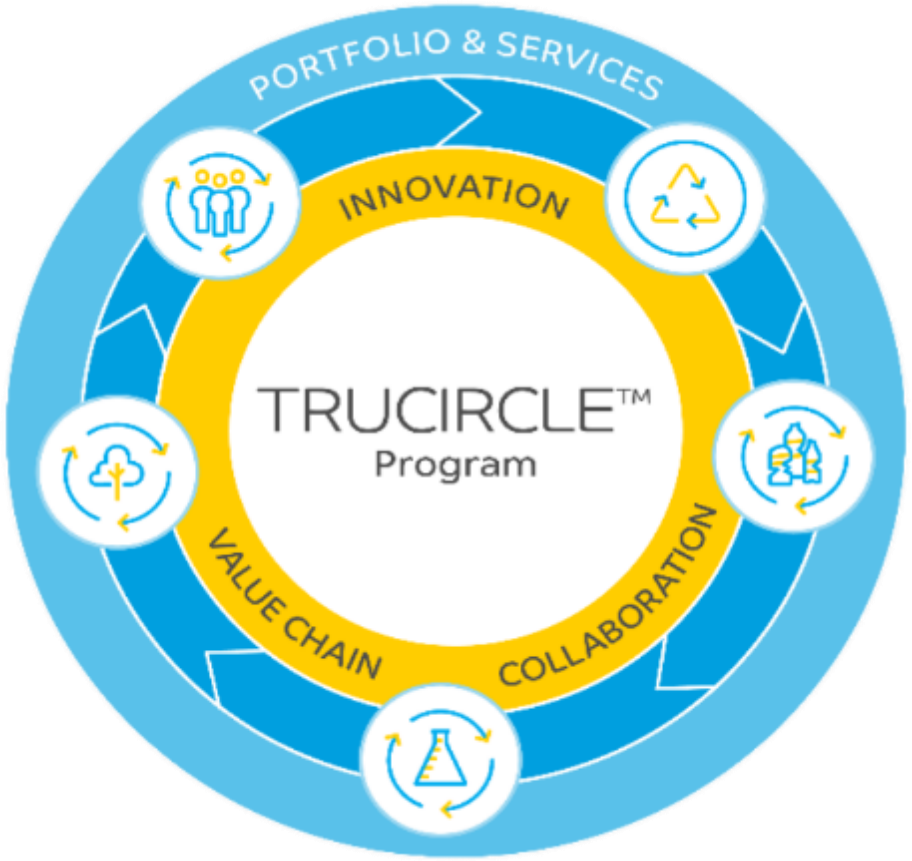
CHEMISTRY THAT MATTERS™

SABIC'S TRUCIRCLE™ PROGRAM

EXTERNAL COMMUNICATION DECK
JANUARY, 2023

JOIN OUR FUTURE



SABIC'S CIRCULAR COMMITMENT

SABIC'S CIRCULAR COMMITMENT ANNOUNCED AT DAVOS

Increasing Demand for Recycled Plastics

The global market for recycled plastics is anticipated to increase by 56% over the next five years

56%
Increase in demand

Committing to Circular Plastics

To meet these growing demands, we are committing to processing at least one million metric tons of TRUCIRCLE™ products annually by the year 2030

1 Million
Current volume over next 8 years

Reducing Carbon Emissions

Our innovative TRUCIRCLE™ portfolio includes bio-based feedstock sourced from plant material, enabling us to reduce CO2 emissions by as much as 60%

60%
Decrease in CO2 emissions

CHEMISTRY THAT MATTERS™

COMMITS TO ACCELERATING ACIRCULAR ECONOMY

SABIC CEO (Λ)
Abdulrahman Al-Fageeh

SABIC 2023 ANNOUNCEMENT AT DAVOS

2018
SABIC DEMONSTRATES COMMITMENT TO SUSTAINABLE DEVELOPMENT WITH ICONIC ICEHOUSE™

SABIC first in the industry to commit to scale up high-quality recycling processes for chemical recycling of mixed plastic waste to the original polymer.

2019
SABIC AND CUSTOMERS LAUNCH CERTIFIED CIRCULAR POLYMERS FROM MIXED PLASTIC WASTE

SABIC launches Market Foundation stage in collaboration with customers Unilever, Vinventions and Walki Group and supplier Plastic Energy

2020
SABIC REVEALS PLANS FOR TRUCIRCLE™ SOLUTIONS TO CLOSE THE PLASTICS LOOP

SABIC reveals progress on TRUCIRCLE™ circular journey with new collaborations highlighting construction of first commercial advanced recycling plant

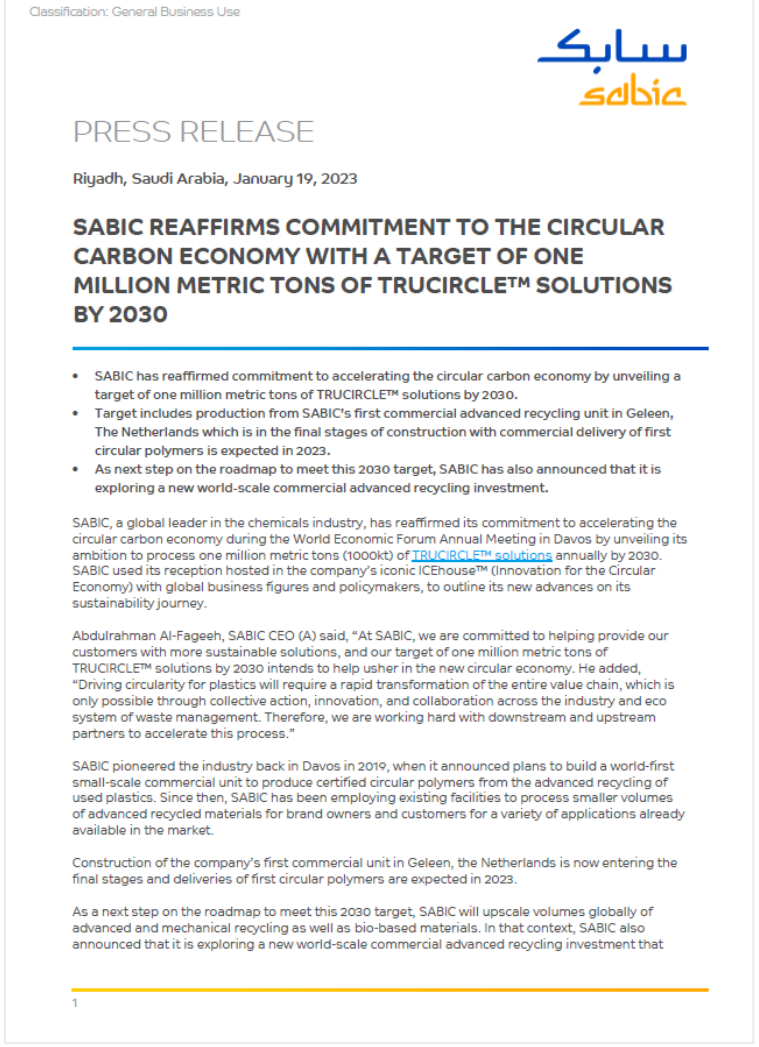
2022
SABIC REAFFIRMS COMMITMENT TO CARBON NEUTRALITY AT WORLD ECONOMIC FORUM IN DAVOS

SABIC highlights 2030/2050 Carbon Neutrality commitment and 4 R's of Circular Carbon Economy including TRUCIRCLE™ contributions

2023
SABIC AFFIRMS COMMITMENT TO ACCELERATING CIRCULARITY WITH A TARGET TO PROCESS ONE MILLION METRIC TONS OF TRUCIRCLE™ SOLUTIONS BY 2030

- SABIC's reaffirmed its commitment to accelerating the circular carbon economy by unveiling its target to process one million metric tons of TRUCIRCLE™ solutions by 2030
- Target includes SABIC's first commercial advanced recycling unit in Geleen, The Netherlands which is in the final stages of construction with commercial delivery of first circular polymers is expected in Q2 2023
- As next step on the roadmap to meet this 2030 target, SABIC has also announced that it is exploring a new world-scale commercial advanced recycling investment
- SABIC's roadmap to meet this new 2030 target also includes bio-based feedstock and mechanically recycled materials

SOCIAL MEDIA & PRESS RELEASE



INTRODUCTION

THINK OF ...

DRIVE FOR CIRCULARITY

MIXED PLASTIC WASTE

OCEAN BOUND PLASTIC

CERTIFIED CIRCULAR PRODUCTS

REDUCE GREENHOUSE GAS EMISSIONS

CRUDE TALL OIL

USED COOKING OIL

VEGETABLE OIL PROCESSING RESIDUES NEW

CERTIFIED RENEWABLE PRODUCTS

OUR JOURNEY SO FAR ...

PROVEN SOLUTIONS

MASS BALANCE chain of custody
for polymers

2014

2014

D4R WITH TF-BOPE
Mono-material solutions to overcome limits of conventional PE film

2019

2019

CERTIFIED RENEWABLE CHEMICALS
supporting launch of new renewable value chains

2019

2019

2019

2020

2020

CIRCULAR PRODUCTS
based on
OCEAN BOUND PLASTIC

2021

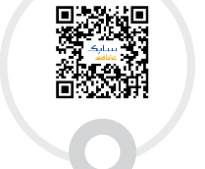
2021

2021

CIRCULAR PRODUCTS
based on
OCEAN PLASTIC

2021

2022



2022

CERTIFIED RENEWABLE PRODUCTS
from 'Vegetable oil processing residues'

2022

CERTIFIED RENEWABLE PE & PP
from second generation bio-based feedstock

CERTIFIED CIRCULAR PE & PP
from advanced recycled feedstock

CLOSED LOOP
with Tesco, Plastic Energy & Partners

PCR COMPOUNDS
up to 70% mechanically recycled content

BLOCKCHAIN PILOT PROJECT
for digital traceability and additional transparency

CHALLENGES & SABIC'S COMMITMENT TO SUSTAINABILITY

WORLD WITH MANY CHALLENGES

WASTE AND OPPORTUNITY

PUBLIC OPINION

NEGATIVE ATTENTION TO PLASTICS IN MEDIA. WASTE ISSUE OVERSHADOWS ADVANTAGES OF PLASTIC PRODUCTS

EXISTING BENEFITS

BENEFITS INCLUDING LIGHTWEIGHT, STIFFNESS, IMPACT, DURABILITY, COST, SAFETY, APPEARANCE, ETC.

A CHALLENGING CONTEXT

LINKING UN SDG'S TO SABIC'S TOP SUSTAINABILITY PRIORITIES

Resource Efficiency

SABIC's ambitious goals are to reduce Material Loss intensity 50% and Water Intensity 25% by 2025 since 2010.

Innovation & Sust. Solutions

Sustainability is the guiding light for SABIC's product and process innovation – to support the development of effective solutions to some of the world's greatest challenges.

Climate Change & Energy

SABIC's ambitious goals are to reduce GHG and energy intensity 25% by 2025, from 2010 levels.

Circular Economy

Circular economy inspires SABIC to adapt our processes to the use of renewable and recycled feedstock, and to create durable, recyclable product design solutions for our customers.

Environment, Health, Safety

SABIC is committed to our core EHSS values, with a supportive culture and focus on continuous performance improvement.

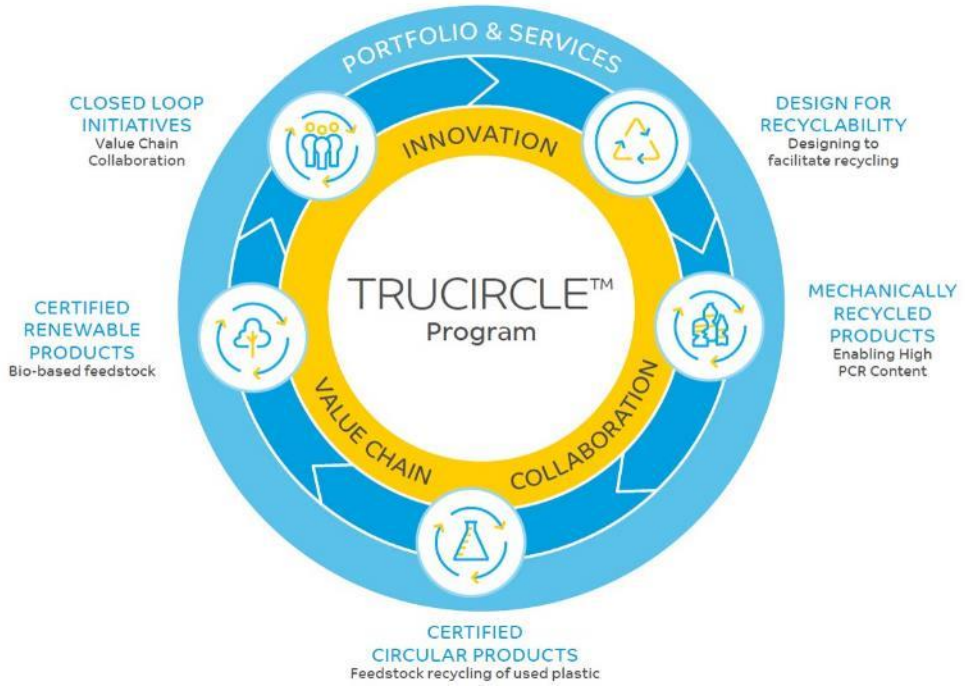
Governance & Integrity

Integrity is a core value and helps to maintain stakeholder trust. SABIC's Code of Ethics provides guidance to meet stakeholder expectations.

* Baseline is year 2010 / Retain intensity targets 2010-2025 based on external Sales

SDG: Sustainable Development Goals

LINKING UN SDG'S TO SABIC'S TOP SUSTAINABILITY PRIORITIES



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SABIC'S TRUCIRCLE™ PROGRAM – COMPLEMENTARY SOLUTIONS

PORTFOLIO

MECHANICALLY RECYCLED PRODUCTS

Compounds with high recycled content and booster resins for recyclate containing compounds that can improve processability and end-use properties

Maximize value for waste

CERTIFIED CIRCULAR PRODUCTS

Virgin resins and chemicals from difficult-to-recycle used plastics produced through advanced recycling

Reduce use of fossil fuels

CERTIFIED RENEWABLE PRODUCTS

Resins and chemicals from bio-based feedstock that are not in direct competition with the human food chain and that can help mitigate potential effects of climate change

SERVICES

DESIGN FOR RECYCLABILITY

Tailored resins for the development of products that have improved recyclability characteristics

CLOSED LOOP INITIATIVES

Value chain collaborations to recycle plastic back into high quality applications and help prevent valuable used plastics from becoming waste

WORKING SIDE BY SIDE WITH PARTNERS ACROSS THE ENTIRE VALUE CHAIN TO DEVELOP CIRCULAR SOLUTIONS AND FULFILL SABIC'S AMBITION FOR A NEW PLASTIC ECOSYSTEM

SABIC'S TRUCIRCLE™ PROGRAM – CASE STUDIES

PORTFOLIO

SERVICES

MECHANICALLY RECYCLED PRODUCTS

CERTIFIED CIRCULAR PRODUCTS

CERTIFIED RENEWABLE PRODUCTS

DESIGN FOR RECYCLABILITY

CLOSED LOOP INITIATIVES

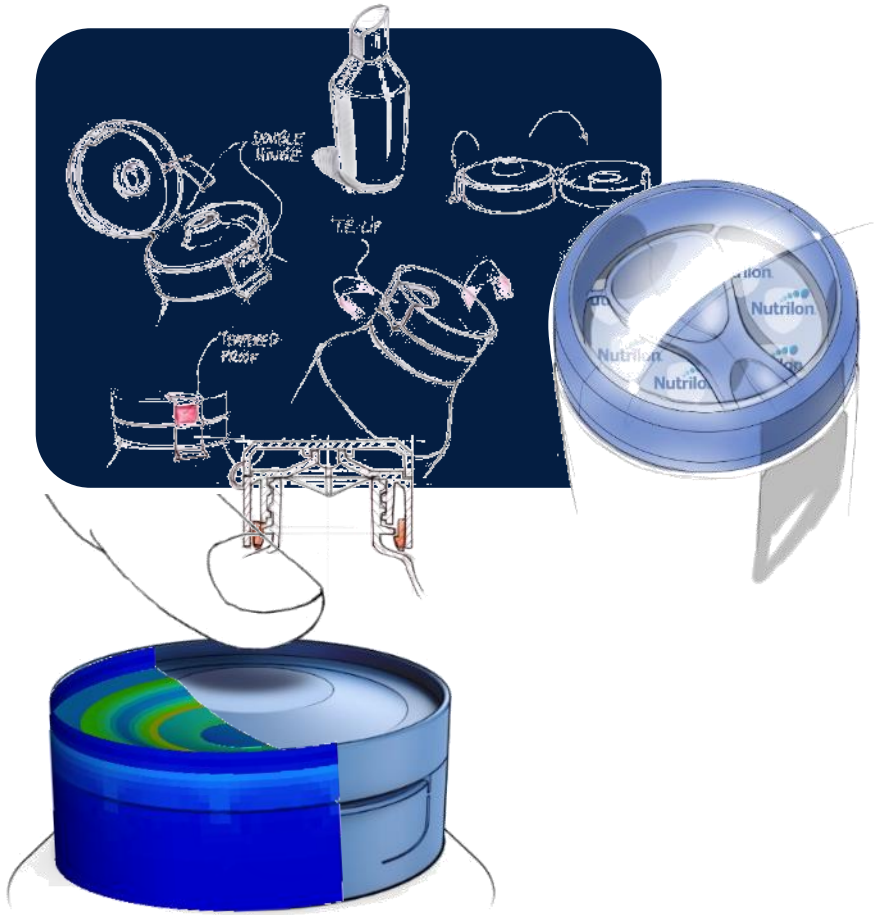
CLOSING THE LOOP AND CREATING A CIRCULAR ECONOMY FOR PLASTICS

COMPLEMENTARY TRUCIRCLE™ PILLARS

DESIGN FOR RECYCLABILITY

CREATING A SUSTAINABLE PACKAGING STARTS AT THE DESIGN STAGE

Exploration | Ideas and concepts | Design optimization | Tooling & production | Post processing



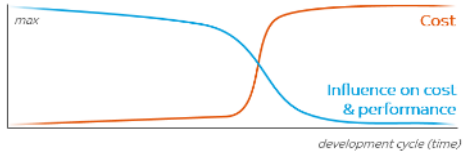
MATERIALS EXPERTISE IN THE COMPLETE APPLICATION DEVELOPMENT CHAIN,

from industrial design to predictive engineering and processing.

- Worldwide footprint
- Dedicated segment teams
- Application labs
- Testing capabilities

EARLY INVOLVEMENT IN THE DESIGN PROCESS = RETURN ON INVESTMENT:

- Cost reduction
- Performance optimization
- Time to market



PACKAGING 'DESIGN FOR RECYCLABILITY' CONSIDERATIONS

GENERAL

Features complicating packaging recycling

- dark colors
  - especially carbon black
- fillers
  - no change of density
- complicated multi-material structures
  - e.g. PET, PA
- difficult to recycle materials
  - e.g. PVC, PS
- Inseparable paper / plastic structures
- Labels / sleeves covering full product
  - substrate not recognizable for current recycling technologies

TESCO *

TESCO, UK retail giant, issued an updated series of guidelines on the preferred materials and formats that it will accept as packaging.

Red Not to be used as customers cannot easily recycle (UK)		Amber When functional requirements mean green materials are not an option		Green Preferred for UK recycling via kerbside or store	
Materials	**Formats & Designs**	***CONTROLLED USE: CONTACT THE PACKAGING TEAM FOR APPROVAL*** packaging.team@tesco.com		**Materials**	**Formats & Designs**
Compostable/PLA & Biodegradable Plastics	Rigid Black Plastic	***New materials, formats and designs***		Glass	Paper/board with plastic: single side lamination <10% by weight (incl. windows)***
Oxy/Oxo degradable Plastics	Expanded/ Foamed/Density Modified Plastics	**Materials**	**Formats & Designs**	PET (Rigid)	Mono PET lidding film on PET tray perm-welded
Polystyrene	Paper/board laminated on both sides	NIR Black HDPE (non food grade)*	Beverage/Liquid Food Cartons	Polyethylene	Mono material spouted pouch
PVC	Complex laminates using aluminium layers for decoration	Complex laminates**	Composite Drums	Mono flexible films	
PVdC	Hi/Mid-Cones	Foiled paper	Shrink sleeves (perforated, include messaging to remove, max ink coverage of 60%)	Polypropylene	
MDF	Plastic straws & cutlery	Wood	Spouted pouches of mixed material	Steel & Aluminium	
Water Soluble Plastics	Glitter	Bio sourced polymers		Cardboard	
Waxed & Siliconised Paper				Paper	
				Non Siliconised Glassine	

Underlined denotes 2022 additions/updates (Production for own brand products to cease by end of 2022)
* Dependant on utilising coloured (jazz) recyclate only – no natural HDPE from food sources (to be reviewed annually with processors)
** Complex laminates should only include a metallised layer where no alternatives are available
*** Easily separated in the recycling stream to maximise fibre recovery

TESCO

GOLDEN DESIGN RULES **

GOLDEN DESIGN RULE 6

Increase Recycling Value in Flexible Consumer Packaging

For flexible consumer packaging made mostly from plastic[1]:

1. Regional design guidelines to fit with existing recycling programmes[2] shall be met wherever possible.
2. For packaging that is not accepted by existing recycling programs, and where there is a clear pathway for a future recycling system by 2025[3], the following requirements apply:
   A. Maximise polyolefin content:
   B. Preferably >90% mono PE, or >90% mono PP
   C. Minimum either >80% mono PE, >80% mono PP or >80% mixed polyolefins
   D. Density <1 g/cm³
   E. Each barrier layer should not exceed 5% of the total packaging structure weight[4]
   F. No PVC, PVDC, fibres, aluminium foil, PET

* Courtesy of Tesco – Tesco Preferred Materials & Formats Guidelines – Feb 2022
** The Consumer Goods Forum (CGF) has developed "Golden Design Rules" covering the vast majority of all plastic packaging

DESIGN FOR RECYCLABILITY

A MONO-PE STAND-UP POUCH SOLUTION

Multi-material laminates for pouches are NOT easy to recycle

SABIC® mono-PE solutions are designed for recyclability
The structure is based on a reversed printed BOPE film and laminated against a 5-layer blown PE co-extrusion film.

Mono PE resin based pouch for dish wash pods.
Film thickness: 140 µm

Mono PE resin based pouch for dried pet food with zipper & tear notch.
Film thickness: 140 µm

SUPERIOR OPTICS
High transparency and planarity of BOPE for (reversed) printing

MECHANICAL PERFORMANCE & MACHINABILITY
Comparable pouch forming & filling machinability + mechanical properties vs multi material laminates

EXCELLENT SEAL-ABILITY
Low Seal Initiation Temperature and seal through contamination sealing layer

SUPPORTING RECYCLABILITY
Full PE based film

AVAILABLE AS CERTIFIED RENEWABLE RESIN
Supporting our customers' sustainability goals

DESIGN FOR RECYCLABILITY

A PE BAG-IN-BOX SOLUTION WITHOUT PA

Laminates of Polyethylene (PE) films and Polyamide (PA) films are NOT easy to recycle

SABIC's film solution is based on PE resins - free from PA film – and contributes to increased recyclability of bag-in-box films

SUPERIOR FLEX CRACK- & PUNCTURE RESISTANCE

A reliable flexible packaging that protects the content from flex cracking and puncture hazards.
Avoiding exposure to external factors such as air, moisture, bacteria, pressure and friction.

EXCELLENT SEALING PROPERTIES

Avoiding leakage and reducing bag failures during handling and transportation

BARRIER CONTRIBUTION

EVOH in core layer contributes to preserve the content.

SUPPORTING RECYCLABILITY

Mono-material solution for the bag,
easy separation of the bag from the box

AVAILABLE AS CERTIFIED RENEWABLE RESIN

Supporting our customers' sustainability goals

DESIGN FOR RE-USE

SABIC'S RESIN SOLUTIONS FOR RE-USABLE PRODUCTS

Polyethylene

M80064S / M864SE / M453SE

Crates & Boxes

ICP4907S

Intermediate Bulk Containers

ICP5602 / ICP5703

Drums

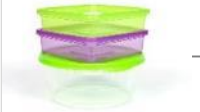
B5823 / B5822

Homecare bottles

M80064S / M864SE / M453SE

Pallets

Polypropylene



QR674K / RA12MN40

Food containers

PP-UMS

Re-usable e-commerce packaging

QR674KC

Straws

QR673K

Baby bottles

PHC27 / 48M10 / 87MK40T

Crates, boxes and pallets

ETP

PK2870

5 gallon bottles

164R

Containers

(refillable milk containers, food containers)

7062(X)

Mugs

164/144

Cereal boxes

164/144

Festival cups

MECHANICALLY RECYCLED PRODUCTS

MAIN CHALLENGES IN THE VALUE CHAIN

KEY CHALLENGES FOR PCR* COMPOUNDS:

- Feedstock availability
- Consistent raw material quality
- Odor & color consistency
- Process-ability
- Mechanical properties & performance of end product
- Product safety

Need for innovative technologies to develop sustainability solutions

* PCR = Post Consumer Regrind

KEY ENABLERS DRIVING PLASTIC MECHANICAL RECYCLING IMPLEMENTATION

Uncontaminated waste streams	Access to high quality waste streams containing low level of impurities (e.g. other polymer types)
Technology developments	Advances in the area of waste collection and sorting, as well as processing of recycled streams into plastic products
Market adoption	Acceptance of mechanical recycling solutions by brands and consumers
Value chain partnerships	Work along the entire value chain to develop solutions and improve overall recyclability

Let's THINK AND WORK TOGETHER to address main challenges on mechanical recycling

PCR COMPOUNDS VERSUS BOOSTER RESINS

PCR COMPOUNDS

Recycled content up to 70% PCR

Consistent quality: homogenous compound (PCR + virgin)

Ready to use: elimination of compounding step at customer

Compounded by SABIC or by SABIC's PCR supplier partner

BOOSTER RESINS

Virgin resins designed to enable PCR addition without compromising on processing and material quality

Improve process-ability and end-use properties with maximum amount of PCR

Designed based on application requirements

PCR to be sourced and blended by convertor

WIDE RANGE OF PCR COMPOUNDS BEING DEVELOPED FOR DIFFERENT INDUSTRIES

ON-SHELF COLLATION SHRINK FILM

SABIC® LDPE COMPOUND

Containing up to 70% PCR
Uniform shrinkage
Similar processing to virgin resin

NEW PORTFOLIO FOR AUTOMOTIVE

SABIC® PP COMPOUNDS & PC-blends (LEXAN™, XENOY™ and CYCOLOY™ resins)

From 25 to 50 % mechanically recycled polymer
Excellent performance similar to incumbent virgin resin
CO_2 footprint reduction from 10 to 50%
Available in EUR and AMR

HOUSEHOLD, IND. & CHEMICAL PACKAGING

SABIC® HDPE COMPOUND

Containing up to 50% PCR
Strong ESCR performance
Potential for light weighting

DEDICATION FOR ELECTRIC & ELECTRONICS

ETP COMPOUNDS: LEXAN™, XENOY™ and CYCOLOY™ resins

Containing up to 30% PCR content
UL certified

Wide range of PCR compounds being developed for different industries

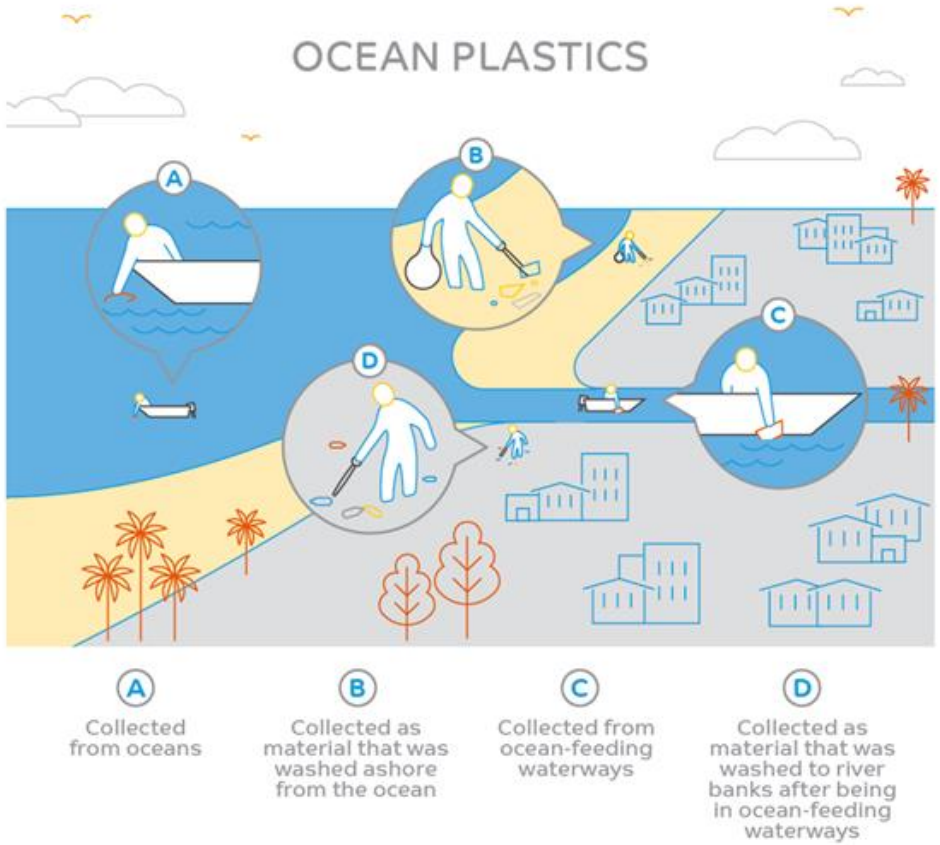
RECYCLED OCEAN PLASTIC XENOY™ RESIN

XENOY™ PC/PET COMPOUND COMPRISING 20% RECYCLED OCEAN PLASTIC PET BLENDED WITH POLYCARBONATE

For every 1kt of product containing recycled ocean plastic XENOY™ PC/PET compound, an equivalent of 24 million single-use 0.5 liter PET water bottles are potentially removed from our oceans*

Microsoft Ocean Plastic Mouse

Exterior shell of this eco-friendly mouse is made with 20% recycled ocean plastic.



A breakthrough in materials technology that begins with the removal of plastic waste from oceans and waterways

* according to an internal SABIC LCA study, which has not undergone 3rd party critical review

Images courtesy of Microsoft

VALUE DRIVERS OF PCR COMPOUNDS & BOOSTERS

PCR COMPOUNDS
- Batch-to-batch consistency
- Less complexity
- Elimination of compounding step

BOOSTERS
- Flexibility in PCR selection
- Works with broad quality range of PCRs
- Enables maximizing PCR content

POSITIVE BRAND EXPERIENCE
- Brand attractiveness and loyalty
- Create positive social impact
- Attracting new or regain customers

REDUCED CARBON FOOTPRINT
- Enabling CO_2 emission reductions

MEETING SUSTAINABILITY TARGETS
- Supporting customers in addressing corporate sustainability goals

Value increase

Risk reduction

Societal impact

INCLUDES MIN 30% PCR
- Avoiding or reducing future plastic taxes
- Limiting risk of EPR penalty*

Cost reduction

MECHANICAL RECYCLING

Individualization

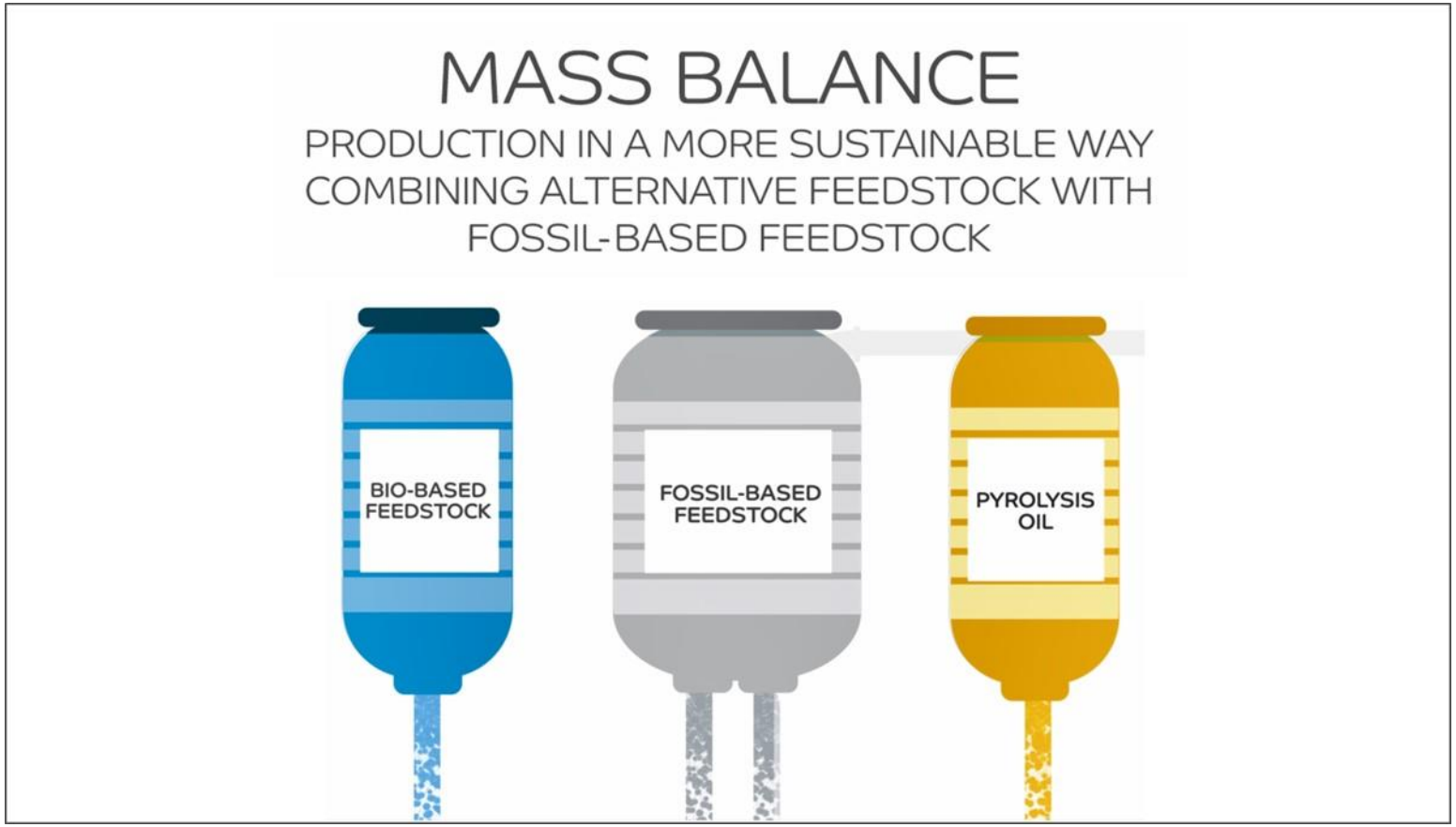
TAILOR MADE SOLUTIONS
- To maximize PCR content

Complementary TRUCIRCLE™ solution

* Subject to jurisdiction

MASS BALANCE CONCEPT

ACCEPTANCE OF THE MASS BALANCE CONCEPT IS A VITAL STEP



MASS BALANCE IS A SYSTEM WHERE THERE IS A CERTIFIED BALANCE BETWEEN THE AMOUNT OF 'INPUT MATERIAL' INTO A PROCESS AND THE AMOUNT OF 'OUTPUT MATERIAL' FROM THE PROCESS

https://www.youtube.com/watch?v=-imvDD6i6Lo

WHY MASS BALANCE APPROACH ?

Picture: Naphtha Cracker 4 (Geleen, the Netherlands)

- A CRUCIAL BRIDGE between today's linear economy and the sustainable circular plastics economy of the future
- The RELATIVELY SMALL VOLUMES of alternative feedstock have to be MIXED with conventional fossil-based feedstock
- An innovative & CRUCIAL INSTRUMENT to stimulate the FULL TRANSITION TO NEW FEEDSTOCK in SABIC's current world-scale production units
- The MASS BALANCE & CERTIFICATION CONCEPT allows us to USE EXISTING COMMERCIAL ASSETS to convert our products
- TRACEABILITY / VERIFICATION OF CORRECT MASS BALANCE HANDLING OF INFORMATION; incoming alternative feedstock and outgoing product

'ISCC PLUS' CERTIFICATION

INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATION PLUS

ACTIVITIES

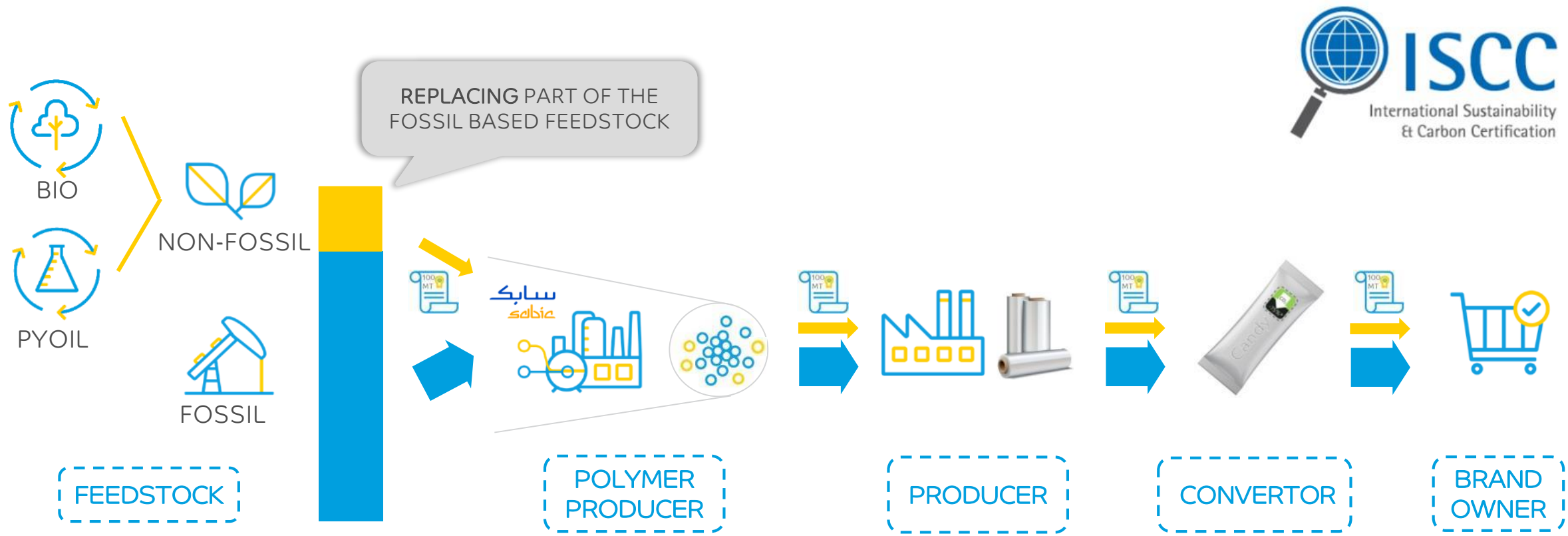
- supports the circular and bio-based economy by offering a certification that promotes an environmentally, socially and economically sustainable production
- provides credible sustainability certification for all types of agricultural and forestry raw materials, waste and residues, non-bio renewables, recycled carbon materials and the respective supply chains and is a leading global certification scheme for the bio-based and circular economy

INDEPENDENT 3rd PARTY CERTIFICATION BODIES accredited by ISCC

- ensure compliance with the mass balance chain of custody
- certification process can be completed in 3 months

→ Upon request SABIC will send a sustainability statement along with its certified renewable / circular polymers

TRACEABILITY OF CERTIFIED PE, PP AND PC SOLUTIONS



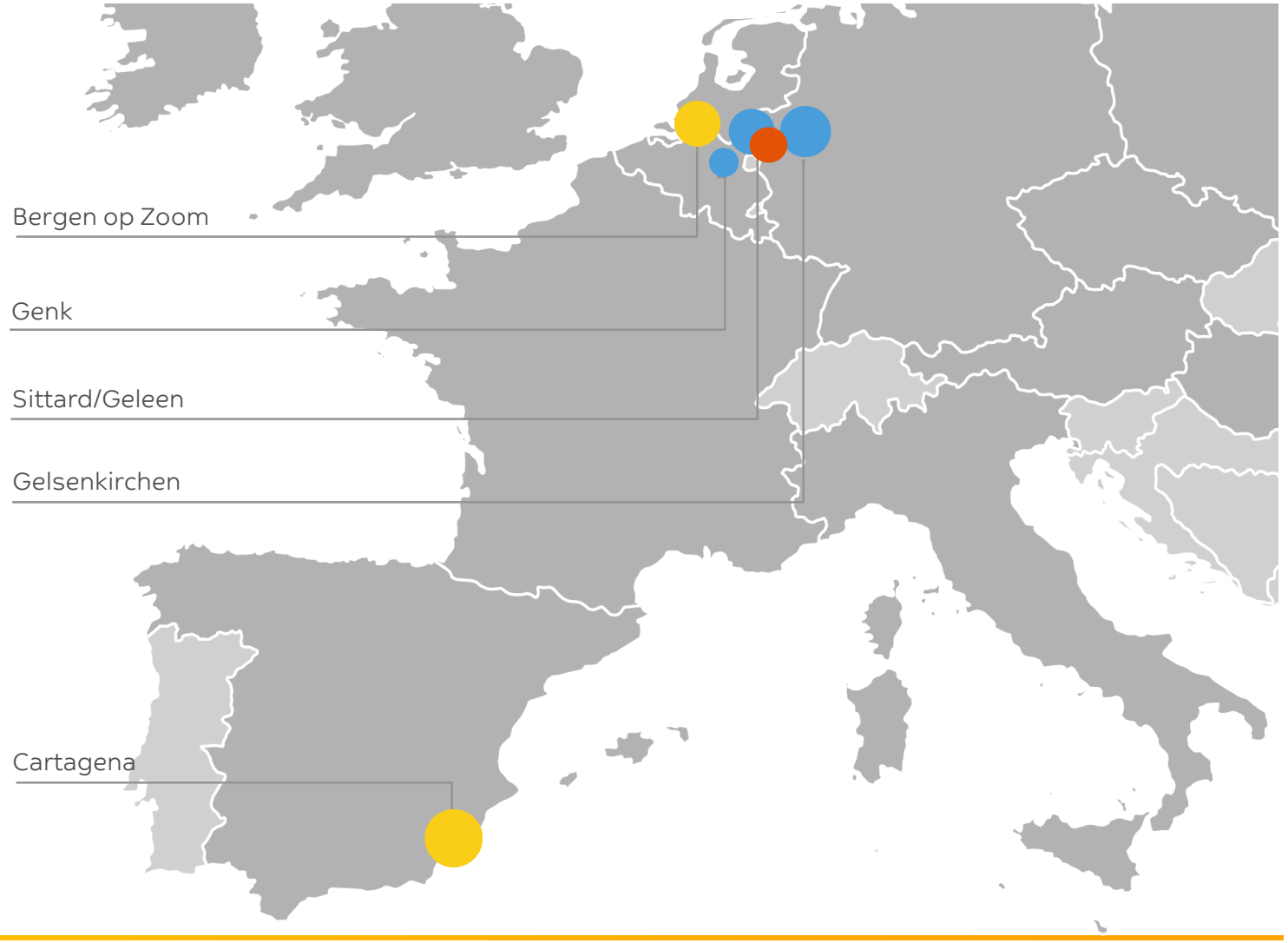
CERTIFICATION BY MASS BALANCE CHAIN OF CUSTODY

Alternative feedstock might not be physically traceable throughout the production processes when used together with non-renewable feedstock. Application of Mass Balance to attribute the alternative feedstock to an end-product in a transparent and auditable way.

EUROPEAN PRODUCTION PLANTS FOR CERTIFIED TRUCIRCLE™ PRODUCTS

CERTIFIED PRODUCTION PLANTS

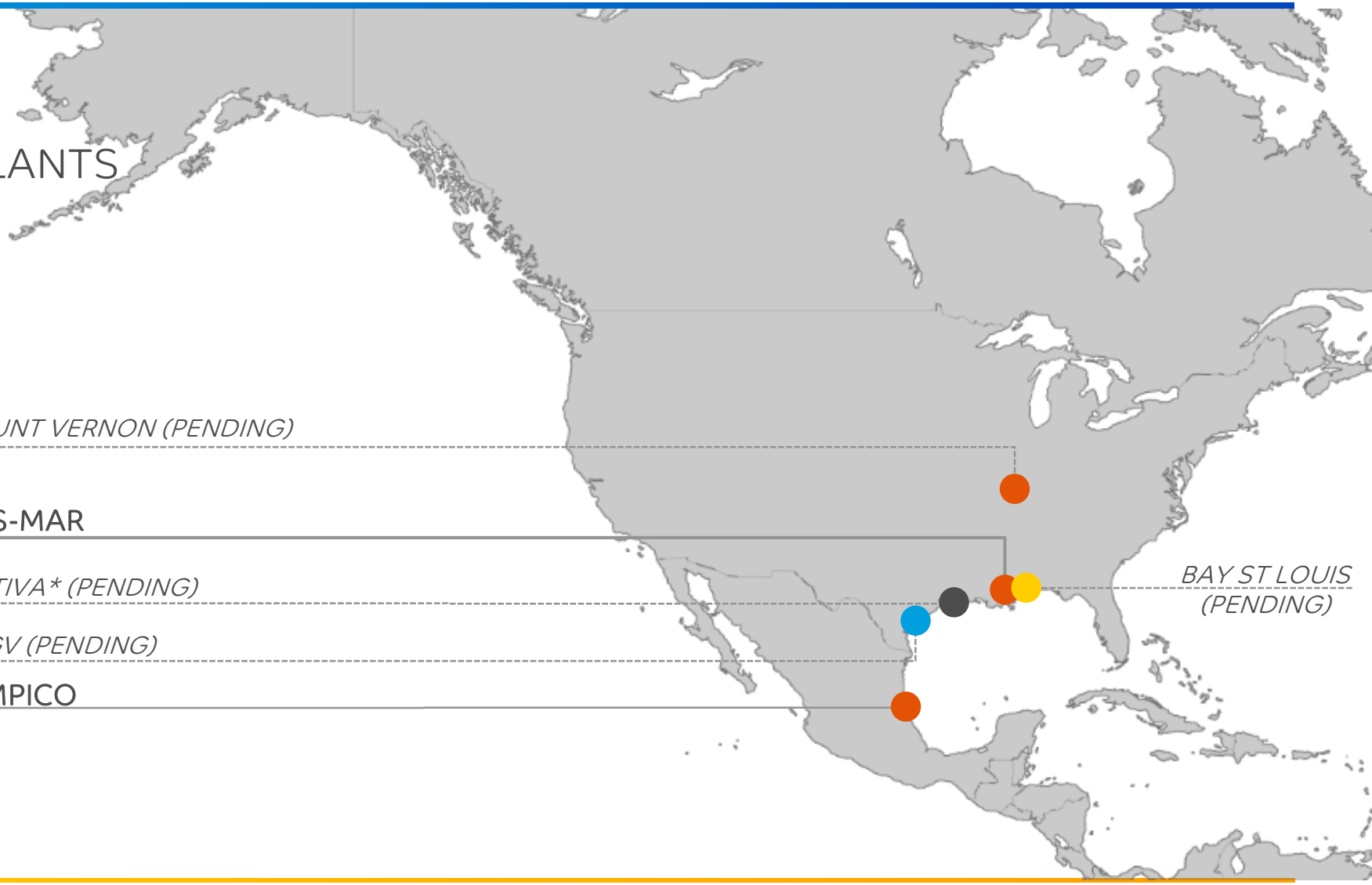
- PE / PP
- ETP
- Steam cracker



AMERICAS PRODUCTION PLANTS FOR CERTIFIED TRUCIRCLE™ PRODUCTS

CERTIFIED PRODUCTION PLANTS

- PE
- PP
- ETP
- REFINERY



CURRENT

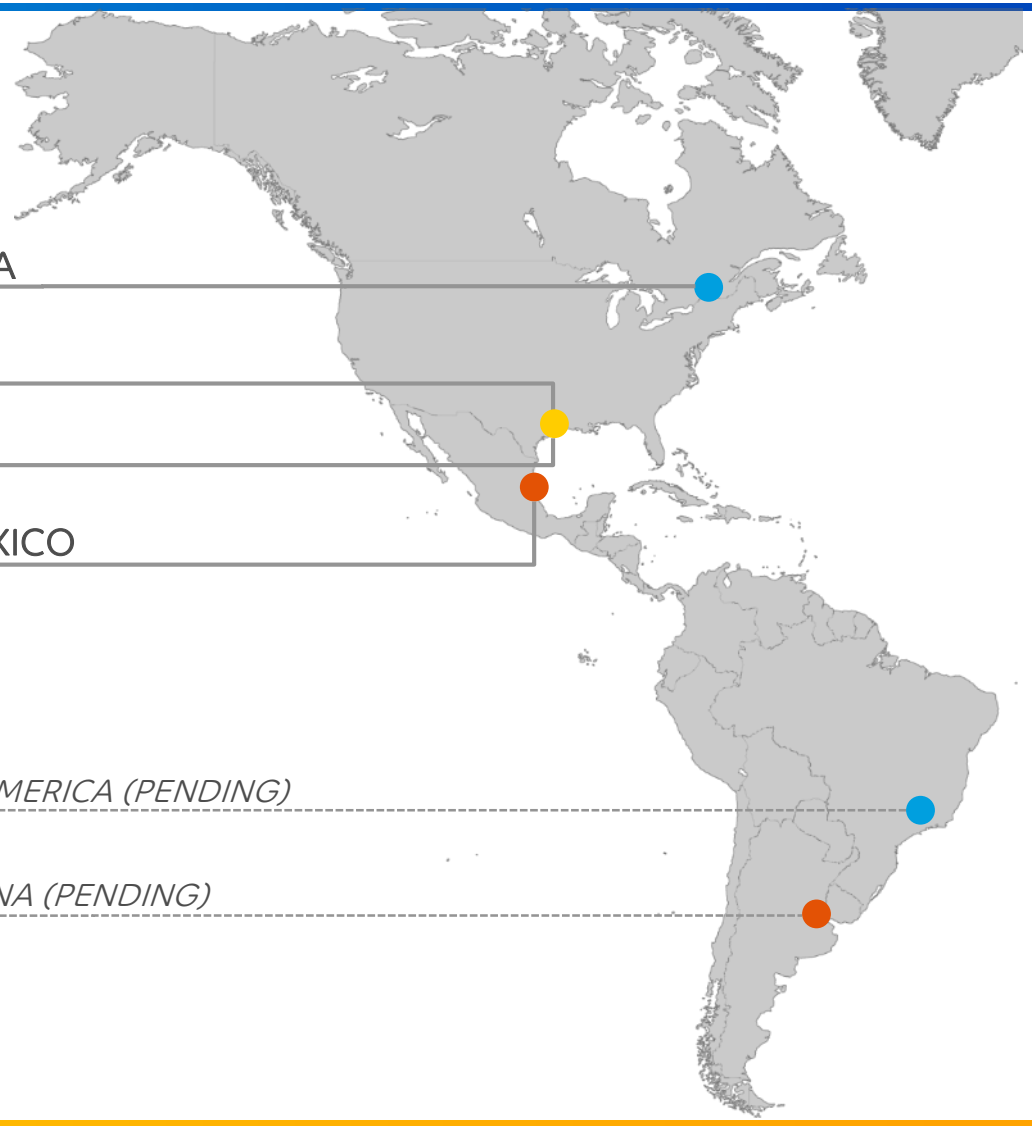
FUTURE

*Motiva is a fully owned affiliate of Aramco, which owns a majority share of SABIC.

Regional certified sales offices include SABIC Americas LLC. Certification pending for SABIC Innovative Plastics (SIP) US LLC, SIP Mexico S. de R.L. de C.V, SIP Argentina S.R.L., SIP South America Industria e Comercio de Plasticos Ltda, and SABIC Petrochemicals Canada Inc.

AMERICAS SALES OFFICES FOR CERTIFIED TRUCIRCLE™ PRODUCTS

CERTIFIED SALES OFFICES



CURRENT

FUTURE

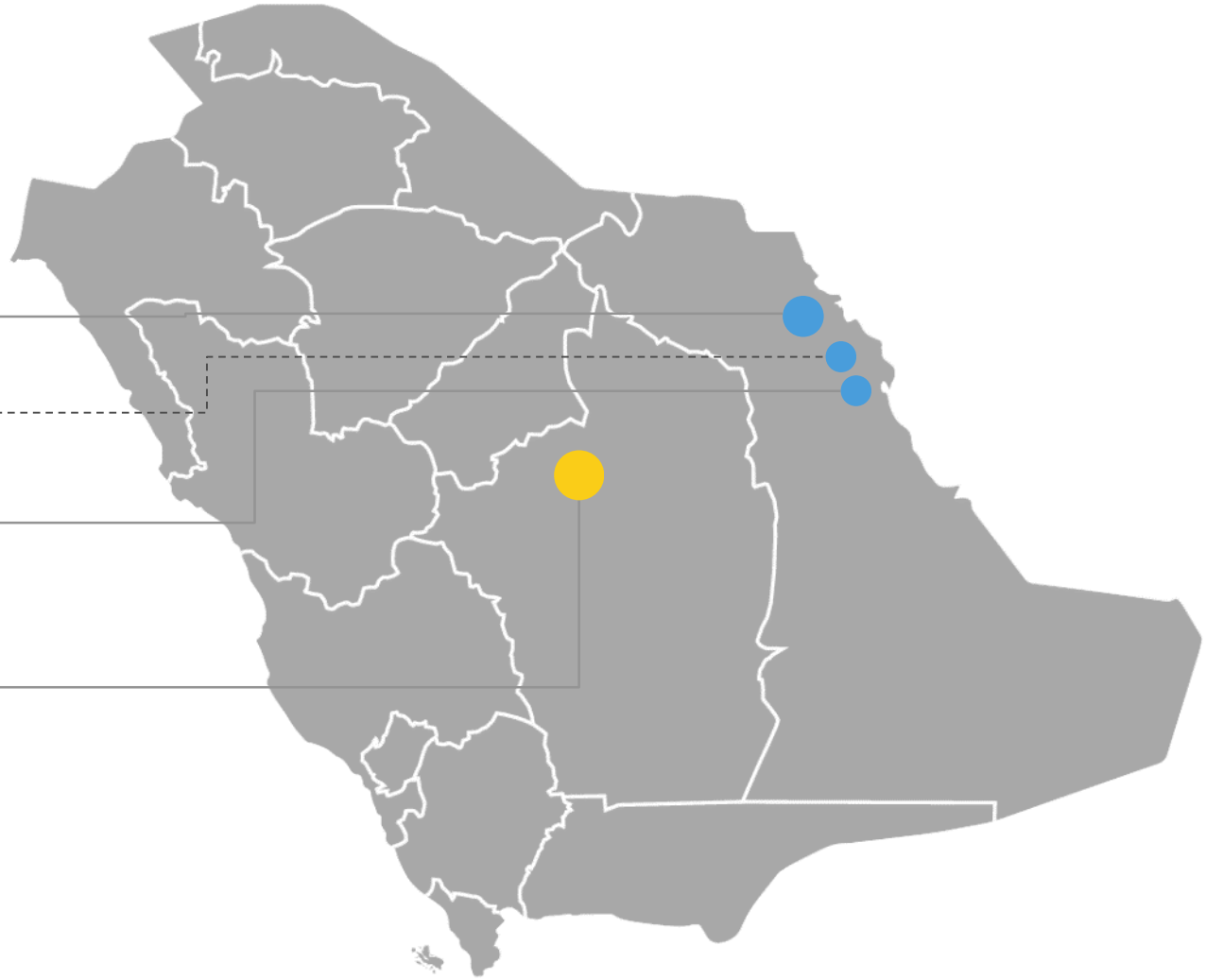
* For select PP and PE products.

Legal entities: SABIC Americas LLC, SABIC Innovative Plastics (SIP) US LLC, SIP Mexico S. de R.L. de C.V, SIP Argentina S.R.L., SIP South America Industria e Comercio de Plasticos Ltda., and SABIC Petrochemicals Canada Inc.

MEAF PRODUCTION PLANTS FOR CERTIFIED TRUCIRCLE™ PRODUCTS

CERTIFIED PRODUCTION PLANTS

- PE / PP
- Sales office



CURRENT

FUTURE

CONTRIBUTIONS OF CERTIFIED POLYMERS

CERTIFIED RENEWABLE POLYMERS

Contributes to
- A BIO-BASED ECONOMY
- FOSSIL FEEDSTOCK AVOIDANCE
- CAPTURES CO_2 FROM ATMOSPHERE

Resins and chemicals from bio-based feedstock that are not in direct competition with the human food chain and help to mitigate climate change

CERTIFIED CIRCULAR POLYMERS

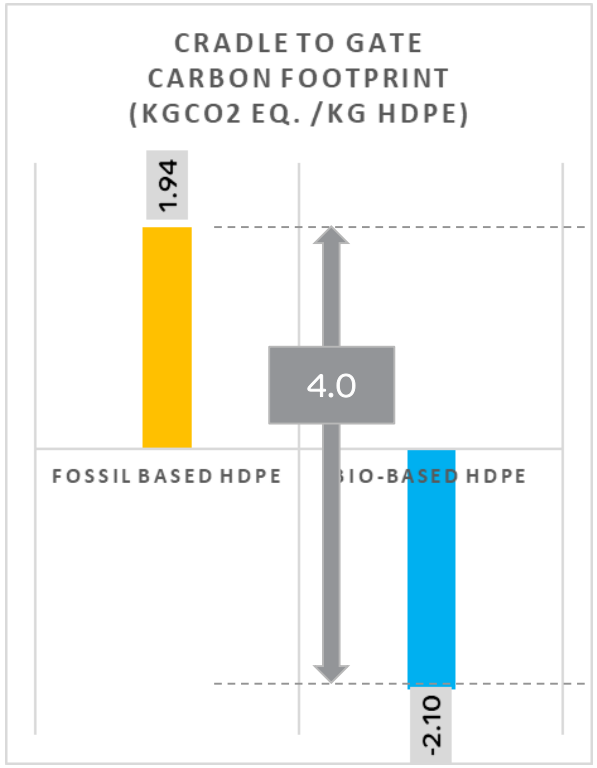
Contributes to
- WASTE MANAGEMENT
- FOSSIL FEEDSTOCK AVOIDANCE
- CO_2 EMISSION AVOIDANCE VS INCINERATION

Virgin resins and chemicals from difficult to recycle plastic waste streams produced through feedstock recycling

LCA

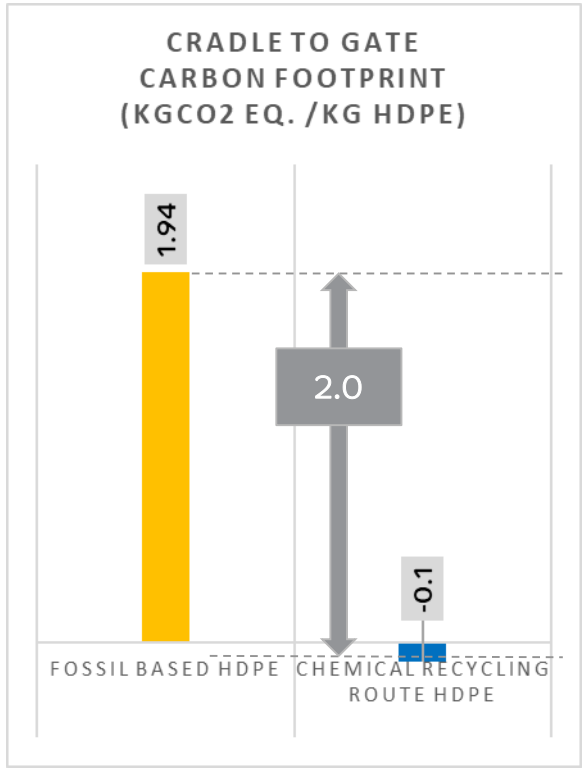
LCA CONSIDERATIONS

CERTIFIED RENEWABLE POLYMERS



Based on results of "Cradle to Gate" study on **SABIC certified renewable polymers**, carbon footprint reduction is about 4 kilograms of CO_2 per kilogram of resin in comparison to fossil route to HDPE*.

CERTIFIED CIRCULAR POLYMERS



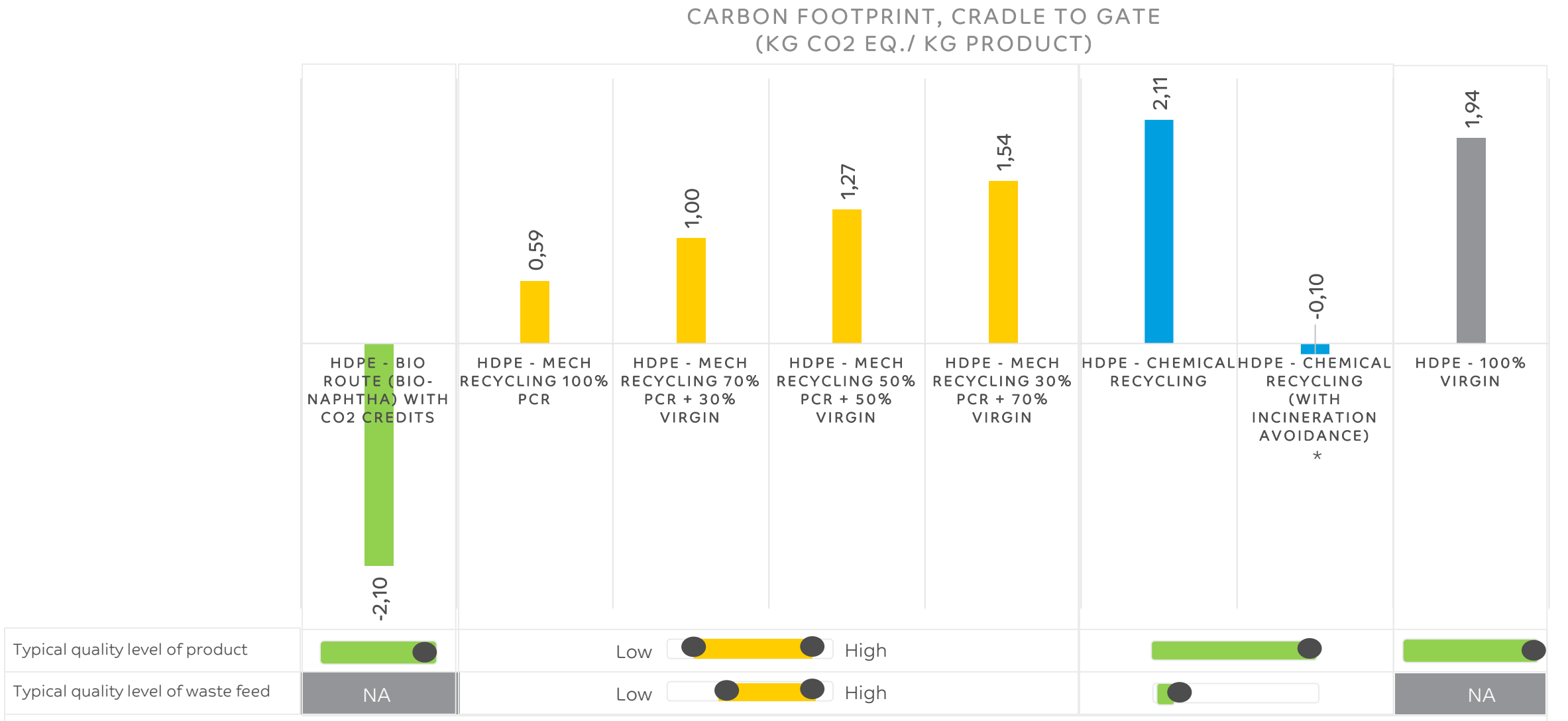
Based on results of "Cradle to Gate" study on **SABIC certified circular polymers,** carbon footprint reduction is about 2 kilograms of CO_2 for every kilogram of polyolefins produced via chemical recycling route in comparison to fossil route*.

This reduction includes the benefit realized from avoidance of mixed plastic waste diversion to energy recovery.

Other polyolefins show the same relative effect, but with slightly different absolute footprints

** The above studies have successfully passed ISO Critical Review*

CARBON FOOTPRINT COMPARISON – VARIOUS ROUTES



Data source: Franklin Associates, a division of Eastern Research Group, December 2018

* This reduction includes the benefit realized from avoidance of mixed plastic waste diversion to energy recovery.

CERTIFIED CIRCULAR POLYMERS

THINK OF ...

PREVENTING PLASTIC PACKAGING

FROM BECOMING WASTE

THE STARTING POINT FOR SABIC

NO COMPROMISE ON PACKAGING SAFETY

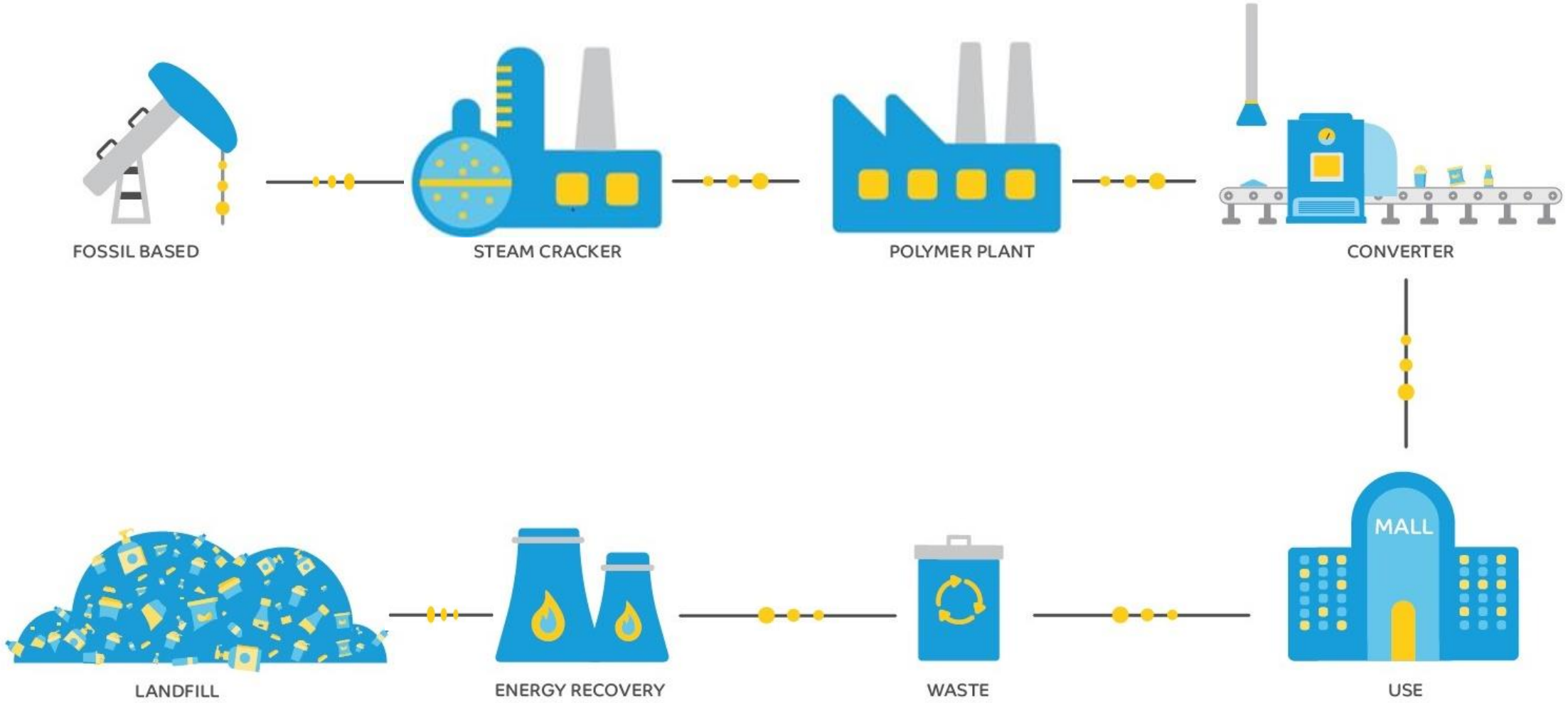
SUPPORTS COMPLIANCE WITH REGULATIONS*

HELPS LIMIT THE POTENTIAL MIGRATION OF UNKNOWN SUBSTANCES

OFFERS ORGANOLEPTIC PERFORMANCE

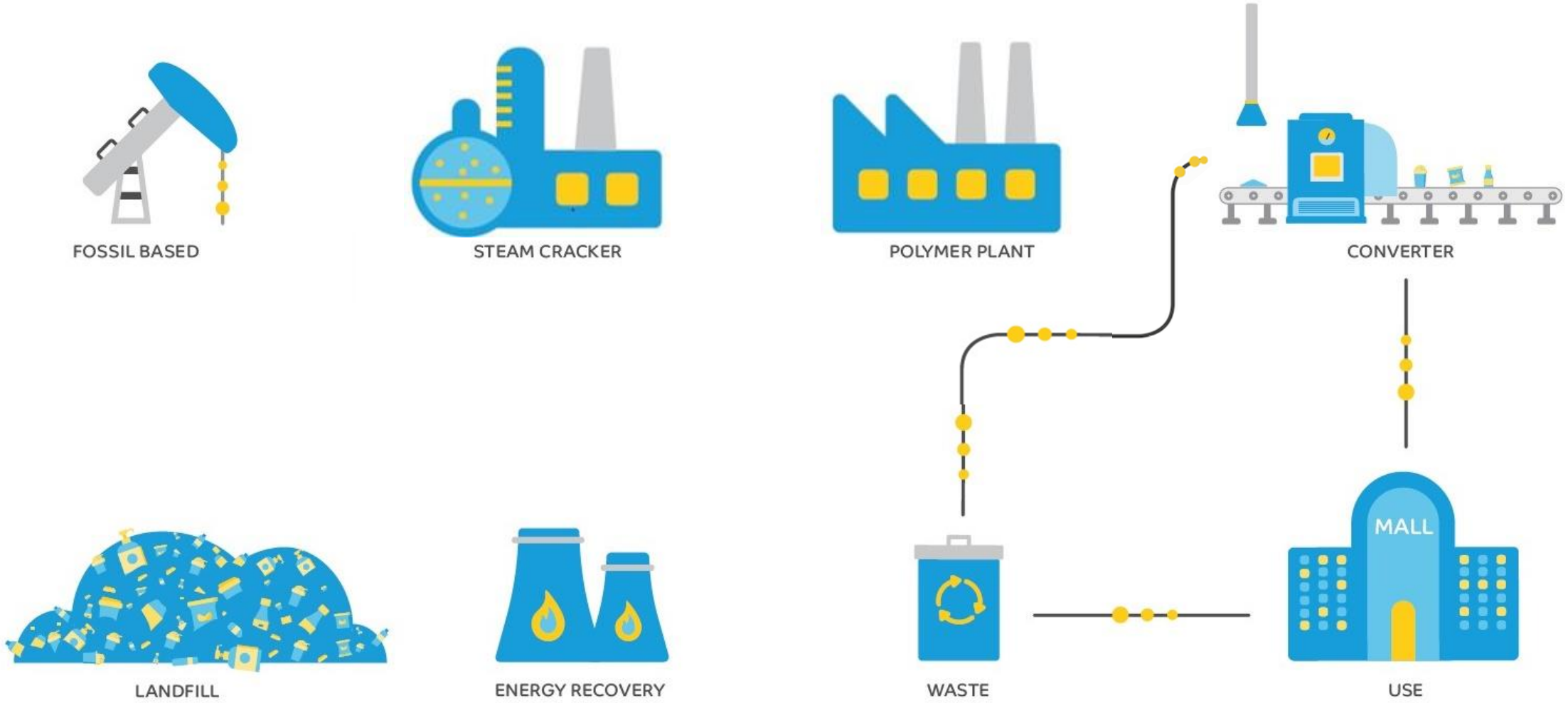
* Food and Pharma regulations

PLASTIC WASTE TO FEEDSTOCK FOR POLYMERS: FROM LINEAR TO CIRCULAR



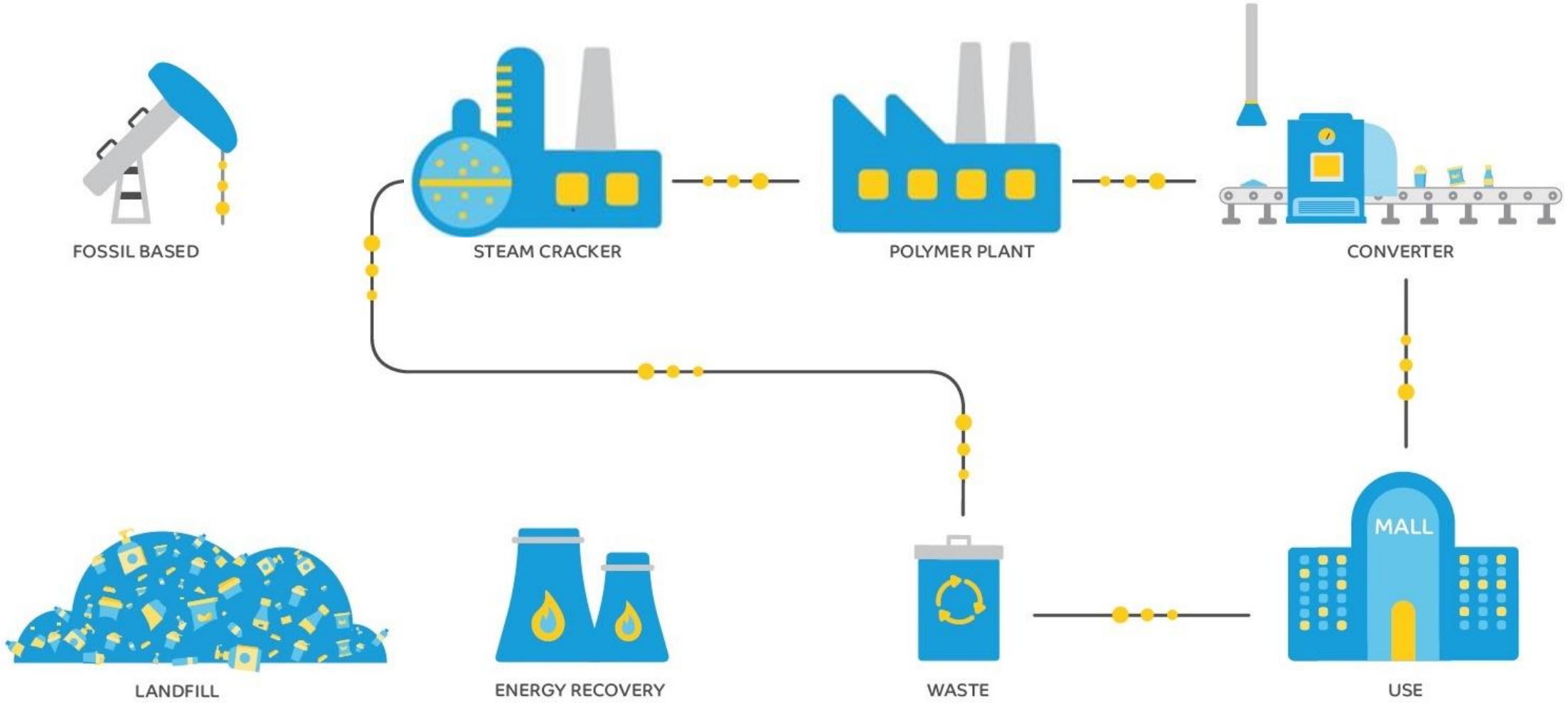
THE CURRENT MODEL CAUSES MOST OF OUR NATURAL RESOURCES TO END UP IN LANDFILL

PLASTIC WASTE TO FEEDSTOCK FOR POLYMERS: FROM LINEAR TO CIRCULAR



MECHANICAL RECYCLING IS CURRENTLY LIMITED BY PRODUCT PROPERTIES

PLASTIC WASTE TO FEEDSTOCK FOR POLYMERS: FROM LINEAR TO CIRCULAR



ADVANCED RECYCLING CREATES FEEDSTOCK FROM DIFFICULT-TO-RECYCLE-PLASTICS

THE CONCEPT "FROM LINEAR TO CIRCULAR"

FOSSIL & BIO-BASED FEEDSTOCK

OCEAN BOUND PLASTICS

ADVANCED RECYCLING

ENERGY RECOVERY

LANDFILL

* Simplified process

BENEFITS OF ADVANCED RECYCLING

SUPPORTING CUSTOMERS IN ADDRESSING CORPORATE SUSTAINABILITY GOALS

SABIC'S CERTIFIED CIRCULAR POLYMERS

VERSATILE
NO COMPROMISE ON PRODUCT PROPERTIES
BIG WINDOW OF APPLICATIONS, INCLUDING F&B CONSUMER PACKAGING, E&E, PERSONAL CARE, AUTOMOTIVE, …

DROP-IN SOLUTION
IDENTICAL PRODUCT SPECIFICATIONS TO OUR CURRENT POLYOLFIN GRADE PORTFOLIO
PROCESS ON EXISTING EQUIPMENT WITHOUT MODIFICATIONS
DOWN GAUGING OPPORTUNITIES (COMPARED TO MECHANICAL RECYCLING)

TRULY RECYCLABLE
NO LIMITATIONS IN NUMBER OF RECYCLING STEPS

SABIC TO GROW CIRCULAR PRODUCTS TO >200 KTA IN EUROPE TO REMAIN LEADING POSITION IN ADVANCED RECYCLING

Market foundation stage

- Direct processing of pyrolysis oil fraction via blending
- SABIC first and leader in certified circular products
- Start advocacy for material recycling

Commercial unit phase 2023

- ~15-20 kta of raw pyrolysis oil into circular products
- Partners: Plastic Energy & Haldor Topsoe

World scale phase ≥ 2025

- >200 kta of circular products
- Legislative framework fully supporting chemical recycling

ADVANCED RECYCLING UNIT

WORLD'S FIRST COMMERCIAL UNIT FOR THE ADVANCED RECYCLING OF USED PLASTIC

- SABIC and Plastic Energy are **over one year into the construction** of world's first commercial unit to significantly upscale production of **SABIC's certified circular polymers** derived from used plastic
- Considerable milestone on the journey towards **closing the loop** and creating a **circular economy for plastics**
- This pioneering project in Geleen, The Netherlands is expected to get **mechanical completion in Q1 2023.**

PIONEERING PROJECT

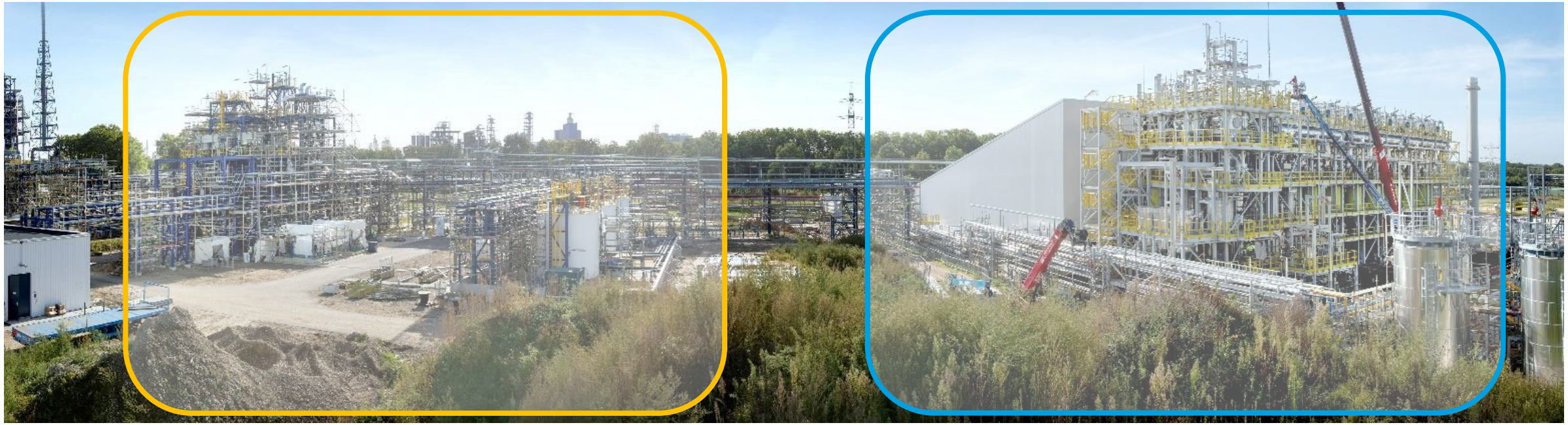
ADVANCED RECYCLING UNIT

HYDROTREATMENT PLANT

PYROLYSIS PLANT

A joint venture by

SABIC PLASTIC ENERGY ADVANCED RECYCLING B.V.

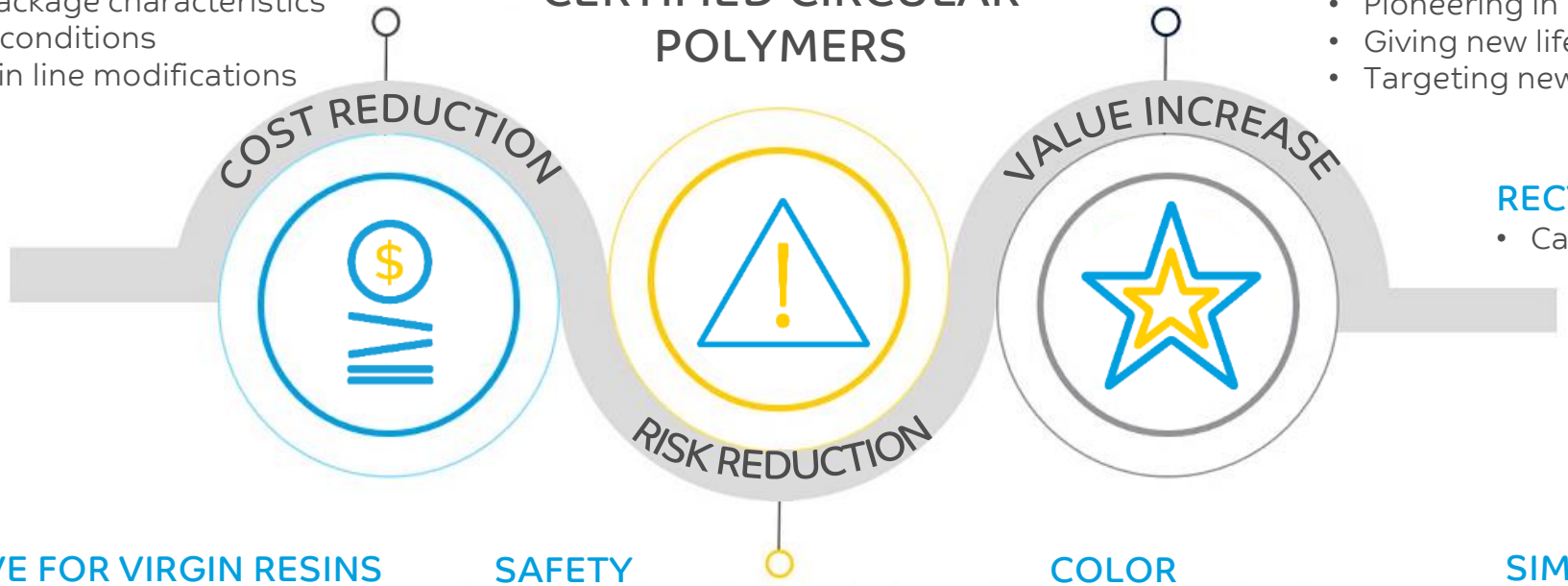


VALUE DRIVERS OF CERTIFIED CIRCULAR POLYMERS

DROP-IN SOLUTION
- Approx. time-to-market < 6 months
- Shortened qualification round
- Easy upscaling

POSITIVE BRAND EXPERIENCE
- Improved consumer satisfaction
- Brand attractiveness and loyalty
- Create positive social impact
- Attracting new or regain customers

EQUAL PACKAGING PROPERTIES
- No change in package characteristics and packaging conditions
- No investment in line modifications required



POSITIONING
- Pioneering in recyclability
- Giving new life to mixed plastic waste
- Targeting new customer groups

RECYCLABLE PACKAGE
- Can be recycled and used again

ALTERNATIVE FOR VIRGIN RESINS
- Supporting PCR content pledge
- Limiting risk of EPR penalty*

SAFETY
- Meeting certain Food Contact safety regulations
- No compromise on properties compared with virgin resins

COLOR
- Consistent
- No deviation

SIMPLICITY
- Global solution
- Less complexity

* Subject to jurisdiction

OCEAN BOUND PLASTICS

ADDRESSING LEAKAGE OF WASTE AND CLOSING THE LOOP

FOSSIL & BIO-BASED FEEDSTOCK

OCEAN BOUND PLASTICS

ADVANCED RECYCLING

ENERGY RECOVERY

LANDFILL

* Simplified process

OUR JOINT SOLUTION: PACKAGING WITH OCEAN BOUND PLASTICS

OCEAN BOUND PLASTICS:

Used mixed plastics that have been collected from land and river areas
that are *at risk of flooding the plastic waste into the ocean* as
proper disposal facilities are lacking.

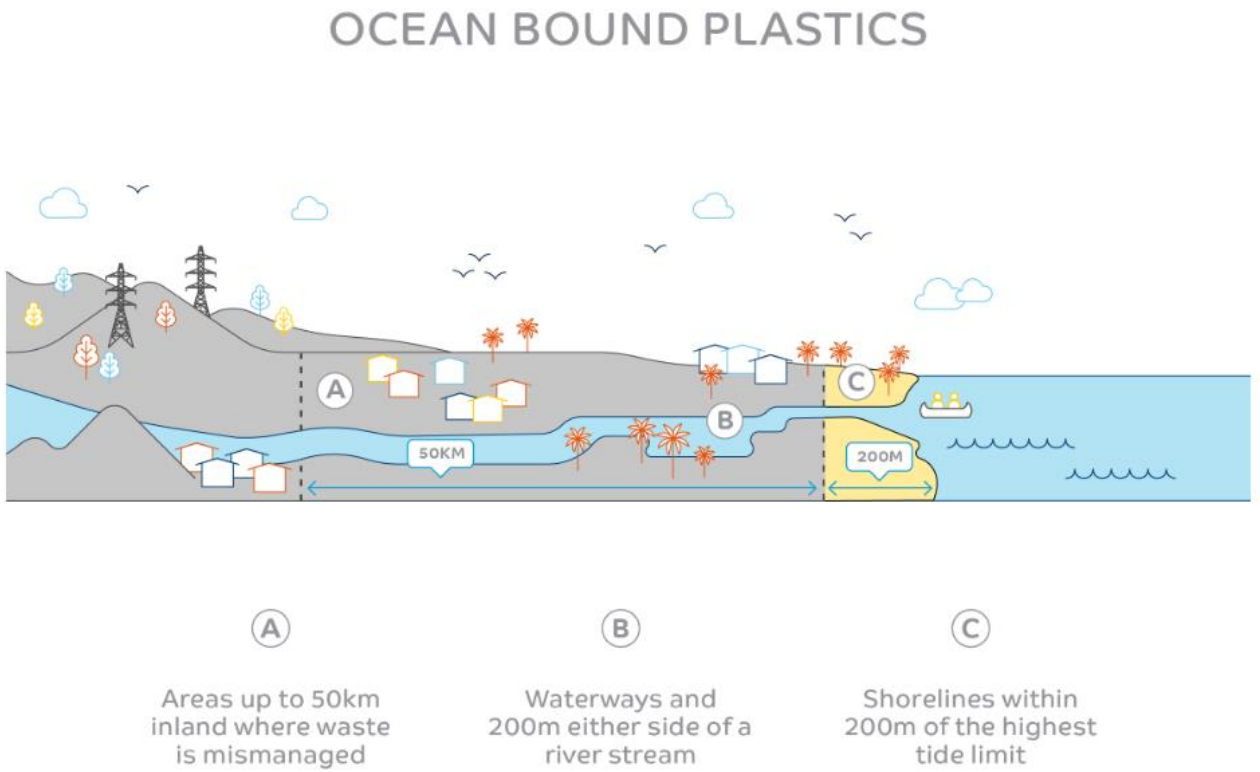
→ areas A, B, and C

AREA WHERE WE MAKE IMPACT:

Collected from South-East Asian beaches and islands under ethical conditions,
which are audited.

CERTIFICATION:

Certified by Zero Plastic Oceans under the OBP Certification Program.
www.obpcert.org/ocean-bound-plastic-certifications/



Source: https://www.obpcert.org/what-is-ocean-bound-plastic/

COMPARING CERTIFIED CIRCULAR POLYMERS FOR DIFFERENT ORIGIN: USED MIXED PLASTICS VS OCEAN BOUND PLASTICS

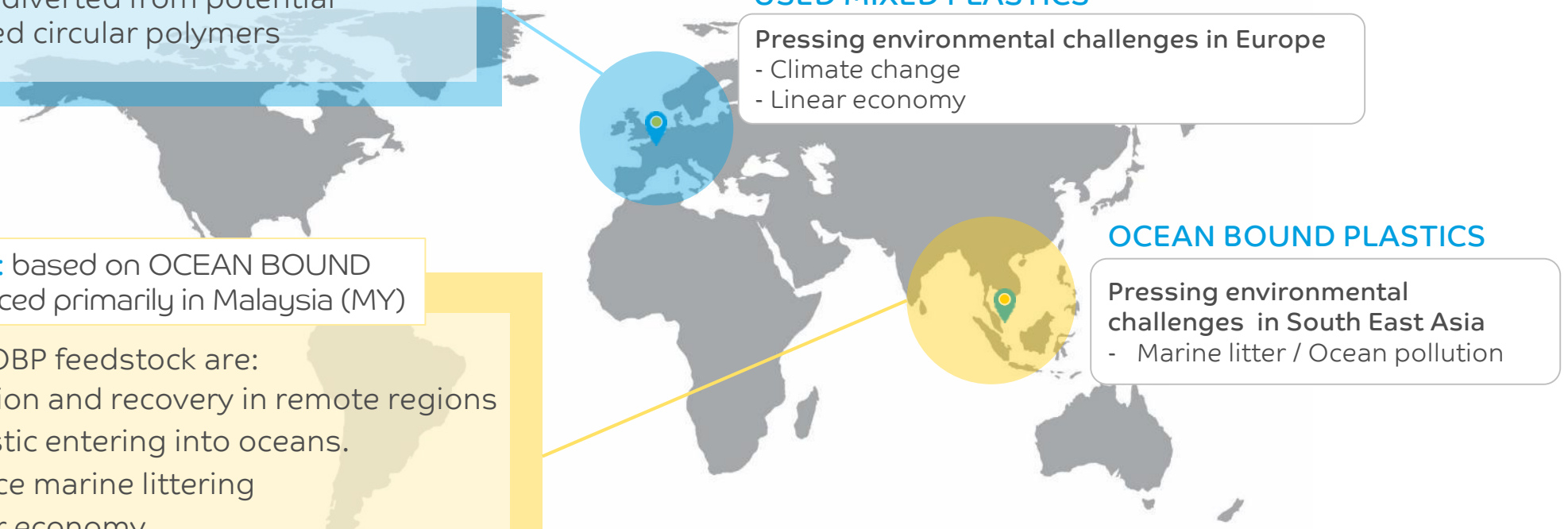
Current offering: based on USED MIXED PLASTICS sourced from Europe

Used mixed plastic diverted from potential incineration: certified circular polymers

New offering: based on OCEAN BOUND PLASTICS sourced primarily in Malaysia (MY)

Potential benefits OBP feedstock are:

- Increased collection and recovery in remote regions
- Diverts used plastic entering into oceans. Potential to reduce marine littering
- Promotes circular economy
- Reduce fossil resource usage



USED MIXED PLASTICS

Pressing environmental challenges in Europe
- Climate change
- Linear economy

OCEAN BOUND PLASTICS

Pressing environmental challenges in South East Asia
- Marine litter / Ocean pollution

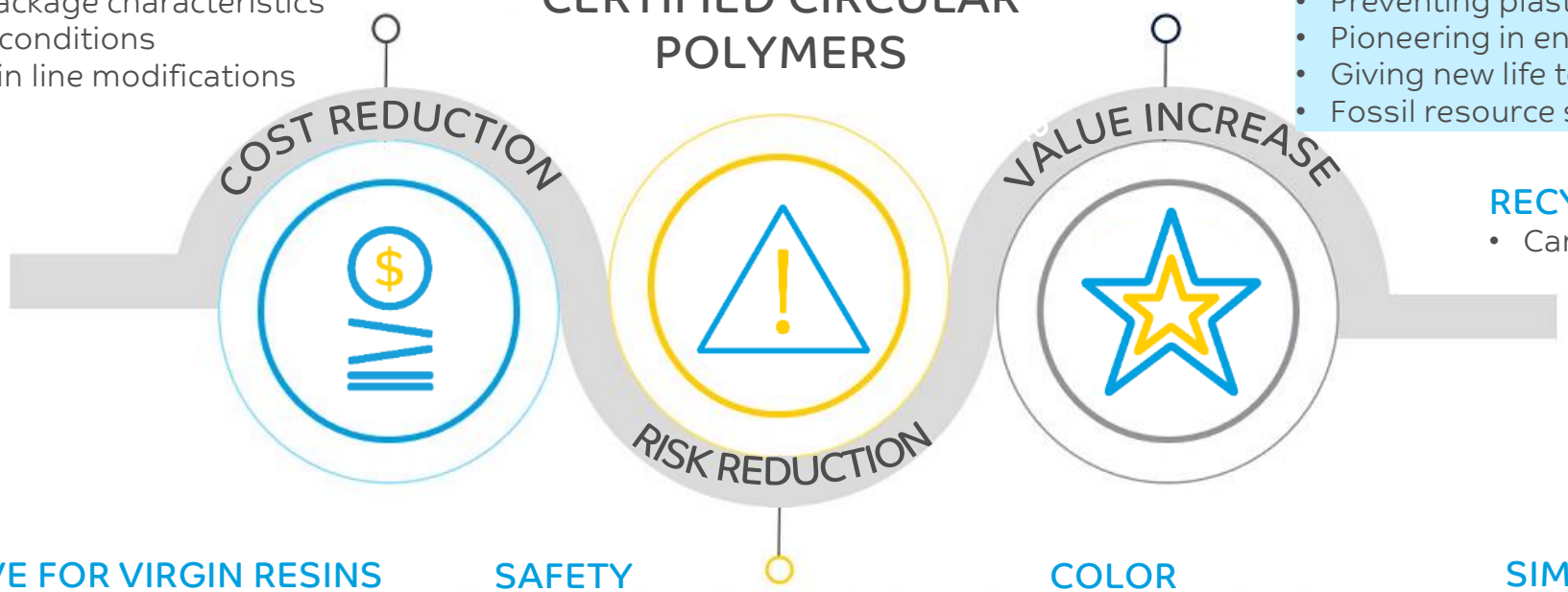
VALUE DRIVERS OF CERTIFIED CIRCULAR POLYMERS (FROM OBP)

DROP-IN SOLUTION
- Approx. time-to-market < 6 months
- Shortened qualification round
- Easy upscaling

POSITIVE BRAND EXPERIENCE
- Improved consumer satisfaction
- Brand attractiveness and loyalty
- Create positive social impact
- Attracting environmentally conscious customers

EQUAL PACKAGING PROPERTIES
- No change in package characteristics and packaging conditions
- No investment in line modifications required

POSITIONING
- Preventing plastics from entering the oceans
- Pioneering in environmental clean up
- Giving new life to ocean bound plastic
- Fossil resource savings



RECYCLABLE PACKAGE
- Can be recycled and used again

ALTERNATIVE FOR VIRGIN RESINS
- Supporting PCR content pledge
- Limiting risk of EPR penalty*

SAFETY
- Meeting certain Food Contact safety regulations
- No compromise on properties compared with virgin resins

COLOR
- Consistent
- No deviation

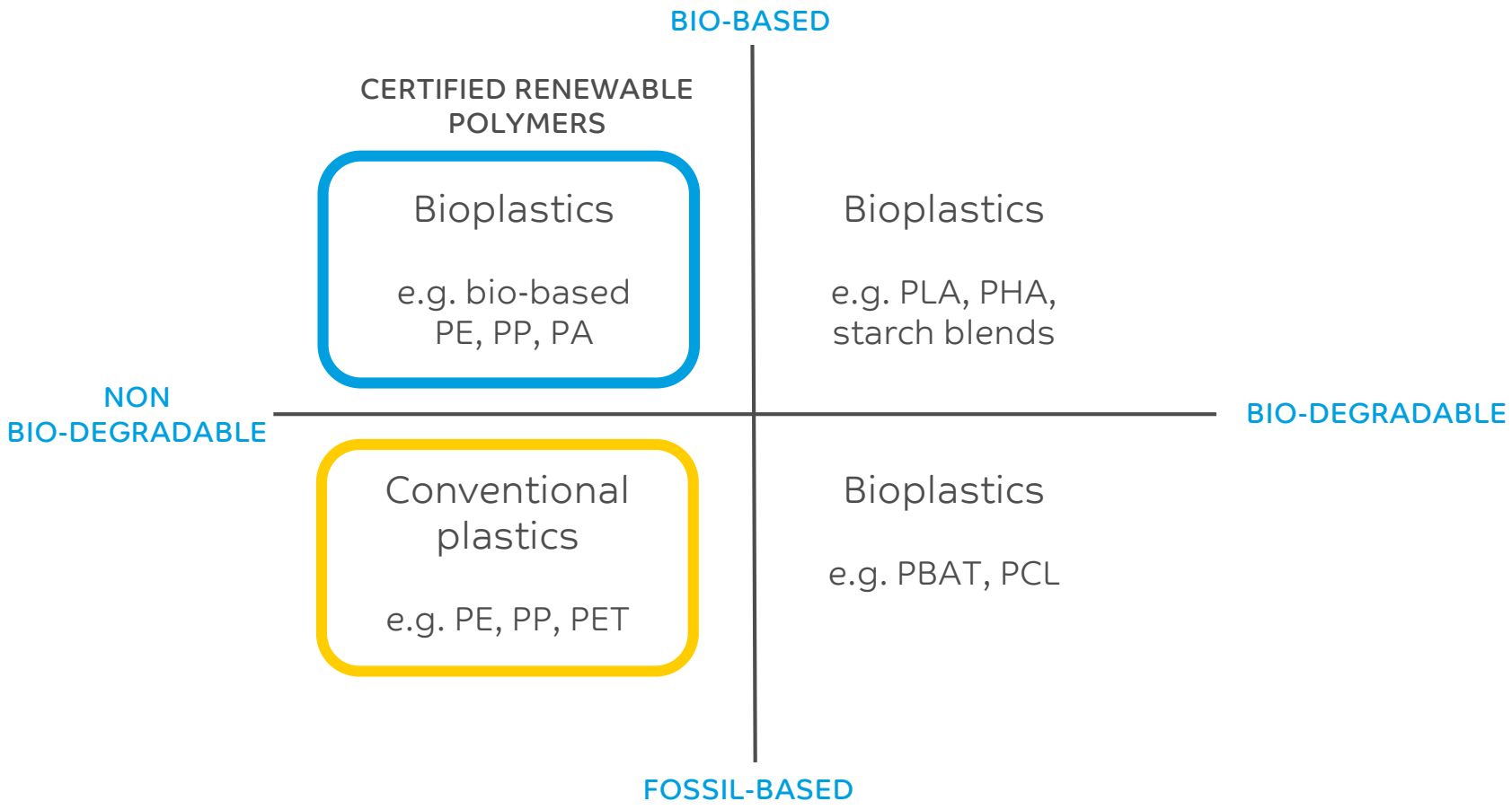
SIMPLICITY
- Global solution
- Less complexity

* Subject to jurisdiction

CERTIFIED RENEWABLE POLYMERS

WHAT ARE BIOPLASTICS?

BIOPLASTICS = PLASTICS THAT ARE BIO-BASED, BIO-DEGRADABLE, OR BOTH



Source: https://www.European-bioplastics.org/bioplastics/materials/

THINK OF ...

REDUCE GREENHOUSE GAS EMISSIONS

REDUCE FOSSIL-BASED VIRGIN PLASTICS

CRUDE TALL OIL

USED COOKING OIL

VEGETABLE OIL PROCESSING RESIDUES NEW

CERTIFIED RENEWABLE PRODUCTS

CERTIFIED RENEWABLE PRODUCTS = PE, PP, ETP & CHEMICALS

SABIC'S BIO-BASED FEEDSTOCK ALTERNATIVES

2ND GENERATION FEEDSTOCK

CRUDE TALL OIL

Wood-based residue of the pulp making process

USED COOKING OIL

Oils & fats previously used by the food industry, restaurants, households to cook food for human consumption and which no longer fit for human consumption for food hygiene reasons.

VEGETABLE OIL PROCESSING RESIDUES

E.g. Palm Fatty Acid Distillate (PFAD), spent bleaching earth oil (SBEO), …

PFAD is a processing residue derived from the refining of food-grade palm oil for the food & chemical industry uses.

ANIMAL FAT

From food industry waste

1ST GENERATION FEEDSTOCK

PALM OIL

RAPESEED OIL

SOYBEAN OIL

3rd GENERATION FEEDSTOCK

ALGAE

Selected by SABIC | Not commercially available; under consideration by SABIC | Not selected by SABIC

CERTIFIED RENEWABLE POLYMERS

- Non-fossil based feedstock
- Feedstock source has a lower carbon footprint compared to fossil alternative
- Second generation renewable feedstock not in competition with the human food chain
- No direct/indirect change in land use
- Derived from waste or residue
  - Crude tall oil
  - Used cooking oil
  - Vegetable oil processing residues
- No compromise on product safety
- Identical product specifications to our current

  SABIC polymers (PE / PP), chemicals and LEXAN™ resin PC portfolio
- Externally certified chain of custody by ISCC Plus *
- Can be recycled

* through mass balance approach through ISCC Plus certified value chains

CERTIFIED RENEWABLE POLYCARBONATE

FOR ALL POLYCARBONATE (PC) & PC BASED BLENDS

Bio-based feedstock used by SABIC

SECOND GENERATION FEEDSTOCK

- Replacing fossil based feedstock
- Not in competition with the food chain
- Derived from waste or residue streams
  - Used cooking oil
  - Vegetable oil processing residues
- Lower carbon footprint compared to fossil alternative
- ISCC Plus certified value chains

CERTIFIED RENEWABLE POLYCARBONATE - PROCESS

ALL PLAYERS IN THE VALUE CHAIN HAVE TO BE ISCC PLUS CERTIFIED

SABIC'S POLYCARBONATE BASED ON CERTIFIED RENEWABLE FEEDSTOCK

73% CO_2 FOOTPRINT REDUCTION
FOR EACH KG OF POLYCARBONATE BASED ON CERTIFIED RENEWABLE FEEDSTOCK

WITH FOSSIL DEPLETION REDUCTION POTENTIAL OF UP TO 43%

Collaboration in lighting industry

elkamet

Lenses of several eyewear end applications

POLYRAY

BENEFITS OF BIO-BASED FEEDSTOCK ALTERNATIVES

SUPPORTING CUSTOMERS IN ADDRESSING CORPORATE SUSTAINABILITY GOALS

SABIC'S CERTIFIED RENEWABLE PRODUCTS

VERSATILE
No compromise on product properties
Big window of applications, including Food & Beverage consumer packaging, E&E, Personal Care, Automotive, …

DROP-IN SOLUTION
Identical product specifications to our current grade portfolio
No modifications to production processes down-stream

CARBON FOOTPRINT REDUCTION
Up to 4 kg of CO_2 per kg of resin

SABIC TO GROW RENEWABLE PRODUCTS BUSINESS

Market launch 2014

- Processing of bio-based feedstock via direct blending
- SABIC first and leader in certified renewable products
- Promoting ISCC Plus mass balance concept

Market development ongoing

- Renewable products introduced in various businesses and value chains
- Multiple renewable feedstock sources within portfolio
- LCA externally peer reviewed

What's next?

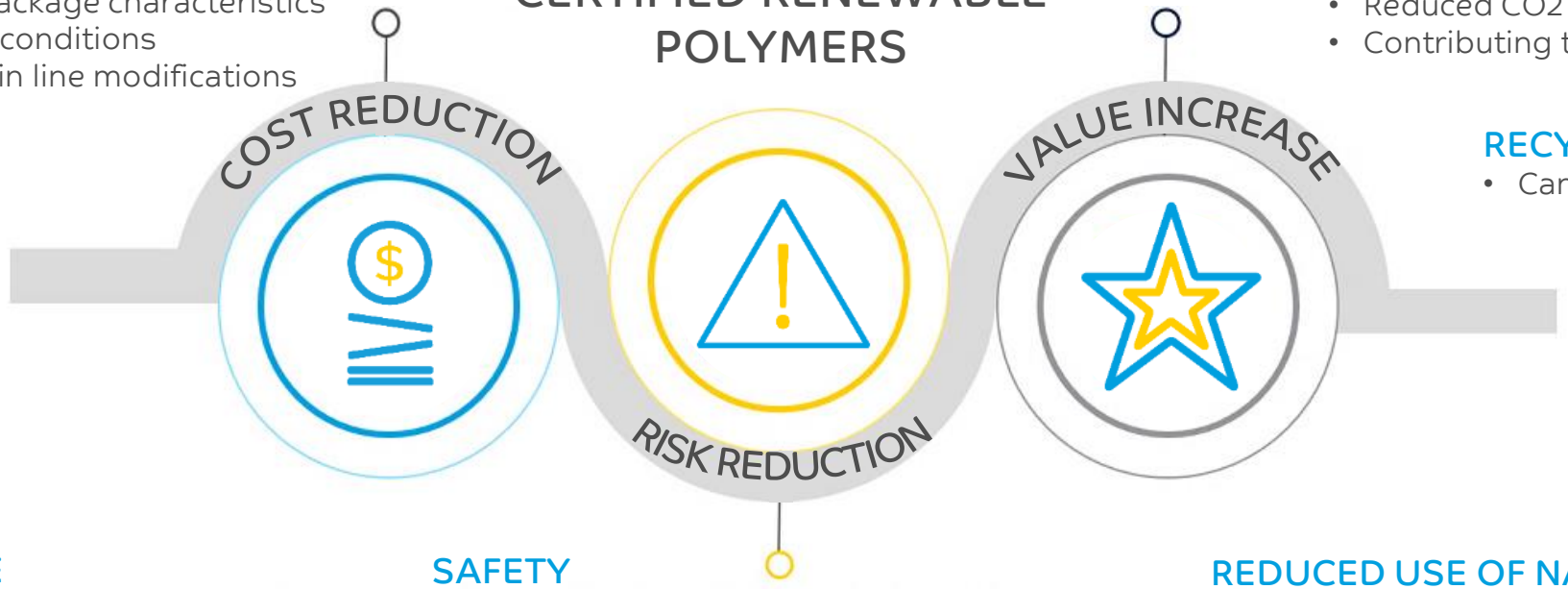
- SABIC is committed to further expand growth in renewable solutions for all our customers

VALUE DRIVERS OF CERTIFIED RENEWABLE POLYMERS

DROP-IN SOLUTION
- Approx. time-to-market < 6 months
- Shortened qualification round
- Ease of upscaling

POSITIVE BRAND EXPERIENCE
- Improved consumer satisfaction
- Brand attractiveness and loyalty
- Create positive social impact
- Attracting new or regain customers

EQUAL PACKAGING PROPERTIES
- No change in package characteristics and packaging conditions
- No investment in line modifications required



LOWER ENVIRONMENTAL FOOTPRINT
- Reduced CO2 impact vs alternatives
- Contributing to our planet needs

RECYCLABLE PACKAGE
- Can be recycled and used again

RENEWABLE
- Use of bio-based products that are not in direct conflict with the human food or feed chain

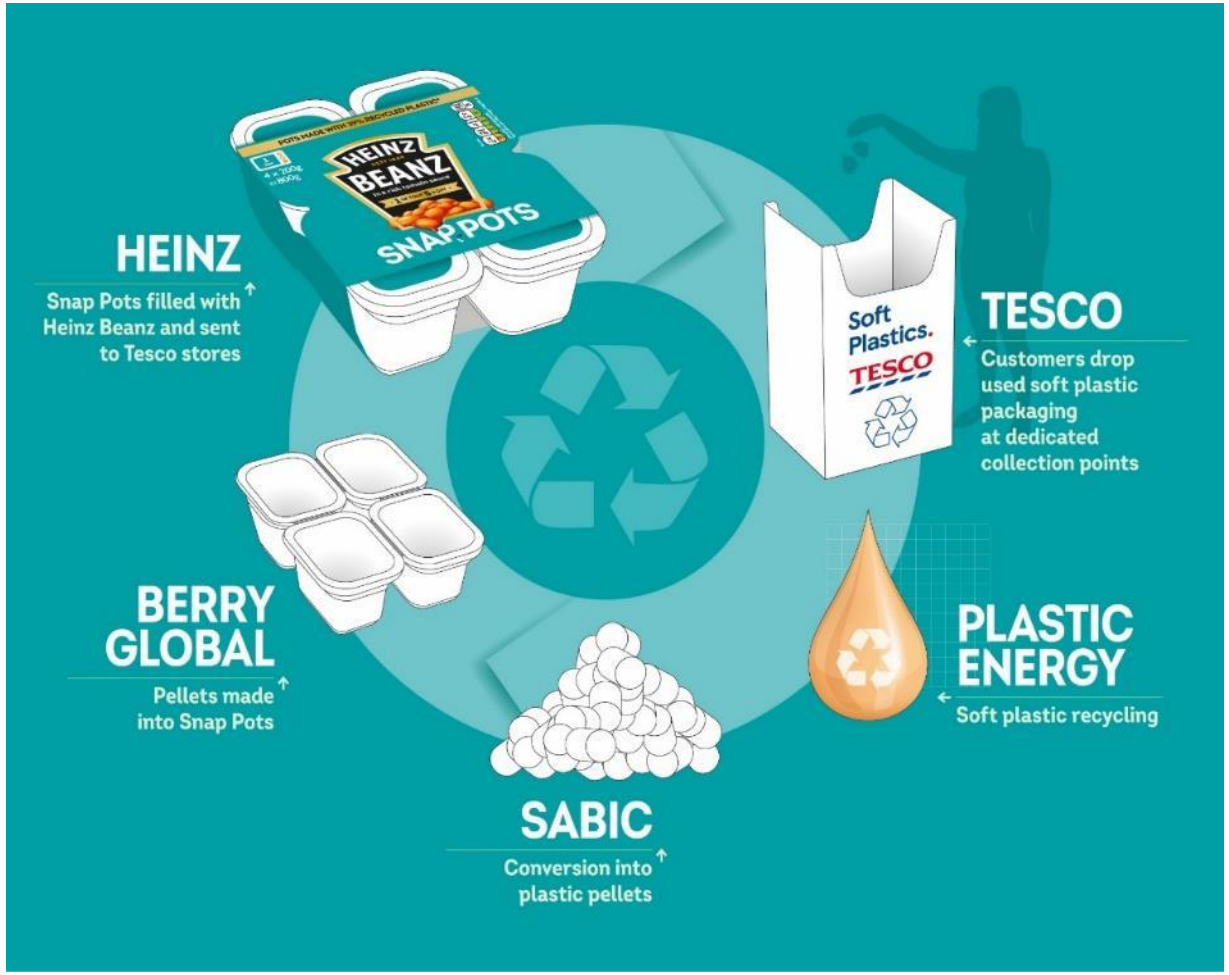
SAFETY
- Meeting certain Food Contact safety regulations
- No compromise on properties compared with virgin resins

REDUCED USE OF NATURAL RESOURCES
- Less oil;
  helping prevent fossil feedstock depletion

CLOSED LOOP INITIATIVES

FROM LINEAR TO CIRCULAR

CREATING ADDITIONAL VALUE WITH CLOSED LOOP AS A SERVICE ELEMENT



WHAT'S THE VALUE OF CLOSED LOOP INITIATIVES

- Full **traceability** from waste to PCR to end-product
- **Economic valorization** of waste
- **Logistic optimization**
- **Influencing policies and legislation** about sorting & collection

OPEN INVITATION TO SET-UP A CLOSED LOOP INITIATIVE

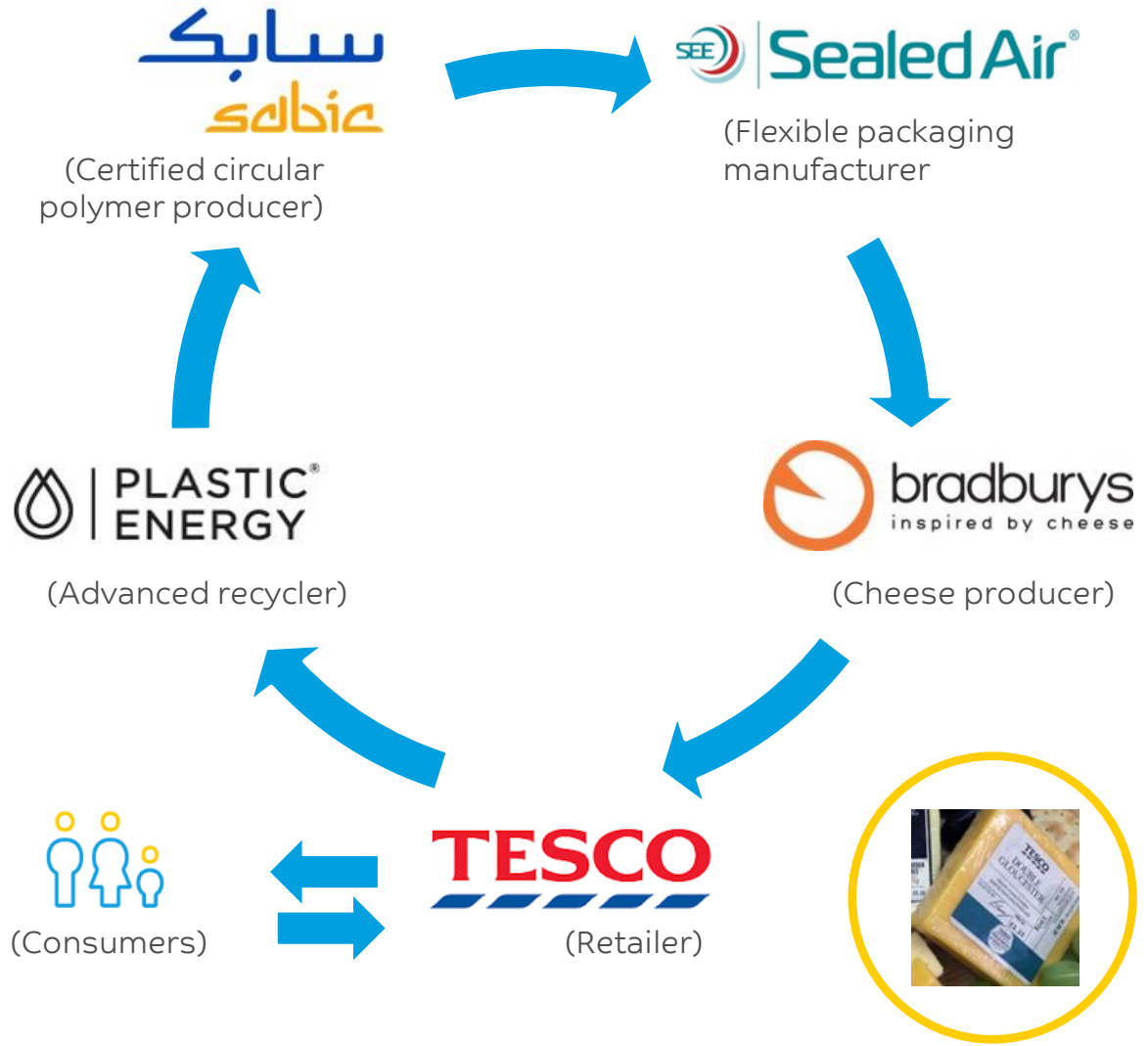
SABIC COLLABORATION RESULTS IN INDUSTRY FIRST CLOSED LOOP PROJECT

CIRCULARITY FOR PLASTICS is achievable through VALUE CHAIN COLLABORATION.

COLLABORATION PARTNERS of this closed loop recycling system:

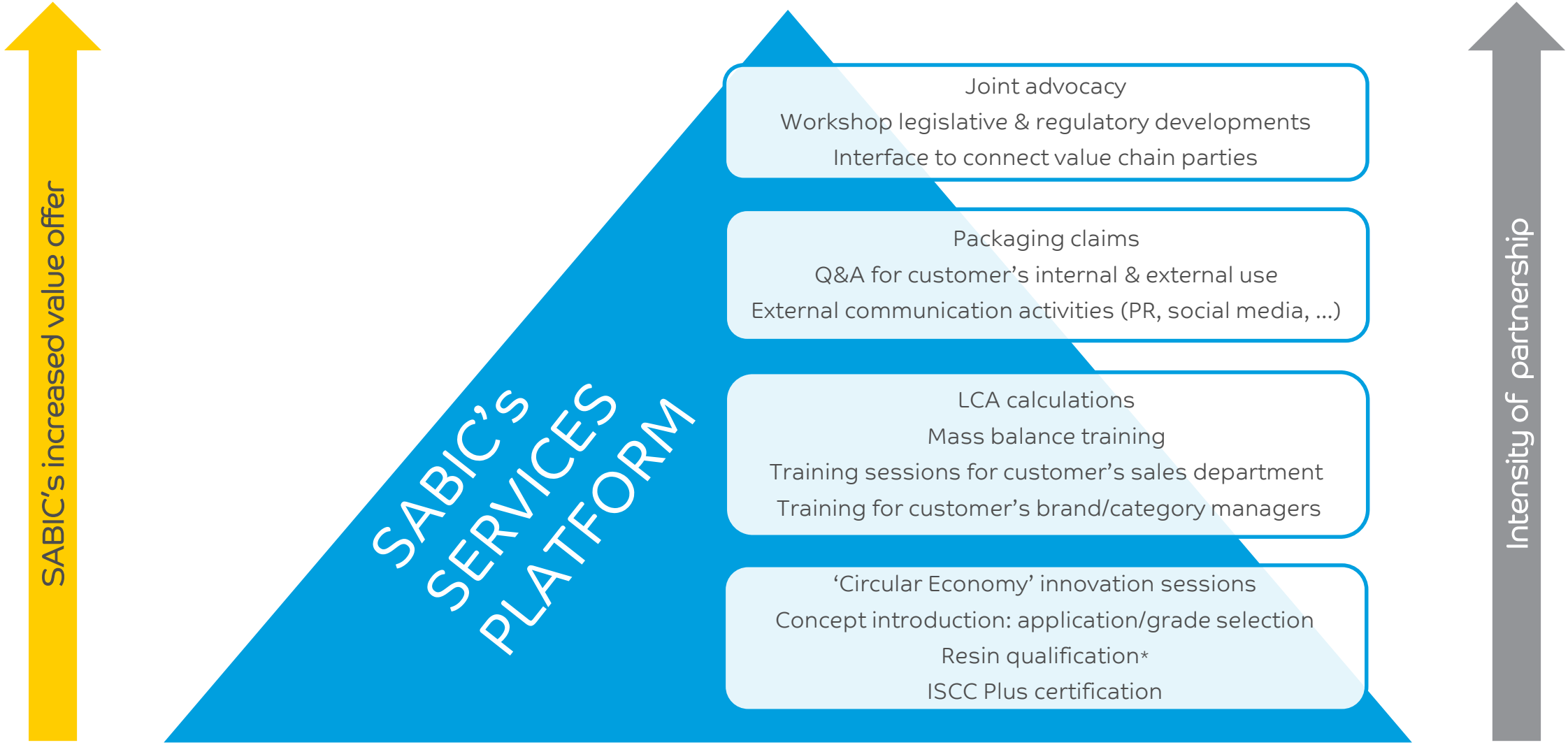
- TESCO collected post-consumer flexible packing in ten stores in the UK
- PLASTIC ENERGY converted the packaging into pyrolysis oil
- SABIC used the alternative feedstock to produce certified circular polymers
- SEALED AIR produced the film for cheese producer BRADBURYS

"First produce in food-grade recycled flexible packaging hits Tesco shelves"
British Plastics and Rubber Magazine, 8 September 2020



TRUCIRCLE ™ SERVICES

TRUCIRCLE™ SERVICE ELEMENTS



* Incl. sustainability statements & compliance certifications

LET'S EXPLORE FURTHER … LET'S BRAINSTORM …

CHEMICALS	APPLICATION
BASE BUILDING BLOCKS	A INGREDIENTS

APPLICATION	PACKAGING
B CAP	Polyethylene (PE)
C BOTTLE / JAR	Polypropylene (PP)
D LABEL	Polycarbonate (PC)

SABIC SUPPORTS TRANSITION TO SUSTAINABLE PACKAGING AND INGREDIENTS

BLOCKCHAIN PILOT – DIGITALIZATION AS ENABLER

SABIC LAUNCHES BLOCKCHAIN PILOT FOR DIGITAL TRACEABILITY OF CERTIFIED CIRCULAR FEEDSTOCK

Collaboration with technology partner Finboot, Plastic Energy and packaging specialist Intraplas

GOAL TO CREATE
- ADDITIONAL TRANSPARENCY
- DIGITAL TRACEABILITY

EXPERIENCE YOURSELF

LET'S EXPLORE TOGETHER

SABIC'S CARBON NEUTRALITY STRATEGY

SABIC CARBON NEUTRALITY STRATEGY ANNOUNCED DURING SAUDI GREEN INITIATIVE

"SABIC is uniquely contributing to the SGI goals and taking bold actions that support the Kingdom's ambitions for the circular carbon economy. Our global carbon neutrality strategy reaffirms our commitment to the Paris Agreement goals and the continuous pursuit of solutions that can reduce greenhouse gas emissions"

YOUSEF AL-BENYAN
VC & CEO

SABIC CARBON NEUTRALITY STATEMENT

SABIC is committed to the Paris Agreement goals and will continually pursue efforts and explore solutions to meet **carbon neutrality from operations under our control by 2050**, taking into account the different regional and national ambitions, commitments and initiatives.

Focusing on our direct and indirect emissions generated by our own production (Scope 1 & Scope 2), we aim to reduce our greenhouse gas emissions by 2030 worldwide by 20% compared to 2018.

In addition, we aim to **collaborate with our partners** in initiatives that aspire **to reduce our indirect Scope 3 emissions along the value chain.**

https://www.reuters.com/business/cop/saudi-sabic-targets-carbon-neutrality-by-2050-statement-2021-10-23/

INTRODUCTION – GREENHOUSE GAS PROTOCOL

SCOPE 3 INDIRECT

All other indirect emissions that occur in the value chain of the reporting company, including both *upstream* emissions.

Upstream sourcing activities

SCOPE 1 DIRECT

Emissions from operations that are owned or controlled by the reporting company.

SCOPE 2 INDIRECT

Emissions from the generation of purchased or acquired energy such as electricity, steam, heating or cooling, consumed by the reporting company.

Reporting company

SCOPE 3 INDIRECT

All other indirect emissions that occur in the value chain of the reporting company, including both *downstream* emissions.

Downstream distribution activities

Source: Greenhouse Gas Protocol

SCOPE 1, 2 AND 3 EMISSIONS – GREENHOUSE GAS PROTOCOL

SCOPE 3 INDIRECT

- C1 - Purchased goods and services
- C2 - Capital goods
- C3 - Fuel & energy related activities
- C4 – Transport & distribution
- C5 - Waste generated in operations
- C6 - Business Travel
- C7 - Employee commuting
- C8 -Leased Assets

Upstream sourcing activities

SCOPE 1 DIRECT

- Company facilities
- Company vehicles

Reporting company

SCOPE 2 INDIRECT

- Purchased electricity, heating & cooling for own use

Reporting company

SCOPE 3 INDIRECT

- C9 – Transport & distribution
- C10 -Processing of sold products
- C11 - Use of sold Products
- C12 - End-of-life treatment of sold products
- C13 - Leased assets
- C14 - Franchises
- C15 - Investments

Downstream distribution activities

Source: Greenhouse Gas Protocol

SABIC'S CARBON ROADMAP OVERVIEW UNTIL 2050: NEXT STEPS

CARBON NEUTRALITY
by **2050**
in line with the Paris Agreement goals

20% REDUCTION by **2030**
Interim Scope 1&2 emissions target compared to 2018

We aim to collaborate with our partners in initiatives to reduce indirect **SCOPE 3** emissions along the value chain

WHAT ARE WE CONSIDERING IN OUR 2050 CARBON NEUTRALITY ROADMAP?

RELIABILITY, ENERGY EFFICIENCY & IMPROVEMENTS

- Technology improvement
- Energy efficiency
- Asset improvement & reliability
- Asset rationalization

RENEWABLE ENERGY

- Increase renewable energy share in imported energy mix
- Approved strategy of facilitating 4 GW by 2025 and 12 GW installed capacity by 2030

ELECTRIFICATION

- Using renewable energy
- Electrification of different steam driven rotating equipment
- Electric cracking furnaces for olefins and aromatic based products

CARBON CAPTURE

- High concentration streams potential for utilization - Leveraging KSA CO2 Hub
- CCUS collaborations

GREEN/BLUE H2 ALTERNATIVE FEEDSTOCK

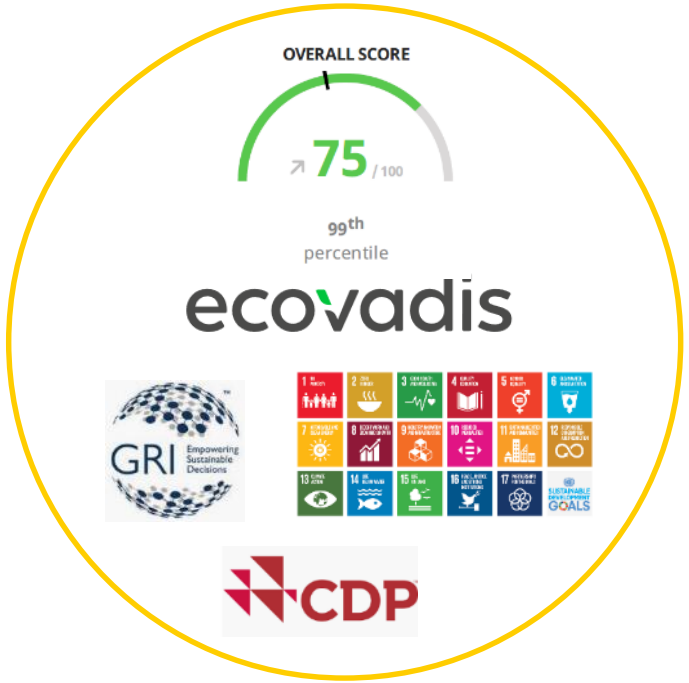
- Commercially available solutions and under early R&D
- Renewable & circular feedstock

Note: Other greenhouse gases are included and converted into CO2 equivalents according to the Greenhouse Gas Protocol.

VALUE CHAIN COLLABORATION

VALUE CHAIN COOPERATION CRITICAL TO OUR FUTURE

EXTERNAL REPORTING



SABIC IS IN THE TOP 1% OF COMPANIES

in category basic chemicals, fertilizers, plastics & rubber assessed by Ecovadis*

PARTICIPATING INITIATIVES

SABIC IS A FOUNDING MEMBER OF THE ALLIANCE

Supporting Infrastructure development to manage waste and increase recycling

AS A VALUE CHAIN

SABIC IS A FOUNDING MEMBER & DRIVER OF WPC

Supporting UN and G20 initiatives to prevent marine litter

- SABIC CSR Sustainability & Performance report Ecovadis 2019
- Carbon Disclosure Project (CDP)
- World Business Council for Sustainable Development (WBCSD)
- China Petroleum and Chemical Industry Federation (CPCIF)

WE BELIEVE ...

THE FUTURE IS BUILT ON

INNOVATION COLLABORATION

WILL DELIVER STRONGER SOLUTIONS

CHEMISTRY THAT MATTERS™

COLLABORATION. IT'S MAKING THE CIRCULAR ECONOMY GO ROUND.

As we adapt to a new normal, we're helping support more sustainable economies.

That's why SABIC introduced the TRUCIRCLE™ initiative to work with our collaboration partners to rethink recycling. SABIC's collaborations are making it possible to create materials of high enough quality for food packaging by breaking complex, low quality waste plastics down to their original state. We can use, reuse and repurpose more of our resources without using new ones. It's innovative technology that's making the circular economy reality with Chemistry that Matters™.

Meet one of the world's leading chemical companies at SABIC.com

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