-RAZI”). Effective 1 October 2019, SADAF merged with Arabian Petrochemical Company (“PETROKEMYA”).

⁽ⁱⁱ⁾ Includes transfers within intangible assets, transfers from property, plant and equipment and transfers from/to other assets, which are non-cash in nature.

ALLOCATION OF AMORTISATION CHARGE

For the year ended 31 December	2025	2024
Cost of sales	95,099	62,692
General and administrative expenses	259,992	263,909
Research and development expenses	26,431	24,020
Selling and distribution expenses	1,755	1,555
	383,277	352,176
Reclassified to discontinued operations	9,197	6,890
	392,474	359,066

GOODWILL

Goodwill has been allocated to the Group’s operating segments that represent its CGUs at which the goodwill is managed. For goodwill impairment testing, these CGUs are Petrochemicals and Specialties. As at 31 December 2025, the goodwill allocated to Petrochemicals amounts to ﷲ 13,757 million (2024: ﷲ 15,028 million) and for Specialties, CGU amounts to ﷲ 2,775 million (2024: ﷲ 2,644 million).

The post-tax WACC rate applied at Group’s level is 9.25% for Petrochemicals (2024: 8.8%) and for Specialties 8.50% (2024: 8.75%). The pre-tax WACC rate is 10.55% (2024: 9.6%) for Petrochemicals and 10.20% (2024: 10.6%) for Specialties.

The WACC is calculated based on long-term moving monthly average assumptions that reflect market assessments of the risk specific to each CGU. Segment specific risk is incorporated by applying average beta factors. The beta factors are evaluated annually based on publicly available market data of SABIC’s peers. The average effective zakat rate is assumed to be 3% (2024: 3%) for MEA region and the average effective tax rate is assumed to be 17%-23% (2024: 23%-26%) for rest of the world.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

9. INTANGIBLE ASSETS (CONTINUED)

GOODWILL (CONTINUED)

The cash flow projections are derived from the respective business plans covering a period of 5 years. Cash flow projections beyond the five-year business plan are extrapolated considering an assumed growth rate of 2.5% (2024: 2.4%) for Petrochemicals and 2.3% (2024: 2.4%) for Specialties.

No impairment loss was recognised for 2025 and 2024 respectively with respect to the goodwill attributable to the continuing operations.

With respect to the assessment of the value in use, management believes that a reasonably possible change in its used assumptions would not cause the carrying value of its goodwill to exceed its recoverable amount.

The goodwill attributed to discontinued operations is based on their recoverable amounts computed based on value in use method, and it was amounted to ₪ 893 million and ₪ 780 million for ETP in Americas and Europe and EP respectively.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The table below outlines the Group’s investments in associates⁽ⁱ⁾:

	Note	Ownership %	Place of business/ country of incorporation	Nature of activities	31 December 2025	31 December 2024 (Restated)
Clariant AG (“CLARIANT”)	10.1	31.50	Switzerland	Specialty Chemical	4,606,597	5,687,701
Ma’aden Phosphate Company (“MPC”)		30.00	KSA	Agri-Nutrients	4,020,381	4,036,409
Ma’aden Wa’ad Al Shamal Phosphate Company (“MWSPC”)		15.00	KSA	Agri-Nutrients	2,628,396	2,300,311
Gulf Petrochemical Industries Company (“GPIC”) ⁽ⁱⁱ⁾		33.33	Bahrain	Agri-Nutrients	1,119,527	997,158
Power and Water Utilities Company for Jubail and Yanbu (“MARAFIQ”)	42	17.50	KSA	Utilities	943,313	980,270
National Chemical Carrier Company (“NCC”)		20.00	KSA	Transportation	696,189	709,080
Saudi Arabian Industrial Investment Company (“DUSSUR”)		25.00	KSA	Investments	378,833	620,252
Nusaned Fund I, Nusaned Fund II (“NUSANED FUNDS”)		50.00, 60.00	KSA	Equity Investments	98,953	39,656
ARG mbH & Co KG (“ARG”) entities ⁽ⁱⁱⁱ⁾		25.00	Germany	Transportation	–	128,933
German Pipeline Development Company GmbH (“GPDC”) ⁽ⁱⁱⁱ⁾		39.00	Germany	Transportation	–	33,914
					14,492,189	15,533,684

⁽ⁱ⁾ Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

⁽ⁱⁱ⁾ GPIC is owned 33.33% by SABIC Agri-Nutrients Company (known as “SABIC AN”) and SABIC’s effective share is 16.70%.

⁽ⁱⁱⁱ⁾ Investments in ARG and GPDC have been transferred to assets held for sale during the year ended 31 December 2025 (refer to Note 34).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The table below outlines the Group’s investments in joint ventures⁽ⁱ⁾:

	Note	Ownership %	Place of business/ country of incorporation	Nature of activities	31 December 2025	31 December 2024 (Restated)
Al-Jubail Petrochemical Company (“KEMYA”)		50.00	KSA	Petrochemicals	5,111,432	5,429,981
Eastern Petrochemical Company (“SHARQ”)		50.00	KSA	Petrochemicals	4,211,881	4,482,082
Saudi Yanbu Petrochemical Company (“YANPET”)		50.00	KSA	Petrochemicals	2,491,911	2,804,067
SABIC Fujian Petrochemicals Co., Ltd. (“FUJIAN”)		51.00	China	Petrochemicals	2,304,687	1,152,017
Sinopec SABIC Tianjin Petrochemical Company (“SSTPC”)		50.00	China	Petrochemicals	2,077,597	2,702,316
ETG Inputs Holdco Limited (“EIHL”) ⁽ⁱⁱ⁾		49.00	UAE	Agri-Nutrients	1,344,873	1,200,854
SABIC SK Nexlene Company Pte. Ltd. (“SSNC”)		50.00	Singapore	Petrochemicals	754,804	742,557
Cosmar Company (“COS-MAR”)		50.00	USA	Petrochemicals	531,147	522,916
Isotopes Company (“IHC”)		31.95	KSA	Machinery Equipment	5,868	6,997
Utility Support Group B.V. (“USG”) ⁽ⁱⁱⁱ⁾		50.00	The Netherlands	Utilities	–	306,356
SABIC Plastic Energy Advanced Recycling BV (“SPEAR”) ^(iv)	10.3	50.00	The Netherlands	Petrochemicals	–	77,008
					18,834,200	19,427,151
					33,326,389	34,960,835

⁽ⁱ⁾ Determination of the classification of these investments as joint venture is based on underlying agreements and constitutive documents.

⁽ⁱⁱ⁾ EIHL is owned 49.00% by SABIC Agri-Nutrients Company (known as “SABIC AN”) and SABIC’s effective share is 25.55%.

⁽ⁱⁱⁱ⁾ Investment in USG has been transferred to assets held for sale during the year (refer to Note 34).

^(iv) During the year ended 31 December 2025, SABIC acquired an additional 26.24% interest in SPEAR, resulting in the Group obtaining control of SPEAR as a subsidiary. Subsequently, SPEAR was classified as an asset held for sale (refer to Note 10.3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in associates is as follows:

	Note	CLARIANT	MPC	MWSPC	MARAFIQ	GPIC	NCC	DUSSUR	ARG	NUSANED FUNDS	GPDC	Total
As at 1 January 2025		5,687,701	4,036,409	2,300,311	980,270	997,158	709,080	620,252	128,933	39,656	33,914	15,533,684
Capital contribution		–	–	–	–	–	–	–	–	82,762	–	799,968
Share of results ⁽ⁱ⁾		(521,611)	700,222	328,085	18,106	154,420	107,109	(32,599)	49,284	(1,292)	(1,756)	1,141,218
Impairment	10.1	(1,263,051)	–	–	–	–	–	(228,750)	–	(1,543)	–	(1,493,344)
Movements in OCI		903,489	–	–	(6,883)	5,449	–	19,930	17,780	–	4,354	944,119
Dividends received		(199,931)	(716,250)	–	(48,180)	(37,500)	(120,000)	–	(50,133)	(20,630)	–	(1,192,624)
Reclassified to assets held for sale ⁽ⁱⁱ⁾	34	–	–	–	–	–	–	–	(145,864)	–	(36,512)	(182,376)
As at 31 December 2025		4,606,597	4,020,381	2,628,396	943,313	1,119,527	696,189	378,833	–	98,953	–	14,492,189

⁽ⁱ⁾ The Group's share of results in associates' net income is recognised after fair value adjustments and changes in estimated results.

⁽ⁱⁱ⁾ Investments in ARG and GPDC have been transferred to assets held for sale during the year (refer to Note 34).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in joint ventures is as follows:

	Note	KEMYA	SHARQ	SSTPC	YANPET	EIHL	SSNC	COS-MAR	FUJIAN	USG	SPEAR	IHC	Total
As at 1 January 2025		5,429,981	4,482,082	2,702,316	2,804,067	1,200,854	742,557	522,916	1,152,017	306,356	77,008	6,997	19,427,151
Capital contributions ⁽ⁱ⁾		–	–		–	–		57,185	1,485,491		–	3,072	1,545,748
Share of results ^{(ii) (iii)}		435,942	(283,373)	(725,803)	290,794	132,814	(5,624)	(48,954)	(67,217)	39,439	(26,003)	(4,201)	(262,186)
Movements in OCI		(7,940)	18,568	101,084	(7,794)	11,205	36,621		79,396	40,720	5,939	–	277,799
Investment in joint venture de-recognised on step-acquisition of subsidiary ^(iv)	10.3	–	–	–	–	–	–	–		–	(56,944)	–	(56,944)
Dividends received ^(v)		(746,810)	–	–	(588,107)	–	(18,750)	–	–	–		–	(1,353,667)
Reclassified to assets held for sale ^(vi)	34	–	–	–	–	–	–	–	–	(386,515)	–	–	(386,515)
Others ^(vii)		259	(5,396)	–	(7,049)	–	–	–	(345,000)	–	–	–	(357,186)
As at 31 December 2025		5,111,432	4,211,881	2,077,597	2,491,911	1,344,873	754,804	531,147	2,304,687	–	–	5,868	18,834,200

⁽ⁱ⁾ The total capital contributions in associates and joint ventures amounted to ﷲ 1,628 million (2024: ﷲ 1,048 million).

⁽ⁱⁱ⁾ The Group's share of results in joint ventures' net income is recognised after fair value adjustments and changes in estimated results.

⁽ⁱⁱⁱ⁾ Share of results includes the share of results of integral joint ventures related to SHARQ, YANPET and KEMYA amounting to ﷲ 443 million (2024: ﷲ 765 million) and this has been presented in the consolidated statement of income before income from operations.

^(iv) During the year ended 31 December 2025, SABIC acquired additional 26.24% stakes in SPEAR and it was reclassified as a subsidiary. Subsequently, at year ended 31 December 2025, this subsidiary has been reclassified to assets held for sale (refer to Note 10.3).

^(v) Dividends received from the integral joint ventures is amounting to ﷲ 1,335 million (2024: ﷲ 1,756 million) and from the associates and non-integral joint ventures is ﷲ 1,212 million (2024: ﷲ 842 million).

^(vi) Investment in USG has been transferred to assets held for sale during the year (refer to Note 34).

^(vii) Others in FUJIAN represents the share of unrealised profit from sales against licensing and engineering contracts and recognised at a point in time upon completion of related performance obligations.

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10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in associates is as follows:

	Note	CLARIANT	MPC	ALBA	MWSPC	MARAFIQ	GPIC	NCC	DUSSUR	ARG	NUSANED FUNDS	GPDC	GARMCO	Total
As at 1 January 2024 (as previously reported)		7,520,449	3,763,486	3,664,441	2,205,971	1,414,926	985,413	562,704	540,996	171,117	38,701	33,141	9	20,901,354
Restatement	42	–	–	–	–	(474,950)	–	–	–	–	–	–	–	(474,950)
As at 1 January 2024 (restated)		7,520,449	3,763,486	3,664,441	2,205,971	939,976	985,413	562,704	540,996	171,117	38,701	33,141	9	20,426,404
Capital contribution		–	–	–	–	–	–	–	137,500	–	13,474	–	–	150,974
Share of results ⁽ⁱ⁾		208,251	531,673	278,753	94,340	56,079	92,468	206,376	(58,244)	24,432	(9,140)	2,790	–	1,427,778
Impairment ⁽ⁱⁱ⁾	10.1	(1,170,336)	–	(200,634)	–	–	–	–	–	–	–	–	–	(1,370,970)
Movements in OCI		(688,067)	–	(18,616)	–	–	(5,723)	–	–	(9,050)	–	(2,017)	(9)	(723,482)
Dividends received		(182,596)	(258,750)	(100,319)	–	(15,785)	(75,000)	(60,000)	–	(57,566)	–	–	–	(750,016)
Reclassified to assets held for sale		–	–	(3,623,625)	–	–	–	–	–	–	–	–	–	(3,623,625)
Others		–	–	–	–	–	–	–	–	–	(3,379)	–	–	(3,379)
As at 31 December 2024 (restated)		5,687,701	4,036,409	–	2,300,311	980,270	997,158	709,080	620,252	128,933	39,656	33,914	–	15,533,684

⁽ⁱ⁾ The Group's share of results in associates' net income is recognised after fair value adjustments and changes in estimated results.

⁽ⁱⁱ⁾ 'Impairment loss from associates and non-integral joint ventures', previously presented as part of 'Results from associates and non-integral joint ventures', are now presented as a separate line item in consolidated statement of income. Comparative balances have been presented accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The movement of investments in joint ventures is as follows:

	KEMYA	SHARQ	SSTPC	YANPET	SSNC	COS-MAR	FUJIAN	USG	TAKAMUL	SPEAR	AESSC	SPMC	IHC	EIHL	Total
As at 1 January 2024	5,854,859	4,830,729	3,238,476	2,953,068	849,623	444,516	477,628	299,213	–	94,962	–	20,158	6,493	1,266,222	20,335,947
Capital contribution ⁽ⁱ⁾	–	–	–	–	–	152,538	743,041	–	–	–	–	–	1,150	–	896,729
Share of results ^{(ii) (iii)}	517,294	(282,646)	(452,574)	530,510	12,312	(74,138)	(36,952)	25,083	–	(13,009)	–	(3,691)	(646)	68,640	290,183
Impairment ^(iv)	–	–	–	–	–	–	–	–	–	–	–	(16,467)	–	–	(16,467)
Movements in OCI	10,933	12,665	(83,586)	15,200	(119,378)	–	(31,700)	(17,940)	–	(4,945)	–	–	–	(42,133)	(260,884)
Dividends received ^(v)	(945,074)	(85,000)	–	(726,316)	–	–	–	–	–	–	–	–	–	(91,875)	(1,848,265)
Others	(8,031)	6,334	–	31,605	–	–	–	–	–	–	–	–	–	–	29,908
As at 31 December 2024	5,429,981	4,482,082	2,702,316	2,804,067	742,557	522,916	1,152,017	306,356	–	77,008	–	–	6,997	1,200,854	19,427,151

⁽ⁱ⁾ The total capital contributions and acquisitions in associates and joint ventures amounted to ₪ 1,048 million (2023: ₪ 1,467 million).

⁽ⁱⁱ⁾ The Group's share of results in joint ventures' net income is recognised after fair value adjustments and changes in estimated results.

⁽ⁱⁱⁱ⁾ Share of results includes the share of results of integral joint ventures related to SHARQ, YANPET and KEMYA amounting to ₪ 765 million (2023: ₪ 931 million) and this has been presented in the consolidated statement of income before income from operations.

^(iv) 'Impairment loss from associates and non-integral joint ventures', previously presented as part of 'Results from associates and non-integral joint ventures', are now presented as a separate line item in consolidated statement of income. Comparative balances have been presented accordingly.

^(v) Dividends received from the integral joint ventures is amounting to ₪ 1,756 million (2023: ₪ 1,787 million) and from the associates and non-integral joint ventures is ₪ 842 million (2023: ₪ 1,137 million).

10.1 INVESTMENT IN CLARIANT A.G. ("CLARIANT")

SABIC owns 31.50% of the shares in CLARIANT, a global specialty chemicals company listed at the Swiss stock exchange ("SIX"). The investment is accounted for as an associate using the equity method in these consolidated financial statements. As at 31 December 2025, SABIC assessed the carrying value of investment in CLARIANT for impairment on the basis of CLARIANT's share price, other publicly available information and the implied premium included is in line with market average in the chemicals industry.

The share price of CLARIANT AG declined from CHF 10.09 as at 31 December 2024 to CHF 7.16 as at 31 December 2025, triggering an impairment of ₪ 1,264 million during the year ended 31 December 2025 (2024: ₪ 1,170 million).

This impairment has been presented in Impairment loss from associates and non-integral joint ventures in the consolidated statement of income.

As at 31 December 2025, the carrying amount of investment in CLARIANT is ₪ 4,607 million (2024: ₪ 5,688 million), which also represents its recoverable amount.

10.2 INVESTMENT IN DUSSUR

During the year ended 31 December 2025, an impairment amounting to ₪ 229 million was recognised against 'Saudi Arabian Industrial Investment Company' ("DUSSUR"), based on the anticipated recoverability of its underlying investments. This impairment is presented in Impairment loss from associates and non-integral joint ventures in the consolidated statement of income.

10.3 ACQUISITION OF SPEAR

On 21 Rabi' Al-Thani 1447H (corresponding to 13 October 2025), SABIC Petrochemicals B.V., a wholly owned subsidiary of the Group, acquired additional shareholding of 26.24% in SABIC Plastic Energy Advanced Recycling BV ("SPEAR"), previously accounted for as a joint venture, by converting a loan of ₪ 378 million to equity, increasing the Group's ownership to 76.24%. As a result, the Group has obtained control over SPEAR.

The transaction qualifies as a step acquisition with change in control in accordance with IFRS 3 'Business Combinations'. The fair value of the original 50% shareholding is equal to the previous carrying value of investments amounting to ₪ 59 million.

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10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.3 ACQUISITION OF SPEAR (CONTINUED)

The impact of the transaction is summarised as follows:

Total equity consideration on 100% basis	564,448
of which:	
Net cash acquired	18,419
Tangible assets (Note 7)	611,981
Other assets	17,268
Liabilities	(83,220)
Total fair value of net assets	546,029
Goodwill	–

As at 31 December 2025, SPEAR forms part of SABIC Europe B.V., classified as discontinued operation under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Accordingly, SPEAR's assets, liabilities and results are presented within discontinued operation (refer to Note 34).

10.4 SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES

The tables below provide summarised financial information of the material associates of the Group. The information disclosed reflects the amounts presented in the available financial statements of the relevant investee and not SABIC's share of those amounts.

As at 31 December 2025	MPC ⁽ⁱ⁾	MARAFIQ ⁽ⁱ⁾	MWSPC ⁽ⁱ⁾	CLARIANT
Current assets				
Cash and cash equivalents	2,348,870	1,414,389	1,580,451	1,935,613
Others	3,937,161	2,302,523	3,839,175	8,566,617
Total current assets	6,286,031	3,716,912	5,419,626	10,502,230
Non-current assets	11,850,860	19,141,505	22,832,973	17,147,362
Current liabilities				
Financial liabilities (excluding trade and other payables)	3,272,123	1,986,695	2,929,152	3,419,112
Others	613,446	1,664,308	1,172,923	2,995,254
Total current liabilities	3,885,569	3,651,003	4,102,075	6,414,366
Non-current liabilities	1,020,360	13,641,298	10,615,323	10,959,053
Net assets	13,230,963	5,566,116	13,535,202	10,276,173
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	3,969,289	974,070	2,030,280	3,236,994
Intangible/Goodwill	–	–	468,423	6,513,172
Impairment	–	–	–	(5,325,516)
Estimated year end results, dividends paid and others ⁽ⁱⁱ⁾	51,092	(30,757)	129,693	181,947
Carrying amount	4,020,381	943,313	2,628,396	4,606,597
For the year ended 31 December 2025				
Revenue	7,004,041	5,108,714	7,062,206	18,437,771
Depreciation and amortisation	(674,606)	(1,142,816)	(880,488)	(1,186,799)
Interest income	84,313	56,287	104,573	84,771
Interest expense	(63,266)	(710,840)	(618,856)	(1,572,980)
Zakat and income tax expense	(75,242)	(5,930)	(45,789)	(409,728)
Net income for the year	1,859,054	398,213	1,775,506	(193,090)
Other comprehensive loss for the year	–	(56,505)	–	(626,366)
Total comprehensive income for the year	1,859,054	341,708	1,775,506	(819,456)
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	557,716	69,687	266,326	(60,823)
Share in earnings ⁽ⁱⁱ⁾	700,222	18,106	328,085	(521,611)

⁽ⁱ⁾ The information provided for MPC, MWSPC and MARAFIQ is as at 30 September 2025 and for the nine-month period ended 30 September 2025, being the last financial period available.

⁽ⁱⁱ⁾ Carrying amount of the investments and Group's share in associates are based on estimated results and include inter-group profit elimination, zakat, income tax and other adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.4 SUMMARISED FINANCIAL INFORMATION OF MATERIAL ASSOCIATES (CONTINUED)

As at 31 December 2024	MPC	MARAFIQ ⁽ⁱ⁾	MWSPC	CLARIANT ⁽ⁱⁱ⁾
Current assets				
Cash and cash equivalents	4,707,225	1,452,872	3,023,019	1,531,206
Others	3,672,510	1,509,304	3,169,071	8,095,889
Total current assets	8,379,735	2,962,176	6,192,090	9,627,095
Non-current assets	11,873,697	20,031,149	23,104,827	16,747,826
Current liabilities				
Financial liabilities (excluding trade and other payables)	3,593,664	1,845,184	812,929	2,879,829
Others	2,082,191	1,556,266	3,038,511	3,323,838
Total current liabilities	5,675,855	3,401,450	3,851,440	6,203,667
Non-current liabilities	1,005,668	14,367,467	13,310,782	10,423,820
Net assets	13,571,909	5,224,408	12,134,695	9,747,434
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	4,071,573	914,271	1,820,204	3,070,442
Intangible/Goodwill	–	–	468,423	6,655,763
Impairment	–	–	–	(4,062,465)
Estimated year end results, dividends paid and others ⁽ⁱⁱⁱ⁾	(35,164)	65,999	11,684	23,961
Carrying amount	4,036,409	980,270	2,300,311	5,687,701

For the year ended 31 December 2024	MPC	MARAFIQ ⁽ⁱ⁾	MWSPC	CLARIANT ⁽ⁱⁱ⁾
Revenue	7,816,570	6,883,210	7,399,773	8,589,693
Depreciation and amortisation	(915,951)	(792,953)	(1,111,961)	(493,804)
Interest income	205,332	67,119	155,758	74,693
Interest expense	(295,161)	(1,043,298)	(897,272)	(91,291)
Zakat and Income tax expense	(155,179)	(21,062)	(103,612)	(203,331)
Net income for the year	2,130,900	17,152	1,052,050	730,331
Other comprehensive loss for the year	(5,517)	17,172	(11,691)	647,339
Total comprehensive income for the year	2,125,383	34,324	1,040,359	1,377,670
Reconciliation:				
Group's share	30.00%	17.50%	15.00%	31.50%
Group's share in associate	639,270	3,002	157,808	230,054
Share in earnings ⁽ⁱⁱⁱ⁾	531,673	56,079	94,340	208,251

⁽ⁱ⁾ MARAFIQ restated its consolidated financial statements as of 31 December 2023 and as of 1 January 2023, resulting in changes to its opening balances for 2024 and its subsequent results. Therefore, the Group is now presenting MARAFIQ's summarised financial information for the year ended 31 December 2024 instead of 30 September 2024. (refer to Note 42).

⁽ⁱⁱ⁾ The information provided for CLARIANT is as at 30 June 2024 and for the six-month period ended 30 June 2024, being the last financial period publicly available.

⁽ⁱⁱⁱ⁾ Carrying amount of the investments and Group's share in associates are based on estimated results and include inter-group profit elimination, zakat, income tax and other adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.5 SUMMARISED FINANCIAL INFORMATION OF MATERIAL JOINT VENTURES

The tables below provide the summarised financial information of material joint ventures of the Group. The information disclosed reflects the amounts presented in the financial statements of the joint venture and not SABIC's share of those amounts.

As at 31 December 2025	SSTPC	SHARQ	YANPET	KEMYA	EIHL ⁽ⁱ⁾
Current assets					
Cash and cash equivalents	539,736	168,483	269,060	74,196	726,095
Others	1,124,678	3,621,979	3,352,554	3,737,581	3,461,593
Total current assets	1,664,414	3,790,462	3,621,614	3,811,777	4,187,688
Non-current assets	8,417,088	8,685,073	4,352,328	8,861,886	430,679
Current liabilities					
Financial liabilities (excluding trade and other payables)	1,369,396	54,709	32,250	84,270	1,751,398
Others	1,317,498	1,828,161	1,655,849	1,556,065	954,879
Total current liabilities	2,686,894	1,882,870	1,688,099	1,640,335	2,706,277
Non-current liabilities	3,210,280	2,145,961	1,216,453	1,344,867	97,119
Net assets	4,184,328	8,446,704	5,069,390	9,688,461	1,814,971
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share in joint venture	2,092,164	4,223,352	2,534,695	4,844,231	889,336
Intangible/Goodwill	–	–	–	–	455,537
Estimated year end result/dividends paid/others	(14,567)	(11,470)	(42,784)	267,202	–
Carrying amount	2,077,597	4,211,881	2,491,911	5,111,432	1,344,873

For the year ended 31 December 2025	SSTPC	SHARQ	YANPET	KEMYA	EIHL ⁽ⁱ⁾
Revenue	8,237,955	7,931,786	5,396,450	8,656,478	6,865,575
Depreciation and amortisation	(698,929)	(1,155,148)	(575,667)	(799,764)	(31,645)
Interest income	8,240	1,453	7,476	5,043	–
Interest expense	(74,004)	(45,294)	(68,263)	(54,384)	(161,639)
Net income before income tax and zakat ⁽ⁱⁱ⁾	(1,495,467)	(633,099)	609,799	921,891	262,091
Zakat and income tax benefit/(expense)	–	42,106	(67,177)	(121,735)	(82,604)
Net (loss) income for the year	(1,495,467)	(590,993)	542,622	800,156	179,487
Other comprehensive income	–	(14,465)	(14,029)	(14,292)	161,187
Total comprehensive income	(1,495,467)	(605,458)	528,593	785,864	340,674
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share of earnings in joint venture	(747,734)	(295,497)	271,311	400,078	166,930
Share of earnings ⁽ⁱⁱ⁾	(725,803)	(283,373)	290,794	435,942	132,814

⁽ⁱ⁾ For EIHL, the excess consideration pertains to difference between the book value of the share of net assets and the consideration paid by the Group to acquire the investment.

⁽ⁱⁱ⁾ For the KSA based joint ventures, namely SHARQ, YANPET and KEMYA the net income has been adjusted with zakat expenses to reflect the carrying value of the investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.5 SUMMARISED FINANCIAL INFORMATION OF MATERIAL JOINT VENTURES (CONTINUED)

As at 31 December 2024	SSTPC	SHARQ	YANPET	KEMYA	EIHL ⁽ⁱ⁾
Current assets					
Cash and cash equivalents	276,723	267,357	665,268	156,315	497,934
Others	2,356,169	4,180,648	3,444,185	3,563,853	2,711,465
Total current assets	2,632,892	4,448,005	4,109,453	3,720,168	3,209,399
Non-current assets	8,898,987	9,254,081	4,406,656	9,427,721	464,651
Current liabilities					
Financial liabilities (excluding trade and other payables)	2,089,796	18,297	14,158	198,694	1,332,034
Others	1,645,208	2,314,401	1,654,884	1,314,897	732,450
Total current liabilities	3,735,004	2,332,698	1,669,042	1,513,591	2,064,484
Non-current liabilities	2,382,226	2,429,774	1,214,201	1,321,831	89,452
Net assets	5,414,649	8,939,614	5,632,866	10,312,467	1,520,114
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share in joint venture	2,707,325	4,469,807	2,816,433	5,156,234	744,856
Intangible/Goodwill	–	–	–	–	417,848
Estimated year end result/ dividends paid/others	(5,009)	12,275	(12,366)	273,747	38,150
Carrying amount	2,702,316	4,482,082	2,804,067	5,429,981	1,200,854

For the year ended 31 December 2024	SSTPC	SHARQ	YANPET	KEMYA	EIHL ⁽ⁱ⁾
Revenue	10,271,830	8,179,415	5,749,491	8,280,591	5,218,700
Depreciation and amortisation	(675,541)	(1,540,032)	(601,257)	(804,619)	(23,218)
Interest income	–	5,503	37,415	8,237	–
Interest expense	(77,609)	(46,103)	(61,946)	(38,304)	(137,473)
Net income before income tax and zakat ⁽ⁱⁱ⁾	(895,675)	(474,353)	1,095,862	1,072,136	261,856
Zakat and income tax benefit/ (expense)	–	(8,418)	(167,055)	(159,233)	(7,618)
Net (loss) income for the year	(895,675)	(482,771)	928,807	912,903	254,238
Other comprehensive income	–	–	–	–	–
Total comprehensive income	(895,675)	(482,771)	928,807	912,903	254,238
Reconciliation:					
Group's share	50.00%	50.00%	50.00%	50.00%	49.00%
Group's share of earnings in joint venture	(447,837)	(241,386)	464,404	456,452	124,577
Share of earnings ⁽ⁱⁱⁱ⁾	(452,574)	(282,646)	530,510	517,294	68,640

⁽ⁱ⁾ For EIHL, the excess consideration pertains to difference between the book value of the share of net assets and the consideration paid by the Group to acquire the investment.

⁽ⁱⁱ⁾ For the KSA based joint ventures, namely SHARQ, YANPET and KEMYA the net income has been adjusted with zakat expenses to reflect the carrying value of the investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

10.6 FINANCIAL PERFORMANCE OF INVESTMENTS IN INDIVIDUALLY IMMATERIAL ASSOCIATES AND JOINT VENTURES

For the years ended 31 December	2025		2024	
	Individually immaterial associates	Individually immaterial joint ventures	Individually immaterial associates	Individually immaterial joint ventures
Net income (loss) for the year	866,106	(306,732)	1,164,600	329,054
Other comprehensive income (loss)	96,068	240,799	(58,572)	(660,167)
Total comprehensive income (loss)	962,174	(65,933)	1,106,028	(331,113)

10.7 MARKET VALUE OF LISTED ASSOCIATES

The market value of the Group's investment in CLARIANT and MARAFIQ based on its trading price at 31 December 2025 is ﷻ 3,547 million and ﷻ 1,610 million respectively (2024: ﷻ 4,378 million and ﷻ 2,398 million respectively).

11. INVESTMENTS IN DEBT INSTRUMENTS AND SHORT-TERM INVESTMENTS

INVESTMENTS IN DEBT INSTRUMENTS

As at 31 December	Remaining maturity	Interest rate	2025	2024
Non-conventional				
Fixed rate long-term debt instruments	17 years	5.06%	187,429	187,429
Floating rate long-term debt instruments	13 years	SAIBOR variable rate plus margin	145,029	145,029
Total investments in debt instruments			332,458	332,458

SHORT-TERM INVESTMENTS

As at 31 December	Remaining Maturity	Interest rate	2025	2024
Non-conventional				
Fixed rate long-term debt instruments	Less than 12 months	5.06%	3,769	3,637
Floating rate long-term debt instruments	Less than 12 months	SAIBOR variable rate plus margin	458	487
Murabaha (including fixed term deposits)	Greater than 3 months and less than 12 months	Fixed rate	11,942,257	6,745,142
Total non-conventional			11,946,484	6,749,266
Conventional				
Conventional fixed term deposits			68,257	681,767
Equity instruments – FVIS (refer to Note 12)			310,199	–
Certificates of deposits			592,608	237,774
Total conventional			971,064	919,541
Total short-term investments			12,917,548	7,668,807

LONG-TERM DEBT INSTRUMENT CURRENCY EXPOSURE

	2025	2024
ﷻ	145,487	145,516
USD	191,198	191,066
	336,685	336,582

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All amounts in thousands of Saudi Riyals unless otherwise stated.

12. INVESTMENTS IN EQUITY INSTRUMENTS

carrying value of the investments in equity instruments are as follows:

As at 31 December	2025	2024
Investments in unlisted securities		
Equity securities measured at FVOCI	114,295	253,402
Investment in equity instruments measured at FVIS		
Investments in funds	499,968	–
Fair value gain on remeasurement	196	–
Less: Current portion – listed (refer to Note 11)	(310,199)	–
Non-current portion – unlisted	189,965	–
	304,260	253,402

During the year ended 31 December 2025, a subsidiary invested a total of ﷲ 499.97 million in equity instruments, which are managed by a fund manager under a discretionary investment portfolio.

During the years ended 31 December 2025 and 2024, no investment was reclassified from ‘investments in equity instruments’ to ‘investments in associates and joint ventures’.

Movement in the equity instruments measured at fair value for the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
As at 1 January	253,402	236,485
Additions of equity securities and instruments	192,343	42,124
Sale of equity instrument	–	(447)
Change in fair value	(155,040)	(19,297)
Reclassified to assets held for sale	(1,149)	–
Others	5,161	–
Foreign currency translation difference	9,543	(4,853)
Transfer from/to debt instruments and other assets	–	(610)
As at 31 December	304,260	253,402

For the purpose of cash flow presentation, the purchase of investments in equity instruments include listed and unlisted additions of ﷲ 310 million and ﷲ 192 million, respectively.

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All amounts in thousands of Saudi Riyals unless otherwise stated.

13. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December	2025	2024
Financial assets – option rights	2,421,604	3,669,688
	2,421,604	3,669,688
Financial liabilities – options and forward contracts	911,250	1,095,000
Obligations to acquire the remaining shares of certain subsidiaries	959,644	880,894
	1,870,894	1,975,894

14. OTHER ASSETS AND RECEIVABLES

As at 31 December	Note	2025	2024
Non-current:			
Employee advances and receivables ⁽ⁱ⁾		3,058,463	3,523,623
Receivable from PIF ⁽ⁱⁱ⁾		–	1,793,503
Receivables from related parties ⁽ⁱⁱⁱ⁾		1,481,010	1,216,692
Loan receivables from related parties ^(iv)	33	423,409	736,920
Finance lease receivables	39	102,658	119,678
Miscellaneous ^(v)		138,811	629,818
		5,204,351	8,020,234
Current:			
Receivable from PIF ⁽ⁱⁱ⁾		1,928,683	3,032,588
Tax and zakat receivable		2,455,403	2,223,915
Prepaid expenses		1,661,253	1,981,447
Receivables from related parties ⁽ⁱⁱⁱ⁾		1,196,487	1,741,192
Employee advances and receivables ⁽ⁱ⁾		373,340	313,222
Trade advances		190,593	221,329
Current portion of loan receivable from related parties ^(iv)	33	–	37,086
Miscellaneous ^(v)		620,037	747,583
		8,425,796	10,298,362

⁽ⁱ⁾ Employee advances and receivables represent receivables from employees mainly related to Housing Ownership Program (“HOP”) and employee home loans.

⁽ⁱⁱ⁾ Receivables from PIF are presented net of discounting impact and recognised as a ‘financial asset at amortised cost’ in accordance with IFRS 9 ‘Financial Instruments’.

⁽ⁱⁱⁱ⁾ Receivables from related parties mainly relate to operations and production advances, under Joint Ownership and Production Agreement with integral joint ventures. These production advances are amortised on a straight-line basis over the estimated useful life of the related assets [refer to Note 25 (i)].

^(iv) Loans receivable from certain associates and joint ventures are at normal market rates.

^(v) Miscellaneous include receivable against sale of Film & Sheet (“F&S”) business amounting to 375 million and insurance claims.

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All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 December 2025

	Note	Total	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVIS	Financial assets at FVOC	Fair value	Level I	Level II	Level III
Financial assets									
Investments in debt instruments:									
– Fixed	11	191,198	191,198	–	–	191,198	–	191,198	–
– Floating	11	145,487	145,487	–	–	145,487	–	145,487	–
Investment in equity instruments	12	304,260	–	189,965	114,295	304,260	–	36,582	267,678
Trade receivables ⁽ⁱ⁾	17	16,675,007	16,675,007	–	–	N/A	–	–	–
Short-term investments:									
– Fixed term deposits	11	12,010,514	12,010,514	–	–	N/A	–	–	–
– Certificates of deposits and equity instruments	11	902,807	–	902,807	–	902,807	310,199	592,608	–
Cash and cash equivalents:									
– Cash and bank balances	18	10,849,221	10,849,221	–	–	N/A	–	–	–
– Fixed term deposits	18	16,897,107	16,897,107	–	–	N/A	–	–	–
Derivative financial instruments	13	2,421,604	–	2,421,604	–	2,421,604	–	–	2,421,604
Other financial assets ⁽ⁱⁱ⁾		5,709,460	5,709,460	–	–	N/A	–	–	–
		66,106,665	62,477,994	3,514,376	114,295	3,965,356	310,199	965,875	2,689,282
Financial liabilities									
Debt	22	33,546,363	33,546,363	–	–	32,766,354	6,767,951	25,998,403	–
Lease liabilities	22	3,508,864	3,508,864	–	–	N/A	–	–	–
Trade payables	26	17,103,449	17,103,449	–	–	N/A	–	–	–
Derivative financial instruments	13	911,250	–	911,250	–	911,250	–	–	911,250
Obligations to acquire the remaining shares of certain subsidiaries	13	959,644	–	959,644	–	959,644	–	–	959,644
Other financial liabilities ⁽ⁱⁱⁱ⁾		1,969,303	1,969,303	–	–	N/A	–	–	–
		57,998,873	56,127,979	1,870,894	–	34,637,248	6,767,951	25,998,403	1,870,894

The Group assessed fair value of short-term investments, cash and cash equivalents, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

⁽ⁱ⁾ The trade receivables are disclosed net of expected credit losses.

⁽ⁱⁱ⁾ Other financial assets mainly include receivable from PIF, finance lease receivables and loans to related parties, net of expected credit losses, where applicable. Other financial liabilities mainly include dividend payable.

N/A = not applicable

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All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

As at 31 December 2024									
	Note	Total	Financial assets/ liabilities at amortised cost	Financial assets/ liabilities at FVIS	Financial assets at FVOC	Fair value	Level I	Level II	Level III
Financial assets									
Investments in debt instruments:									
– Fixed	11	191,066	191,066	–	–	191,066	–	191,066	–
– Floating	11	145,516	145,516	–	–	145,516	–	145,516	–
Investment in equity instruments	12	253,402	–	–	253,402	253,402	–	38,390	215,012
Trade receivables ⁽ⁱ⁾	17	20,439,823	20,439,823	–	–	N/A	–	–	–
Short-term investments:									
– Fixed term deposits	11	7,426,909	7,426,909	–	–	N/A	–	–	–
– Certificates of deposits	11	237,774	–	237,774	–	237,774	–	237,774	–
Cash and cash equivalents:									
– Cash and bank balances	18	9,133,745	9,133,745	–	–	N/A	–	–	–
– Fixed term deposits	18	21,405,923	21,405,923	–	–	N/A	–	–	–
Derivative financial instruments	13	3,669,688	–	3,669,688	–	3,669,688	–	–	3,669,688
Other financial assets ⁽ⁱⁱ⁾		9,223,333	9,223,333	–	–	N/A	–	–	–
		72,127,179	67,966,315	3,907,462	253,402	4,497,446	–	612,746	3,884,700
Financial liabilities									
Debt	22	30,269,004	30,269,004	–	–	29,231,085	6,510,019	22,721,066	–
Lease liabilities	22	4,929,065	4,929,065	–	–	N/A	–	–	–
Trade payables	26	19,793,604	19,793,604	–	–	N/A	–	–	–
Derivative financial instruments	13	1,095,000	–	1,095,000	–	1,095,000	–	–	1,095,000
Obligations to acquire the remaining shares of certain subsidiaries	13	880,894	–	880,894	–	880,894	–	–	880,894
Other financial liabilities ⁽ⁱⁱ⁾		8,693,436	8,693,436	–	–	N/A	–	–	–
		65,661,003	63,685,109	1,975,894	–	31,206,979	6,510,019	22,721,066	1,975,894

The Group assessed fair value of short-term investments, cash and cash equivalents, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

⁽ⁱ⁾ The trade receivables are disclosed net of expected credit losses.

⁽ⁱⁱ⁾ Other financial assets include lease receivables, loans to related parties, net of expected credit losses, where applicable. Other financial liabilities include dividend payable and payables to related parties.

N/A = not applicable

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All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The Group's exposure to various risks associated with the financial instruments is discussed in Note 37. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of financial assets mentioned above.

The following methods and assumptions were used to estimate the fair values:

- Fair value of the quoted bonds is the respective market price at the reporting date. The fair value of unquoted debt instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using market rates for debt instruments with similar terms, credit risk and maturities.

- When there are no quoted prices in the market to determine the fair value of equity instruments, the Group makes certain assumptions in valuation for model inputs, including information derived from comparable transactions. The probabilities of the various estimates within a range can be reasonably assessed in the Group's estimate of fair value for these unquoted equity investments. Fair values of quoted equity investments are derived from quoted prices in active markets, when a proxy is required.
- Derivative financial assets and liabilities which are recognised at fair value through income statement, are valued by the group using market approach.

The following table summarises the information about the significant non-observable inputs used in Level III fair value measurements:

Description	Fair value as at 31 December		Significant non-observable input	Range		Relationship of unobservable inputs to fair value
	2025	2024		2025	2024	
Derivative financial assets (refer to Note 13)	2,421,604	3,669,688	Put options and forward contracts:			
			Equity value to EBITDA multiple	6.50	5.97	+/- 10% change would result in change in fair value by ﷲ 131,220 (2024: ﷲ 179,580)
			Dividend to EBITDA %	33.1%	52.0%	+/- 10% change would result in change in fair value by ﷲ 48,296 (2024: ﷲ 71,175)
			Discount rate	10.6%	10.7%	+/-100 bps change in discount rate would result in change in fair value by ﷲ 13,669 [2024: ﷲ 21,900/ﷲ (22,995)]
Derivative financial liabilities (refer to Note 13)	911,250	1,095,000	Call option valuation:			
			Equity value to EBITDA multiple	7.0	6.8	+/- 10% change would result in change in fair value by ﷲ 497,936/ﷲ (454,409) [2024: ﷲ 702,303/ﷲ (655,433)]
			Implied volatility	25%	25% to 28%	+/- 10% change would result in change in fair value by ﷲ 377,861/ﷲ (280,675) [2024: ﷲ 467,577/ﷲ (419,582)]
			Assumed dividend yield	0% to 9.5%	8.5% to 14.2%	+/- 10% change would result in change in fair value by ﷲ 226,641/ ﷲ (206,379) [2024: ﷲ 426,706/ﷲ (388,835)]
			Risk free rate	3.6% to 4.9%	4.5% to 5.1%	+/- 10% change would result in change in fair value by ﷲ 42,777 (2024: ﷲ 66,743)

There is no material unquoted equity instrument at fair value through other comprehensive income to be disclosed separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The following table presents the changes in Level III items for the years ended 31 December 2025 and 31 December 2024:

	Unlisted equity instruments	Derivative financial assets	Derivative financial liabilities	Obligations to acquire the remaining shares of certain subsidiaries
As at 1 January 2024	197,239	3,745,176	(1,438,875)	(572,269)
Additions	40,265	–	–	–
Sale of equity instrument	(5)	–	–	–
Net movement in unrealised fair value gain (loss)	(17,633)	(75,488)	343,875	(308,625)
Net movement in unrealised foreign currency translation	(4,854)	–	–	–
As at 31 December 2024	215,012	3,669,688	(1,095,000)	(880,894)
Additions	192,343	–	–	–
Sale of equity instrument / transferred to assets held for sale	(1,149)	–	–	–
Net movement in unrealised fair value (loss) gain	(149,374)	(1,248,084)	183,750	(78,750)
Net movement in unrealised foreign currency translation	10,846	–	–	–
As at 31 December 2025	267,678	2,421,604	(911,250)	(959,644)

No transfers were recorded between Level I, Level II or Level III during the years ended 31 December 2025 and 31 December 2024.

The decrease in the fair value of the derivative financial assets mainly reflects lower operating results of the underlying entities.

16. INVENTORIES

	2025	2024
Finished goods	7,847,557	12,186,150
Spare parts	3,371,310	3,952,236
Raw materials	1,375,010	2,452,960
Goods in transit	1,330,878	1,693,019
	13,924,755	20,284,365
Less: Provision for slow moving and obsolete items	(1,077,323)	(1,470,784)
	12,847,432	18,813,581

During the year ended 31 December 2025, net write-downs of finished goods amounted to ₪ 2 million (2024: net reversal of write-downs of finished goods amounted to ₪ 16 million) which were recognised in cost of sales.

Movements in the provision for slow moving and obsolete inventories were as follows:

	2025	2024
As at 1 January	1,470,784	1,660,948
Charge (reversal), net for the year	136,839	(190,164)
Reclassified to assets held for sale	(530,300)	–
As at 31 December	1,077,323	1,470,784

The reversal is essentially due to consumption or utilisation of certain inventory items.

The inventory write-down charge (reversal) has been presented separately in the consolidated statement of cash flows for the current and comparative periods.

17. TRADE RECEIVABLES

	2025	2024
As at 31 December		
Trade receivables	14,509,395	17,721,406
Due from related parties (refer to Note 33)	2,313,900	2,862,177
	16,823,295	20,583,583
Less: Allowance for expected credit losses	(148,288)	(143,760)
	16,675,007	20,439,823

Accounts receivables are non-interest bearing and are generally between 30 – 120 days terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

17. TRADE RECEIVABLES (CONTINUED)

As at 31 December the ageing analysis of trade receivables along with related expected credit loss is as follows:

31 December 2025	Total	Current	Less than 60 days	60-90 days	91-180 Days	181-365 days	More than one year
Expected credit loss rate	0.88%	0.03%	3.26%	16.96%	15.74%	81.21%	20.53%
Gross carrying amount	16,823,295	16,179,917	153,395	49,273	96,347	71,799	272,564
Expected credit loss	148,288	5,515	4,996	8,358	15,164	58,310	55,945

31 December 2024	Total	Current	Less than 60 days	60-90 days	91-180 Days	181-365 days	More than one year
Expected credit loss rate	0.70%	0.03%	0.35%	8.61%	1.56%	6.62%	34.12%
Gross carrying amount	20,583,583	19,046,583	453,612	21,585	443,789	302,657	315,357
Expected credit loss	143,760	5,737	1,585	1,858	6,942	20,026	107,612

Movements in the allowance for expected credit losses were as follows:

	2025	2024
As at 1 January	143,760	198,240
Charge (reversals) during the year	33,570	(54,480)
Reclassified to assets held for sale	(29,042)	–
As at 31 December	148,288	143,760

18. CASH AND CASH EQUIVALENTS

cash and cash equivalents can be broken down as follows:

As at 31 December	2025	2024
Cash in hand	23	869
Call account	2	2
Murabaha call accounts	1,584,511	938,054
Non-conventional current accounts	6,057,578	4,485,193
Conventional current accounts	3,207,107	3,709,627
	10,849,198	9,132,876

Conventional fixed term deposits	581,250	157,670
Murabaha fixed term deposits	16,315,857	21,248,253
	16,897,107	21,405,923
	27,746,328	30,539,668

Conventional cash and cash equivalents	3,788,359	3,867,299
Non-conventional cash and cash equivalents	23,957,969	26,672,369
	27,746,328	30,539,668

At 31 December 2025, the Group has funds amounting to 1,086 million (31 December 2024: 1,126 million) that are held in separate bank accounts within the KSA related to unclaimed dividend and cannot be used as part of normal business operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

18. CASH AND CASH EQUIVALENTS (CONTINUED)

The table below provides details of amounts placed in various currencies:

As at 31 December	2025	2024
ﷲ	16,618,029	17,731,102
US\$	8,136,028	10,638,751
Others	2,992,271	2,169,815
	27,746,328	30,539,668

CASH FLOWS RELATED DISCLOSURES

Cash and cash equivalents can be broken down as follows:

As at 31 December	2025	2024
Cash and cash equivalents	27,746,328	30,539,668
Less: Short-term borrowings (bank overdraft, refer to Note 22)	(599)	(3,259)
	27,745,729	30,536,409

Bank overdrafts are used in the normal business operations of the Group and represent cash balances that cannot be legally off-set.

Cash and cash equivalents can be broken down as follows:

	As at 1 January 2025	Cash inflows	Cash outflows	Interest paid	Other non-cash movements	As at 31 December 2025
Debt ⁽ⁱ⁾	30,265,745	18,495,107	(15,288,056)	(1,991,950)	2,064,918	33,545,764
Lease ⁽ⁱⁱ⁾	4,929,065	–	(1,102,688)	(224,183)	(93,330)	3,508,864
Dividends to shareholders ⁽ⁱⁱⁱ⁾	6,032,913	–	(9,625,654)	–	4,500,000	907,259
Dividends to non-controlling interests ^(iv)	1,438,923	–	(3,352,421)	–	2,127,679	214,181
	42,666,646	18,495,107	(29,368,819)	(2,216,133)	8,599,267	38,176,068

	As at 1 January 2024	Cash inflows	Cash outflows	Interest paid	Other non-cash movements	As at 31 December 2024
Debt ⁽ⁱ⁾	27,967,679	12,643,750	(10,405,275)	(1,875,754)	1,935,345	30,265,745
Lease ⁽ⁱⁱ⁾	5,525,821	–	(1,075,329)	(254,246)	732,819	4,929,065
Dividends to shareholders ⁽ⁱⁱⁱ⁾	5,933,460	–	(10,100,547)	–	10,200,000	6,032,913
Dividends to non-controlling interests ^(iv)	1,069,875	–	(2,618,770)	–	2,987,818	1,438,923
	40,496,835	12,643,750	(24,199,921)	(2,130,000)	15,855,982	42,666,646

⁽ⁱ⁾ Other non-cash movements mainly refer to interest attributable to debt.

⁽ⁱⁱ⁾ Other non-cash movements mainly refer to additions to leases, interest expenses, foreign exchange differences, remeasurement and lease liabilities reclassified to liabilities directly associated with assets held for sale.

⁽ⁱⁱⁱ⁾ Other non-cash movements mainly refer to appropriation for dividends from retained earnings.

^(iv) Other non-cash movements mainly refer to appropriation for NCI dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

19. SHARE CAPITAL

As at 31 December	2025	2024
Authorised shares:		
Ordinary shares of ﷲ 10 each ('000)	3,000,000	3,000,000
Ordinary shares issued and fully paid of ﷲ 10 each ('000)	3,000,000	3,000,000
Issued and paid capital	30,000,000	30,000,000

20. RESERVES

GENERAL RESERVE

In accordance with SABIC’s By-Laws, the General Assembly can establish a general reserve as an appropriation of retained earnings. This general reserve can be increased or decreased by a resolution of the shareholders and is available for distribution.

In an Extraordinary General Assembly Meeting held on 14 Rajab 1447 AH (corresponding to 31 December 2025), the Group approved the transfer of ﷲ 110,889 million from general reserve to retained earnings.

OTHER RESERVES

The following table shows a breakdown of other reserves and the movements during the year:

	Equity instruments	Foreign currency translation	Actuarial gain (loss)	Cash flow hedge	Total
As at 1 January 2025	25,254	(5,844,206)	1,699,368	7,109	(4,112,475)
Exchange difference on translation	–	1,777,550	–	–	1,777,550
Remeasurement loss on defined benefit plans, net of tax	–	–	(204,746)	–	(204,746)
Net change on revaluation of investments in equity instruments classified as FVOCI	(155,040)	–	–	–	(155,040)
Share of other comprehensive income (loss) of associates and joint ventures	–	1,075,325	153,475	(6,882)	1,221,918
Other comprehensive (loss) income for the year	(155,040)	2,852,875	(51,271)	(6,882)	2,639,682
As at 31 December 2025	(129,786)	(2,991,331)	1,648,097	227	(1,472,793)

	Equity instruments	Foreign currency translation	Actuarial gain (loss)	Cash flow hedge	Total
As at 1 January 2024	44,551	(3,750,814)	2,110,741	18,965	(1,576,557)
Exchange difference on translation	–	(1,255,981)	–	–	(1,255,981)
Remeasurement loss on defined benefit plans, net of tax	–	–	325,621	–	325,621
Net change on revaluation of investments in equity instruments classified as FVOCI	(19,297)	–	–	–	(19,297)
Share of other comprehensive loss of associates and joint ventures	–	(837,411)	(135,099)	(11,856)	(984,366)
Other comprehensive loss for the year	(19,297)	(2,093,392)	190,522	(11,856)	(1,934,023)
Reclassification of remeasurement gain on defined benefit plans related to discontinued operation	–	–	(601,895)	–	(601,895)
As at 31 December 2024	25,254	(5,844,206)	1,699,368	7,109	(4,112,475)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

21. NON-CONTROLLING INTERESTS

below is the summarised financial information disclosed for each consolidated subsidiary in which the Group has less than full ownership with non-controlling interests that are significant to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations. Refer to Note 43 for full names and shareholding percentages of SABIC group entities.

As at 31 December 2025	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Current assets	5,266,584	1,174,311	1,237,678	15,548,204	4,025,882	812,185	2,179,595	3,055,608	828,828
Current liabilities	1,422,924	664,930	1,745,507	2,412,538	4,739,692	433,809	1,123,874	1,313,216	488,504
Net current assets (liabilities)	3,843,660	509,381	(507,829)	13,135,666	(713,810)	378,376	1,055,721	1,742,392	340,324
Non-current assets	7,993,040	3,151,383	–	11,454,988	18,698,943	4,115,885	6,140,201	3,841,813	2,198,322
Non-current liabilities	1,087,855	592,432	2,972,420	2,274,538	8,805,285	863,906	1,530,536	770,811	419,851
Net non-current assets (liabilities)	6,905,185	2,558,951	(2,972,420)	9,180,450	9,893,658	3,251,979	4,609,665	3,071,002	1,778,471
Net assets	10,748,845	3,068,332	(3,480,249)	22,316,116	9,179,848	3,630,355	5,665,386	4,813,394	2,118,795
Accumulated non-controlling interests ⁽ⁱ⁾	5,191,430	840,151	(1,796,917)	10,847,807	5,950,546	950,517	1,422,351	1,039,926	1,038,206

As at 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Current assets	5,680,299	1,609,628	1,029,065	14,143,339	4,491,659	754,295	2,155,831	3,267,228	839,032
Current liabilities	1,855,468	777,328	1,289,602	3,562,165	7,613,235	368,017	1,126,268	1,352,321	435,582
Net current assets (liabilities)	3,824,831	832,300	(260,537)	10,581,174	(3,121,576)	386,278	1,029,563	1,914,907	403,450
Non-current assets	8,443,877	2,985,599	953,756	11,375,228	20,377,631	4,282,993	6,517,376	3,898,168	2,166,110
Non-current liabilities	1,032,047	699,266	2,977,599	2,448,378	5,753,210	952,520	1,694,337	767,116	517,230
Net non-current assets (liabilities)	7,411,830	2,286,333	(2,023,843)	8,926,850	14,624,421	3,330,473	4,823,039	3,131,052	1,648,880
Net assets	11,236,661	3,118,633	(2,284,380)	19,508,024	11,502,845	3,716,751	5,852,602	5,045,959	2,052,330
Accumulated non-controlling interests ⁽ⁱ⁾	5,383,157	794,646	(1,246,389)	10,056,794	7,087,922	975,999	1,457,990	1,074,182	738,674

⁽ⁱ⁾ Accumulated non-controlling interests includes adjustments such as inter-group profit elimination, absorption of income tax in non-controlling interests and others.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

21. NON-CONTROLLING INTERESTS (CONTINUED)

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Revenue	5,601,167	3,862,795	1,820,785	13,076,878	8,458,846	1,698,299	4,511,621	7,830,278	3,195,409
Net income (loss) for the year	79,098	1,311,970	(1,196,445)	4,467,933	(2,293,883)	364,484	(171,103)	628,025	846,763
Other comprehensive (loss) income	(4,412)	87,549	120,755	(109,587)	(29,116)	50,590	76,545	104,730	(2,826)
Total comprehensive income (loss)	74,686	1,399,519	(1,075,690)	4,358,346	(2,322,999)	415,074	(94,558)	732,755	843,937
Net income (loss) attributable to non-controlling interests ⁽ⁱ⁾	38,651	280,828	(617,750)	1,840,974	(1,482,234)	97,603	(36,711)	119,033	379,155
Dividends to non-controlling interests	264,361	309,375	–	831,396	–	135,200	–	183,750	465,000

For the year ended 31 December 2024	YANSAB	AR-RAZI	IBNRUSHD	SABICAN GROUP	SAUDIKAYAN	GAS	UNITED	IBNZAHR	IBNSINA
Revenue	6,160,537	3,499,008	2,004,687	11,061,291	8,726,026	1,562,559	4,718,222	7,983,419	3,551,138
Net income (loss) for the year	420,331	1,427,768	(25,998)	3,442,233	(1,803,718)	415,790	3,985	1,016,511	1,143,720
Other comprehensive income (loss)	40,522	15,333	(374)	(85,030)	22,488	8,676	17,051	16,260	(2,826)
Total comprehensive income (loss)	460,853	1,443,101	(26,372)	3,357,203	(1,781,230)	424,466	21,036	1,032,771	1,140,894
Net income (loss) attributable to non-controlling interests ⁽ⁱ⁾	219,065	268,897	(13,426)	1,973,029	(1,164,219)	107,962	(4,143)	203,257	509,692
Dividends to non-controlling interests	528,722	295,313	–	1,620,250	–	135,200	57,500	180,000	566,250

⁽ⁱ⁾ Net income (loss) attributable to non-controlling interests includes adjustments such as inter-group profit elimination, absorption of income tax in non-controlling interests and others.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

21. NON-CONTROLLING INTERESTS (CONTINUED)

SUMMARISED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Cash flow from operating activities	1,218,789	1,944,435	528,523	5,301,643	(302,682)	964,288	847,902	1,240,016	1,287,788
Cash flow used in investing activities	(14,990)	(1,775,527)	(25,367)	(6,586,561)	(549,982)	(893,760)	(391,685)	(1,448,399)	(1,225,691)
Cash (used in) from financing activities	(1,126,906)	(385,184)	(6,735)	(3,200,412)	727,347	(82,113)	(172,891)	7,958	(62,197)
Net increase (decrease) in cash and cash equivalents	76,893	(216,276)	496,421	(4,485,330)	(125,317)	(11,585)	283,326	(200,425)	(100)
For the year ended 31 December 2024	YANSAB	AR-RAZI	IBN RUSHD	SABIC AN GROUP	SAUDI KAYAN	GAS	UNITED	IBN ZAHR	IBN SINA
Cash flow from (used in) operating activities	1,593,181	1,873,169	(394,540)	4,110,794	2,276,796	676,106	228,610	1,432,831	1,730,606
Cash flow (used in) from investing activities	(952,405)	(466,794)	82,858	2,497,467	(761,834)	(220,072)	(343,688)	(567,498)	(246,499)
Cash used in financing activities	(993,205)	(790,371)	(3,201)	(3,037,175)	(1,773,220)	(566,929)	(401,387)	(813,673)	(1,198,750)
Net (decrease) increase in cash and cash equivalents	(352,429)	616,004	(314,883)	3,571,086	(258,258)	(110,895)	(516,465)	51,660	285,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

22. DEBT

Total debt can be broken down as follows:

As at 31 December	Interest rate	2025	2024
Non-current portion of debt			
Bonds	2.15% to 4.50%	7,472,811	7,466,527
Related party loans and borrowings	USD SOFR plus margin	–	7,396,268
Commercial loans	USD SOFR & SAIBOR variable rates plus margin	–	89,482
Conventional loans		7,472,811	14,952,277
Murabaha	USD SOFR & SAIBOR variable rates plus margin	13,658,398	10,923,718
Saudi Industrial Development Fund	Commission fee	180,479	289,091
Non-conventional loans		13,838,877	11,212,809
Total non-current portion of debt		21,311,688	26,165,086
Short-term borrowings			
Murabaha	USD SOFR & SAIBOR variable rates plus margin	998,345	2,077,663
Conventional short-term bank borrowings (bank overdraft)		599	3,259
Total short-term borrowings		998,944	2,080,922
Current portion of debt			
Commercial loans	USD SOFR & SAIBOR variable rates plus margin	116,839	148,788
Bonds	4%	66,669	66,669
Related party loans and borrowings	USD SOFR plus margin	10,397,294	42,715
Conventional loans		10,580,802	258,172
Murabaha	USD SOFR & SAIBOR variable rates plus margin	538,236	1,658,994
Saudi Industrial Development Fund	Commission fee	116,693	105,830
Non-conventional loans		654,929	1,764,824
Total current portion of debt		11,235,731	2,022,996
Total debt		33,546,363	30,269,004

Note: SOFR (Secured Overnight Financing Rate) is a benchmark interest rate for dollar-denominated derivatives and loans; SAIBOR (Saudi Arabian Interbank Offered Rate).

BONDS

The following bonds were outstanding as at 31 December 2025:

- In October 2018, the Group through its subsidiary, SABIC Capital II BV, issued a 10-year USD 1,000 million, unsecured bond with a coupon rate of 4.5%. The bonds are issued in accordance with Rule 144A/Reg S offering requirements under the U.S. Securities Act of 1933, as amended. The bonds are listed on the Irish Stock Exchange (Euronext Dublin) and the proceeds were used for refinancing maturing debt.
- In September 2020, the Group, through its subsidiary, SABIC Capital I BV, issued a 10-year and 30-year USD 500 million bond each, equivalent to total ₪ 3,750 million. These bonds are unsecured and carry coupon rates of 2.15% and 3.00% for those maturing in 10 and 30 years, respectively. The bonds are issued in accordance with Regulation S offering requirements under the U.S. Securities Act of 1933, as amended. Both bonds are listed on the Irish Stock Exchange (Euronext Dublin) and the 30-year bond is dual listed in Taipei Exchange in Taiwan. The proceeds were used for general purpose and refinancing maturing debt.

RELATED PARTY BORROWING

In August 2024, the three-year revolving credit facility (“RCF”) with Aramco Overseas Company (“AOC”), was increased from ₪ 3,750 million up to ₪ 11,250 million which carries a floating interest rate based on the prevailing market interest rates. The facility will expire in November 2026, and Group will repay the amount due on expiry date.

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All amounts in thousands of Saudi Riyals unless otherwise stated.

22. DEBT (CONTINUED)

RELATED PARTY BORROWING (CONTINUED)

The movement in debt can be broken down as follows:

	As at 1 January 2025	Borrowings	Repayments	Others	As at 31 December 2025
Short-term	3,259	–	–	(2,660)	599
Murabaha	14,660,375	7,993,150	(7,480,578)	22,032	15,194,979
Bonds	7,533,196	–	–	6,284	7,539,480
Saudi Industrial Development Fund	394,921	–	(105,000)	7,251	297,172
Related party	7,438,983	8,100,000	(5,156,250)	14,561	10,397,294
Others	238,270	2,401,957	(2,546,228)	22,840	116,839
	30,269,004	18,495,107	(15,288,056)	70,308	33,546,363

	As at 1 January 2024	Borrowings	Repayments	Others	As at 31 December 2024
Short-term	3,267	–	–	(8)	3,259
Murabaha	15,597,278	5,237,493	(6,207,810)	33,414	14,660,375
Bonds	7,525,369	–	–	7,827	7,533,196
Saudi Industrial Development Fund	639,090	–	(261,000)	16,831	394,921
Related party	3,778,091	3,843,757	(187,500)	4,635	7,438,983
Others	427,851	3,562,500	(3,748,965)	(3,116)	238,270
	27,970,946	12,643,750	(10,405,275)	59,583	30,269,004

MURABAHA

On 16 Ramadan 1446 AH (corresponding to 16 March 2025), the Group signed an agreement with a syndicate of certain financial institutions to obtain additional Murabaha loans amounting to ﷲ 8,100 million. The syndicate loan has been utilised to settle certain existing Murabaha loans and working capital requirements. These loans are repayable in instalments over a period of 10 years at varying profit rates in conformity with the applicable borrowing agreements.

DEBT REPAYABLE TO SAUDI INDUSTRIAL DEVELOPMENT FUND (SIDF)

The SIDF term loans are generally repayable in semi-annual instalments and finance charges on these loans are at various rates. SIDF is a Saudi Arabian Government’s financial institution.

In securing the SIDF loans, certain property, plant and equipment has been pledged as mortgaged assets. The carrying values of non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 7. There are certain

financial covenants attached to this loan relating to current ratio and total liabilities to tangible net assets of respective subsidiary which are in compliance as at 31 December 2025 (refer to Note 38.1).

COMMERCIAL LOANS

The Group has previously borrowed from various financial institutions in order to mainly finance its growth projects and acquisitions, which are repayable either in bullet or instalments at varying interest rates in conformity with the applicable loan agreements.

DEBT MOVEMENTS

During the year ended 31 December 2025, the Group has repaid maturing bank borrowings using related party borrowing and through cash generated from operations.

UNDRAWN BORROWING FACILITIES

As at 31 December 2025, the Group has committed credit facilities amounting to ﷲ 22,875 million (2024: ﷲ 22,875 million) out of which undrawn commitment amounted to ﷲ 9,802 million (2024: ﷲ 12,585 million).

LEASE LIABILITIES

Lease liabilities can be broken down as follows:

As at 31 December	2025	2024
Non-current		
Lease liabilities	3,024,234	3,983,960
Current		
Lease liabilities	484,630	945,105
	3,508,864	4,929,065

All addition to leases are recognised as right-of-use assets which are disclosed in Note 8.

There are no residual value guarantees and no leases yet commenced, to which SABIC is committed.

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22. DEBT (CONTINUED)

RELATED PARTY BORROWING (CONTINUED)

LEASE LIABILITIES (CONTINUED)

The following lease related amounts recognised in consolidated statement of income:

For the years ended 31 December	2025	2024
Depreciation expense of right-of-use assets (refer to Note 8)	1,184,728	1,155,390
Interest expense on lease liabilities (refer to Note 30)	176,676	254,242
Expense related to short-term leases	11,163	7,895
Expense related to leases of low-value assets	954	866
Variable lease payments	1,819	1,903

The Group had total cash outflows for leases of ₪ 1,327 million during the year ended 31 December 2025 (2024: ₪ 1,329 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₪ 615 million in 2025 (2024: ₪ 845 million). The future cash flows relating to lease receivables are disclosed in Note 39.

The maturity of the lease obligation and debt are further elaborated in liquidity risk (refer to Note 37).

23. EMPLOYEE BENEFITS

the provision for employee benefits can be broken down as follows:

As at 31 December	2025	2024
Defined benefit obligations		
End of service benefits	10,716,200	11,027,748
Defined benefits pension schemes	141,563	1,249,720
Post-retirement medical benefits	1,444,415	1,122,300
	12,302,178	13,399,768

As at 31 December	2025	2024
Other long-term employee benefits and termination benefits		
Long-term service awards	208,914	67,076
Early retirement plans	3,757	40,166
	212,671	107,242
	12,514,849	13,507,010

Management monitors the risks of all its pension plans and works with local fiduciaries and trustees regarding the governance and risk management of these pension plans, particularly with regard to the funding of the pension plans and the portfolio structure of the existing plan assets. The obligations and plan assets, used to fund the obligations, are subject to demographic, legal and economic risks. Economic risks are primarily due to unforeseen developments in goods and capital markets. Most plans with defined benefits are closed for future service, limiting the Group's exposure to risk with regard to future benefit levels.

DEFINED BENEFITS OBLIGATION

The Group provides end of service and pension benefits to its employees taking into consideration the local labour laws, employment market and tax laws of the countries where the companies are located. Outside KSA, the Group limits the risks of changing financial market conditions and demographic developments by offering a defined contribution scheme to most employees.

END OF SERVICE BENEFITS

End of service benefits are mandatory for all KSA based employees under the Saudi Labour Law and the Group's employment policies. End of service benefit is based on employees' compensation and accumulated period of service

and is payable upon termination, resignation or retirement, the Group provides end of service benefits in excess of the statutory requirement. The Defined Benefit Obligation ("DBO") in respect of employees' end of service benefits is calculated by estimating the future benefit payment that employees have earned in return for their service. An appropriate discount rate is then applied to determine the present value of the Group's obligation. This is an unfunded plan.

Remeasurements are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated statement of income in subsequent periods.

DEFINED BENEFIT PENSION PLANS

The Group has a number of defined benefit pension plans outside KSA. The most significant plans are located in the United States of America ("USA") and in the United Kingdom ("UK"). These plans are funded pension plans. Other pension plans include plans in Germany, Austria, Japan, Taiwan, and Belgium, most of which are also funded. The benefits provided by these pension plans are based primarily on years of service and employee compensation.

The funding of the plans is consistent with local law and regulations in the countries of establishment. Generally, pension obligations are subject to a government regulation, including minimum funding requirements. Furthermore, the investment of assets is also regulated. This could result in fluctuating employer contributions, additional financing requirements and the assumption of obligations in favour of the pension fund to comply with these regulatory requirements.

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23. EMPLOYEE BENEFITS (CONTINUED)

DEFINED BENEFIT PENSION PLANS (CONTINUED)

Below is a brief description of the Group's main defined benefit pension plans:

UNITED STATES OF AMERICA

In the USA, the Group has a number of qualified legacy defined benefit pension plans, all of which are closed for all future benefit accrual. These plans are subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The funding policy for the USA Plans is to make regular contributions each year in such amounts that are necessary to meet or exceed the minimum funding standard as set forth in employee benefit and tax laws in the USA. The Group also has a supplementary non-qualified pension plan, also closed to future benefit accrual.

These defined benefit pension plans are administered by fiduciaries, who represents the interests of the beneficiaries and ensure that the benefits can be paid in the future.

UNITED KINGDOM

In the UK, the Group maintained final salary pension plans that have been closed to further increases in benefits for future years of service. A part of the UK workforce still accrues pension benefits due to salary increases. Since the closure of service accrual, all employees have had the opportunity to participate in a defined contribution plan.

The defined benefit pension plans are administered by trusts, where Boards of Trustees, according to the trustees' agreement and law, represent the interests of the beneficiaries to ensure that the benefits can be paid in the future. The required funding is determined using technical valuations according to local regulations every three years. Pensions are adjusted each year to compensate for increases in the cost of living.

OTHER LONG-TERM EMPLOYEE BENEFITS

LONG-TERM SERVICE AWARDS

The Group offers a long-term service award to its employees depending on years of service, which is measured similarly to a DBO.

EARLY RETIREMENT PLANS

Employee early retirement plan costs are provided for in accordance with the Group's employee benefit policies. If an instalment-based compensation is agreed on, the obligation is initially discounted to its present value and then unwound through the period of compensation, which can be up to the regular retirement age of the employee.

The following table represents the movement of the defined benefit obligation position:

	2025	2024
As at 31 December	13,399,768	12,781,976
Reclassification net pension assets and asset ceiling	(131,955)	(61,212)
As at 1 January	13,267,813	12,720,764
Current service cost	849,592	812,699
Past service cost	112,015	(70,936)
Gain on settlements	(93,031)	–
Finance costs, net	695,175	613,415
Actuarial changes arising due to:		
– financial assumptions	207,577	(744,763)
– demographic changes	7,688	(5,506)
– experience adjustments	15,232	177,375
– actual return on plan assets	14,588	53,064
	245,085	(519,830)
Effect of onerous liability	–	128,783
Benefits paid during the year	(1,699,705)	(566,968)
Employer contributions into pension plans	(114,143)	(111,111)
Foreign currency translation adjustment and others	39,702	260,997
Net defined benefit obligation	13,302,503	13,267,813
Reclassified to liabilities associated with assets held for sale	(1,000,325)	–
Reclassification net pension assets and asset ceiling	–	131,955
As at 31 December	12,302,178	13,399,768

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23. EMPLOYEE BENEFITS (CONTINUED)

OTHER LONG-TERM EMPLOYEE BENEFITS (CONTINUED)

EARLY RETIREMENT PLANS (CONTINUED)

Following table represents the components of the employee benefits in the KSA:

	End of service	Post-retirement medical	Total
As at 1 January 2025	11,027,748	1,122,300	12,150,048
Current service cost	751,604	87,416	839,020
Past service cost	–	92,065	92,065
Gain on settlements	(92,874)	–	(92,874)
Finance costs	597,771	62,249	660,020
Actuarial changes arising due to:			
– financial assumptions	125,233	34,854	160,087
– demographic adjustments	–	(297)	(297)
– experience adjustments	(45,120)	79,688	34,568
	80,113	114,245	194,358
Benefits paid during the year	(1,650,346)	(33,797)	(1,684,143)
Others	2,184	(63)	2,121
As at 31 December 2025	10,716,200	1,444,415	12,160,615

	End of service	Post-retirement medical	Total
As at 1 January 2024	10,613,240	881,699	11,494,939
Current service cost	738,929	61,082	800,011
Past service cost	44,968	(116,791)	(71,823)
Finance costs	531,248	41,240	572,488
Actuarial changes arising due to:			
– financial assumptions	(670,352)	255,181	(415,171)
– demographic adjustments	–	314	314
– experience adjustments	177,273	20,659	197,932
	(493,079)	276,154	(216,925)
Benefits paid during the year	(523,600)	(28,627)	(552,227)
Others	116,042	7,543	123,585
As at 31 December 2024	11,027,748	1,122,300	12,150,048

Following table represents the components of the DBO outside KSA at 31 December 2025:

	USA	UK	Others	Total
As at 1 January 2025	1,933,640	1,944,825	564,866	4,443,331
Current service cost	780	–	9,793	10,573
Past service cost	–	19,950	–	19,950
Gain on settlement	–	–	(157)	(157)
Finance costs	105,688	93,744	20,421	219,853
Benefits paid during the year	(182,265)	(81,728)	(25,761)	(289,754)
Settlement paid	–	–	(476)	(476)
Actuarial changes arising due to:				
– financial assumptions	54,135	43,853	(50,497)	47,491
– demographic changes	–	7,982	2	7,984
– experience adjustments	6,644	3,801	(29,781)	(19,336)
	60,779	55,636	(80,276)	36,139
Foreign currency and others	–	100,843	57,653	158,496
As at 31 December 2025	1,918,622	2,133,270	546,063	4,597,955

The development of plan assets for these major plans in the different regions can be shown as follows:

	USA	UK	Others	Total
Plan assets as at 1 January 2025	1,640,094	1,655,118	30,354	3,325,566
Interest income	85,583	97,996	1,119	184,698
Employer's contribution	40,713	61,153	12,277	114,143
Return on plan assets (excluding interest income)	28,422	(43,005)	(5)	(14,588)
Benefits paid during the year	(182,265)	(81,728)	(10,675)	(274,668)
Administrative expenses	(4,472)	–	16	(4,456)
Foreign currency and others	–	121,405	3,968	125,373
Plan assets as at 31 December 2025	1,608,075	1,810,939	37,054	3,456,068
Net defined benefit obligation as at 31 December 2025	310,547	322,331	509,009	1,141,887

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23. EMPLOYEE BENEFITS (CONTINUED)

OTHER LONG-TERM EMPLOYEE BENEFITS (CONTINUED)

EARLY RETIREMENT PLANS (CONTINUED)

Following table represents the components of the DBO outside the KSA at 31 December 2024:

	USA	UK	Others	Total
As at 1 January 2024	2,173,913	1,794,726	621,847	4,590,486
Current service costs	1,080	–	11,608	12,688
Past service cost	–	732	155	887
Finance costs	103,843	85,678	19,901	209,422
Benefits paid during the year	(152,288)	(73,949)	(25,193)	(251,430)
Actuarial changes arising due to:				
– financial assumptions	(168,712)	(159,219)	(1,661)	(329,592)
– demographic changes	–	(4,210)	(1,610)	(5,820)
– experience adjustments	(24,196)	(6,355)	9,994	(20,557)
	(192,908)	(169,784)	6,723	(355,969)
Effect of onerous liability	–	128,783	–	128,783
Foreign currency and others	–	178,639	(70,175)	108,464
Defined benefit obligation	1,933,640	1,944,825	564,866	4,443,331
Reclassification to other non-current financial assets ⁽ⁱ⁾	(1,530,386)	–	–	(1,530,386)
Asset ceiling for plan assets ⁽ⁱ⁾	–	(1,624,017)	–	(1,624,017)
As at 31 December 2024	403,254	320,808	564,866	1,288,928

⁽ⁱ⁾ USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the company does not have the right for any refund upon any liquidation of the fund.

The development of plan assets for major plans in the different regions can be shown as follows:

	USA	UK	Others	Total
Plan assets as at 1 January 2024	1,736,771	1,597,812	30,077	3,364,660
Interest income	81,011	86,468	1,016	168,495
Employer's contribution	40,032	60,017	11,062	111,111
Return on plan assets (excluding interest income)	(61,200)	7,762	374	(53,064)
Benefits paid during the year	(152,288)	(73,949)	(10,452)	(236,689)
Administrative expenses	(4,232)	–	85	(4,147)
Foreign currency and others	–	(22,992)	(1,808)	(24,800)
	1,640,094	1,655,118	30,354	3,325,566
Reclassification to other non-current financial assets ⁽ⁱ⁾	(1,631,240)	–	–	(1,631,240)
Asset ceiling for plan assets ⁽ⁱ⁾	–	(1,655,118)	–	(1,655,118)
Plan assets as at 31 December 2024	8,854	–	30,354	39,208
Net defined benefit obligation as at 31 December 2024	394,400	320,808	534,512	1,249,720

⁽ⁱ⁾ USA funded plans and an UK plan were overfunded at year-end. For the USA plans, the company is eligible for a refund if the funds would be liquidated. Therefore, the net pension asset is reclassified to other non-current financial assets. For the UK plan, the company does not have the right for any refund upon any liquidation of the fund.

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23. EMPLOYEE BENEFITS (CONTINUED)

OTHER LONG-TERM EMPLOYEE BENEFITS
(CONTINUED)

EARLY RETIREMENT PLANS (CONTINUED)

For the years ended 31 December	2025	2024
Net benefit expense		
Current service cost	849,592	812,699
Past service cost	112,015	(70,936)
Finance costs on benefit obligation	695,175	613,415
Gain on settlements	(93,031)	–
Net benefit expense	1,563,751	1,355,178

EMPLOYEE PENSION PLAN ASSETS

The following table represents the categories of plan assets for the major pension plans outside KSA:

For the year ended 31 December 2025	USA	UK	Others
Quoted and unquoted			
Equity	6.02%	19.76%	–
Debt securities	93.18%	42.19%	–
– Government debtors	–	42.19%	–
– Other debtors	93.18%	–	–
Investment funds and insurance companies	–	0.40%	100%
Derivative financial instruments	–	27.47%	–
Other investments	0.08%	–	–
Cash and cash equivalents	0.72%	10.18%	–
	100.00%	100.00%	100%

For the year ended 31 December 2024	USA	UK	Others
Quoted and unquoted			
Equity	5.90%	18.20%	–
Debt securities	89.47%	8.04%	–
– Government debtors	–	8.04%	–
– Other debtors	89.47%	–	–
Investment funds and insurance companies	–	54.59%	96.65%
Other investments	4.13%	6.88%	3.35%
Cash and cash equivalents	0.50%	12.29%	–
	100.00%	100.00%	100.00%

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23. EMPLOYEE BENEFITS (CONTINUED)

EMPLOYEE PENSION PLAN ASSETS (CONTINUED)

The major economic and actuarial assumptions used in benefits liabilities computation can be shown as follows:

For the year ended 31 December 2025	KSA	USA	UK
Discount rate	5.50%	5.21%	5.65%
Average salary increase	"Exec: 4.50% Non-Exec: 6.00%"	–	3.50%
Pension in payment increase	N/A	N/A	2.80%
Inflation rate (health care cost)	9% in 2025 and 8% thereafter	N/A	N/A
Duration of benefits plan	11 years	11 years	14 years
For the year ended 31 December 2024	KSA	USA	UK
Discount rate	5.60%	5.45%	5.55%
Average salary increase	"Exec: 4.50% Non-Exec: 6.00%"	–	3.61%
Pension in payment increase	N/A	N/A	2.95%
Inflation rate (health care cost)	9% in 2025 and 8% thereafter	N/A	N/A
Duration of benefits plan	11 years	11 years	15 years

N/A = not applicable

SENSITIVITY ANALYSIS

The table below illustrates the approximate impact on the DBO if the Group were to change one key assumption, while the other actuarial assumptions remain unchanged. The sensitivity analysis is intended to illustrate the inherent uncertainty in the valuation of the DBO under market conditions at the measurement date. These results cannot be extrapolated due to non-linear effects that changes in key actuarial assumptions may have on the total DBO.

The sensitivities only apply to the DBO and not to the net amounts recognised in the consolidated statement of financial position. Movements in the fair value of plan assets would, to a certain extent, be expected to offset movements in the DBO resulting from changes in the given assumptions.

For the year ended 31 December 2025	KSA	USA	UK	Others
Increase				
Discount rate (25 bps)	(350,253)	(55,702)	(53,798)	(15,203)
Salary (25 bps)	299,169	–	4,524	4,307
Pension (25 bps)	–	–	56,735	10,609
Health care costs (25 bps)	52,665	–	–	N/A
Decrease				
Discount rate (25 bps)	353,796	58,436	56,167	15,957
Salary (25 bps)	(297,656)	–	(4,390)	(4,191)
Pension (25 bps)	–	–	(53,777)	(10,200)
Health care costs (25 bps)	(49,368)	–	–	–
For the year ended 31 December 2024	KSA	USA	UK	Others
Increase				
Discount rate (25 bps)	(330,242)	(56,820)	(50,492)	(17,354)
Salary (25 bps)	296,210	–	8,063	5,029
Pension (25 bps)	–	–	52,031	12,528
Health care costs (25 bps)	48,973	–	–	–
Decrease				
Discount rate (25 bps)	345,137	59,581	52,728	18,291
Salary (25 bps)	(285,314)	–	(7,822)	(4,894)
Pension (25 bps)	–	–	(41,091)	(11,949)
Health care costs (25 bps)	(46,525)	–	–	–

N/A = not applicable

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23. EMPLOYEE BENEFITS (CONTINUED)

EMPLOYEE PENSION PLAN ASSETS (CONTINUED)

Expected total benefit payments can be broken down as follows:

	31 December 2025	
	KSA	Outside KSA
Within 1 year	651,090	232,607
1 – 2 years	559,470	232,947
2 – 3 years	673,218	232,191
3 – 4 years	710,840	230,794
4 – 5 years	722,452	232,889
Next 5 years	5,170,135	1,119,641
	8,487,205	2,281,069

Expected total benefit payments can be broken down as follows:

	31 December 2024	
	KSA	Outside KSA
Within 1 year	703,139	232,951
1 – 2 years	555,189	223,762
2 – 3 years	626,499	222,377
3 – 4 years	743,625	221,564
4 – 5 years	782,053	220,728
Next 5 years	5,526,025	1,075,371
	8,936,530	2,196,753

24. PROVISIONS

As at 31 December	2025	2024
Non-current:		
Demolition and site restoration ⁽ⁱ⁾	74,157	317,199
Environmental obligations ⁽ⁱⁱ⁾	27,263	80,422
Litigation claims ⁽ⁱⁱⁱ⁾	–	39,026
Restructuring ^(iv)	1,875	12,879
Miscellaneous ^(v)	134,638	421,039
	237,933	870,565
Current: ^(vi)		
Restructuring ^(iv)	25,755	50,678
Demolition and site restoration ⁽ⁱ⁾	5,487	12,058
Environmental obligations ⁽ⁱⁱ⁾	–	884
Miscellaneous ^(v)	52,150	73,628
	83,392	137,248
	321,325	1,007,813

⁽ⁱ⁾ Demolition and site restoration provision represents the provision for cost of dismantling and site restoration of certain manufacturing sites of the Group subsidiaries. The Group recognises a provision when an obligation arises as a consequence of a legal or constructive obligation.

⁽ⁱⁱ⁾ Environmental obligation represents the expected costs of environmental remediation and rehabilitating contaminated sites across the different manufacturing sites.

⁽ⁱⁱⁱ⁾ Provision for litigation obligations represents pending legal claims. Management do not believe that any currently pending or threatened litigation, either individually or in the aggregate, is likely to have a significant adverse effect on its financial position or results of operations. It also includes provisions for damage claims, warranties and similar obligations.

^(iv) Restructuring provisions represent mainly onerous contracts, decommissioning and severance costs relating to specific restructuring projects.

^(v) Miscellaneous provisions relate to various risks and commitments including constructive obligations arising from different projects, using the best estimate of the expenditure required to cover the present obligation, which is expected to be settled in the next twelve months.

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24. PROVISIONS (CONTINUED)

The movement in total provisions has been broken down as follows:

	Demolition and site restoration	Restructuring	Litigation claims	Environmental obligations	Miscellaneous	Total
As at 1 January 2024	569,479	356,645	166,014	90,318	1,083,995	2,266,451
Additions	23,570	26,819	3,000	261,067	422,070	736,526
Utilisation	(122,281)	(312,473)	(100,629)	(10,852)	(881,117)	(1,427,352)
Reversals	(126,327)	–	(27,000)	(255,764)	(86,543)	(495,634)
Others	(15,184)	(7,434)	(2,359)	(3,463)	(43,738)	(72,178)
As at 31 December 2024	329,257	63,557	39,026	81,306	494,667	1,007,813
Additions	59,875	256,631	–	194,123	478,074	988,703
Utilisation	(69,060)	(133,817)	–	(194,355)	(314,932)	(712,164)
Reversals	(889)	(4,893)	–	–	(25,642)	(31,424)
Reclassified to liabilities associated with assets held for sale	(270,976)	(160,711)	(44,048)	(54,667)	(487,525)	(1,017,927)
Others	31,437	6,863	5,022	856	42,146	86,324
As at 31 December 2025	79,644	27,630	–	27,263	186,788	321,325

25. OTHER LIABILITIES

As at 31 December	2025	2024
Non-current:		
Payable to related parties ⁽ⁱ⁾	1,221,479	1,267,029
Contract liability ⁽ⁱⁱ⁾	–	139,964
Miscellaneous	291,609	198,256
	1,513,088	1,605,249
Current:		
Dividends payable (refer to Note 18)	1,121,440	7,471,836
Accrued liabilities	4,095,437	5,285,127
Employees related liabilities	1,610,136	2,535,016
Employee saving plan	2,106,353	2,063,250
Sales and other tax payables	743,657	1,058,050
Payable to related parties ⁽ⁱ⁾	715,234	912,319
Trade advances	190,593	221,329
Miscellaneous	104,205	149,072
	10,687,055	19,695,999

⁽ⁱ⁾ Payable to related parties mainly relate to the operations and production advances, under Joint Ownership and Production Agreement with integral joint ventures. The amortisation of this production advance liability is recorded under 'revenue' amounting to ₪ 225 million (2024: ₪ 180 million). The amounts expected to be recognised as revenue are ₪ 225 million within the next year and ₪ 1,014 million over the subsequent one-to-five-year period [refer to Note 14 (iii)].

⁽ⁱⁱ⁾ Contract liability represents the payable against the asset received from third party under the tolling agreement.

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All amounts in thousands of Saudi Riyals unless otherwise stated.

26. TRADE PAYABLES

trade payables can be broken down as follows:

As at 31 December	2025	2024
Trade accounts payables	6,578,682	8,872,068
Due to related parties (refer to Note 33)	10,524,767	10,921,536
	17,103,449	19,793,604

Trade payables are non-interest bearing and are settled within normal commercial terms.

The Group's exposure to currency and liquidity risk related to accounts payables is disclosed in Note 37.

27. REVENUE

revenue can be broken down as follows:

For the years ended 31 December	2025	2024
Sales of goods	111,629,493	113,662,859
Logistic services	3,416,268	3,464,618
Other revenue	1,479,453	609,015
	116,525,214	117,736,492

No significant revenue was recognised in 2025 from performance obligations satisfied in previous years. All unfulfilled remaining performance obligations as at 31 December 2025 are expected to be satisfied in the next year and in future years.

Revenue from logistic services is recognised over-time and revenue from sales of goods is recognised at-a-point in time.

Other revenue mainly includes license revenue from SABIC Fujian Petrochemicals Co. Ltd, a joint venture of the Group, against licensing and engineering contract and recognised at a point in time upon completion of related performance obligations, for an amount of 863 million (2024: nil), net of unrealised profit (refer to Note 10).

Refer to Note 36 for the segment and geographical distribution of revenue.

28. EXPENSES

based on their nature, cost of sales, general and administrative expenses, research and development expenses and selling and distribution expenses can be broken down as follows:

28.1 COST OF SALES

Cost of sales can be broken down as follows:

For the years ended 31 December	2025	2024
Changes in inventories of finished products, raw materials and consumables used	64,948,641	63,959,816
Depreciation and amortisation	9,575,250	9,797,412
Utilities	7,696,510	6,309,432
Employee related costs	6,468,780	5,993,946
Logistic service-related costs	3,416,268	3,464,618
Repairs and maintenance	2,645,550	2,822,127
Impairments and write-offs of plant and equipment	777,227	28,300
	95,528,226	92,375,651

28.2 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Employee related expenses	4,552,027	4,892,412
Admin and corporate support service	1,800,756	2,077,345
Depreciation and amortisation	723,207	861,123
Maintenance	364,962	493,106
Impairment and write-offs	96,016	20,804
Miscellaneous	286,947	172,187
	7,823,915	8,516,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

28. EXPENSES (CONTINUED)

28.3 RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Employee related expenses	1,000,417	1,171,125
Administrative support	242,299	258,890
Depreciation and amortisation	212,615	151,773
Maintenance	104,431	86,661
Impairment and write-offs	21,191	–
Miscellaneous	49,026	72,765
	1,629,979	1,741,214

28.4 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Transportation and shipping	4,846,327	4,444,289
Employee related expenses	1,120,130	1,332,542
Marketing related expenses	557,777	479,864
Depreciation and amortisation	160,504	160,592
	6,684,738	6,417,287

29. OPERATING INCOME AND EXPENSES

Other operating income can be broken down as follows:

For the years ended 31 December	Note	2025	2024
Services rendered to related parties		572,749	784,926
Gain on sale of F&S business	35	–	291,359
Foreign currency exchange gain		217,585	–
Miscellaneous		169,316	209,790
		959,650	1,286,075

Other operating expenses can be broken down as follows:

For the years ended 31 December	2025	2024
Demolition, restructuring and miscellaneous provisions ⁽ⁱ⁾	1,203,293	312,454
Impairment of non-operating assets	311,036	558,780
Loss from disposal of plant and equipment	165,466	38,668
Donations	51,711	61,353
Foreign currency exchange expenses	–	57,026
Miscellaneous	162,869	281,801
	1,894,375	1,310,083

⁽ⁱ⁾ During the year ended 31 December 2025, SABIC offered a severance package to some of its employees as a result of a strategic workforce optimisation initiative. The impact of this amounting to ± 1,130 million has been recognised within 'other operating expenses' in these consolidated financial statements.

30. FINANCE INCOME AND COSTS

Finance income and finance costs can be broken down by conventional and non-conventional as follows:

For the years ended 31 December	2025	2024
Finance income		
– Conventional call account	–	120
– Conventional fixed term deposits and others	397,076	312,364
– Financial income – related parties	333,002	27,587
– Others	12,954	8,642
Total conventional finance income	743,032	348,713
– Murabaha (including fixed term deposits) – third parties	1,335,428	1,251,928
– Murabaha (including fixed term deposits) – related parties	287,633	290,746
– Sukuk	19,002	20,335
– Others	4,795	374
Total non-conventional finance income	1,646,858	1,563,383
Total finance income	2,389,890	1,912,096

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

30. FINANCE INCOME AND COSTS (CONTINUED)

For the years ended 31 December	2025	2024
Finance costs		
– Commercial loans	37,725	66,264
– Bonds / notes	265,313	265,313
– Lease liabilities	176,676	205,876
– Net interest on employee benefits	670,557	576,535
– Derivative financial instruments	1,143,084	40,238
– Net foreign exchange differences for borrowings	87,694	55,629
– Interest expense on loans and borrowings – related party	453,493	265,707
– Others	193,070	211,501
Total conventional finance costs	3,027,612	1,687,063
– Murabaha – related parties	884,251	863,648
– Murabaha – third parties	106,230	195,083
– SIDF	15,186	17,252
– Others	5,414	5,593
Total non-conventional finance costs	1,011,081	1,081,576
Total finance costs	4,038,693	2,768,639
Net conventional finance cost	(2,284,580)	(1,338,350)
Net non-conventional finance income	635,777	481,807
Finance cost, net	(1,648,803)	(856,543)

31. ZAKAT AND INCOME TAX

The movement in the net zakat and income tax payable can be shown as follows:

	Zakat	Income tax	Total
As at 1 January 2025	118,339	205,838	324,177
Provided during the year	907,776	879,068	1,786,844
Paid during the year, net	(1,363,835)	(679,851)	(2,043,686)
Other movements (foreign currency translations and reclassification)	(3,314)	(33,132)	(36,446)
Reclassified to liabilities directly associated with assets held for sale	–	(37,222)	(37,222)
As at 31 December 2025	(341,034)	334,701	(6,333)

Presentation in the consolidated statement of financial position can be broken down as follows:

As at 31 December 2025	Zakat	Income Tax	Total
Receivable	976,237	84,787	1,061,024
Payable	635,203	419,488	1,054,691
Net (receivable) payable	(341,034)	334,701	(6,333)

	Zakat	Income Tax	Total
As at 1 January 2024	1,414,718	217,346	1,632,064
Provided during the year	213,827	825,383	1,039,210
Paid during the year, net	(1,503,982)	(814,019)	(2,318,001)
Other movements (foreign currency translations and reclassification)	(6,224)	(22,872)	(29,096)
As at 31 December 2024	118,339	205,838	324,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX (CONTINUED)

Presentation in the consolidated statement of financial position can be broken down as follows:

As at 31 December 2024	Zakat	Income Tax	Total
Receivable	–	381,237	381,237
Payable	118,339	587,075	705,414
Net payable	118,339	205,838	324,177

31.1 ZAKAT

Zakat returns of SABIC and wholly owned subsidiaries are submitted to the ZATCA based on separate financial statements prepared for zakat purposes only. Other non-wholly owned subsidiaries file their zakat returns separately. SABIC has filed its zakat returns with ZATCA, received the zakat certificates, settled the zakat dues up to the year ended 31 December 2023. SABIC cleared its zakat assessments with ZATCA up to the year ended 31 December 2018, and the years 2019 through 2023 are under review by the ZATCA.

The Group reported net zakat expense of ﷲ 908 million for the year ended 31 December 2025 (31 December 2024: net zakat expense of ﷲ 214 million).

The reduced zakat expense in 2024 resulted from a reassessment of the zakat positions in the previous years, following the new zakat regulations published during 2024.

31.2 INCOME TAX

The income tax expense from continuing and discontinued operations are as follows:

For the years ended 31 December	2025	2024
Income tax expense (benefit)		
Current tax from continuing operations	672,780	695,640
Current tax from discontinued operations	206,288	129,743
Total current tax expense	879,068	825,383
Deferred tax from continuing operations	23,398	(88,394)
Deferred tax from discontinued operations	1,815,106	(814,918)
Total deferred tax expense (benefit)	1,838,504	(903,312)
Income tax expense from continuing operations	696,178	607,246
Income tax expense (benefit) from discontinued operations	2,021,394	(685,175)
	2,717,572	(77,929)

The major components of income tax from continuing operations in the consolidated statement of income can be broken down as follows:

For the years ended 31 December	2025	2024
Current income tax		
Current year	673,556	659,929
Adjustments in respect of current income tax of previous year	(776)	35,711
Deferred income tax		
Origination and reversals of temporary differences	23,398	(88,394)
Income tax expense from continuing operations	696,178	607,246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

The following deferred income tax related items charged or credited directly to equity, and reported in the consolidated statement of comprehensive income, can be broken down as follows for the years ended 31 December:

For the years ended 31 December	2025	2024
Tax expense (benefit) on remeasurement of defined benefit plans	175,382	(36,794)
Deferred income tax expense (benefit) recognised in other comprehensive income	175,382	(36,794)

The relationship between the domestic (Saudi Arabia) income tax expense and the effective tax expense is as follows for the years ended 31 December:

For the years ended 31 December	2025	2024
Income before zakat and income tax from continuing operations	1,258,302	8,096,040
Exclude: income subject to zakat	(2,651,707)	(8,844,096)
Loss subject to income tax	(1,393,405)	(748,056)
Domestic income tax rate (KSA)	20%	20%
Income tax at domestic tax rate	(278,681)	(149,611)
Tax effects of:		
– Current year tax benefits not recognised	145,112	1,118,963
– Recognition of previously unrecognised tax benefits	(399,712)	–
– Deviating rates	142,626	(195,457)
– Tax rate changes	967	–
– Foreign currency results	945,618	(373,586)
– Tax-exempt results on associates and joint ventures	185,821	237,769
– Non-tax deductible expenses	8,953	25,398
– Prior year adjustments and other tax-exempt items	(173,272)	(3,914)
– Tax charge due to other liabilities	39,385	(87,078)
– Deferred income tax on outside basis differences	(66,526)	(21,867)
– State, local and other income taxes	145,887	56,629
Income tax expense	696,178	607,246
Zakat expense	907,776	213,827
Total income tax and zakat expense from continuing operations	1,603,954	821,073

Review of the major drivers for the current year effective tax expense and zakat expense:

The effective tax and zakat rate is 127% (2024: 10%).

The effective tax expense is negatively impacted mainly by current year tax benefits not recognised for losses in Luxembourg and the United States of America. Other negative impacts included, deviating rates, foreign currency gains and local income and withholding taxes.

Favourable impact to the effective tax expense included recognition of previously unrecognised tax benefits, tax-exempt results on associates and joint ventures, deferred tax on outside basis differences, prior year true-ups and tax-exempt income.

The deferred income tax assets/(liabilities) presented in the consolidated statement of financial position are as follows:

As at 31 December	2025	2024
Deferred income tax assets	367,773	2,365,609
Deferred income tax liabilities	(364,718)	(611,582)
	3,055	1,754,027

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

Components of deferred income tax are as follows:

	Consolidated statement of financial position		Consolidated statement of income	
	2025	2024	2025	2024
– Property, plant and equipment and intangible assets	(535,191)	(1,877,004)	(1,142,383)	(85,645)
– Right-of-use assets	(300,384)	(647,542)	(92,045)	(83,493)
– Inventories	(231)	(3,853)	(3,622)	(646)
– Outside basis differences	(169,773)	(232,505)	(66,526)	(21,867)
– Others	(7,364)	(3,512)	3,852	(52,206)
Deferred income tax liabilities	(1,012,943)	(2,764,416)		
Set-off with deferred income tax assets	648,225	2,152,834		
Net deferred income tax liabilities	(364,718)	(611,582)		
– Tax loss carry forward	14,889,632	15,354,664	(1,176,736)	(3,109,320)
– Property, plant and equipment and intangible assets	226,625	268,168	41,543	(143,244)
– Employee benefits	68,914	279,951	32,682	545
– Lease liabilities	302,556	689,465	92,441	48,328
– Deferred charges	228,000	433,804	23,101	(55,733)
– Provisions on receivables and inventories	128,230	143,888	(25,650)	(15,101)
– Interest carry forward	2,672,548	3,545,113	849,613	(1,485,949)
– Tax credits carry forward	88,025	328,214	(50,298)	(5,385)
– Others	75,508	362,835	(18,886)	105,144
Deferred income tax assets	18,680,038	21,406,102		
Unrecognised deferred income tax assets	(17,664,041)	(16,887,659)	3,371,418	4,001,260
Set-off with deferred income tax liabilities	(648,224)	(2,152,834)		
Net deferred income tax assets	367,773	2,365,609		
Deferred income tax expense (benefit)			1,838,504	(903,312)

The deferred income tax expense of ₪ 1,839 million (2024: income tax benefit of ₪ 903 million) includes an expense of ₪ 1,815 million (2024: benefit of ₪ 815 million) that is presented under discontinued operations in the consolidated statement of income.

Based on the assessment of profitability forecasts for future years, the Group has recognised deferred income tax assets related to its tax losses carry forward in Saudi Arabia of ₪ 3 million (2024: ₪ 5 million), in the Netherlands of ₪ 251 million (2024: ₪ 1,755 million), in the United Kingdom nil (2024: ₪ 234 million), in Spain nil (2024: ₪ 45 million) and in the United States of America of ₪ 52 million (2024: ₪ 479 million).

Deferred tax assets attributable to the disposal of the businesses in Europe and Americas have been de-recognised in 2025, as it is no longer probable that these will be recoverable in the period until the divestiture closing dates. The impact of the de-recognition of these deferred tax assets has been presented under discontinued operations as part of the total income tax expense of ₪ 1,204 million for the European Petrochemical business and ₪ 817 million for the ETP business in Americas and Europe (refer to Note 34).

Recoverability of deferred tax assets is contingent on the ability of the Group to adhere to its business plan, which includes key assumptions like average selling prices and volumes. Management believes that a reasonably possible change in its used assumptions would not cause a significant impact, as the Group's major deferred tax assets recognised are in the Netherlands, which has an indefinite carry forward period for tax losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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31. ZAKAT AND INCOME TAX (CONTINUED)

31.2 INCOME TAX (CONTINUED)

An overview of the Group’s recognised tax loss carry forward is shown below:

As at 31 December	2025	2024	Expiration ranges
Saudi Arabia	12,659	26,331	Indefinite
Netherlands	974,528	6,800,654	Indefinite
United States of America	223,492	2,046,086	2027 – Indefinite
United Kingdom	–	937,700	Indefinite
Spain	–	181,880	Indefinite
Others	10,125	494,469	Various
	1,220,804	10,487,120	Indefinite

In addition, the Group has unrecognised tax losses carry forward available of ₪ 68,595 million (2024: ₪ 52,475 million), mainly in Luxembourg, the Netherlands and the United States of America and which can be applied against future taxable income. In certain jurisdictions, these tax losses are pending completion of tax filings and/or acceptance of tax filings by tax authorities.

The Group has not recognised ₪ 20,793 million, of which ₪ 3,129 million relating to discontinued operations (2024: ₪ 16,888 million of which nil relating to discontinued operations) of deferred income tax assets, largely comprising to tax losses carry forward in various jurisdictions, as no sufficient evidence exists to support the Group’s ability to realise such assets.

The Group has recognised a deferred income tax liability of ₪ 170 million (2024: ₪ 233 million) for withholding taxes that would be payable on the distribution of unremitted earnings of its subsidiaries, joint ventures and associates.

GLOBAL MINIMUM TAX

SABIC, being part of the Saudi Aramco Group, is in scope of OECD Pillar Two model rules and has performed an assessment of its exposure to Pillar Two income taxes. An assessment of the potential exposure to Pillar Two income taxes has been made for the jurisdictions where Pillar Two legislation has been enacted or substantively enacted as at the reporting date. The estimation of the Pillar Two income tax exposure is based on country-by-country reporting and other financial data for the constituent entities.

Based on this assessment, for most of the jurisdictions in which SABIC and the Saudi Aramco Group operate, SABIC is expected to qualify for the transitional CBCR safe harbour relief. However, there are a limited number of jurisdictions where the transitional CBCR safe harbour relief does not apply, for which SABIC has recognised an accrual of ₪ 19 million (2024: nil).

32. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the (Parent) by the weighted average number of ordinary shares during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the (Parent) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and shares data used in the basic and diluted earnings per share computations:

For the years ended 31 December	2025	2024
Net (loss) income attributable to equity holders of the Parent (₪ '000)	(25,779,231)	1,538,542
Weighted average number of ordinary shares ('000)	3,000,000	3,000,000
Earnings per share from net (loss) income attributable to equity holders of the Parent (₪)	(8.59)	0.51
Net (loss) income from continuing operations attributable to equity holders of the Parent (₪ '000)	(1,533,112)	5,090,374
Weighted average number of ordinary shares ('000)	3,000,000	3,000,000
Earnings per share from net (loss) income from continuing operations attributable to equity holders of the Parent (₪)	(0.51)	1.70

There are no instruments that have diluted the weighted average number of ordinary shares.

Interests in subsidiaries are set out in Note 43.

33. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are legal entities or individuals that can exercise influence on SABIC and its subsidiaries and entities over which SABIC can exercise control or joint control, or a significant influence. These primarily include joint ventures and associates, and Saudi Aramco (being Parent), its subsidiaries, joint ventures and associates.

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33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

As part of its normal course of business, SABIC and its subsidiaries and integrated joint ventures enters into various related party contracts and transactions. These principally include sales and purchases, providing and receiving services, and giving and receiving loans.

The following tables show the volume of business with related parties:

	For the year ended 31 December 2025		As at 31 December 2025	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	78,805	5,859,193	37,159	719,429
Joint ventures	8,469,231	16,609,424	3,603,302	5,520,211
Saudi Aramco	15,527	22,086,595	15,317	3,655,683
Saudi Aramco's subsidiaries, joint ventures and associates	10,889,885	23,803,560	1,304,334	2,401,573

	For the year ended 31 December 2024		As at 31 December 2024	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Associates	80,170	5,068,133	16,726	480,736
Joint ventures	7,731,316	20,362,330	4,211,562	6,082,154
Saudi Aramco	26,022	21,869,054	26,560	3,890,254
Saudi Aramco's subsidiaries, joint ventures and associates	11,583,463	23,355,266	906,294	2,503,127

	As at 31 December 2025		As at 31 December 2024	
	Loans to related parties	Loan from related parties	Loans to related parties	Loan from related parties
Associates	28,908	–	28,256	–
Joint ventures	423,409	–	688,623	–
Entities (FVOCI equity accounted)	–	–	57,127	–
Saudi Aramco's subsidiary	–	10,397,249	–	7,438,960

TERMS AND CONDITIONS OF TRANSACTIONS WITH
RELATED PARTIES

The sales to and purchases from related parties are made at agreed terms and conditions. Outstanding balances are unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended 31 December 2025 and 2024, the Group has not recognised any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

GOVERNMENT, SEMI-GOVERNMENT AND OTHER
ENTITIES WITH GOVERNMENT OWNERSHIP OR
CONTROL

Transactions and balances with entities controlled by the Saudi government can be shown as follows:

For the years ended 31 December	2025	2024
Purchases of goods and services	2,338,518	2,060,740
Sales of goods and services	247,783	2,597,105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

GOVERNMENT, SEMI-GOVERNMENT AND OTHER ENTITIES WITH GOVERNMENT OWNERSHIP OR CONTROL (CONTINUED)

As at 31 December	2025	2024
Payables	164,584	144,613
Receivables ⁽ⁱ⁾	1,959,968	5,485,010
Short-term investments with banks	4,177,078	2,748,900
Cash and cash equivalents held with banks	5,745,786	7,313,817
Borrowings	14,547,785	12,439,622
Lease liabilities	1,385,019	1,448,537

⁽ⁱ⁾ Receivables include the below balances as at 31 December 2025 with respect to sale of Hadeed, an entity controlled by the Saudi government:

- receivable from PIF amounting to ﷲ 1,929 million (31 December 2024: ﷲ 4,826 million).
- receivable from Hadeed against services amounting to ﷲ 27 million (31 December 2024: ﷲ 647 million).

KEY MANAGEMENT PERSONNEL COMPENSATION

In addition to remunerations to key management personnel, the Group also provides non-cash benefits to directors and executive officers and contributes to a post-employment defined benefit plan on their behalf.

Remuneration of key management can be shown as follows:

For the years ended 31 December	2025	2024
Short-term employee benefits	47,499	38,425
Post-employment benefits	8,610	8,182
Other long-term benefits	11,604	30,439
Total	67,713	77,046

34. DISCONTINUED OPERATIONS

34.1 DISPOSAL OF SABIC EUROPE B.V.

On 16 December 2025, SABIC Board authorized the divestiture of its entire European Petrochemicals business engaged in the production and sales of ethylene, propylene, low-density polyethylene (LDPE) and high-density polyethylene (HDPE), polypropylene (PP), and value-added polymer compounds, which was part of its Petrochemicals segment. The sale forms part of management’s strategic repositioning to divest structurally challenged assets, rationalise the Group’s geographic footprint, and redeploy capital to core growth areas.

As part of this transaction, SABIC International Holdings B.V., a wholly owned subsidiary of SABIC, has entered into an initial agreement and, subject to receiving advice from applicable employee representative bodies, is expected to enter a Share Purchase Agreement (SPA) with AEQH38 GmbH, a company incorporated under the laws of Germany and controlled by AEQUITA SE & Co. KGaA (“AEQUITA”), for the divestment of its entire shareholding in SABIC Europe B.V. (“EP”). This transaction encompasses the disposal of SABIC’s European Petrochemicals business and associated assets, including significant production facilities located within the European region.

Following the SABIC Board’s approval, EP business is classified as a disposal group held for sale and presented as a ‘discontinued operation’ under IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’. The classification date reflects the point when management formally committed to a disposal plan. The EP business constitute a distinct business component and qualifies as discontinued operation as it represents a major geographical area of operations and forms part of a single co-ordinated plan for disposal and has been classified as held for sale.

Consequently, the assets and liabilities pertaining to this disposal group are segregated and disclosed separately as ‘held for sale’ within these consolidated financial statements. These items are measured at the lower of the carrying amount

and fair value less costs to sell. Accordingly, depreciation and amortisation of assets within the disposal group have ceased from the date of classification. The results of EP business are reported as discontinued operation in the consolidated statement of income and consolidated statement of cash flows for all periods presented.

The completion of the transaction remains contingent upon the fulfilment of standard conditions and receipt of necessary approvals. It is anticipated that the closing will occur prior to the conclusion of the fourth quarter of 2026.

As for this transaction, the consideration structure, which is based on an enterprise value of ﷲ 1,875 million, includes deferred and contingent proceeds in the form of two vendor loan notes with a combined principal amount of ﷲ 1,875 million, the repayment of which is linked to the post disposal free cash flow generation of the business and other defined European Olefins and Polyolefins assets of AEQUITA.

In determining fair value, expected future vendor loan repayments are estimated using a risk-adjusted forecast of distributable cash flows and dividend distributions, discounted to reflect the timing and risk profile of these expected cash flows. These valuation inputs represent Level 3 fair value measurements, as they rely on significant unobservable inputs. Adjustments defined in the proposed sale agreement, such as net debt items, working capital normalisation gaps and other customary closing adjustments, together with transactional cost are also taken into consideration for development of the fair value.

Consequently, the estimated fair value of the EP business is lower than the carrying amount of its assets and liabilities by ﷲ 9,847 million. The primary significant unobservable input used in this Level 3 fair value measurement is the discount rate. A discount rate of 12% was applied in determining the fair value of the EP business. A 100 basis point change in the discount rate would alter the fair value by about ﷲ 37 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

34. DISCONTINUED OPERATIONS (CONTINUED)

34.1 DISPOSAL OF SABIC EUROPE B.V. (CONTINUED)

34.1.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

Following table presents the financial performance of discontinued operation after capturing the effects of fair value remeasurement at initial recognition:

For the years ended 31 December	2025	2024
Revenue	13,666,545	14,757,264
Depreciation, amortisation and impairment ⁽ⁱ⁾	(4,435,138)	(1,223,045)
Cost of sales and other expenses, net	(14,472,751)	(15,634,874)
Finance income and expenses, net	(87,612)	4,318
Results from non-integral joint ventures and associates	60,964	39,294
Loss before income tax	(5,267,992)	(2,057,043)
Income tax (expense) benefit ⁽ⁱⁱ⁾	(1,203,934)	456,076
Loss after income tax	(6,471,926)	(1,600,967)
Fair value remeasurement loss	(9,847,069)	–
Loss from discontinued operation	(16,318,995)	(1,600,967)
OCI items ⁽ⁱⁱⁱ⁾	1,329,144	(813,049)
Total comprehensive loss from discontinued operation	(14,989,851)	(2,414,016)

⁽ⁱ⁾ Impairment includes amount of ₪ 3,514 million related to a cracker facility located in Teesside, United Kingdom as part of EP discontinued operation (refer to Note 7).

⁽ⁱⁱ⁾ The increase of income tax expense in the current year is mainly driven by the de-recognition of deferred tax assets, as it is no longer probable that these will be recoverable in the period until the divestiture closing date.

⁽ⁱⁱⁱ⁾ OCI items mainly include foreign currency translation adjustments.

The following table presents the cash flow information of discontinued operation for the following periods:

For the years ended 31 December	2025	2024
Net cash (used in) from operating activities	(1,220,864)	3,431,649
Net cash used in investing activities	(864,057)	(1,506,255)
Net cash used in financing activities	(194,213)	(189,394)
Net (decrease) increase in cash and cash equivalents	(2,279,134)	1,736,000

Loss before zakat and income tax from discontinued operation, as presented in the consolidated statement of cash flows, amounted to ₪ 15,115 million including the fair value remeasurement on assets held for sale.

34.1.2 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The carrying amounts of assets and liabilities of disposal group classified as held for sale were:

		As at 31 December 2025		
	Note	Gross balances	Fair value remeasurement loss	Net balances
Assets held for sale				
Property, plant and equipment	7	7,506,681	(7,506,681)	–
Right-of-use assets	8	637,706	(637,706)	–
Goodwill	9	780,000	(780,000)	–
Intangible assets	9	23,229	(23,229)	–
Inventories		2,190,427	–	2,190,427
Trade receivables		1,500,400	–	1,500,400
Other assets		1,014,944	(899,453)	115,491
Cash and cash equivalents		10,666	–	10,666
		13,664,053	(9,847,069)	3,816,984
Liabilities directly associated with assets held for sale				
Employee benefits		353,000	–	353,000
Other liabilities		2,516,435	–	2,516,435
Trade payables		1,482,961	–	1,482,961
		4,352,396	–	4,352,396
Net assets		9,311,657	(9,847,069)	(535,412)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

34. DISCONTINUED OPERATIONS (CONTINUED)

34.2 DISPOSAL OF ENGINEERING THERMOPLASTICS BUSINESS IN THE AMERICAS AND EUROPE

On 16 December 2025, the SABIC Board authorised the divestiture of its entire Engineering Thermoplastics business in the Americas and Europe including major production sites and related activities, which was part of its Petrochemicals segment. The sale forms part of management’s strategic repositioning to divest structurally challenged assets, rationalise the Group’s geographic footprint, and redeploy capital to core growth areas.

As part of this transaction, SABIC International Holdings B.V. (SIH) and SABIC US Holding LP (SUSH), both wholly owned subsidiaries of SABIC, have entered to an initial agreement and, subject to receiving advice from applicable employee representative bodies, are expected to enter a Share Purchase Agreement with Mutares Plastics Netherlands B.V. (a private limited liability company incorporated in the Netherlands) and Mutares Plastics US (a private limited liability company incorporated in the United States of America). Both entities are under the control of Mutares SE & Co KGaA (Mutares), a publicly listed company headquartered in Munich, Germany. Pursuant to the agreement, SIH agreed to sell its entire shareholding in Plastics US Holdings LLC and Jadeed Holding B.V., both subsidiaries of SABIC, which collectively represent SABIC’s Engineering Thermoplastics business in the Americas and Europe (ETP in Americas and Europe), respectively.

Following the SABIC Board’s approval, ETP in Americas and Europe is classified as a disposal group held for sale and presented as a ‘discontinued operation’ under

IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’ as at 31 December 2025. The classification date reflects the point when management formally committed to a disposal plan. The ETP operations in America and Europe constitute a distinct business component and qualifies as discontinued operation as it represents a major geographical area of operations and forms part of a single, co-ordinated plan for disposal and has been classified as held for sale.

Consequently, the assets and liabilities pertaining to this disposal group are segregated and disclosed separately as ‘held for sale’ within these consolidated financial statements. These items are measured at lower of the carrying amount and fair value less costs to sell. Accordingly, depreciation and amortisation of assets within the disposal group have ceased from the date of classification. The results of ETP in Americas and Europe are reported as discontinued operation in the consolidated statement of income and consolidated statement of cash flows for all periods presented.

The completion of the transaction remains contingent upon the fulfilment of standard conditions and receipt of requisite regulatory approvals. It is anticipated that the closing will occur prior to the conclusion of the third quarter of 2026.

As for this transaction, the consideration structure, which is based on enterprise value of ﷲ 1,687.5 million, includes upfront cash proceeds and subsequent contingent proceeds. The contingent consideration comprises an earn-out arrangement entitling the recipient to 30% of the business’s free cash flows for a period of four years, commencing from the year after the second anniversary of the transaction’s closing. In addition, it includes 30% of the net proceeds

realised upon exit by Mutares, should such a monetisation event occur, with a minimum guaranteed amount of ﷲ 262.5 million at the earlier of four years after the second anniversary or exit.

The fair value of the consideration is estimated using the present value of adjusted upfront cash proceeds and expected subsequent contingent proceeds, discounted to reflect the timing and risk profile of these proceeds.

Management’s valuation incorporates the assumptions regarding future operating performance, forecast free cash flows, value realisation upon a potential future liquidity event and its timing as well as discount rates reflecting the risk profile of the expected cash flows. These valuation inputs represent Level 3 fair value measurements, as they rely on significant unobservable inputs. The fair value measurement also reflects the adjustments such as net-debt items, working capital normalisation and other customary closing adjustments, together with the transactional cost.

Consequently, the determined fair value of ETP in the Americas and Europe is lower than the carrying amount of the related assets and liabilities by ﷲ 5,329 million. This Level 3 fair value measurement primarily relies on significant unobservable inputs, including the discount rate and valuation multiples applied to estimate enterprise value in the event of a Mutares exit. The discount rates utilised in the assessment are 11% and 14%, respectively, for certain periods within the projection horizon. A change in the discount rate by 100 basis points would result in a corresponding change in fair value of ﷲ 94 million. The valuation multiples applied for anticipated monetisation are 8x; a change in multiples by 1x would cause the fair value to change by ﷲ 225 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

34. DISCONTINUED OPERATIONS (CONTINUED)

34.2 DISPOSAL OF ENGINEERING THERMOPLASTICS BUSINESS IN THE AMERICAS AND EUROPE (CONTINUED)

34.2.1 FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

Following table presents the financial performance of discontinued operation capturing the effects of fair value remeasurement at initial recognition:

For the years ended 31 December	2025	2024
Revenue	6,850,226	7,486,743
Depreciation, amortisation and impairment	(763,253)	(931,364)
Cost of sales and other expenses, net	(7,953,761)	(8,143,856)
Finance income and expenses	(47,286)	(34,101)
Loss before income tax	(1,914,074)	(1,622,578)
Income tax (expense) benefit ⁽ⁱ⁾	(817,460)	229,099
Loss after income tax	(2,731,534)	(1,393,479)
Fair value remeasurement loss	(5,328,785)	–
Loss from discontinued operation	(8,060,319)	(1,393,479)
OCI items ⁽ⁱⁱ⁾	(101,967)	(57,179)
Total comprehensive loss from discontinued operation	(8,162,286)	(1,450,658)

⁽ⁱ⁾ The increase of income tax expense in the current year is mainly driven by the de-recognition of deferred tax assets, as it is no longer probable that these will be recoverable in the period until the divestiture closing date.

⁽ⁱⁱ⁾ OCI items mainly include foreign currency translation adjustments.

Following table presents the cash flow information of discontinued operation for the following periods:

For the years ended 31 December	2025	2024
Net cash generated from operating activities	638,942	957,470
Net cash used in investing activities	(534,759)	(962,513)
Net cash used in financing activities	(40,973)	(39,957)
Net increase (decrease) in cash and cash equivalents	63,210	(45,000)

Loss before zakat and income tax from discontinued operation, as presented in the consolidated statement of cash flows, amounted to ₪ 7,243 million including the fair value remeasurement on assets held for sale.

34.2.2 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The carrying amounts of assets and liabilities of disposal group classified as held for sale were:

		As at 31 December 2025		
	Note	Gross balances	Fair value remeasurement loss	Net balances
Assets held for sale				
Property, plant and equipment	7	5,899,097	(4,262,693)	1,636,404
Right-of-use assets	8	145,494	(105,134)	40,360
Goodwill	9	892,500	(892,500)	–
Intangible assets	9	94,740	(68,459)	26,281
Inventories		2,234,950	–	2,234,950
Trade receivables		714,876	–	714,876
Other assets		297,456	–	297,456
Cash and cash equivalents		194,210	–	194,210
		10,473,323	(5,328,786)	5,144,537

Liabilities directly associated with assets held for sale

Employee benefits	678,269	–	678,269
Other liabilities	1,053,718	–	1,053,718
Trade payables	902,969	–	902,969
	2,634,956	–	2,634,956
Net assets	7,838,367	(5,328,786)	2,509,581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

34. DISCONTINUED OPERATIONS (CONTINUED)

34.3 DISPOSAL OF HADEED

On 3 September 2023, the Group announced signing an agreement with the Public Investment Fund (“PIF”) to acquire all SABIC shares in the Saudi Iron and Steel Company (“Hadeed”).

Following the signing of the agreement, Hadeed was classified as ‘discontinued operation’ under IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’. The assets and liabilities of the disposal group are therefore classified and presented separately as ‘held for sale’ in these consolidated financial statements. These are measured at the lower of their carrying amount and fair value less costs to sell (based on the agreement) and depreciation is ceased on the relevant assets from the date of their classification as ‘held for sale’.

As per 31 May 2024, SABIC had obtained all approvals from the relevant authorities and satisfied all conditions related to the transfer of the ownership of Hadeed to PIF. During the year ended 31 December 2025, SABIC received ﷲ 3,173 million from PIF against the sale of Hadeed.

35. ASSETS HELD FOR SALE

SALE OF SHARES IN ALBA – CLASSIFIED AS ASSET HELD FOR SALE

On 14 Rabi’ul Awwal 1446 AH (corresponding to 17 September 2024), the Group announced the signing by SABIC Industrial Investment Company, a wholly owned subsidiary of SABIC, of an agreement for the sale of its holding of 292,804,000 ordinary shares in ALBA (representing 20.62% of its issued share capital) to Saudi Arabian Mining Company (“Ma’aden”).

The investment was measured at the lower of its carrying amount and its fair value less costs to sell (based on the agreement), resulting in a fair value remeasurement loss amounting to ﷲ 201 million which was recorded under results from associates and non-integral joint ventures in the consolidated statement of income in 2024.

On 20 Sha’ban 1446H (corresponding to 19 February 2025), SABIC announced the completion of sale of shares in ALBA against sales proceeds of BHD 363 million (equivalent to ﷲ 3,612 million). The transaction resulted in a gain of ﷲ 13 million, principally arising from the reclassification of other comprehensive income to the consolidated statement of income upon disposal, after reflecting the foreign exchange loss and finance expenses incurred in connection with the settlement of the transaction.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into two operating segments.

The Petrochemicals segment comprised two primary product categories: Chemicals and Polymers.

- **Chemicals** products are manufactured from a variety of hydrocarbon feedstock, including Methane, Ethane, Propane, Butane, and light Naphtha. The product range includes Olefins, Methanol, Aromatics, Glycols, Carbon Dioxide, Methyl Tert-Butyl Ether (MTBE).
- **Polymers** products include Polyethylene (PE), Polypropylene (PP), Polycarbonate (PC), specialties products and other Polymers:
 - The PE product range encompasses linear low-density polyethylene (LLDPE), low-density polyethylene (LDPE), and high-density polyethylene (HDPE).

- The PP product lines include homo, random, and impact Polypropylene, as well as Polypropylene compounds, homo polymer, random copolymer, impact copolymer, and specialty automotive grades.
- The Specialties product range includes NORYL™, ULTEM™, EXTEM™, and SILTEM™ resins, a range of LNP™ compounds and copolymers, and a variety of thermosets and additives.
- Other notable products include Polycarbonate (PC), Polyvinyl Chloride (PVC), Polyethylene Terephthalate (PET), Polystyrene (PS) and Acrylonitrile Butadiene Styrene (ABS).

The **Agri-Nutrients** segment consists of a range of fertiliser products including Urea, Ammonia, Phosphate, as well as compound fertilisers.

As at 31 December 2025, the European Petrochemicals (EP) and Engineering Thermoplastics in Americas and Europe business units are classified as discontinued operations within these consolidated financial statements, and accordingly, are not included in below segment information.

European Petrochemicals (EP) was part of Petrochemicals segment, and engage in production and sales of following products within Chemicals and Polymers mainly in Europe:

- Chemicals products range of EP includes Olefins, Aromatics, Butadiene and Methyl Tert-Butyl Ether (MTBE), and majority of products are manufactured from Naphtha.
- Polymers within EP include Polyethylene (PE) and Polypropylene (PP), and majority of products are manufactured from Olefins.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

36. SEGMENT INFORMATION (CONTINUED)

Engineering Thermoplastics Plastics in the Americas and Europe was part of Petrochemicals segment and having cross-regional business for engineering polymer solutions in Europe and America regions:

- Polymers products within ETP in Americas and Europe include a broad range of Polycarbonates (PC), Polybutylene Terephthalate (PBT) and Acrylonitrile Butadiene Styrene (ABS) resins, compounds and blends.
- The ETP in Americas and Europe chemicals products include Phenol and Acetone mainly in Americas.

The Chief Executive Officer monitors the results of the segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income statement and is measured consistently with profit or loss in the consolidated financial statements.

The segments' financial details are shown below:

	For the year ended 31 December 2025		
	Petrochemicals	Agri-nutrients	Continuing operations
Revenue	103,935,678	12,589,536	116,525,214
Depreciation and amortisation	(10,005,124)	(850,750)	(10,855,874)
Impairments and write-offs	(1,205,470)	–	(1,205,470)
Income from operations	331,322	4,035,672	4,366,994
Share of results of associates and non-integral joint ventures	(1,282,087)	1,315,542	33,455
Impairment loss from associates and joint ventures	(1,493,344)	–	(1,493,344)
Finance income			2,389,890
Finance costs			(4,038,693)
Income before zakat and income tax			1,258,302

	For the year ended 31 December 2024		
	Petrochemicals	Agri-nutrients	Continuing operations
Revenue	107,253,476	10,483,016	117,736,492
Depreciation and amortisation	(10,073,150)	(893,835)	(10,966,985)
Impairments and write-offs	(608,096)	–	(608,096)
Income from operations	6,401,868	3,024,645	9,426,513
Share of results of associates and non-integral joint ventures	126,386	787,121	913,507
Impairment loss from associates and joint ventures	(1,387,437)	–	(1,387,437)
Finance income			1,912,096
Finance costs			(2,768,639)
Income before zakat and income tax			8,096,040

	As at 31 December 2025		
	Petrochemicals	Agri-nutrients	Continuing operations
Total assets	207,682,909	27,647,759	235,330,668
Capital expenditure	6,536,874	788,983	7,325,857
Investments in associates and joint ventures	24,213,212	9,113,177	33,326,389
Total liabilities	78,180,071	4,305,225	82,485,296

	Note	As at 31 December 2024 (Restated)		
		Petrochemicals	Agri-nutrients	Continuing operations
Total assets	42	249,620,220	24,299,998	273,920,218
Capital expenditure		9,427,133	773,096	10,200,229
Investments in associates and joint ventures	42	26,426,101	8,534,734	34,960,835
Total liabilities		89,192,915	4,907,719	94,100,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

36. SEGMENT INFORMATION (CONTINUED)

GEOGRAPHICAL DISTRIBUTION OF REVENUE

	For the year ended 31 December 2025		For the year ended 31 December 2024	
		%		%
Rest of Asia	32,530,448	28	30,608,426	26
China	23,111,610	20	24,558,306	20
KSA	18,083,824	16	18,573,597	16
Americas	12,072,642	10	13,693,820	12
Europe	10,484,225	9	10,571,464	9
Africa	9,293,022	8	9,081,178	8
Others	10,949,443	9	10,649,701	9
	116,525,214	100	117,736,492	100

The revenue information above is based on the locations of the customers.

GEOGRAPHICAL DISTRIBUTION FOR NON-CURRENT ASSETS EXCLUDING FINANCIAL ASSETS AND DEFERRED TAX ASSETS

	For the year ended 31 December 2025		For the year ended 31 December 2024	
		%		%
KSA	77,004,852	74	97,104,675	69
Americas	20,515,301	14	22,046,922	16
Europe	17,625,393	10	18,162,212	13
Asia	2,659,930	2	2,745,573	2
Africa	14,709	–	21,992	–
	117,820,185	100	140,081,374	100

GEOGRAPHICAL DISTRIBUTION FOR INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December 2025		As at 31 December 2024	
		%		%
KSA	27,848,502	83	28,678,957	81
Europe	5,175,491	15	6,233,912	18
Americas	531,146	2	522,916	1
	33,555,139	100	35,435,785	100

37. FINANCIAL RISK MANAGEMENT

OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)
RISK MANAGEMENT FRAMEWORK (CONTINUED)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The maximum exposure to credit risk is the carrying value of these assets.

The Group's policies limit the amount of credit exposure to any individual counterparty based on their credit rating as well as other factors. Moreover, the Group's policies require that cash and cash equivalents and short-term investments be invested with a diversified group of financial institutions, in the majority of cases with investment grade credit ratings. The Group ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third party rating models.

For the year ended 31 December 2025

	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Other	Carry value in the statement of financial position
Bank balances and fixed term deposits	–	15,441	24,989	6,976,905	16,276,265	4,159,230	–	–	12,794	280,681	27,746,305
Investments in equity instruments	–	–	–	–	–	–	–	–	–	304,260	304,260
Investments in debt instruments	–	–	–	–	336,685	–	–	–	–	–	336,685
Short-term investments ⁽ⁱ⁾	–	–	1,305,040	1,200,821	6,758,132	2,739,862	–	–	–	909,466	12,913,321
Other financial assets	–	–	–	1,928,683	–	–	–	–	–	3,780,777	5,709,460
	–	15,441	1,330,029	10,106,409	23,371,082	6,899,092	–	–	12,794	5,275,184	47,010,031

⁽ⁱ⁾ Excludes investments in debt instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.1 CREDIT RISK (CONTINUED)

	For the year ended 31 December 2024										Carry value in the statement of financial position
	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Other	
Bank balances and fixed term deposits	–	8,930	419,076	1,437,608	24,403,846	3,840,774	153	–	4,499	423,913	30,538,799
Investments in equity instruments	–	–	–	–	–	–	–	–	–	253,402	253,402
Investments in debt instruments	–	–	–	187,500	–	–	–	–	–	149,082	336,582
Short-term investments ⁽ⁱ⁾	–	–	259,512	245,735	4,279,377	2,653,413	–	–	–	226,646	7,664,683
Other financial assets	–	–	–	4,826,091	–	–	–	–	–	4,397,242	9,223,333
	–	8,930	678,588	6,696,934	28,683,223	6,494,187	153	–	4,499	5,450,285	48,016,799

⁽ⁱ⁾ Excludes investments in debt instruments.

TRADE RECEIVABLES

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the customer demographics, including default risk of the industry and country in which customer operates, as these factors may have an influence on credit risk. Due to the global activities and diversified customer structure of the Group, there is no significant concentration of credit default risk.

The Group takes credit risk on trades with recognised, creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Credit quality of the customer is assessed based on an extensive internal credit rating

scorecard by considering the payment behaviour, company legal structure, financial and non-financial profile and external data where available. Credit limits are established accordingly and frequently monitored in accordance with the established policy. Payment terms are generally agreed upon individually with customers and, as a rule, are within 30-120 days. The Group considers additional measures to mitigate credit risk when deemed appropriate by means of letter of credits, credit insurance, bank guarantees or parent company guarantees.

The Group applies the simplified approach allowed by IFRS 9 ‘Financial Instruments’ in providing for expected credit losses for trade receivables which uses the lifetime expected credit loss provision for all trade receivables. Such credit losses have historically been nominal and the loss allowance for trade receivables (refer to Note 17) is not material.

37.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities, as they fall due. Liquidity risk mainly relates to trade and other payables, borrowings, leases liabilities, and financial instruments. SABIC’s approach to managing liquidity risk is to maintain sufficient cash and cash equivalents and short-term investments, and through ensuring the availability of adequate banking facilities (refer to Note 22).

At the Group level liquidity risk is managed through, setting an appropriate liquidity framework, monitoring cash flow forecasts to ensure overall liquidity is available, maintaining a sufficient portfolio of assets that can be easily liquidated and through the use of a global cash pooling mechanisms.

The Group invests surplus funds in current accounts, fixed term deposits, money market deposits and marketable securities. The Group prioritises security and liquidity over yield.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.2 LIQUIDITY RISK (CONTINUED)

The table below summaries the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	31 December 2025				
	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Debt (excludes lease liabilities)	10,973,221	895,631	10,448,095	10,132,000	32,448,947
Short-term borrowings	998,944	–	–	–	998,944
Interest on loans and borrowings ⁽ⁱ⁾	1,300,190	1,140,619	2,549,266	2,166,939	7,157,014
Trade payables	17,103,449	–	–	–	17,103,449
Lease liabilities	482,300	323,189	487,597	6,958,277	8,251,363
Dividend payable	1,121,440	–	–	–	1,121,440
Other liabilities	3,409,455	–	–	–	3,409,455
Obligations to acquire the remaining shares of certain subsidiaries	–	–	–	959,644	959,644
Financial liabilities – derivative financial instruments	–	–	–	911,250	911,250
	35,388,999	2,359,439	13,484,958	21,128,110	72,361,506

⁽ⁱ⁾ Excludes interest on lease.

	31 December 2024				
	Within 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Debt (excludes lease liabilities)	1,768,422	3,761,221	14,414,977	8,110,000	28,054,620
Short-term borrowings	2,080,922	–	–	–	2,080,922
Interest on loans and borrowings ⁽ⁱ⁾	1,209,466	892,653	1,803,029	1,949,145	5,854,293
Trade payables	19,793,604	–	–	–	19,793,604
Lease liabilities	1,148,117	795,754	1,536,982	6,791,128	10,271,981
Dividend payable	7,471,836	–	–	–	7,471,836
Other liabilities	2,851	–	–	–	2,851
Obligations to acquire the remaining shares of certain subsidiaries	–	–	–	880,894	880,894
Financial liabilities – derivative financial instruments	–	–	–	1,095,000	1,095,000
	33,475,218	5,449,628	17,754,988	18,826,167	75,506,001

⁽ⁱ⁾ Excludes interest on lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.3 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign equity prices, exchange rates and interest rates and will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has derivative financial instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board Sustainability, Risk and EHSS Committee.

EQUITY PRICE RISK

The Group’s exposure to equity price risk arises from investments in equity instruments. To manage its price risk arising from these investments, the Group diversifies its investment portfolio. Diversification of the investment portfolio is in accordance with the limits set by the Group.

CURRENCY EXCHANGE RATE RISK

The Group’s foreign currency risk management objective is to protect future cash flows in Saudi Riyals and in USD. Cash flow foreign currency risk exposures are considered at the Group level and these primarily consist of currency exchange risks from account payables and receivables. SABIC management centrally manage currency risk and monitor currency exposures through applying a value-at-risk (VaR) methodology, which is based on a Monte Carlo simulation, at a 97.5% confidence level, a 12-month time horizon is considered. If a foreign currency exposure breaches certain thresholds, then the Group will apply risk management activities. There is no exposure of Saudi Riyal to USD, as the Saudi Riyal is pegged to the USD.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To lower volatility and increase predictability of interest expenses, the Group may enter into simple financial derivative instruments such as interest rate swaps. During the years ended 2025 and 2024, the Group had no interest rate swaps outstanding.

Debt interest rate classification between fixed and variable rate borrowings is disclosed under Note 22. The total value of variable rate borrowings was ﷻ 25,510 million (2024: ﷻ 22,337 million) and the total value of fixed rate borrowings were ﷻ 7,768 million (2024: ﷻ 7,928 million).

The following table demonstrates the sensitivity of the Group to a reasonably possible change in interest rates, with all other variables held constant, of the Groups profit before tax (through the impact on floating rate borrowings):

	31 December 2025	
	Gains (losses) through income and equity	
	+ 100 bps	-100 bps
1M SOFR	(3,813)	3,813
6M SAIBOR	(5,800)	5,800
6M SOFR	(1,403)	1,403

	31 December 2024	
	Gains (losses) through income and equity	
	+ 100 bps	-100 bps
1M SAIBOR	(3,217)	3,217
6M SAIBOR	(2,072)	2,072
6M SOFR	(4,663)	4,663

38. CAPITAL MANAGEMENT

The primary objective to the Group’s capital management is to support its business and maximise shareholder value.

The Group’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure and adjusts it, in light of change in economic conditions.

The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders’ equity, and non-controlling interests. There were no changes in the Group’s approach to capital management during the year. The Board of Directors also monitors the level of dividends to ordinary shareholders and capital management. Neither the Group nor any of its subsidiaries are subject to externally imposed capital requirements.

SABIC defines net debt as total borrowings net of cash and cash equivalents and short-term fixed term deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

38. CAPITAL MANAGEMENT (CONTINUED)

The Group’s net debt to equity ratio at the end of the reporting years is as follows:

As at 31 December	2025	2024
Gross debt	37,055,227	35,198,069
Less: Cash and cash equivalents	(27,746,328)	(30,539,668)
Less: Short-term fixed term deposits	(12,917,548)	(7,668,807)
Net debt	(3,608,649)	(3,010,406)
Total equity	154,819,541	183,443,209
Net debt to equity ratio	(2)%	(2)%

38.1 COMPLIANCE WITH COVENANTS

The Group owes total borrowing, with carrying amount of ٢٥,806 million as at 31 December 2025 (31 December 2024: ٢٢,732 million), which is subject to certain covenants.

The Group was in compliance with covenants at 31 December 2025 and 31 December 2024. There are no indications that there would be any difficulties complying with these covenants when they will be next tested at the interim date.

39. COMMITMENTS AND CONTINGENCIES

39.1 COMMITMENTS

At 31 December 2025, the Group had commitments of ٦,503 million (31 December 2024: ٨,715 million) relating to capital expenditures.

SABIC has an equity contribution commitment towards its 15% interest in MWSPC. As at 31 December 2025, the outstanding commitment towards this investment amounts to ٢٧4 million (31 December 2024: ٢٧4 million). Pursuant to the terms of agreements with the other shareholders and external lenders, SABIC has agreed to contribute additional funds to the project, under certain circumstances and to the extent required, in the event of project cost overruns.

NUSANED has equity contribution commitments towards its 60% interest in NUSANED Fund II. As of 31 December 2025, the outstanding commitment toward this investment amounts to ٣61 million (31 December 2024: ٤31 million).

On 9 Rajab 1445H (corresponding to 21 January 2024), SABIC decided to move forward with the development of a world scale Petrochemical complex located in Fujian (China) in partnership with Fujian Fuhua Gulei Petrochemical Co., Ltd., the joint venture partner. SIIC, a subsidiary of SABIC, has 51% ownership in the joint venture SABIC Fujian Petrochemicals Co., Ltd. (“FUJIAN”). As of 31 December 2025, the outstanding equity commitments towards FUJIAN’s capital is ١,341 million (31 December 2024: ٢,826 million).

39.2 GUARANTEES

SABIC issues financial guarantee contracts to make specified payments to reimburse holders for losses incurred due to certain associates and joint ventures failing to make payments when due, in accordance with original or modified terms of the debt instrument, such as a loan agreement modified terms of the debt instrument, such as a loan agreement.

There are no outstanding financial guarantees as at 31 December 2025 (31 December 2024: nil).

39.3 CONTINGENT LIABILITIES

In the ordinary course of business, SABIC has a number of legal claims. After having obtained appropriate legal advice, management is of the opinion that these claims will not have a significant adverse impact on the financial position of SABIC or its future results, other than those that have been accrued for.

The Group’s bankers have issued, on its behalf, bank guarantees amounting to ١,070 million (31 December 2024: ١,150 million) in the normal course of business, mainly related to its integral joint ventures.

39.4 LEASES

The Group is deemed as a lessor in certain supply contracts where the agreements convey the right to use related equipment, mainly gas pipelines and other related accessories. The duration of the lease agreements is between 15 to 20 years which are a significant majority of the useful lives of the related assets. The lessor is responsible for maintenance and insurance of the assets.

Generally, there are minimum payments due from the lessee regardless of potential termination of the agreements. Renewal of lease agreements are possible but are subject to mutual agreement.

Minimum lease payment receivables on leases are as follows:

	31 December 2025	31 December 2024
Within 1 year	35,497	36,276
1 – 2 years	32,894	35,497
2 – 3 years	31,907	32,894
3 – 4 years	31,322	31,907
4 – 5 years	21,362	31,322
More than 5 years	135,053	164,851
	288,035	332,747

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

40. APPROPRIATIONS

On 6 Safar 1447H (corresponding to 31 July 2025), SABIC declared interim cash dividends upon the Board’s decision for the first half of the year 2025 amounting to ﷲ 4,500 million (at ﷲ 1.50 per share). This has been distributed to the shareholders on 17 Rabi' Al-Awwal 1447H (corresponding to 9 September 2025).

On 4 Ramadan 1446H (corresponding to 4 March 2025), SABIC distributed interim cash dividends amounting to ﷲ 5,100 million (at ﷲ 1.70 per share) for the second half of 2024.

On 13 Dhu'l-Qi'dah 1445H (corresponding to 21 May 2024), SABIC declared interim cash dividends upon the Board’s decision for the first half of the year 2024 amounting to ﷲ 5,100 million (at ﷲ 1.70 per share). This has been distributed to the shareholders on 21 Rabi' Al-Awwal 1446H (corresponding to 24 September 2024).

41. SUBSEQUENT EVENTS

On 18 Rajab 1447H (corresponding to 7 January 2026), SABIC signed protocol agreements with AEQUITA SE & Co. KGaA (“AEQUITA”) and Mutares SE & Co. KGaA (“MUTARES”) to acquire of SABIC’s shares in SABIC Europe B.V. and SABIC’s Engineering Thermoplastics business in the Americas and Europe respectively (refer to Note 34). As of 3 March 2026, SABIC and the buyers have not completed the transactions and the carve-out financial statements. Any adjustments to the set of assumptions and underlying estimates of the fair valuation will be recognised in discontinued operations during 2026.

On 9 Ramadan 1447H (corresponding to 26 February 2026), the Board of Directors of SABIC Agri-Nutrients Company approved the merger of National Chemical Fertilizer Company (“IBN AL-BAYTAR”), a wholly owned subsidiary of SABIC Agri-Nutrients, with SABIC Agri-Nutrients Company and liquidation of IBN AL-BAYTAR after completion of the transaction and the call for an Extraordinary General Assembly meeting to approve the merger and fulfilment of the relevant regulatory requirements.

On 14 of Ramadan 1447H (corresponding to 3 March 2026), SABIC declared interim cash dividends amounting to ﷲ 4,500 million (at 1.50 per share) for the second half of financial year 2025, resulting in a full year cash dividend distribution of ﷲ 9,000 million (at 3.00 per share).

In the opinion of management, there have been no further significant subsequent events, other than those disclosed in these consolidated financial statements, since the year ended

31 December 2025, which would have a material impact on the financial position of the Group as reflected in these consolidated financial statements.

42. RESTATEMENT

SABIC has restated its comparative consolidated statement of financial position as at 31 December 2024 and consolidated statement of changes in equity as at 1 January 2024, 31 December 2024 and 1 January 2025 with an amount of ﷲ 475 million related to one of its associates, Power and Water Utilities Company for Jubail and Yanbu (“MARAFIQ”), based on the restatements of Marafiq which were reported in its published annual consolidated financial statements for the year ended 31 December 2024. This was mainly due to Marafiq’s reassessment of one of its joint arrangements and lease agreements.

The impact of the above adjustment is presented in the table below:

At 1 January 2024	As previously reported	Restatement	Restated
Assets			
Investments in associates and joint ventures	41,237,301	(474,950)	40,762,351
Equity			
Retained earnings	28,116,139	(474,950)	27,641,189
31 December 2024	As previously reported	Restatement	Restated
Assets			
Investments in associates and joint ventures	35,435,785	(474,950)	34,960,835
Equity			
Retained earnings	20,056,576	(474,950)	19,581,626

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43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

SUBSIDIARIES OF THE GROUP⁽ⁱ⁾

	Country of incorporation	Country of operation	Principal business activity ⁽ⁱⁱ⁾	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025 ^(iv)	Conventional financial liabilities at 31 December 2025 ^(v)	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC International Holdings B.V. and its subsidiaries	Netherlands	Netherlands	Petrochemicals	100.00	100.00	727,907	1,120,345	38,156,601	38,241
Sabic Investment and Local Content Development Company (“NUSANED”) and its subsidiaries	KSA	KSA	Investment	100.00	100.00	426,200	3,542	–	–
SABIC Industrial Investments Company (“SIIC”) and its subsidiaries	KSA	KSA	Investments	100.00	100.00	30,000	–	–	–
SABIC Capital B.V. and its subsidiaries	Netherlands	Netherlands	Financing	100.00	100.00	87	–	240,279	866
SABIC Agri-Nutrients Company and its subsidiaries (“SABIC AN GROUP”) ⁽ⁱⁱⁱ⁾	KSA	KSA	Agri-nutrients	50.10	50.10	4,760,354	–	94,256	–
Arabian Petrochemical Company (“PETROKEMYA”)	KSA	KSA	Petrochemicals	100.00	100.00	1,955,540	–	379,339	–
SABIC Luxembourg S.à r.l.	Luxembourg	Luxembourg	Petrochemicals	100.00	100.00	34,388	56,880	13,834,835	53
National Global Business Services Company (“NGBSC”)	KSA	KSA	Shared Service	100.00	100.00	100	–	–	–
Saudi European Petrochemical Company (“IBN ZAHR”)	KSA	KSA	Petrochemicals	80.00	80.00	1,025,666	–	89,411	–

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43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF THE GROUP (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity ⁽ⁱ⁾	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025 ^(iv)	Conventional financial liabilities at 31 December 2025 ^(v)	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries (continued)									
Jubail United Petrochemical Company ("UNITED")	KSA	KSA	Petrochemicals	75.00	75.00	2,495,620	–	75,645	–
Saudi Methanol Company ("AR-RAZI")	KSA	KSA	Petrochemicals	75.00	75.00	259,000	–	216,607	–
National Industrial Gases Company ("GAS")	KSA	KSA	Utilities	74.00	74.00	248,000	–	79,500	–
Yanbu National Petrochemical Company ("YANSAB") ⁽ⁱⁱⁱ⁾	KSA	KSA	Petrochemicals	52.08	52.08	5,625,000	–	102,547	–
National Methanol Company ("IBN-SINA")	KSA	KSA	Petrochemicals	50.00	50.00	558,000	–	65,576	–
Arabian Industrial Fibers Company ("IBN RUSHD")	KSA	KSA	Petrochemicals	48.37	48.37	2,000,000	–	32,579	–
Saudi Kayan Petrochemical Company ("SAUDI KAYAN") ⁽ⁱⁱⁱ⁾	KSA	KSA	Petrochemicals	35.00	35.00	15,000,000	–	200,654	–

Notes:

⁽ⁱ⁾ Determination of the control over entities is based on underlying agreements and constitutive documents.

⁽ⁱⁱ⁾ The principal activities of majority of the Group's subsidiaries are manufacturing, marketing and distribution of petrochemicals, specialties and related products except for SABIC AN, AL BAYRONI and IBN AL-BAYTAR that are involved in agri-nutrients business.

⁽ⁱⁱⁱ⁾ YANSAB, SABIC AN GROUP, and SAUDI KAYAN are publicly traded companies and listed on the Saudi Exchange (Tadawul).

^(iv) Conventional financial assets comprise cash, time deposits, short-term investments and investments in securities and represent 100% amounts of subsidiaries, associates, joint ventures and joint operations before elimination of intercompany transactions.

^(v) Conventional financial liabilities comprise debt and represent 100% amounts of subsidiaries, associates, joint ventures and joint operations before elimination of intercompany transactions.

SUBSIDIARIES OF SABIC CAPITAL B.V.

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC Capital I B.V.	Netherlands	Netherlands	Financing	100.00	100.00	87	3,543,445	32,985,915	865,428
SABIC Capital II B.V.	Netherlands	Netherlands	Financing	100.00	100.00	87	1,240,340	3,771,706	5,634

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All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V.

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABIC US Holdings LP	USA	USA	Petrochemicals	100.00	100.00	13,971,335	2,891,731	–	–
SABIC Innovative Plastics Holding Singapore Pte. Ltd.	Singapore	Singapore	Petrochemicals	100.00	100.00	1,902,551	12,420	–	5,067
SABIC Innovative Plastics (China) Co., Ltd.	China	China	Petrochemicals	100.00	100.00	392,226	466,249	4,571	7,132
SABIC Innovative Plastics Hong Kong Ltd.	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	279,709	29,559	–	1,667
SABIC Innovative Plastics (SEA) Pte. Ltd.	Singapore	Singapore	Petrochemicals	100.00	100.00	265,596	133,068	178	4,359
SABIC R&T Pvt Ltd.	India	India	Petrochemicals	100.00	100.00	259,653	66,251	166	318
SABIC Ventures US Holdings LLC	USA	USA	Petrochemicals	100.00	100.00	231,046	67,309	–	20,550
SABIC (China) Research & Development Co. Ltd.	China	China	Petrochemicals	100.00	100.00	170,589	43,740	15	151
SABIC Global Ltd.	UK	UK	Petrochemicals	100.00	100.00	166,298	217,350	–	11,330
SABIC Innovative Plastics Chongqing Co., Ltd.	China	China	Petrochemicals	100.00	100.00	112,500	9,135	170,266	138
SABIC Australia Pty Ltd.	Australia	Australia	Petrochemicals	100.00	100.00	110,155	23,302	–	1,187
SABIC Taiwan Holding Ltd. (Hong Kong)	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	92,724	2,471	–	1,506
SABIC Korea Ltd.	Korea	Korea	Petrochemicals	100.00	100.00	86,659	64,149	8,312	1,755
Scientific Design Co. Inc.	USA	USA	Specialties	100.00	100.00	69,163	310	18,355	105
SABIC US Projects LLC	USA	USA	Petrochemicals	100.00	100.00	56	851,489	747,987	–
SABIC Innovative Plastics India Private Ltd.	India	India	Petrochemicals	100.00	100.00	34,372	108,037	263	535
SABIC (Thailand) Co. Ltd.	Thailand	Thailand	Petrochemicals	100.00	100.00	28,785	24,429	253	–
SABIC Innovative Plastics SIT Holding Ltd.	Hong Kong	Hong Kong	Petrochemicals	100.00	100.00	27,358	447	–	–

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43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries (continued)									
SABIC (Shanghai) Trading Co. Ltd.	China	China	Petrochemicals	100.00	100.00	16,912	344,204	–	917
SABIC Innovative Plastics Malaysia Sdn Bhd	Malaysia	Malaysia	Petrochemicals	100.00	100.00	162,251	13,016	–	528
SABIC Americas LLC	USA	USA	Petrochemicals, Agri-nutrients	100.00	100.00	7,000	433,567	4,377	–
SABIC Petrochemicals Japan LLC	Japan	Japan	Petrochemicals	100.00	100.00	3,631	6,845	–	220
SABIC India Pvt. Ltd.	India	India	Petrochemicals	100.00	100.00	3,346	36,012	2,669	–
SABIC Vietnam Company Ltd.	Vietnam	Vietnam	Petrochemicals	100.00	100.00	1,875	4,233	995	–
SABIC Asia Pacific Pte Ltd (“SAPPL”)	Singapore	Singapore	Petrochemicals, Agri-nutrients	100.00	100.00	226	1,015,891	1,622,638	48,987
SABIC Innovative Plastics International Trading (Shanghai) Ltd.	China	China	Petrochemicals	100.00	100.00	1,162	56,762	–	101
SD Verwaltungs GmbH ⁽ⁱ⁾	Germany	Germany	Administrative Company	–	100.00	–	–	–	–
SABIC Ventures B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	98	199,289	–	10,007
SABIC Innovative Plastics Holding B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	345,002	–	13,079
SABIC (China) Holding Co., Ltd	China	China	Petrochemicals	100.00	100.00	113,250	2,178,218	438,733	14,172
LLC SABIC Eastern Europe	Russia	Russia	Petrochemicals	100.00	100.00	1	6,232	227	–
SABIC Licensing B.V.	Netherlands	Netherlands	License Company	100.00	100.00	99	626,448	–	24,891

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All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries (continued)									
SABIC Global Technologies B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	200,038	540	11,296
SABIC Petrochemicals Holding US, LLC	USA	USA	Petrochemicals	100.00	100.00	1	190,763	7	–
SABIC Innovative Plastics (Fujian) Co., Ltd. ⁽ⁱⁱ⁾	China	China	Petrochemicals	100.00	–	42,376	32,711	–	1
SHPP Holding B.V. ⁽ⁱⁱⁱ⁾	Netherlands	Netherlands	Specialties	100.00	100.00	2	107,920	–	4,056
Jadeed Holding B.V. ^(iv)	Netherlands	Netherlands	Petrochemicals	100.00	–	1	1	–	–
Plastics US Holdings LLC ^(iv)	USA	USA	Petrochemicals	100.00	–	22,135,448	–	–	–
SABIC Europe B.V. ^(v)	Netherlands	Netherlands	Petrochemicals	100.00	100.00	747,092	2,834,734	2,832	28,697

Notes:

⁽ⁱ⁾ SD Verwaltungs GmbH was liquidated in 2025.

⁽ⁱⁱ⁾ SABIC Innovative Plastics (Fujian) Co., Ltd. was incorporated in 2025.

⁽ⁱⁱⁱ⁾ SABIC International Holdings B.V. has investments in a number of subsidiaries that are held through SHPP Holding B.V.

^(iv) Jadeed Holding B.V. and Plastics US Holdings LLC were incorporated in 2025. As at 31 December 2025, these companies together with their respective subsidiaries have been reclassified as part of disposal group, ETP in Americas and Europe (refer to Note 34).

^(v) As at 31 December 2025, SABIC Europe B.V. together with its respective subsidiaries, have been reclassified as part disposal group, EP (refer to Note 34).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of SHPP Holding B.V.									
SHPP Singapore Pte. Ltd.	Singapore	Singapore	Specialties	100.00	100.00	1,827,525	802,891	22,837	33,304
SHPP (Shanghai) Co., Ltd.	China	China	Specialties	100.00	100.00	432,713	181,052	5,197	1,238
SHPP Japan LLC	Japan	Japan	Specialties	100.00	100.00	276,755	73,089	4,737	702
SHPP Canada, Inc.	Canada	Canada	Specialties	100.00	100.00	209,100	59,085	42	1,553
SHPP Manufacturing UK Ltd	UK	UK	Specialties	100.00	100.00	80,052	27,158	5,089	1,041
SHPP Thailand Co. Ltd.	Thailand	Thailand	Specialties	100.00	100.00	70,904	106,567	40	6
SHPP Korea Ltd.	Korea	Korea	Specialties	100.00	100.00	63,634	29,094	84	3
SHPP South America-Comércio de Plásticos Ltda	Brazil	Brazil	Specialties	100.00	100.00	44,317	20,172	22	5
High Performance Plastics Manufacturing Mexico S de RL de CV	Mexico	Mexico	Specialties	100.00	100.00	13,839	9,198	407	373
SHPP Hong Kong	Hong Kong	Hong Kong	Specialties	100.00	100.00	12,652	26,808	–	1,753
SHPP France S.A.S.	France	France	Specialties	100.00	100.00	9,834	14,550	259	256
SABIC High Performance Plastic (“SHPP”) Argentina SRL ⁽ⁱ⁾	Argentina	Argentina	Specialties	–	100.00	–	–	–	–
SHPP Malaysia Sdn Bhd	Malaysia	Malaysia	Specialties	100.00	100.00	904	5,594	–	–
SHPP Vietnam Co Ltd	Vietnam	Vietnam	Specialties	100.00	100.00	375	12,369	53	–
SHPP Germany GmbH	Germany	Germany	Specialties	100.00	100.00	105	34,054	658	753
SHPP Italy Srl	Italy	Italy	Specialties	100.00	100.00	44	30,546	116	526
SHPP Sales Italy Srl	Italy	Italy	Specialties	100.00	100.00	44	13,545	710	346
SHPP Hungary Kft.	Hungary	Hungary	Specialties	100.00	100.00	37	2,116	182	73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of SHPP Holding B.V. (continued)									
SHPP Petrokimya Ticaret Ltd Sirketi	Turkey	Turkey	Specialties	100.00	100.00	34	1,743	–	–
High Performance Plastics India Pvt Ltd.	India	India	Specialties	100.00	100.00	19	15,854	19,545	–
SHPP Manufacturing Spain SL	Spain	Spain	Specialties	100.00	100.00	13	1,819	591	27
SHPP Marketing Plastics SL	Spain	Spain	Specialties	100.00	100.00	13	6,478	145	137
SHPP Finland OY	Finland	Finland	Specialties	100.00	100.00	11	1,753	256	44
SHPP Poland Sp. Z o.o.	Poland	Poland	Specialties	100.00	100.00	5	6,009	154	222
SHPP Czech s.r.o.	Czech Republic	Czech Republic	Specialties	100.00	100.00	2	3,296	46	75
SHPP Capital B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	1,913	–	329
SHPP Russia OOO	Russia	Russia	Specialties	100.00	100.00	1	55	–	–
SHPP Sales B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	19,690	–	315
SHPP Sales UK Ltd.	UK	UK	Specialties	100.00	100.00	1	2,495	–	61
SHPP Ventures B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	211	–	5
SHPP B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	–	834,294	280
SHPP Global Technologies B.V.	Netherlands	Netherlands	Specialties	100.00	100.00	1	3,955	–	125
SHPP Capital I B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	328,280	347,792	105,809
SHPP Capital II B.V.	Netherlands	Netherlands	Financing	100.00	100.00	1	488,274	496,720	14,082
SHPP US LLC	USA	USA	Specialties	100.00	100.00	1	489,180	369,523	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of Plastics US Holdings LLC									
SABIC Innovative Plastics US LLC	USA	USA	Petrochemicals	100.00	100.00	10,603,212	7,277	10,554,902	–
Subsidiaries of Jadeed Holdings B.V.									
SABIC Innovative Plastics Mt. Vernon, LLC ⁽ⁱ⁾	USA	USA	Petrochemicals	–	100.00	–	–	–	–
SABIC Innovative Plastics España SL	Spain	Spain	Petrochemicals	100.00	100.00	2,603,643	144,149	117,394	11,297
SABIC Innovative Plastics B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	648,567	7,157	5,466,824	8,178
Exatec, LLC ⁽ⁱ⁾	USA	USA	Petrochemicals	–	100.00	–	–	–	–
SABIC Innovative Plastics South America – Indústria e Comércio de Plásticos Ltda.	Brazil	Brazil	Petrochemicals	100.00	100.00	402,570	108,834	4,833	2,388
SABIC Innovative Plastics Mexico S de RL de CV	Mexico	Mexico	Petrochemicals	100.00	100.00	36,215	37,044	123,099	5,268
SABIC Innovative Plastics Argentina SRL	Argentina	Argentina	Petrochemicals	100.00	100.00	33,460	16,253	–	–
SABIC Innovative Plastics Ltd.	UK	UK	Petrochemicals	100.00	100.00	17,478	16,855	–	1,245
SABIC Innovative Plastics France S.A.S.	France	France	Petrochemicals	100.00	100.00	4,527	10,305	601	1,508
SABIC Innovative Plastics Finland OY	Finland	Finland	Petrochemicals	100.00	100.00	3,024	5,288	19	290
SABIC Innovative Plastics Poland Sp. Z o.o.	Poland	Poland	Petrochemicals	100.00	100.00	1,817	52,576	419	2,621
Saudi Innovative Plastics Sweden AB ⁽ⁱⁱ⁾	Sweden	Sweden	Petrochemicals	100.00	100.00	1	–	–	229
SABIC Innovative Plastics GmbH	Germany	Germany	Petrochemicals	100.00	100.00	478	227,134	952	5,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of Jadeed Holdings B.V. (continued)									
SABIC Innovative Plastics Holding Germany GmbH	Germany	Germany	Petrochemicals	100.00	100.00	254	–	107,695	475
SABIC Innovative Plastics GP B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	92	62,209	–	1,670
SABIC Innovative Plastics Denmark Aps	Denmark	Denmark	Petrochemicals	100.00	100.00	69	27,674	134	631
SABIC Innovative Plastics Kereskedelmi Kft.	Hungary	Hungary	Petrochemicals	100.00	100.00	66	2,781	152	1,137
SABIC Sales Italy Srl	Italy	Italy	Petrochemicals	100.00	100.00	41	19,962	393	282
SABIC Innovative Plastics Czech s.r.o.	Czech Republic	Czech Republic	Petrochemicals	100.00	100.00	37	1,548	180	251
SABIC Sales Spain SL	Spain	Spain	Petrochemicals	100.00	100.00	12	7,223	63	357
SABIC Innovative Plastics Utilities B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	1	4,046	–	126
SABIC Canada, Inc.	Canada	Canada	Petrochemicals	100.00	100.00	750	16,388	11	1,282
Subsidiaries of SABIC Europe B.V.									
SABIC UK Petrochemicals Ltd.	UK	UK	Petrochemicals	100.00	100.00	2,576,265	–	1,168,224	7,501
SABIC Tees Holdings Ltd.	UK	UK	Petrochemicals	100.00	100.00	1,245,003	331	1,637,672	955
SABIC Belgium NV	Belgium	Belgium	Petrochemicals	100.00	100.00	210,064	23,796	38,081	248
SABIC Petrochemicals B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	192,086	4,156	6,730,500	39,200
Petrochemical Pipeline Services B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	13,559	51,464	6,146	574
NV Pijpleiding Antwerpen-Limburg-Luik (PALL)	Belgium	Belgium	Support services	100.00	100.00	12,345	–	20,438	41
SABIC Nordic A/S	Denmark	Denmark	Petrochemicals	100.00	100.00	2,004	2,787	116	322
SABIC France S.A.S.	France	France	Petrochemicals	100.00	100.00	1,898	27,907	295	1,354
SABIC Italia Srl	Italy	Italy	Petrochemicals	100.00	100.00	514	31,464	3,374	1,360

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SABIC INTERNATIONAL HOLDINGS B.V. (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries of SABIC Europe B.V. (continued)									
SABIC Sales Europe B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	498	647,659	–	9,424
SABIC Marketing Ibérica S.A.	Spain	Spain	Petrochemicals	100.00	100.00	329	41,956	199	1,923
SABIC Polyolefine GmbH	Germany	Germany	Petrochemicals	100.00	100.00	127	333,263	53,193	7,883
SABIC Deutschland GmbH	Germany	Germany	Petrochemicals	100.00	100.00	125	146,843	2,082	5,295
SABIC Holding Deutschland GmbH	Germany	Germany	Petrochemicals	100.00	100.00	125	83,184	726,784	2,839
SABIC Limburg B.V.	Netherlands	Netherlands	Petrochemicals	100.00	100.00	90	126,244	–	–
SABIC Poland Sp. Z o.o.	Poland	Poland	Petrochemicals	100.00	100.00	50	21,951	963	1,057
SABIC Hungary Kft.	Hungary	Hungary	Petrochemicals	100.00	100.00	40	2,294	171	319
SABIC UK Ltd.	UK	UK	Petrochemicals	100.00	100.00	–	43,584	–	2,432
SABIC UK Pension Trustee Ltd.	UK	UK	Petrochemicals	100.00	100.00	–	–	–	–
SABIC Manufacturing Geleen BV	Netherlands	Netherlands	Petrochemicals	100.00	100.00	1	–	–	–
SABIC Plastic Energy Advanced Recycling B.V (refer to Note 10.3)	Netherlands	Netherlands	Petrochemicals	76.00	–	36,649	1,328	–	–

Notes:

⁽ⁱ⁾ SABIC High Performance Plastic Argentina SRL, SABIC Innovative Plastics Mt. Vernon LLC and Exatec, LLC were liquidated in 2025.

⁽ⁱⁱ⁾ Saudi Innovative Plastics Sweden AB is under liquidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SIIC

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
SABCAP Insurance Limited	Guernsey	Guernsey	Insurance	100.00	100.00	187,500	458,481	–	–
SABIC Petrokemya Ticaret Limited	Turkey	Turkey	Petrochemicals	100.00	100.00	931	51,056	–	39
SABIC Pakistan (Pvt.) Ltd.	Pakistan	Pakistan	Petrochemicals	100.00	100.00	907	10,181	1,028	1,232
SABIC Kenya	Kenya	Kenya	Petrochemicals	100.00	100.00	883	1,738	1,494	20
SABIC Tunisia	Tunisia	Tunisia	Petrochemicals	100.00	100.00	763	1,614	–	49
SABIC Morocco	Morocco	Morocco	Petrochemicals	100.00	100.00	437	12,468	–	–
SABIC Middle East Offshore Company ("SABIC MIDDLE EAST") ⁽ⁱ⁾	Lebanon	Lebanon	Petrochemicals	100.00	100.00	75	69	–	–
SABIC Middle East Business Management LLC	Jordan	Jordan	Petrochemicals	100.00	100.00	76	–	336	–
SABIC Global Mobility ("GMC LLC")	UAE	UAE	Personnel and other support services	100.00	100.00	51	–	1	–
SABIC Gulf, LLC ⁽ⁱⁱ⁾	UAE	UAE	Marketing services	100.00	–	531	–	–	–
SABIC Innovative Plastics Rus Z.o.o	Russia	Russia	Petrochemicals	100.00	100.00	1	3,077	581	–
SABIC South Africa Proprietary Ltd.	South Africa	South Africa	Petrochemicals	99.99	100.00	1	3,192	3,321	91
SABIC East Africa for Trade and Marketing LLC	Egypt	Egypt	Petrochemicals	99.99	99.99	47	8,767	5,711	–
International Shipping and Transportation Co. ("ISTC")	KSA	KSA	Supply chain	99.00	99.00	40,000	–	352,817	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES OF SIIC (CONTINUED)

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries (continued)									
SABIC Supply Chain Services Limited Company (“SSCS”)	KSA	KSA	Supply chain	99.00	99.00	500	–	122,354	–
SABIC Terminal Services (“SABTANK”)	KSA	KSA	Supply chain	90.00	90.00	30,000	–	7,305	–
Jubail Chemical Storage and Services Company (“CHEMTANK”)	KSA	KSA	Supply chain	58.00	58.00	466,250	–	56,557	–

Notes:
⁽ⁱ⁾ SABIC Middle East is under liquidation.
⁽ⁱⁱ⁾ SABIC Gulf, LLC was established in 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS OF SABIC AN⁽ⁱ⁾

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Subsidiaries									
Al-Jubail Fertiliser Company (“AL BAYRONI”)	KSA	KSA	Agri-nutrients and Petrochemicals	50.00	50.00	671,500	–	70,964	–
National Chemical Fertiliser Company (“IBN AL-BAYTAR”)	KSA	KSA	Agri-nutrients	100.00	100.00	494,700	–	50,091	–
SABIC Agri-Nutrients Investment Company (“SANIC”)	KSA	KSA	Agri-nutrients	100.00	100.00	25	–	–	–
Associates									
Gulf Petrochemical Industries Company (“GPIC”)	Bahrain	Bahrain	Agri-nutrients	33.33	33.33	600,000	–	1,224	–
Joint Ventures									
ETG Inputs Holdco Limited (“EIHL”)	UAE	UAE	Agri-nutrients	49.00	49.00	229	–	–	–

Notes:

⁽ⁱ⁾ SABIC AN owns 100% (direct and indirect) in SANIC and IBN AL-BAYTAR, 50% in AL-BAYRONI, 33.33% in GPIC and 49% in EIHL.

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All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES OF NUSANED

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Joint ventures ⁽ⁱ⁾									
Advanced Energy Storage System Investment Company (“AESSIC”) ⁽ⁱⁱ⁾	KSA	KSA	Renewable energy	100.00	100.00	500	–	–	–
Saudi Pallet Manufacturing Company (“SPMC”) ⁽ⁱⁱⁱ⁾	KSA	KSA	Logistics	38.00	38.00	61,273	–	–	–
Isotopes Company (“IHC”) ^(iv)	KSA	KSA	Machinery equipment	31.95	13.44	26,188	628	5,100	–
Associates ⁽ⁱ⁾									
Nusaned Fund I ^(v)	KSA	KSA	Equity investments	50.00	50.00	71,275	–	–	–
Nusaned Fund II ^(v)	KSA	KSA	Equity Investments	60.00	60.00	88,334	84,667	239	–

Notes:

- ⁽ⁱ⁾ Determination of the classification of these investments as associates and joint ventures is based on underlying agreements and constitutive documents.
- ⁽ⁱⁱ⁾ AESSIC is a limited liability company and as per share exchange agreement, Nusaned has acquired remaining 51.28% equity stake in AESSIC during 2024 and it is under liquidation.
- ⁽ⁱⁱⁱ⁾ SPMC is engaged in the production of plastic pallets and products using roto mold method, and during 2024 this investment was written off.
- ^(iv) IHC is engaged in supply of radioisotopes and associated services for industrial and medical end-use sectors.
- ^(v) Nusaned Funds are engaged in investments in companies operating within the Petrochemicals value chain. The share capital of the funds represents the net assets at the reporting date.

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All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

GROUP'S INVESTMENTS IN ASSOCIATES:

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Associates⁽ⁱ⁾									
Clariant AG ("CLARIANT")	Switzerland	Switzerland	Specialty chemical	31.50	31.50	2,095,736	1,935,613	3,419,112	84,771
Ma'aden Phosphate Company ("MPC")	KSA	KSA	Agri-Nutrients	30.00	30.00	6,208,480	–	164,919	–
Power and Water Utilities Company for Jubail and Yanbu ("MARAFIQ")	KSA	KSA	Utilities	17.50	17.50	2,500,000	–	8,040,468	–
Ma'aden Wa'ad Al Shamal Phosphate Company ("MWSPC")	KSA	KSA	Agri-nutrients	15.00	15.00	7,942,502	–	6,449	–
National Chemical Carrier Company ("NCC")	KSA	KSA	Transportation	20.00	20.00	610,000	–	–	–
Saudi Arabian Industrial Investment Company ("DUSSUR")	KSA	KSA	Investments	25.00	25.00	3,850,000	–	259,977	–
ARG mbH & Co KG ("ARG") ⁽ⁱⁱ⁾	Germany	Germany	Transportation	25.00	25.00	27,428	–	–	–
ARG Verwaltungs GmbH ⁽ⁱⁱⁱ⁾	Germany	Germany	Administrative company	16.67	16.67	119	–	–	–
German Pipeline Development Company GmbH ("GPDC") ⁽ⁱⁱⁱ⁾	Germany	Germany	Transportation	39.00	39.00	110	2,756	20,923	–
Mallinda, Inc. ("MALLINDA") ^(iv)	USA	USA	Ventures	–	26.20	–	–	–	–
Gulf Aluminium Rolling Mill Company ("GARMCO") ^(iv)	Bahrain	Bahrain	Aluminium	14.90	14.90	551,823	–	–	–

Notes:

⁽ⁱ⁾ Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

⁽ⁱⁱ⁾ ARG includes ARG Verwaltungs GmbH which is administrative and non-operating company based in Germany. During the year ended 31 December 2025, these investments are reclassified to assets held for sale.

⁽ⁱⁱⁱ⁾ During the year ended 31 December 2025, GPDC is reclassified to assets held for sale.

^(iv) Investment in Mallinda was disposed during 2025, whereas investment in GARMCO was fully written off during 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All amounts in thousands of Saudi Riyals unless otherwise stated.

43. SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

GROUP’S INVESTMENTS IN JOINT ARRANGEMENTS:

	Country of incorporation	Country of operation	Principal business activity	% Shareholding (direct and indirect) at 31 December 2025	% Shareholding (direct and indirect) at 31 December 2024	Share capital at 31 December 2025	Conventional financial assets at 31 December 2025	Conventional financial liabilities at 31 December 2025	Interest income from conventional financial assets for the year ended 31 December 2025
Joint ventures ⁽ⁱ⁾									
Eastern Petrochemical Company (“SHARQ”)	KSA	KSA	Petrochemicals	50.00	50.00	1,890,000	–	165,062	–
Saudi Yanbu Petrochemical Company (“YANPET”)	KSA	KSA	Petrochemicals	50.00	50.00	4,596,000	–	199,169	–
Al-Jubail Petrochemical Company (“KEMYA”)	KSA	KSA	Petrochemicals	50.00	50.00	2,149,000	–	153,178	–
SINOPEC/SABIC Tianjin Petrochemical Company Limited (“SSTPC”)	China	China	Petrochemicals	50.00	50.00	4,518,309	516,941	–	–
SABIC SK Nexlene Company Pte. Ltd. (“SSNC”)	Singapore	Singapore	Petrochemicals	50.00	50.00	1,125,038	–	–	–
Cosmar Company (“COS-MAR”) ⁽ⁱⁱ⁾	USA	USA	Petrochemicals	50.00	50.00	1,050,000	61,593	–	–
Utility Support Group (“USG”) B.V. ⁽ⁱⁱⁱ⁾	Netherlands	Netherlands	Utilities	50.00	50.00	79	327,431	680,265	–
SABIC Fujian Petrochemicals Co., Ltd. (“FUJIAN”)	China	China	Petrochemicals	51.00	51.00	5,433,750	280,608	522,214	1,059
Joint operations ^(iv)									
Saudi Methacrylates Company (“SAMAC”) ^(v)	KSA	KSA	Petrochemicals	50.00	50.00	1,350,000	–	157,129	–
Gulf Coast Growth Venture LLC (“GCGV”) ^(vi)	USA	USA	Petrochemicals	50.00	50.00	24,701,497	–	–	–
Saudi Acrylic Butanol Company (“SABUCO”) ^(vii)	KSA	KSA	Petrochemicals	11.67	11.67	–	–	–	–
Geismar ^(viii)	USA	USA	Petrochemicals	11.50	11.50	–	–	–	–

Notes:

⁽ⁱ⁾ Determination of the classification of these investments as associates is based on underlying agreements and constitutive documents.

⁽ⁱⁱ⁾ COS-MAR is a joint venture with Total Energy in Carville, Louisiana producing styrene monomer, and SABIC owns a 50% share. The total share capital presented above represent venturers’ equity of both shareholders.

⁽ⁱⁱⁱ⁾ USG (Geleen, the Netherlands), which is operated jointly with other stakeholders to produce utilities for a production site. During the year ended 31 December 2025, USG is reclassified to assets held for sale.

^(iv) The Group holds a joint control in each of these joint operations with the respective partners. The partners ensure the ongoing financing of the companies, either by the product and utility directly sold to the partners or sharing the costs. Refer to Note 6.2 which explains the classification of these investments as joint operations based on underlying agreements and constitutive document.

^(v) SAMAC is a limited liability company registered in KSA and involved in production and selling of Methyl Methacrylate (“MMA”) and Poly Methyl Methacrylate (“PMMA”).

^(vi) Gulf Coast Growth Venture LLC (“GCGV”) is a joint venture established with Exxon Mobil (a foreign partner) for the production of petrochemicals products.

^(vii) SABUCO, a Saudi based mixed limited liability company, having principal activities comprising a of Butanol plant in Jubail for production of N-Butanol and Iso-Butanol. SABUCO is owned 33.33% by SAUDI KAYAN and SABIC share is 11.67%.

^(viii) Geismar, Louisiana, USA, is a cooperation with NOVA Chemicals to produce ethylene. The Group holds 11.5% share in this joint operation and controls it jointly with the partner.

NON-FINANCIAL INFORMATION

SUSTAINABILITY PERFORMANCE SUMMARY (INCLUDING GHG STATEMENT)

Most material key performance indicators		Unit	2025	2024	2023	2022	2021
Resource efficiency							
✓	Energy intensity	GJ/t product sales	16.99	16.44	15.9	16.0	16.7
✓	Water intensity	m3/t product sales	2.59	2.56	2.4	2.5	2.7
✓	Material loss intensity	t/t product sales	0.06	0.05	0.06	0.06	0.06
✓	Flaring reduction since 2010	%	57.44	49.9	38	57	54
✓	CO ₂ utilization	Mn. t	3.95	3.95	3.8	3.8	3.6
Air emissions							
✓	NO _x	t	23,742.69	24,866.79	21,567	23,929	
✓	SO _x	t	3,298.38	2,864.81	2,933	3,071	
Waste management							
✓	Hazardous waste generated	t	370,714	428,816	484,585		
	Hazardous waste recovery	t	253,863	298,764	348,774		
	Hazardous waste disposal	t	116,851	130,052	135,811		
✓	Non-hazardous waste generated	t	93,825	109,643	139,655		
	Non-hazardous waste recovery	t	20,545	25,122	46,505		
	Non-hazardous waste disposal	t	73,280	84,521	93,155		

✓ Indicators with this icon were subject to a limited assurance engagement for the year ended December 31, 2025.
The report of PricewaterhouseCoopers Public Accountants (PwC) is included in this Integrated Annual Report [here](#).

SUSTAINABILITY PERFORMANCE SUMMARY (INCLUDING GHG STATEMENT) (CONTINUED)

Most material key performance indicators		Unit	2025	2024	2023	2022	2021
Climate change							
✓	Absolute GHG emissions (total Scopes 1 and 2)	Mn. tCO ₂ e	41.51	43.0	42.8	44.4	44.3
✓	GHG emissions intensity	tCO ₂ e/t product sales	1.05	1.05	1.02	1.02	1.07
Innovation							
	Total SABIC patent portfolio	No.	10,700+	11,000+	11,070	9,948	10,090
Governance and ethics							
✓	Compliance concerns raised and investigated	No.	271	208	147	136	99
✓	Compliance investigations closed	No.	226	158	114	113	89
✓	Compliance violations identified	No.	95	77	51	42	41
	Training completion	%	99	99	96	99	99
Occupational health and safety							
✓	Total Recordable Injury and Illness Rate (TRIR)	(No. of recordable injuries + illnesses) * 200,000 hours worked/Total man-hours worked	0.07	0.09	0.10	0.10	0.11
✓	Fatalities	No.	1	0	1	0	0
✓	Fatalities rate	No. of fatalities * 200,000 hours worked/Total man-hours worked	0.001	0	0.001	0	0
	American Petroleum Institute (API) 754 Tier 1 Process Safety Events	No.	4	6	11	11	15
✓	American Petroleum Institute (API) 754 Tier 1 Process Safety Events Rate	No. of Tier 1 Process Safety Events * 200,000 hours worked/Total man-hours worked	0.005	0.008	0.015	0.012	0.016

✓ Indicators with this icon were subject to a limited assurance engagement for the year ended December 31, 2025. The report of PricewaterhouseCoopers Public Accountants (PwC) is included in this Integrated Annual Report [here](#).

SUSTAINABILITY PERFORMANCE SUMMARY (INCLUDING GHG STATEMENT) (CONTINUED)

Most material key performance indicators	Unit	2025	2024	2023	2022	2021
Employment and workforce management						
Women in the workplace	% of workforce	9	9	8	8	7
Corporate social responsibility						
Community giving	US\$ Mn.	11.18	4.5	12.8	28.9	33.5
Supply chain						
Total suppliers active in Supplier Life Cycle and Performance Management (SLM) program	No.	25,038	27,439	33,591	32,254	30,355
Suppliers assessed through TfS-EcoVadis	No.	364	247	167		
Suppliers audited through TÜV	No.	269	530	165		
Suppliers qualified through TÜV	No.	203	395	115		

✓ Indicators with this icon were subject to a limited assurance engagement for the year ended December 31, 2025. The report of PricewaterhouseCoopers Public Accountants (PwC) is included in this Integrated Annual Report  [here](#).



Independent practitioner’s limited assurance report on Saudi Basic Industries Corporation’s (SABIC) sustainability information

To the Directors of SABIC

The Board of Directors of Saudi Basic Industries Corporation (“SABIC”/ the “Group”) have engaged us to obtain a limited assurance on the Environment, Social and Governance Information (ESG) of the Group as defined within the *Sustainability information and reporting criteria* section of this report and marked with the symbol ✓ on pages 231 - 232 in the Sustainability Performance Summary (Including GHG Statement) within the Non-financial information section of the Integrated Annual Report 2025 (the “sustainability information”), as at and for the year ended 31 December 2025.

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Integrated Annual Report 2025 including any images, audio files or videos.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability information is not prepared, in all material respects, in accordance with the SABIC Reporting Criteria for Non-Financial KPIs 2025 (“Reporting Criteria”) referenced in the *Sustainability information and reporting criteria* section below.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), “Assurance engagements other than audits or reviews of historical financial information” as endorsed in the Kingdom of Saudi Arabia (“ISAE 3000 (Revised)”), and, in respect of the greenhouse gas emissions, International Standard on Assurance Engagements 3410, “Assurance engagements on greenhouse gas statements” as endorsed in the Kingdom of Saudi Arabia (“ISAE 3410”).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the *Practitioner’s responsibilities* section of our report.

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Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and the ethical and independence requirements applicable in the Kingdom of Saudi Arabia. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies the International Standard on Quality Management (ISQM) 1, as endorsed in the Kingdom of Saudi Arabia, 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.

Sustainability information and reporting criteria

The sustainability information needs to be read and understood together with the Reporting Criteria, which the Group is solely responsible for selecting and applying. The sustainability information and the Reporting Criteria are as set out in the table below:

Sustainability information	Unit of measurement	Value as at and for the year ended 31 December 2025	Materiality reference*	Location of the sustainability information in the Integrated Annual Report 2025	Reporting Criteria**
Environment					SABIC Reporting Criteria for Non-Financial KPIs 2025
Absolute GHG emissions (Total Scopes 1 and 2)	Mn. tCO ₂ e	41.51	(1)	Page 232	
GHG emission intensity	TCO ₂ e/t product sales	1.05	(2)	Page 232	
Energy intensity	GJ/t product sales	16.99	(2)	Page 231	
Water intensity	m ³ /t product sales	2.59	(2)	Page 231	
Material loss intensity	t/t product sales	0.06	(2)	Page 231	
Flaring reduction since 2010	%	57.44	(3)	Page 231	
CO ₂ utilisation	Mn. t	3.95	(1)	Page 231	



Sustainability information	Unit of measurement	Value as at and for the year ended 31 December 2025	Materiality reference*	Location of the sustainability information in the Integrated Annual Report 2025	Reporting Criteria**
Ethics and integrity					
Compliance concerns raised and investigated	No.	271	(1)	Page 232	
Compliance Investigations closed	No.	226	(1)	Page 232	
Compliance violations identified	No.	95	(1)	Page 232	
Occupational health and safety					
Total recordable injury and illness rate (TRIIR)	(No. of recordable injuries + illnesses) * 200,000 hours worked/Total man-hours worked	0.07	(5)	Page 232	
Fatalities	No.	1	(4)	Page 232	
Fatalities rate	No. of fatalities * 200,000 hours worked/ Total man-hours worked	0.001	(5)	Page 232	
American Petroleum Institute (API) 754 Tier 1 Process Safety Events Rate	No. of Tier 1 Process Safety Events * 200,000 hours worked/Total man-hours worked	0.005	(5)	Page 232	
Air Emissions					
SOx	Tonne (t)	3,298.38	(1)	Page 231	
NOx	Tonne (t)	23,742.69	(1)	Page 231	



Sustainability information	Unit of measurement	Value as at and for the year ended 31 December 2025	Materiality reference*	Location of the sustainability information in the Integrated Annual Report 2025	Reporting Criteria**
Waste management					
Non-hazardous waste generated	Tonne (t)	93,825	(1)	Page 231	
Hazardous waste generated	Tonne (t)	370,714	(1)	Page 231	

*Refer to our assessment of materiality discussed in the ‘Materiality’ section of this report.

**The maintenance and integrity of SABIC’s website is the responsibility of the Directors; the work carried out by us as practitioners does not involve consideration of these matters and, accordingly, we accept no responsibility of any changes that may have occurred to the reported sustainability information or the reporting criteria when presented on SABIC’s website.

Responsibilities for the sustainability information

Management of the Group is responsible for:

- Determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying sustainability matter;
- Ensuring that those criteria are relevant and appropriate to the Group and the intended users of the Integrated Annual Report 2025;
- The preparation of the sustainability information in accordance with the Reporting Criteria applied as explained and referenced in the *Sustainability information and reporting criteria* section above;
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the sustainability information, in accordance with the Reporting Criteria, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Directors are responsible for overseeing the Group’s sustainability reporting process.



Inherent limitations in preparing the sustainability information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying sustainability matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

Greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner’s responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Group’s use of the Reporting Criteria as the basis for the preparation of the sustainability information;
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group’s internal control; and
- Design and perform procedures responsive to where material misstatements are likely to arise in the sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Materiality

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the sustainability information is likely to arise.

Based on our professional judgement, we determined materiality for the sustainability information as follows:

Overall materiality	The benchmark approach for each aspect of the sustainability information is indicated in the table above by one of the following numbers: (1) This metric is an absolute number. A benchmark of 5% has been applied. (2) This metric is calculated as a ratio between two different numbers. A benchmark of 5% has been applied to both the numerator and denominator used in the calculation. (3) This metric is a percentage. A benchmark of 5% has been applied to both the numerator and denominator used in the percentage calculation. (4) This metric is an absolute number. Each individual unit of measure (i.e. a fatality or incident) is considered material. (5) This metric is calculated as a ratio between two different numbers. A benchmark to each individual unit of measure has been applied to the numerator (i.e. a fatality or incident is considered material) and a benchmark of 5% has been applied to the denominator. Furthermore, a benchmark of 5% has been applied to the reported figure.
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For each metric, the materiality threshold means that a misstatement of that amount or higher, either as an individual misstatement, or as an aggregate of smaller misstatements, would lead us to conclude that the sustainability information had not been prepared in all material respects in accordance with the Reporting Criteria. For qualitative information, materiality considerations consider qualitative matters, including balance, understandability, and lack of bias.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability information. The procedures 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.



The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the sustainability information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of the Group's control environment, reporting processes relevant to the preparation of the sustainability information;
- evaluated whether all information identified by the process to identify the information reported in the sustainability information is included in the sustainability information;
- considered the suitability in the circumstances of the Group's use of the Reporting Criteria, as the basis for preparing the sustainability information;
- evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by the Group noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates;
- performed limited substantive testing on a selective basis of the sustainability information, which is aggregated from information submitted by the Group's operational sites within their organisational boundary. Testing involved: comparing year on year movements and obtaining explanations from management for significant differences we identified, agreeing arithmetical accuracy and agreeing data points to or from source information to check that the underlying sustainability information had been appropriately evaluated or measured, recorded, collated and reported;
- undertook five physical site visits and one virtual site visit of the Group's sites to perform detailed testing procedures over site level sustainability information; we selected these sites based on their inherent risk and materiality to the Group; and
- considered the disclosure and presentation of the sustainability information.

Other matter

The comparative sustainability information of the Group for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 was assured by another practitioner, whose assurance report dated 28 March 2024, 30 March 2023 and 31 March 2022 respectively, expressed an unmodified conclusion. Our assurance conclusion is not modified in respect of this matter.



Use of our report

Our report, including our conclusion, has been prepared solely for the Board of Directors of the Group in accordance with the agreement between us dated 12 October 2025. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors of SABIC for our work or this report except where terms are expressly agreed between us in writing.


PricewaterhouseCoopers
Bader I. Benmohareb
Licence No. 471
10 March 2026

GRI CONTENT INDEX

SABIC has reported the information cited in this GRI content index for the period January 1, 2025, to December 31, 2025, with reference to the GRI Standards. The GRI 1 used is GRI 1: Foundation 2021.

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 2: General disclosures 2021				
2-1	Organizational details	Our global footprint	About SABIC	
		About this report		
2-2	Entities included in the organization’s sustainability reporting	About this report	SABIC locations	
		List of legal entities		
2-3	Reporting period, frequency and contact point	About this report	Contact us	
			info@SABIC.com	
2-4	Restatements of information	Notes to the consolidated financial statements – Restatement		
2-5	External assurance	Audited financial statements – Independent auditor’s report		
		Non-financial statements – Independent limited assurance report		
		Financial review – Risk management and controls		
2-6	Activities, value chain and other business relationships	Business model	Products	
		Supply chain	Industries	
		Segments we serve		
2-7	Employees	Employment and workforce management		
2-8	Workers who are not employees	Approximately 2,000 people also work on a temporary basis for SABIC, corresponding to around 7% of the total workforce. In addition, a number of people work for SABIC indirectly through service agreements. It is not possible to determine the precise number since each agreement is not defined by the number of people but by the provision of adequate resourcing to complete the work.	Temporary worker code of conduct	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
2-9	Governance structure and composition	 Corporate governance framework	 Corporate governance	
		 Board of directors	 Board of directors and executive management	
		 Board structure, composition, and diversity	 Board charter	
			 Board membership policy	
2-10	Nomination and selection of the highest governance body	 Nomination and selection	 Corporate governance	
			 Board charter	
			 Board membership policy	
			 Remuneration and nomination committee charter	
2-11	Chair of the highest governance body	 Board independence	 Board charter	
			 Board membership policy	
2-12	Role of the highest governance body in overseeing the management of impacts	 Corporate governance framework	 Board charter	
			 Board membership policy	
2-13	Delegation of responsibility for managing impacts	 Corporate governance framework	 Board charter	
			 Board membership policy	
2-14	Role of the highest governance body in sustainability reporting	 Board sustainability, risk, and EHSS committee	 Board Sustainability, Risk, and EHSS Committee charter	
		 Corporate governance framework		
2-15	Conflicts of interest	 Board independence	 SABIC's conflict of interest policy	
		 Related-party transactions		
		 Shareholder structure		
2-16	Communication of critical concerns	 Governance and ethics	 SABIC's code of ethics	
			 Supplier code of conduct	
2-17	Collective knowledge of the highest governance body	 Biographies of board and committee members	 Board of directors and executive management	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
2-18	Evaluation of the performance of the highest governance body	 Board performance assessment	 Board charter	
2-19	Remuneration policies	 Board remuneration and nomination committee	 Remuneration and nomination committee charter  Board charter  Board membership policy	
2-20	Process to determine remuneration	 Board remuneration and nomination committee		
2-22	Statement on sustainable development strategy	 Strategy		
2-23	Policy commitments	 Business conduct	 Corporate governance  SABIC's code of ethics  Board membership policy  Our human rights program	
2-24	Embedding policy commitments	 Governance and ethics	 SABIC's code of ethics  UNGC principles  Our human rights program	
2-25	Processes to remediate negative impacts	 Risk management  Governance and ethics	 Our human rights program  SABIC's code of ethics	
2-26	Mechanisms for seeking advice and raising concerns	 Governance and ethics	 SABIC's code of ethics  Our compliance culture	
2-27	Compliance with laws and regulations	 Governance and ethics	 SABIC's code of ethics  Our compliance culture	
2-28	Membership associations		 Government engagement	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
2-29	Approach to stakeholder engagement	 Sustainability performance – Overview  Human and labor rights  Customer centricity	 People and collaboration  Responsible Care®  Global customer information letter  Supplier portal  SABIC's corporate social responsibility policy  Our human rights program	
2-30	Collective bargaining agreements		 Our human rights program  UNGC principles	
GRI 3: Material topics 2021				
3-1	Process to determine material topics	 Sustainability performance – Overview		
3-2	List of material topics	 Sustainability performance – Overview		
3-3	Management of material topics	 Sustainability performance – Overview		
GRI 101: Biodiversity 2024				
3-3	Management of material topics	 Biodiversity and ecosystems		
GRI 201: Economic performance 2016				
3-3	Management of material topics	 Strategy		
201-1	Direct economic value generated and distributed	 Financial review  Audited financial statements	 Quarterly financial statements	
201-2	Financial implications and other risks and opportunities due to climate change	 Risk management – Environmental challenges		
201-3	Defined benefit plan obligations and other retirement plans	 Additional financial information		

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 202: Market presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	 Employment and workforce management – Pay equity		
202-2	Proportion of senior management hired from the local community	 Executive management		
GRI 203: Indirect economic impacts 2016				
203-1	Infrastructure investments and services supported	 Strategy – Projects  Local content	 SABIC's NUSANED™ initiative	 
203-2	Significant indirect economic impacts	 Local content  Corporate social responsibility	 Community engagement	
GRI 204: Procurement practices 2016				
204-1	Proportion of spending on local suppliers	 Local content		
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	 Risk management – Compliance risks  Supply chain  Governance and ethics	 Our compliance culture	
205-2	Communication and training about anti-corruption policies and procedures	 Risk management – Compliance risks  Supply chain  Governance and ethics  SABIC and the Pearl Initiative	 Our compliance culture  Our integrity culture	
205-3	Confirmed incidents of corruption and actions taken	 Governance and ethics	 UNGC principles	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 206: Anti-competitive behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Risk management – Compliance risks Supply chain Governance and ethics	Our compliance culture	
GRI 207: Tax 2019				
207-1	Approach to tax	Financial review – Tax	Global tax strategy UK tax strategy	
207-2	Tax governance, control, and risk management	Financial review – Tax	Global tax strategy Risk management policy	
207-3	Stakeholder engagement and management of concerns related to tax	Tax – Engagement with tax authorities and stakeholders	Global tax strategy	
GRI 301: Materials 2016				
3-3	Management of material topics	Circular economy and sustainability solutions	Sustainable solutions	
GRI 302: Energy 2016				
3-3	Management of material topics	Climate change and energy efficiency	Climate, energy, and resource efficiency	
302-1	Energy consumption within the organization	Climate change and energy efficiency		   
302-3	Energy intensity	Climate change and energy efficiency Progress toward 2025 environmental sustainability intensity-based targets Sustainability performance summary (including GHG statement)	Climate, energy, and resource efficiency	   

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
302-4	Reduction of energy consumption	 Climate change and energy efficiency	 Climate, energy, and resource efficiency	   
GRI 303: Water and Effluents 2018				
3-3	Management of material topics	 Resource efficiency – water and waste	 Environmental compliance	
303-2	Management of water discharge-related impacts	 Resource efficiency – water and waste		 
303-3	Water withdrawal	 Resource efficiency – water and waste		
303-5	Water consumption	 Resource efficiency – water and waste		
GRI 305: Emissions 2016				
3-3	Management of material topics	 Climate change and energy efficiency	 Climate, energy, and resource efficiency  Environmental compliance	
305-1	Direct (Scope 1) GHG emissions	 Climate change and energy efficiency	 UNGC principles	  
305-2	Energy indirect (Scope 2) GHG emissions	 Climate change and energy efficiency	 UNGC principles	  
305-4	GHG emissions intensity	 Progress toward 2025 environmental sustainability intensity-based targets  Sustainability performance summary (including GHG statement)	 Climate, energy, and resource efficiency	  

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
305-5	Reduction of GHG emissions	 Climate change and energy efficiency  Progress toward 2025 environmental sustainability intensity-based targets	 Climate, energy, and resource efficiency	  
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	 Climate change and energy efficiency		  
GRI 306: Waste 2020				
3-3	Management of material topics	 Resource efficiency – water and waste	 Environmental compliance	
306-1	Waste generation and significant waste-related impacts	 Resource efficiency – water and waste  Progress toward 2025 environmental sustainability intensity-based targets		  
306-2	Management of significant waste-related impacts	 Resource efficiency – water and waste		 
306-3	Waste generated	 Resource efficiency – water and waste		 
306-4	Waste diverted from disposal	 Resource efficiency – water and waste		 
306-5	Waste directed to disposal	 Resource efficiency – water and waste		 

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 308: Supplier environmental assessment 2016				
3-3	Management of material topics	 Governance and ethics  Supply chain	 Supplier code of conduct  Our human rights program  Supplier portal	
308-1	New suppliers that were screened using environmental criteria	 Supply chain	 Supplier portal	
308-2	Negative environmental impacts in the supply chain and actions taken	 Governance and ethics  Supply chain		
GRI 401: Employment 2016				
3-3	Management of material topics	 Employment and workforce management		
401-1	New employee hires and employee turnover	 Employment and workforce management		
GRI 402: Labor/Management relations 2016				
3-3	Management of material topics	 Employment and workforce management	 Community engagement  UNGC principles	
GRI 403: Occupational health and safety 2018				
3-3	Management of material topics	 Occupational health and safety	 EHSS  EHSS policy  Creating a culture of safety	
403-1	Occupational health and safety management system	 Occupational health and safety	 EHSS management systems	
403-2	Hazard identification, risk assessment, and incident investigation	 Product stewardship  Occupational health and safety	 EHSS process risk management  SABIC's Safer Chemistry initiative	

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
403-3 Occupational health services	 Occupational health and safety		
403-4 Worker participation, consultation, and communication on occupational health and safety	 Occupational health and safety		
403-5 Worker training on occupational health and safety	 Occupational health and safety		
403-6 Promotion of worker health	 Employment and workforce management		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	 Occupational health and safety		
403-8 Workers covered by an occupational health and safety management system	 Occupational health and safety	 Occupational health and safety management systems	
403-9 Work-related injuries	 Occupational health and safety		
GRI 404: Training and education 2016			
3-3 Management of material topics	 Employment and workforce management		
404-1 Average hours of training per year per employee	 Employment and workforce management	 SABIC careers	
404-2 Programs for upgrading employee skills and transition assistance programs	 Employment and workforce management	 Community engagement	

GRI Standard/Disclosure	Report reference	Website reference	UN SDGs
404-3 Percentage of employees receiving regular performance and career development reviews	 Employment and workforce management		
GRI 405: Diversity and equal opportunity 2016			
3-3 Management of material topics	 Employment and workforce management	 SABIC's sense of belonging statement	
405-1 Diversity of governance bodies and employees	 Employment and workforce management  Board structure, composition, and diversity  Board structure, composition, and diversity – Gender diversity	 Board of directors and executive management	
GRI 406: Non-discrimination 2016			
3-3 Management of material topics		 SABIC code of ethics	
406-1 Incidents of discrimination and corrective actions taken		 SABIC code of ethics	
GRI 407: Freedom of association and collective bargaining 2016			
3-3 Management of material topics	 Human and labor rights  Governance and ethics	 Our human rights program	 
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	 Human and labor rights  Governance and ethics	 Our human rights program	
GRI 408: Child labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	 Human and labor rights  Governance and ethics	 Supplier code of conduct  Our human rights program  Supplier portal	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
GRI 409: Forced or compulsory labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human and labor rights Governance and ethics	Supplier code of conduct Our human rights program Supplier portal	
GRI 410: Security practices 2016				
3-3	Management of material topics	Occupational health and safety	Security and crisis management	
GRI 413: Local communities 2016				
3-3	Management of material topics	Corporate social responsibility Local content	SABIC's corporate social responsibility strategy Community engagement SABIC's NUSANED™ initiative	
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility Local content	SABIC's NUSANED™ initiative Corporate social responsibility overview SABIC EHSS management systems	
GRI 414: Supplier social assessment 2016				
3-3	Management of material topics	Supply chain		 
414-1	New suppliers that were screened using social criteria	Supply chain Governance and ethics	SABIC and Together for Sustainability	

GRI Standard/Disclosure		Report reference	Website reference	UN SDGs
414-2	Negative social impacts in the supply chain and actions taken	 Supply chain	 Supplier portal	
GRI 415: Public policy 2016				
3-3	Management of material topics	 Governance and ethics	 Government engagement	
415-1	Political contributions		 Government engagement	
GRI 416: Customer health and safety 2016				
3-3	Management of material topics	 Product stewardship	 Product stewardship	
416-1	Assessment of the health and safety impacts of product and service categories	 Product stewardship		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	 Product stewardship	 Product stewardship	
GRI 417: Marketing and labeling 2016				
417-1	Requirements for product and service information and labeling	 Product stewardship	 Product stewardship	
417-2	Incidents of non-compliance concerning product and service information and labeling	 Product stewardship	 Product stewardship	
GRI 418: Customer privacy 2016				
3-3	Management of material topics	 Governance and ethics  Cybersecurity	 Data protection and privacy notice	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	 Customer centricity		

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SUPPLEMENTARY INFORMATION



GLOSSARY

MATERIAL TOPIC DEFINITIONS

Climate change and energy efficiency: Management of Scopes 1 and 2 greenhouse gas emissions; climate change adaptation and mitigation; and physical and transitional risks and opportunities associated with SABIC's own operations; pursuance of energy efficiency; and incorporation of renewable energy in our operations.

Circular economy and sustainability solutions: Sustainable product and process innovation to support a circular carbon economy. This includes new technology initiatives, sustainable solutions including low-carbon products, designing products and developing or implementing business models that are in line with circular economy principles, such as producing products that could help eliminate or remove waste, keep materials in use, come from alternative sources, and are recyclable.

Resource efficiency – water and waste: Sustainable use and protection of water and materials through efficient resource use, waste prevention and minimization, reuse and recycling, and the safe management of hazardous waste across SABIC's operations and value chain.

Biodiversity and ecosystems: Impacts and dependencies on biodiversity and ecosystems (e.g., impacts on the state of species and on the extent and conditions of ecosystems), including land degradation, desertification, deforestation, within SABIC's own operations and throughout its value chain.

Employment and workforce management: Employment and economic value creation, including creation of job opportunities, attraction and retention of talent, training and education, and creating a sense of belonging among SABIC's own workforce.

Human and labor rights: Respect for human rights in SABIC's own operations and workers in the value chain, related to child labor, compulsory or forced labor, working time, adequate wages, work-life balance, gender equality and equal pay for work of equal value, measures against violence and harassment in the workplace, secure employment, freedom of association, and collective bargaining.

Supply chain: Sustainable practices across the supply chain, from procurement to material disposal, including minimization of environmental impact, ethical business conduct, and fair labor practices.

Corporate social responsibility: Contributing to the well-being of communities and society where SABIC operates and SABIC's employees live.

Occupational health and safety: Safe and healthy work environment including process and physiological safety, preventing injuries, fatalities and illnesses within SABIC's own operations.

Product stewardship: Responsible (risk) management of SABIC's products throughout their entire life cycle. This includes supporting the health and safety of employees, customers and product end-users, responsible marketing and labelling, transparency, and the substitution, elimination, or reduction of chemicals of concern where viable.

Governance and ethics: Good governance and corporate culture, including legal and regulatory compliance, stakeholder engagement, risk and opportunity management, ethical business practices (anti-corruption, bribery, protection of whistle blowers), political engagement, lobbying activities, and management of supplier relationships (including payment practices).

A

Adjusted earnings are financial metrics that exclude special items not directly related to the regular course of business.

Advanced recycling, also known as chemical recycling or feedstock recycling, breaks down plastics at the molecular level, converting them into their original monomers or other useful chemicals, such as naphtha.

Affiliate, in SABIC's definition, is any entity that controls, is controlled by, or is under common control with another entity. "Control" refers to directly or indirectly owning a majority equity interest or having the power to direct business affairs.

B

Bio-renewable feedstock is raw material derived from renewable biological sources, such as plants, animals, microorganisms, or other renewable organic matter, used as the primary input for producing chemicals, materials, and fuels.

BLUEHERO™ is a SABIC initiative launched in 2022 to enable electrification, starting with the automotive industry. It delivers thermoplastic materials, design expertise, and engineering solutions to enable safer, more efficient, and high-performing electric vehicles (EVs). A key focus is optimizing structural battery components using flame-retardant materials and lightweight, cost-effective solutions that meet stringent safety, performance, and environmental standards.

C

Carbon capture is the process of capturing carbon dioxide (CO₂) from industrial emissions or the atmosphere to prevent it from entering the environment. Captured CO₂ can be stored underground (carbon capture and storage, CCS) or repurposed as a feedstock for industrial applications (carbon capture and utilization, CCU).

Carbon dioxide (CO₂) is a greenhouse gas that traps heat in the Earth's atmosphere, contributing to global warming. It is produced naturally and through human activities, including industrial processes, fossil fuel combustion, and chemical reactions. Managing CO₂ emissions is a key focus of climate and sustainability efforts.

Carbon dioxide equivalent (CO₂e) is a standard unit for measuring and comparing greenhouse gases based on their global warming potential (GWP), expressed in terms of the equivalent amount of carbon dioxide.

Closing the loop (or **closed-loop models**) refers to reducing the use of virgin raw materials and minimizing waste by utilizing recycled materials in the manufacturing of new products. This approach supports circular economy principles by keeping materials in use for as long as possible.

Collective bargaining refers to the negotiation of employment terms – such as wages, benefits, and working conditions – between an employer and a group of workers, typically represented by a union or labor organization.

Commodity chemicals, also known as bulk chemicals, are produced in large quantities with uniform quality and specifications to meet global demand and are used in a wide range of industrial applications. SABIC's commodity chemicals include polymers, petrochemicals, basic inorganic chemicals, and fertilizers.

Cracking is a key refining and petrochemical process in which complex organic molecules, such as long-chain hydrocarbons, are broken down into simpler molecules. Common types of cracking used in the petrochemical industry include: thermal cracking, conducted at high temperatures; steam cracking, which uses steam to generate high temperatures; and catalytic cracking, which uses a catalyst to accelerate the reaction.

D
Diversity refers to the presence of differences within a workforce, including but not limited to national origin, ethnicity, gender, age, abilities, and experiences. A diverse workplace values these differences and fosters an environment where individuals can contribute and thrive.

Downstream refers to later stages of the value chain, where intermediate or finished products are processed, refined, and sold to customers.

E
Earnings before interest, taxes, depreciation, and amortization (EBITDA) refers to income from operations excluding depreciation, amortization, and asset impairments.

Employee engagement refers to the level of commitment, involvement, and motivation employees have toward their organization and its goals.

F
Free cash flow (FCF) is the net cash generated from operating activities minus capital expenditures.

G
The **gearing ratio** measures the extent to which SABIC's operations are funded by lenders versus shareholders. It is calculated as net debt ÷ (net debt + total equity), where net debt is defined as debt + lease liabilities – cash and cash equivalents – short-term investments.

The **Globally Harmonized System (GHS) of Classification and Labelling of Chemicals** is an international standard for classifying chemical hazards and communicating safety information through consistent labels and safety data sheets.

Greenhouse gases (GHG) are gases that trap heat in the Earth's atmosphere by absorbing infrared radiation. Significant greenhouse gases include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

The **Greenhouse Gas (GHG) Protocol** is the most widely used global framework for measuring and managing greenhouse gas emissions in the public and private sectors.

H
Human capital refers to the knowledge, skills, experience, and other intangible qualities that contribute to an individual's or workforce's productivity and economic potential.

Hydrocarbons are organic compounds made of hydrogen and carbon, primarily found in petroleum and natural gas. They serve as fuels and as key raw materials for producing plastics, synthetic fibers, industrial chemicals, and lubricants.

I
Income (loss) attributable to SABIC shareholders includes results from both continuing and discontinued operations, including losses from the fair value remeasurement of the Hadeed business.

Income from operations (EBIT) represents earnings before finance income and cost, Zakat and tax, and results from non-integral joint ventures and associates.

Intellectual capital refers to the knowledge-based assets that create value for a company, including intellectual property, patents, trademarks, copyrights, trade secrets, proprietary technologies, and research and development (R&D) capabilities. In distinction to human capital, which resides with individuals, intellectual capital is embedded within the organization itself.

International Sustainability and Carbon Certification (ISCC) is a voluntary globally-recognized third-party certification scheme designed to validate the characteristics of feedstocks across multiple sectors.

J
Joint venture (JV), in SABIC's definition, is a firm or partnership established and operated by two or more companies that share ownership and control and have rights to its net assets.

K
KAFAA is a SABIC manufacturing program that enhances operational performance by improving maintenance efficiency, optimizing resource utilization, and developing workforce capabilities.

L
Life cycle assessment (LCA) is a method for evaluating potential environmental impacts throughout a product's life cycle, from natural resource acquisition to production, use, and end-of-life. SABIC utilizes LCAs in its product sustainability qualification process.

Living wage refers to a level of remuneration that allows workers and their families to meet their basic needs, including food, housing, healthcare, and other essential expenses.

Local content (LC) refers to the total economic value generated within Saudi Arabia through local workforce employment, procurement of goods and services, technology transfer, and domestic investment. It is a key component of Saudi Vision 2030, aimed at enhancing economic diversification, industrial self-sufficiency, and reducing reliance on imports. The Local Content and Government Procurement Authority (LCGPA) defines and regulates local content policies to maximize domestic value creation across various sectors.

Low-carbon products are products or services designed to have lower greenhouse gas emissions across their entire life cycle, from material acquisition to end-of-life.

M
The **mass balance approach** is a recognized accounting method used to track the proportion of sustainable materials in complex production systems. It allows manufacturers to mix sustainable and conventional raw materials within the same production infrastructure while allocating a corresponding share of the final product to sustainable sources based on input volumes. This enables more efficient use of existing facilities, supports circular economies, and promotes transparent reporting of recycled or renewable content.

Mechanical recycling, also called traditional or physical recycling, processes plastic waste into new products through collection, sorting, cleaning, and reprocessing, without altering its chemical structure.

N
Naphtha is a flammable hydrocarbon mixture used as a feedstock for gasoline production and petrochemicals. A lightweight fraction of crude oil, it serves as a key raw material for producing ethylene, propylene, and other chemical intermediates.

NIA-PFAS (no intentionally added per- and polyfluoroalkyl substances) indicates that, based on the formulation used to manufacture the SABIC product, no PFAS are intentionally added.

Net debt/net cash is a company's total debt and lease liabilities minus short-term investments and cash and cash equivalents.

NUSANED™ is SABIC's initiative designed to support Saudi Arabia's Vision 2030 by empowering small and medium-sized enterprises (SMEs), entrepreneurs, and local companies. It offers assistance in local workforce development, training, and access to financing, aiming to boost local businesses and contribute to the national economy. Participants who successfully complete the program are recognized as **NUSANED™ graduates**.

O
The **Occupational Safety and Health Administration (OSHA)** is a regulatory agency under the U.S. Department of Labor responsible for establishing and enforcing workplace safety standards to promote safe work environments and reduce occupational hazards.

Olefins are hydrocarbon compounds primarily produced in petrochemical plants through processes like steam cracking and catalytic cracking. They serve as key building blocks for plastics, synthetic fibers, and chemicals. While small amounts can be found in crude oil and natural gas, they are predominantly manufactured rather than naturally occurring.

Operation Clean Sweep® (OCS) is an industry-led, voluntary program that helps companies across the plastics value chain prevent the loss of plastic resin, including pellets, flakes, and powders, into the environment during operations and transport.

Original Equipment Manufacturers (OEMs) are companies that produce components or products that are later marketed and sold under another company's brand. In industries such as automotive, electronics, and industrial manufacturing, OEMs supply critical parts and systems that are integrated into final products.

P

PFAS (per- and polyfluoroalkyl substances), also known as PFCs (perfluorinated compounds), are a group of synthetic chemicals used in many consumer products. These substances persist in the environment and can bioconcentrate in animals and humans for many years.

Process safety incidents refer to incidents that could result in the release of hazardous materials or energy at a site, potentially causing toxic exposure, fire, explosion, serious injuries, property damage, production losses, or environmental harm.

Product carbon footprint refers to the total greenhouse gas (GHG) emissions generated throughout a product's life cycle, including raw material extraction, production, transportation, use, and end-of-life disposal. It is typically measured in carbon dioxide equivalents (CO₂e) to account for all relevant greenhouse gases.

Q

Quality assurance (QA) is a systematic process for ensuring that quality standards are met throughout a project or product life cycle. It involves creating and implementing quality management systems (QMS) that define responsibilities, procedures, and standards, while incorporating audits, reviews, and assessments to verify compliance.

S

SABIC Leadership Way is SABIC's leadership framework that defines the values and daily behaviors expected of employees at all levels.

Safer Chemistry is SABIC's internal program focused on improving the environmental profile of products and reducing the hazard footprint of materials and processes. Concepts used by external stakeholders that are similar include "safe chemistry," "sustainable chemistry," and "green chemistry."

Safety Data Sheet (SDS) is a hazard communication document that provides detailed information on a product, including its composition, physical and chemical properties, potential health and environmental hazards, safe handling, storage, disposal, and emergency response measures. SDSs help stakeholders take appropriate protective measures for occupational and environmental safety.

The **Saudi Riyal symbol (﷼)**, introduced on February 20, 2025, is inspired by Arabic calligraphy and represents the Saudi Riyal (﷼/ SAR) in financial and commercial transactions. It is intended to be used in banking, financial reports, invoices, and digital transactions both domestically and internationally. The Saudi Riyal is pegged to the US dollar at a fixed rate of ﷼ 3.75 per US\$ 1.

Shareek, also known as the Private Sector Partnership Reinforcement Program, is a Saudi initiative to strengthen collaboration between the public and private sectors. The program supports large Saudi companies, both listed and unlisted, by accelerating investment projects and identifying new opportunities. Shareek aims to drive private sector investment in line with the goals of Saudi Vision 2030.

SHE is SABIC's women's network, with a vision to make SABIC the preferred brand for women in the chemicals industry. SHE fosters career growth through mentoring, training, and industry engagement, strengthening the pipeline of women in science, technology, engineering, and mathematics (STEM) and leadership positions.

A **subsidiary**, specifically a wholly owned subsidiary, in SABIC's definition, is a company that is owned and controlled by a single entity. SABIC's immediate shareholder is Aramco Downstream Company, which is a wholly owned subsidiary of Saudi Arabian Oil Company (Saudi Aramco), the ultimate parent entity of the Aramco Group.

T

Talent review process is SABIC's global annual performance evaluation process, incorporating discussions on goal setting, achievements, the SABIC Leadership Way, and development planning.

Thermoplastics are a class of polymers that soften when heated and can be reshaped using processes such as extrusion, injection molding, blow molding, and thermoforming. They are easily recyclable, as they can be reheated and cooled multiple times without altering their chemical properties.

Thrive ambition refers to SABIC's aim for more than 90% of employees to feel that they thrive at SABIC by 2030. Progress is measured through an annual employee survey.

Total Recordable Injury and Illness Rate (TRIIR) is a key occupational health and safety metric that measures the frequency of work-related injuries and illnesses per 200,000 hours worked. It includes all recordable incidents, such as fatalities, lost-time injuries, restricted work cases, and medical treatment cases beyond first aid. TRIIR is a critical indicator of workplace safety performance and is commonly used for benchmarking across industries.

TRUCIRCLE™ is SABIC's portfolio of solutions designed to drive circularity in the plastics industry. It includes mechanically recycled products, certified circular polymers from advanced recycling, certified renewable polymers from bio-renewable feedstocks, design for recyclability initiatives, and closed-loop collaborations. TRUCIRCLE™ helps reduce plastic waste, lower CO₂ emissions, and support customers in creating more sustainable products of their own.

U

The **United Nations Global Compact (UNGC)** is a voluntary initiative to encourage businesses to adopt sustainable and socially responsible policies. It outlines Ten Principles in human rights, labor, environment, and anti-corruption, providing a framework for responsible business practices.

The **United Nations Sustainable Development Goals (SDGs)** are a set of 17 global objectives adopted by the United Nations to address poverty, protect the planet, and promote peace and prosperity by 2030. As a signatory of the UN Global Compact, SABIC supports these goals through responsible business practices and sustainability initiatives.

Upstream refers to earlier stages of the value chain, including the sourcing of raw materials, feedstocks, and initial production processes that serve as inputs for manufacturing and downstream operations.

COMMONLY USED CHEMICAL ABBREVIATIONS

- **ABS:** Acrylonitrile butadiene styrene
- **EG:** Ethylene glycol
- **ETP:** Engineering thermoplastics
- **MTBE:** Methyl tert-butyl ether
- **PC:** Polycarbonate
- **PE:** Polyethylene
- **PEI:** Polyetherimide
- **PET:** Polyethylene terephthalate
- **PFAS:** Per- and polyfluoroalkyl substances
- **PMMA:** Polymethyl methacrylate
- **PP:** Polypropylene
- **PPE:** Polyphenylene ether
- **PS:** Polystyrene
- **PU:** Polyurethane
- **PVC:** Polyvinyl chloride

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