



SAG
المجموعة السعودية



2025 ESG REPORT

Integrated Growth. Responsible Impact.



CONTENTS

AT A GLANCE	3	INTEGRATING EXCELLENCE	59
About this Report	5	Governance & Business Ethics	61
Message from our CEO	7	Economic Performance	69
SIIG Overview	9	Supply Chain Management	70
		Data Privacy & Security	72
		Customer Experience	75
SUSTAINABILITY AT SIIG	13		
Our Approach to Sustainability	15	GUIDING TRANSFORMATION	63
Materiality Assessment	17	Operational Excellence and Quality	79
Stakeholder Engagement	18	Infrastructure	
Sustainability Framework	19	Technological Innovation and Sustainable Product Development	80
SAFEGUARDING THE ENVIRONMENT	21		
Climate Change and Energy Management	26	APPENDIX	83
Waste Management	30	Appendix A. GRI Content Index	85
Water Management	32	Appendix B. Acronyms	89
Air Quality & Emissions	34		
Biodiversity & Ecosystem Protection	35		
INVESTING IN PEOPLE	37		
Diversity, Equity, and Inclusion	40		
Talent Attraction and Retention	43		
Human Capital Development	45		
Occupational Health & Safety	49		
Community Engagement	53		





AT A GLANCE

This is Saudi Industrial Investment Group (SIIG)'s second annual Sustainability Report, reflecting our continued commitment to responsible investment and sustainable long-term growth. The report has been developed in line with the priorities of SIIG and its stakeholders and demonstrates our ongoing progress in integrating sustainability considerations across Group-level decision-making.





ABOUT THIS REPORT

SIIG conducted a materiality assessment based on the Global Reporting Initiative (GRI) methodology to determine the environmental, social, and governance (ESG) topics most relevant to our business and stakeholders.

The results of this assessment informed the sustainability framework that guides the structure and content of this report.

Further details on the materiality assessment and the framework are provided throughout the report

Additional information on SIIG's financial performance, financial statements, and other relevant topics directly or indirectly related to this sustainability report can be found in SIIG's 2025 Annual Report.

Reporting boundary

This report covers SIIG's ESG performance for the period between 1 January and 31 December 2025.

Scope

The report focuses primarily on the ESG performance of SIIG and its subsidiaries. As a holding company, SIIG does not have operating facilities, direct production activities, or revenue-generating assets beyond its ownership stakes in jointly managed companies. Therefore, the ESG performance and impacts presented in this report reflect those of SIIG's subsidiaries: S-Chem, Saudi Polymer Company (SPCo), Aromatics Distribution Company (ADCo), and Gulf Polymers Distribution Company (GPDC). The scope of Group-level ESG data is specified within each section where relevant.

Assurance

All data presented in this report has been internally reviewed and verified to ensure accuracy and completeness. Every effort has been made to provide a clear and reliable representation of SIIG's sustainability performance for the reporting period.

Reporting guidelines

This Sustainability Report has been prepared with reference to the GRI Standards and the ESG Reporting Guidelines issued by the Saudi Exchange. In addition, the report takes into consideration broader sustainability expectations and national priorities, including the Saudi Vision 2030 and the United Nations Sustainable Development Goals (UN SDGs), as well as the evolving criteria of relevant ESG rating agencies.

Global and national priorities

Through this report, SIIG highlights the Group's ongoing contribution to national development priorities and global sustainability objectives. In particular, SIIG aligns its efforts with the ambitions of Saudi Vision 2030 and the UN SDGs. SDG icons are included throughout the report to demonstrate where specific initiatives or performance areas support progress toward these goals.



Contact us

SIIG welcomes enquiries, feedback, or suggestions regarding the content of this report.

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Forward-looking statements

This report may contain forward-looking statements and information about SIIG and its subsidiaries. These statements may include plans, objectives and aims regarding the plans, intentions, ambitions, and aims of SIIG and its subsidiaries, as well as forward-looking statements about future products, services, operations and performance. While SIIG believes that these statements are reasonable, all forward-looking statements and information are based on current assumptions with respect to the cost and resources for implementing future targets. As such, these statements remain subject to risks and uncertainties which may be beyond the control of SIIG and/or difficult to predict. Forward-looking statements may be identified by the inclusion of terms such as "plan," "expect," "aim," "will," "strategy," "target," "ambition," and other similar words and phrases.





MESSAGE FROM OUR CEO



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Sustainability stands as a central pillar of SIIG's strategy, embedded at the core of its approach to governance, investment, risk management, and long-term value creation. It guides our pursuit of balanced and sustainable growth, aligned with leading responsible business practices while remaining responsive to national priorities.

Abdulrahman S. Alismail
Chief Executive Officer – Saudi Industrial Investment Group

Guided by this commitment, I am pleased to present the 2025 Sustainability Report, which reflects a year marked by the strengthening and institutionalization of our practices, alongside tangible progress across environmental, social, and governance dimensions. It also underscores our continued commitment to enhancing performance and delivering lasting impact.

Following the publication of our first ESG report, 2025 represented a pivotal transition from foundational disclosure to strengthened implementation. During the year, SIIG advanced its governance and oversight frameworks, enhanced controls over data management and related reporting processes, and expanded the scope of its policies to ensure more consistent application across subsidiaries. As a holding company, the Group continues to provide strategic direction and effective oversight, embedding sustainability principles across subsidiary operations and reinforcing integration at the Group level.

Within this context, the Group's environmental footprint is primarily reflected through its subsidiaries, particularly S-Chem, which continued to advance its institutional approach to environmental management in 2025. These efforts were recognized through the achievement of ISO 50001 certification for its Energy Management System, demonstrating a clear commitment to improving energy efficiency and operational performance. In parallel, continuous improvement initiatives contributed to a slight reduction in total water consumption compared to 2024, further supporting resource efficiency and environmental sustainability objectives.

Among the year's key milestones was the attainment of Operation Clean Sweep

certification by subsidiaries, accredited by the GCC Accreditation Center. This achievement reflects a strong commitment to preventing plastic pellet loss and strengthening environmental management practices across production processes, supply chains, and logistics operations. At the same time, subsidiaries continued to expand the adoption of paperless practices through increased reliance on digital documentation and electronic signature systems, contributing to waste reduction, improved resource efficiency, and the transition toward more sustainable operations.

On the social front, SIIG sustained its investments in community development, contributing approximately 2 million to programs focused on education, skills development, and social support. S-Chem further contributed 1.4 million during 2025, strengthening community partnerships and delivering measurable social impact. These efforts were recognized at both national and regional levels, including the Bronze Social Responsibility Award from the Ministry of Human Resources and Social Development, recognition for supporting Sanad Charity Association, and acknowledgments under the Gulf Petrochemicals and Chemicals Association's Responsible Care program, in addition to several awards in occupational health and safety and operational excellence.

Looking ahead, our focus will remain on strengthening execution efficiency, further embedding sustainability within governance and oversight structures, and advancing responsible growth. We remain committed to building organizational resilience, enhancing transparency, and delivering sustainable, long-term value for our shareholders and all stakeholders.



SIIG OVERVIEW

Saudi Industrial Investment Group (SIIG) is the first privately owned petrochemical company in the Kingdom of Saudi Arabia. Established as a Saudi public joint stock company and headquartered in Riyadh, SIIG is registered under Commercial Registry No. 1010139946 dated 1 January 1996.

The Group was founded with the objective of contributing to the development of the Kingdom's petrochemical sector and creating long-term value for shareholders, customers, and the national economy. SIIG achieves this by leveraging strategic partnerships, optimizing the utilization of the Kingdom's natural resources, and capitalizing on competitive advantages in feedstock, logistics, and market access.

Listed on the Saudi Stock Exchange (Tadawul) since 2004, SIIG has become a key player in advancing the Kingdom's industrial base, particularly its petrochemical value chain. Today, SIIG is recognized as one of Saudi Arabia's largest petrochemical companies and among the leading players in the Middle East and North Africa (MENA) region. As of December 31, 2025, SIIG's hypothetical market value amounted to **ﷲ 8.44 billion**, with a total hypothetical combined production capacity of approximately 6.3 million tons annually.

SIIG's capital growth has been achieved through profit capitalization, priority rights subscriptions, and capital increases totalling **ﷲ 6,793 million**. The Group primarily invests in jointly managed companies engaged in the production of essential petrochemical products that play a fundamental role in everyday life, including cyclohexane, styrene, aromatic compounds, propylene, polyethylene, polypropylene, and hexene-1.

A key milestone in SIIG's diversification was the 2023 agreement to acquire a 24% interest in Unibio International PLC for approximately USD 70 million. This investment in innovative bio-protein technology established our footprint in the biotechnology sector. Building on this foundation, SIIG is progressing toward large-scale implementation through the development of a bio-protein production facility with a planned capacity of 50,000 tons per year in Jubail Industrial City. This 80/20 partnership with Unibio will utilize dry gas feedstock to address global bio-protein demand, with construction scheduled to commence in the second half of 2026.

Through these investments, SIIG remains committed to maintaining high production quality, operating responsibly, and ensuring the safety and well-being of employees and surrounding communities.



Our subsidiaries

The chart below outlines SIIG's percentage ownership in its jointly managed and affiliated projects as of 31 December 2025, along with the ownership structure of SIIG's major shareholders.





Our activities

SIIG invests through a group of jointly managed companies that operate across the petrochemical value chain, from production to distribution and marketing. These companies play an essential role in supplying products used in manufacturing, infrastructure, consumer goods, and industrial applications.

The following table summarizes the ownership structure, operating profiles, and key production capacities of SIIG's subsidiaries:

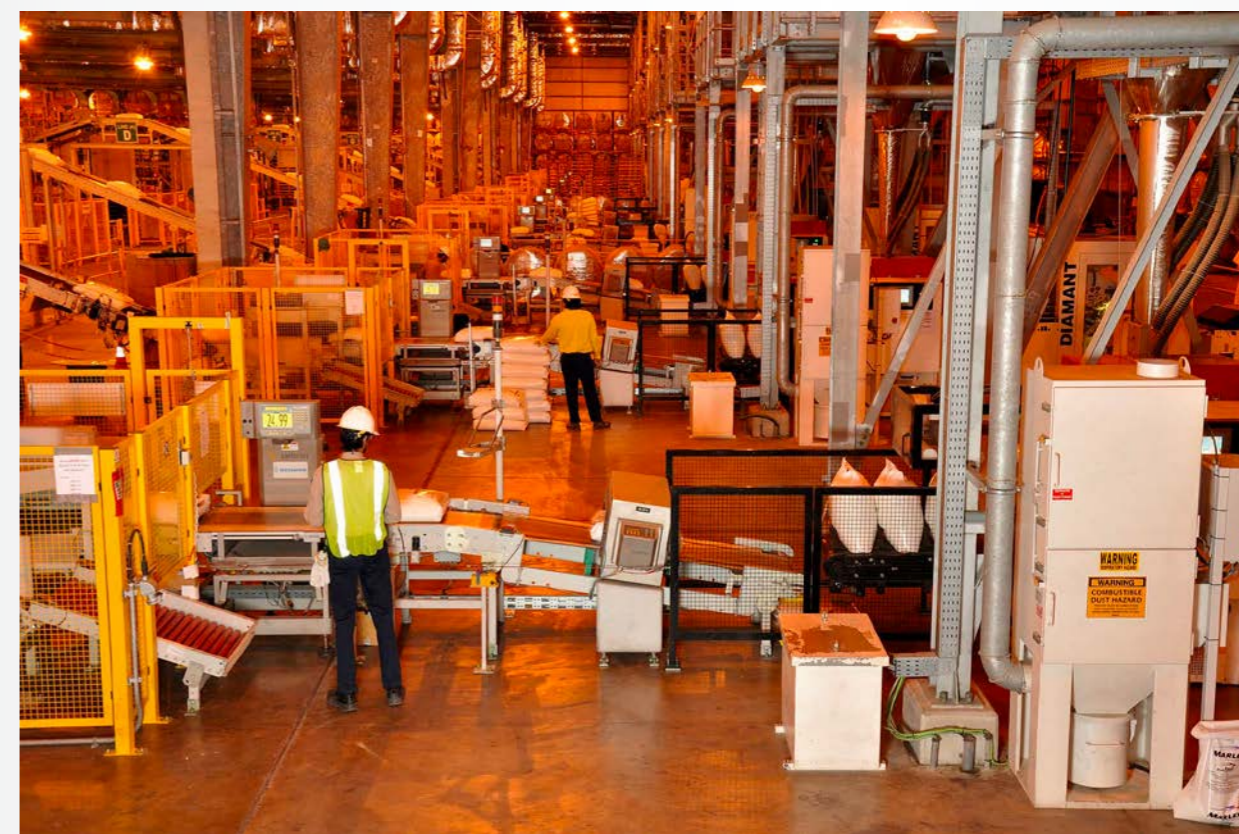
Subsidiaries	Saudi Chevron Phillips	Jubail Chevron Phillips Company	Aromatics Distribution Company	Saudi Polymers Company	Gulf Polymers Distribution Company
Ownership Percentage	<ul style="list-style-type: none"> 50% SIIG 50% Arabian Chevron Phillips 	<ul style="list-style-type: none"> 50% SIIG 50% Arabian Chevron Phillips 	<ul style="list-style-type: none"> 50% SIIG 50% Arabian Chevron Phillips 	<ul style="list-style-type: none"> 65% SIIG through Petrochem 35% Arabian Chevron Phillips 	<ul style="list-style-type: none"> 65% SIIG through Petrochem 35% Arabian Chevron Phillips
Foundation Year	1996	2003	2020	2007	2011
Company Entity	A limited liability company	A limited liability company	A limited liability company	A limited liability company	A limited liability company
Company Headquarters	Jubail	Jubail	Dubai	Jubail	Dubai
Capital	₹244 million	₹484 million	100 thousand AED	₹1,406 million	2 million AED
Company activity	Production of liquid fuels, manufacture of organic chemicals, production of primary gases, production of gaseous fuels, production of benzene, cyclohexane, and aromatic compounds.	Production of liquid fuels, organic chemicals industry, propylene industry, production of styrene and propylene	Petrochemical trade (selling, distributing and marketing Saudi Chevron Phillips products and Jubail Chevron Phillips outside the Kingdom)	Chemical elements industry Plastics industry in its primary forms Manufacturing industry Production of lighting oils Propylene industry Manufacture of polyethylene, polypropylene and hexane-1	Petrochemical trading (selling, distributing, and marketing the products of the Saudi Polymer Company outside the Kingdom)
Start of Production	2000	2008	Distribution began in 2020	2012	Distribution began in 2012
Production Capacity (thousand tons per year)	Benzene 835 Cyclohexane 290 Aromatic compounds 780	Styrene 730 Propylene 150	Distribution of cyclohexane and styrene products	Polyethylene 1,100 Polypropylene 400 Hexane 100 Propylene 40	Distribution of polyethylene, polypropylene, hexane -1 and propylene products

Results for the year 2025

Operating Rate	70%	102%	--	107%	--
Annual Sales (₹ Million)	4,094	5,572	2,834	6,255	907
Geographic Distribution of Sales	<ul style="list-style-type: none"> Locally/ Middle East 54% Asia 18% Europe and Africa 28% 		<ul style="list-style-type: none"> Locally/ Middle East 20% Asia 49% Europe and Africa 31% 		
Net Income (Loss) (₹ Million)	(110)	(78)	50	(48)	41
The Group's share of net profits (₹ Million)	(51)	(39)	25	(27)	26

In 2026, SIIG announced on Tadawul that its Board of Directors had approved the development of a bioprotein production project in Jubail Industrial City, with a planned capacity of 50,000 tons per year. The project will be implemented in partnership with Unibio PLC, the technology provider, with an ownership structure of 80% for SIIG and 20% for Unibio PLC.

SIIG has secured approval from the Ministry of Energy for the allocation of dry gas feedstock for the project. Construction is expected to commence in the second quarter of 2026, with completion targeted for the second half of 2027.





SUSTAINABILITY AT SIIG

SIIG's commitment to ESG best practices is embedded in our culture and reflected across our subsidiary companies. As a holding company with no direct operational activities, our sustainability impacts are primarily linked to the operations of our subsidiaries. Accordingly, SIIG focuses on providing Group-level strategic direction, performance oversight, and support to ensure that sustainability considerations are integrated into decision-making and operational practices across the Group.



OUR APPROACH TO SUSTAINABILITY

Following the publication of SIIG’s first ESG Report last year, we have entered a new phase in our sustainability journey—one focused on strengthening our governance framework, enhancing data quality, and closing identified gaps across environmental, social, and governance dimensions.

Our inaugural report established a baseline for transparency and accountability. This year, we are building on that foundation by transitioning from disclosure to structured integration of ESG principles into our strategy, operations, and decision-making processes.



Strengthening Our ESG Framework

In alignment with Vision 2030 priorities including environmental sustainability, economic diversification, and social development, SIIG is working to embed sustainability considerations into its strategy, operations, and decision-making processes. During the past year, we have undertaken an internal review to assess the maturity of our ESG framework and identify areas requiring further development.

Our focus for this reporting cycle includes:

- Enhancing ESG governance and accountability across the organization

- Updating our materiality assessment to reflect evolving stakeholder expectations and regulatory developments
- Improving ESG data quality, consistency, and reporting controls
- Expanding policy coverage and strengthening implementation mechanisms

Through these actions, SIIG aims to ensure that sustainability is embedded within business performance management and aligned with leading international standards and best practices.



From Compliance to Value Creation

At SIIG, sustainability is not viewed solely as a compliance exercise, but as a strategic driver of resilience, operational efficiency, and long-term value. By enhancing our ESG framework and embedding sustainability into our corporate culture, we aim to:

- Improve risk management and regulatory readiness
- Drive operational efficiencies and resource optimization
- Strengthen stakeholder trust and reputation
- Contribute positively to the communities in which we operate



Our Commitment Moving Forward

Our sustainability journey is ongoing. This year marks a shift toward greater maturity, accountability, and measurable impact. We remain committed to continuous improvement, transparency, and responsible growth as we advance our ESG ambitions.

Spotlight on subsidiary performance

S-Chem, SIIG’s largest jointly managed company, is committed to protecting the environment and responsibly managing resources. The company continues to work toward reducing energy and water use, optimizing raw material consumption, and minimizing emissions and waste. S-Chem has an established sustainability strategy and, in alignment with SIIG’s commitment to transparency, publishes its own Sustainability Report on an annual basis.





MATERIALITY ASSESSMENT

To identify and prioritize the ESG impacts most significant to SIIG and its stakeholders, SIIG conducted a materiality assessment in 2023 based on the GRI methodology. The process included a review of SIIG's strategic priorities, strengths, and future opportunities, alongside an assessment of existing sustainability-related disclosures, data, and annual reporting. The analysis also considered SIIG's alignment with relevant global and regional frameworks, including GRI, IFRS (formerly SASB), the UN SDGs, the Tadawul ESG Guidelines, as well as national priorities such as Saudi Vision 2030 and the Kingdom's Net Zero 2060 commitment.

The assessment resulted in a preliminary list of ESG topics and associated impacts relevant to SIIG's business context. Internal stakeholders were then engaged to validate and prioritize these topics based on their perceived significance and relevance. SIIG intends to broaden this engagement to include external stakeholders in future assessments. The final list of material topics reflects the scope, scale, and likelihood of both actual and potential impacts across the Group.

Material Topics

-  Governance & Business Ethics
-  Occupational Health & Safety
-  Economic Performance
-  Climate Change & Energy Management
-  Human Capital Development
-  Diversity, Equity & Inclusion
-  Resource Handling & Efficiency
-  Supply Chain Management
-  Air Quality & Emissions
-  Data Privacy & Security
-  Talent Attraction & Retention
-  Digitalization & Technological Advancement
-  Customer Experience
-  Waste Management
-  Water Management
-  Community Engagement
-  Sustainable Product Development
-  Biodiversity & Ecosystem Protection



STAKEHOLDER ENGAGEMENT



SIIG recognizes that active communication and engagement with stakeholders is essential to building trust, enhancing transparency, and ensuring that diverse perspectives are reflected in our decisions and strategic direction. SIIG's primary stakeholders include our subsidiary companies, shareholders, employees, customers, suppliers, investors, regulatory and government bodies, industry associations, and the communities in which we operate. We encourage open dialogue and welcome feedback from all stakeholders, and we maintain regular communication and periodic reporting to support ongoing engagement and alignment.





SUSTAINABILITY FRAMEWORK



Insights gathered through the materiality assessment informed the development of SIIG's sustainability framework. The framework articulates SIIG's overarching approach to sustainability and is structured around four key pillars:

Safeguarding the environment

Reflecting our commitment to environmental protection and responsible resource management

Investing in people

Recognizing our dedication to empowering our workforce, supporting communities, and fostering diversity and inclusion.

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Integrating excellence

Reinforcing our commitment to ethical leadership, transparency, and strong governance.

Guiding transformation

Emphasizing technological advancement and the development of more sustainable products and solutions.

The content of this report is organized according to these four pillars. Please refer to subsections to find out more about SIIG's overall sustainability approach and ambitions.





SAFEGUARDING THE ENVIRONMENT

SIIG's most significant environmental impacts arise through the activities of our subsidiaries. Accordingly, we work to manage and minimize our collective environmental footprint by promoting responsible and sustainable practices across the Group. Our focus is directed toward the environmental topics where we have the greatest influence and the highest capacity to drive meaningful improvement, ensuring we actively contribute to a more sustainable future for all stakeholders.

Alignment with Saudi Vision 2030 pillars:



A vibrant society

Alignment with the UN SDGs:



Chapter highlights:

- No environmental non-compliance incidents were recorded during 2025
- S-Chem operates certified environmental management systems, including ISO 14001 and Responsible Care® RC14001
- S-Chem achieved Operation Clean Sweep (OCS) certification in 2025





Our approach

Continuous improvement of environmental performance across the Group is essential to ensuring long-term business resilience and supporting national and global sustainability ambitions, including Saudi Vision 2030, the Saudi Net Zero 2060 initiative, and the UN SDGs. Building on the strong environmental governance and certified management systems implemented at subsidiary level, particularly S-Chem's ISO 14001 and Responsible Care® RC14001 Environmental Management System aligned with the Royal Commission Environmental Regulations, SIIG is advancing the development of a Group-level environmental strategy grounded in its sustainability framework.

Once finalized, this strategy will establish a clear roadmap for strengthening environmental performance across SIIG's portfolio, supported by structured governance mechanisms, detailed action plans, and measurable environmental targets. The strategy will aim to promote consistency, enhance regulatory alignment, and drive continuous improvement across air emissions, water stewardship, waste management, and climate-related performance throughout the Group.

S-Chem accounts for the majority of the Group's environmental impacts. To manage these impacts in alignment with SIIG's sustainability priorities, S-Chem has established its own environmental strategy with defined objectives, implementation plans, and performance targets. This strategy focuses on environmental topics most material to S-Chem and its stakeholders, including climate change and energy management, waste and water management, air quality, and emissions reduction.

Spotlight on subsidiary performance

Individual SIIG subsidiaries continue to identify and advance their own environmental performance priorities in alignment with the environmental issues most material to their operations and business contexts. While each subsidiary operates within a different scope of activity, all are committed to improving environmental stewardship and contributing to SIIG's broader sustainability objectives.

S-Chem (Manufacturing Operations)

S-Chem's environmental efforts remain focused on managing energy use, emissions, and waste in line with its environmental strategy and regulatory obligations. Key areas of ongoing improvement include:

- ◆ Implementing energy-efficiency initiatives to reduce site-wide energy intensity
- ◆ Minimizing greenhouse gas (GHG) emissions through operational optimization
- ◆ Reducing the generation of routine industrial waste and increasing recycling and recovery efforts

GPDC and ADCo (Distribution and Logistics Operations)

As distribution-focused subsidiaries, GPDC and ADCo prioritize operational efficiency, customer responsiveness, and responsible supply chain management. Their key environmental and operational focus areas include:

- ◆ Strengthening communication and service responsiveness to support a positive customer experience and timely resolution of concerns
- ◆ Monitoring and coordinating sea and ground transport to minimize delays and improve logistical efficiency
- ◆ Partnering with third-party logistics, warehousing, and shipping providers that demonstrate strong sustainability practices and compliance with environmental standards



Environmental Policy

SIIG has a well-defined Environmental Policy that applies across all subsidiary companies, as well as to sub-contractors and suppliers. The policy outlines expectations for responsible environmental practices, including green manufacturing, energy management, and measures to prevent and reduce environmental impacts.

Spotlight on subsidiary performance

S-Chem operates under a certified ISO 14001 and Responsible Care® RC14001 Environmental Management System (EMS), providing a comprehensive and structured framework for managing environmental performance across all operations. The system is supported by continuous monitoring, internal audits, and independent third party reviews, ensuring accountability, regulatory compliance, and ongoing performance improvement.

The EMS is fully aligned with the Royal Commission Environmental Regulations 2015 (RCER-2015), including Volume I (Regulations and Standards) and Volume II (Environmental Impact Assessment Guidelines). This alignment ensures that S-Chem's operations consistently meet both regional regulatory requirements and international environmental standards.

Environmental performance is further governed by a robust set of internal Environmental General Instructions that guide operational discipline and compliance. These include controls related to air emission management, environmental noise, wastewater and seawater systems, solid and hazardous waste handling, groundwater monitoring, storage tank integrity, process vessel cleaning, environmental reporting and quality assurance, fugitive emission leak detection and repair, and the Operation Clean Sweep program for plastic pellet loss prevention.

Together, these systems and controls enable S-Chem to maintain high standards in air quality, water stewardship, waste management, emissions control, and transparent reporting, reinforcing its commitment to responsible operations and continuous environmental improvement.

CLIMATE CHANGE AND ENERGY MANAGEMENT

Recognizing that energy use directly influences GHG emissions, S-Chem continues to prioritize energy efficiency and the integration of renewable energy solutions as part of its emissions reduction efforts.

S-Chem continues to work closely with the Saudi Energy Efficiency Centre (SEEC) to enhance production efficiency and reduce energy consumption. Through this collaboration, the company has achieved measurable reductions in steam energy use, contributing to improved energy performance across its facilities. An internal energy management team meets monthly to assess site energy intensity and evaluate opportunities for further efficiency improvements.

S-Chem also implemented a comprehensive site-wide Sustainability and Energy Management System campaign to raise awareness and engage employees in improving energy performance. The campaign focused on identifying opportunities to reduce GHG emissions and energy intensity, and to optimize the performance of manufacturing operations.

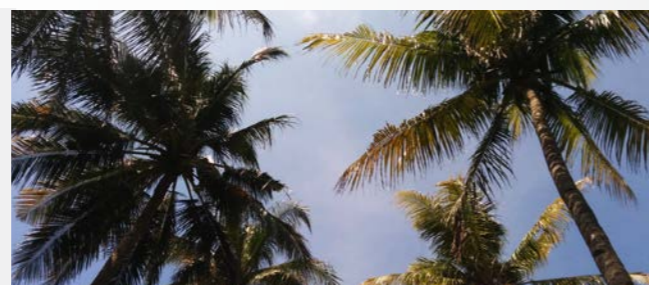
Demonstrating its structured and systematic approach, S-Chem has successfully obtained ISO 50001 certification, reflecting the effective implementation of its Energy Management System (EnMS). To strengthen internal capability and ensure sustained compliance, the company conducted ISO 50001 EnMS awareness sessions and delivered specialized Internal Auditor training.

While S-Chem maintains structured energy and GHG monitoring aligned with ISO 50001 and recognized emissions calculation methodologies, SIIG is working to expand the scope of atmospheric emissions oversight related to energy consumption. Future enhancements will include strengthening the consistent measurement and disclosure of key air pollutants such as Sulfur Oxides (SOx) and Nitrogen Oxides (NOx), supported by clearly defined scope and reporting methodology.

Over time, this expanded monitoring framework will support the development of quantitative reduction targets and reinforce transparency in managing energy-related atmospheric emissions, further strengthening environmental risk management across the Group.



NO
environmental
non-compliance
incidents were
recorded during 2025





Spotlight on Energy Innovation at S-Chem's Polymer Plant

As part of its ISO 50001 Energy Management System continual improvement framework, S-Chem implemented a major energy efficiency enhancement within its Polymer Plant through the installation of a new Screen Pack Changer design.

The upgraded design reduces the differential pressure (ΔP) across the unit, directly lowering specific energy consumption while simultaneously improving operational performance. By minimizing flow resistance, the modification not only enhances energy efficiency but also enables increased production throughput.

- ◆ **Expected Annual Impact**
- ◆ **Energy Savings:** 45,767 MMBtu per year
- ◆ **GHG Emissions Reduction:** 25,996 tCO₂e per year
- ◆ **Operational Benefit:** Higher production throughput due to reduced ΔP

This initiative demonstrates how targeted engineering improvements can simultaneously strengthen environmental performance and operational efficiency. The project supports ISO 50001 continual improvement requirements and aligns with S-Chem's broader climate and sustainability objectives.

Spotlight on Heat Recovery and Energy Efficiency at S-Chem

As part of its decarbonization roadmap and commitment to improving energy efficiency across its operations, S-Chem is implementing a Heat Recovery Unit (HRU) on one of its process furnaces. The project is designed to capture waste heat from furnace flue gas that would otherwise be lost to the atmosphere and convert it into high-pressure steam for reuse within the site utility network.

The HRU is expected to generate approximately 94 tonnes per hour (TPH) of high-pressure steam, which will be integrated into the site's steam distribution system. By recovering and reusing thermal energy, the project reduces the need to generate steam through conventional boilers, thereby lowering fuel consumption, reducing boiler firing requirements, and decreasing the overall thermal load on the utility system. This integrated approach improves overall site energy efficiency while supporting emissions reduction efforts.

Beyond the direct energy and emissions benefits, the project also enhances operational efficiency by optimizing energy flows across the facility and reducing reliance on primary fuel sources for steam generation. The initiative reflects S-Chem's approach to decarbonization, which focuses on practical engineering solutions that deliver measurable environmental benefits while maintaining operational reliability and efficiency.

- ◆ **Expected Annual Impact**
- ◆ **Energy savings:** Approximately 2.17 million MMBtu per year
- ◆ **GHG emissions reduction:** Approximately 137,921 tCO₂e per year
- ◆ **Operational impact:** Reduced steam demand from boilers and improved utility system efficiency

This project demonstrates S-Chem's continued investment in energy efficiency and emissions reduction initiatives that support its climate objectives and ISO 50001 Energy Management System continual improvement framework.



S-Chem’s energy and emissions profile

Energy	Unit	2023	2024	2025
Steam Consumed	Million British Thermal Units (MMBTU)	30,004,337	27,716,000	32,995,000
Fuel Gas Consumed	Million British Thermal Units (MMBTU)	76,015,542	80,118,732	84,127,586
Electricity Consumption	kWh	1,412,522,019	1,400,372,529	1,415,874,639

GHG Emissions	Unit	2023	2024	2025
Direct GHG emissions (Scope 1)	Metric tonnes of CO ₂ e	3,883,172	3,458,098	3,495,793
Indirect GHG emissions (Scope 2)	Metric tonnes of CO ₂ e	809,677	797,490	811,614
Total GHG emissions	Metric tonnes of CO ₂ e	4,692,849	4,255,588	4,307,407

Note: GHG emissions are calculated using IPCC emission factors and the Saudi Electricity Company (SEC) CDM grid emission factor, in alignment with 40 CFR Part 98 methodologies for standardized CO₂e quantification from stationary fuel combustion sources.

Environmental initiatives at ADCo and GPDC

ADCo and GPDC, both located within the Dubai Airport Freezone (DAFZA), have implemented several initiatives aimed at improving energy efficiency and promoting sustainable workplace practices. These include the adoption of sustainable office design measures, such as upgrading air conditioning switch controls to improve energy efficiency and installing motion sensors in hallways and restrooms to automatically reduce lighting when spaces are unoccupied. Temperature control systems have also been introduced to optimize heating and cooling based on occupancy patterns.

To encourage sustainable mobility, the companies provide secure bicycle storage, showers, and changing facilities, and encourage employees to use public transportation, biking, or carpooling. Additional incentives, such as subsidized DAFZA Blue Bus passes and access to electric vehicle charging stations, are offered to further promote low-carbon commuting options. Plans are also in place to explore the installation of rooftop solar panels to help power facility operations.



WASTE MANAGEMENT

Reducing routine on-site waste generation remains a key priority for S-Chem. In addition to minimizing material consumption at source, the company places strong emphasis on waste recycling as an integral part of its operations.

This includes the recycling of lubricating oils, oily waste containing 5% or more hydrocarbons, consumed caustic, metal scrap, plastic scrap, and electronic waste through facilities approved by the Royal Commission for Jubail and Yanbu.

In 2025, a total of 3,157.4 MT of waste was sent for off-site recycling, including 1,270.72 MT allocated for hydrocarbon recovery and 38.27 MT for e-waste recycling.

S-Chem applies a waste management framework focused on prevention, circularity, and compliance. It follows the 3Rs Reduce, Reuse, Recycle and ensures segregation at source for appropriate treatment, recycling, or transfer to approved facilities. Routine waste is systematically managed, while initiatives address non routine waste from maintenance and operations.

A key milestone in 2025 was achieving Operation Clean Sweep (OCS) certification to prevent plastic pellet loss across operations. The program strengthens controls, enhances employee training on spill prevention and cleanup, and introduces safeguards to avoid

environmental release. By reducing material loss and microplastic pollution at source, OCS certification supports circular economy principles and responsible manufacturing practices.

All waste management practices are aligned with Royal Commission regulations and governed by internal Waste Management General Instructions, ensuring consistent handling of both hazardous and non-hazardous waste while maintaining high environmental protection standards.

To further strengthen transparency and performance oversight, SIIG intends to advance Group-level waste data consolidation and reporting. This will include enhancing the consistent measurement and disclosure of hazardous and non-hazardous waste generation and recycling rates under a clearly defined scope and methodology. Establishing this baseline will support measurable targets and enhance waste segregation, monitoring, and compliance across the Group.



S-Chem achieved Operation Clean Sweep OCS certification in 2025, reinforcing its commitment to preventing plastic pellet loss across production, packaging, storage, and transportation.



S-Chem's waste profile

In 2025, S-Chem's total non-hazardous waste generation declined significantly by approximately 66% compared to 2024. This decrease was mainly driven by the smaller scale of turnaround activities carried out during the year. In 2024, turnaround activities at the Joint Chemical Plant and Saudi Chevron Phillips Company (SCP) generated relatively higher volumes of non-hazardous waste, including contaminated personal protective equipment and aerosol cans. By comparison, the SCP turnaround conducted in 2025 was more limited in scope, resulting in lower volumes of these waste streams.

At the same time, hazardous waste generation increased by approximately 79% compared to the previous year due to specific operational circumstances that required certain waste streams to be managed externally. In August 2025, an emergency outage at the SPCo incinerator required a large quantity of spent caustic to be sent to an external disposal facility. In addition, wastewater generated during the SCP turnaround and from the Thermos Expander Project in Unit U41 was directed to off-site disposal facilities. These temporary operational factors contributed to the higher hazardous waste volumes reported during the year.

Waste Management	Unit	2023	2024	2025
Total non-hazardous waste generated	Kg	3,050,754	5,539,215	1,893,581
Total amount of hazardous waste generated	Kg	6,708,610	4,513,340	8,072,803

In support of waste reduction and resource efficiency, GPDC and ADCo have initiated paperless workflows by expanding the use of digital documentation and electronic signature systems, reducing the need for printed materials. Both companies also implement e-waste reduction measures, including policies for reusing or recycling outdated electronic equipment and partnering with certified e-waste recycling service providers.



WATER MANAGEMENT

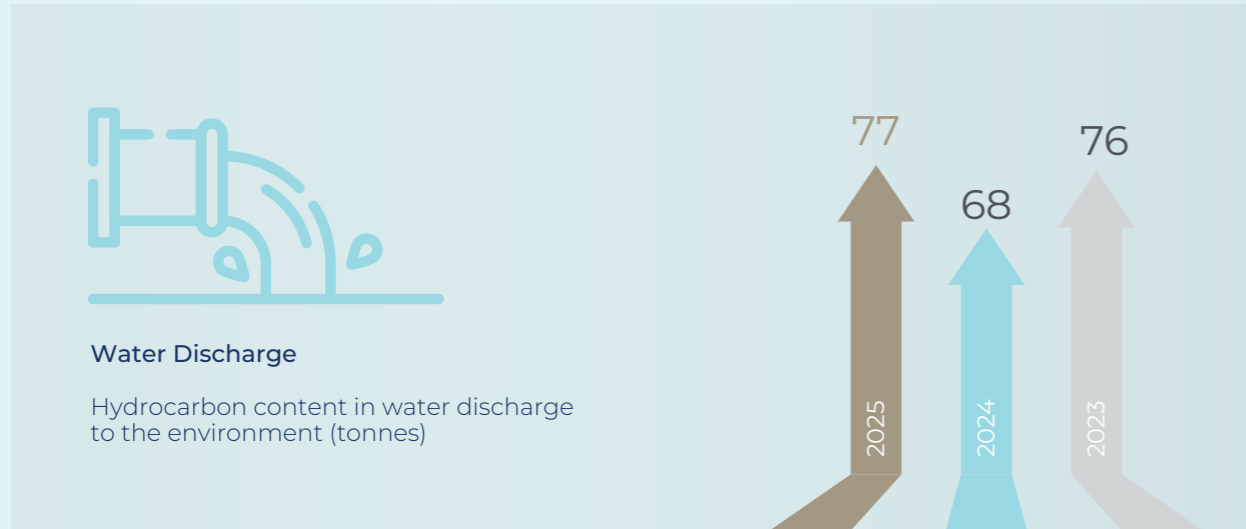
Balancing operational water needs with responsible conservation remains a key focus for S-Chem. The company's primary water impacts result from cooling processes, particularly the discharge of heated seawater. To mitigate potential environmental effects, S-Chem continuously monitors these activities and applies advanced systems such as its Seawater Cooling System and Raw Water System. The company also complies with the Marafiq Policy for Potable Water and Cooling Seawater and manages industrial wastewater in accordance with regulations issued by the Royal Commission for Jubail and Yanbu.

In line with evolving regulatory expectations, S-Chem is currently updating its water conservation practices to align with the Royal Commission 2021 New Regulation, further strengthening its approach to sustainable water management.

To drive continuous improvement, S-Chem has worked closely with operational teams in recent years to reduce both marine and desalinated water consumption used for cooling and steam production, as well as to enhance the management of liquid waste. These efforts resulted in a slight reduction in total water consumption in 2025 compared to 2024, reflecting ongoing efficiency improvements across operations.

S-Chem's water management profile

Water Management	Unit	2023	2024	2025
Seawater	Megaliters	408,630.91	395,738.33	393,270.51
Potable water	Megaliters	2,628.51	2,236.03	2,237.17
Total water withdrawal	Megaliters	411,259.43	397,974.36	395,269.51



GPDC and ADCo have also introduced water conservation measures within their office facilities, including the installation of sensor-activated faucets to reduce unnecessary water use. Both entities promote responsible water behavior through awareness campaigns and signage encouraging employees to conserve water in daily activities.



AIR QUALITY AND EMISSIONS

In addition to reducing GHG emissions through energy efficiency initiatives, S-Chem conducts regular environmental monitoring to identify and address potential air quality and emissions risks associated with manufacturing activities. This includes annual stack testing and Leak Detection and Repair (LDAR) programs, both of which are carried out by approved third-party providers in accordance with environmental permit requirements and applicable local regulations.

As part of the environmental permitting process, S-Chem also evaluates all environmental aspects related to air emissions, water discharges, waste, noise, and hazardous materials to ensure full compliance with regulatory and environmental standards.

Building on existing environmental monitoring practices, SIIG is progressing toward the development of a formal Group-level Pollution Prevention Policy. This will be supported by the phased introduction of measurable, time-bound environmental targets. As a foundational step, the Group intends to enhance the tracking and disclosure of key indicators, including air emissions, wastewater discharges, and hazardous and non-hazardous waste generation.

S-Chem
conducts regular third-party testing to monitor and manage air emissions.



BIODIVERSITY AND ECOSYSTEM PROTECTION

S-Chem supports the protection of biodiversity by operating in full compliance with the stringent environmental regulations of the Royal Commission for Jubail and Yanbu (RCJY), which are aligned with international standards and the ambitions of Saudi Vision 2030.

Key measures include adherence to environmental laws, strategic site planning, and the completion of comprehensive Environmental Impact Assessments (EIA) prior to project development. In addition, S-Chem conducts ongoing monitoring of air, water, waste, and wildlife using advanced technologies to help minimize ecological impacts and ensure responsible and sustainable operations across its facilities.



INVESTING IN PEOPLE

SIIG is dedicated to empowering people, fostering diversity, and strengthening the communities in which we operate. Our focus on talent development, employee well-being, and inclusivity across SIIG and its subsidiaries is central to building a resilient, future-ready organization. These efforts also support key UN SDGs and align with the ambitions of Saudi Vision 2030.

Alignment with Saudi Vision 2030 pillars:



A vibrant society



A Thriving economy

Alignment with the UN SDGs:



- %100 of total employees received a regular performance and career development review during 2025.
- No reported discrimination incidents in 2025.
- 2 million annual community contribution.
- S-Chem was recognized with national and regional CSR and safety awards.
- %100 of our employees are covered by health & safety management system.





Our approach

Our approach to investing in people and communities is grounded in our commitment to ethical business practices and respect for human rights. SIIG is dedicated to conducting business in a manner that upholds the dignity and rights of all employees, and we actively work to identify, prevent, and mitigate any potential human rights risks linked to our business activities.

To uphold these commitments, SIIG maintains several governing policies, including our Corporate Code of Conduct and Anti-Slavery Policy. While policy frameworks may vary between SIIG and its subsidiaries, each subsidiary is expected to align its practices with the intent and standards set by SIIG. The SIIG Internal Audit function is responsible for ensuring this alignment across the Group. SIIG also maintains a strict prohibition on child, adolescent, forced, and involuntary labor in any form, and ensures that all employees receive statutory wages in a fair, timely, and transparent manner without discrimination.

As part of strengthening its people focused practices, SIIG secured General Assembly and Board approval in 2025 for its Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP), both of which are now in effect. The SAP implementation is currently in its final stage and is expected to be fully implemented in 2026, further enhancing HR and performance management systems.

At S-Chem, human capital management is deeply rooted in the company's organizational values. These values are reflected in a strong emphasis on safety, teamwork, accountability, integrity, respect, and social responsibility across all levels of the workforce. S-Chem maintains an established HR policy framework to guide employee management and internal governance, which is currently designated for internal company use.

The key policies guiding SIIG's approach include:

Corporate Code of Conduct



All SIIG employees, senior management, and members of the Board of Directors are required to uphold the Corporate Code of Conduct, along with all other relevant company policies. The Code outlines SIIG's standards of ethical behavior and requires all individuals associated with the company to act with integrity in their daily work, business practices, and stakeholder interactions. The Code also specifies the roles and responsibilities of SIIG's independent directors.

Anti-Slavery Policy



SIIG maintains a strict prohibition on child, adolescent, forced, or any other form of involuntary labor, whether paid or unpaid, across all offices and operations. The company ensures that statutory wages are paid to all employees in a fair, timely, and transparent manner, without discrimination.



Grievance Mechanisms

As a holding company, SIIG does not directly manage operational-level grievance systems. Grievance policies and reporting mechanisms are therefore implemented and administered at the subsidiary level in accordance with their respective operating environments and regulatory requirements.

At S-Chem, grievance and reporting mechanisms are currently under development to further strengthen structured channels for both internal and external stakeholders. These enhancements are intended to complement existing HR and administrative procedures and reinforce transparency, accountability, and employee confidence in raising concerns.

Workforce composition

EMPLOYEES	SIIG			S-CHEM			ADCo			GPDC		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Full-time employees	28	28	28	1,604*	1,469*	1,475	3	2*	2	20	20	20
WORKFORCE BY GENDER												
Female full-time employees	3	3	2	28*	42*	50	1	1	1	7*	7*	7
Male full-time employees	25	25	26	1,576*	1,427*	1,425	2	1*	1	13*	13*	13
WORKERS WHO ARE NOT EMPLOYEES												
Contractors	0	0	0	339	222	242	0	0	0	1	1	0
WORKFORCE BY AGE GROUP												
18-30	5	5	4	145	147*	158	0	0	0	0	0	0
31-40	7	7	8	636	583*	539	3	3	2	9*	8*	5
41-50	12	12	12	370	394*	411	0	0	0	9	9	12
51+	4	4	4	114	123*	125	0	0	0	2	3*	3
SAUDIZATION												
Percentage of full-time national employees	64%	64%	67%	100%	85%	75.5%	0%*	0%*	0%	0%*	0%*	0%

*Figure restated.

Note: The workforce by age group for S-Chem includes permanent employees only.





DIVERSITY, EQUITY, AND INCLUSION

SIIG believes that diversity strengthens our organization, and that leveraging the talents, skills, and perspectives of individuals from a wide range of backgrounds contributes to our long-term success. As part of our recruitment efforts, SIIG is committed to improving age and gender diversity and ensuring non-discriminatory hiring and employment practices.

Subsidiaries, including GPDC and ADCo, uphold these commitments by maintaining clear procedures for addressing any concerns raised by employees. In cases where issues related to discrimination are reported, management meets directly with the individual to understand the concern and, where necessary, escalates the matter to Human Resources for review and action. Refresher training is also provided to reinforce policy awareness and promote a respectful and inclusive work environment.

At S-Chem, workplace inclusion and respect are reinforced through the iCare Program, which promotes cooperation, accountability, integrity, and mutual respect across the organization. The

program is supported by internal policies addressing workplace conduct, discrimination, and harassment, ensuring that employees have clear guidance on expected behavior and reporting channels. These measures are designed to prevent incidents proactively while providing structured mechanisms for addressing concerns should they arise.



In 2025 there were no reported incidents of discrimination.

As part of our equal opportunity commitments, SIIG maintains a policy that ensures all qualified individuals receive fair and equal consideration regardless of ethnic background, religion, sex, age, nationality, veteran status, disability, or any other protected characteristic. This policy applies to all employment actions, including recruitment, compensation, benefits, promotions, training, performance management, transfers, layoffs, recalls, and participation in workforce development programs.

GPDC and ADCo employ full-time staff and provide a comprehensive benefits package, which includes healthcare coverage, end-of-service benefits, and annual travel allowance. Additional benefits include furniture allowance, employment allowance, and education reimbursement programs for Saudi nationals, as well as bonuses, savings plans, service awards, and education assistance for non-Saudi employees



SIIG employees periodically receive diversity and inclusion training. As appropriate, SIIG subsidiaries also provide direct training to their employees on topics including diversity and inclusion.



TALENT ATTRACTION AND RETENTION

SIIG is committed to attracting and retaining a diverse and highly skilled workforce across the Group. We are proud to cultivate an equitable, inclusive, and safe workplace for all employees across SIIG and its subsidiaries.

SIIG continues to benefit from the Group wide salary scale adjustment introduced in 2023, which has supported improved retention, workforce stability, and employee wellbeing through 2024 and into 2025. Building on this foundation, the Company formalized its employee retention strategy through the approval and activation of the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP) in 2025, further strengthening performance alignment, talent continuity, and long-term workforce planning.

Remuneration benchmarking

As part of these efforts to retain and reward talent, SIIG conducts remuneration benchmarking every three to five years to ensure that compensation and benefits remain competitive within the broader market. This process supports the development of fair and consistent salary structures and informs decisions related to salary adjustments, incentives, and reward programs.

At S-Chem, employee compensation and benefits are designed to reflect market competitiveness while supporting workforce stability and long-term engagement. In addition to base compensation, employees are eligible for a range of benefits and reward mechanisms, including:

- ◆ Housing or HOP/HLP support programs.
- ◆ Furniture Allowance.
- ◆ Employment Allowance.
- ◆ Education Refund Program for Saudi employees.
- ◆ Performance Bonus programs.
- ◆ Savings Plan participation.
- ◆ Service Awards recognizing tenure and contribution (for Saudi and Non-Saudi employees).
- ◆ Education Assistance for Non-Saudi employees.

These programs are structured to promote financial well-being, career advancement, and long-term retention across diverse segments of the workforce.

Saudization

In alignment with Saudi Vision 2030, SIIG and its subsidiaries continue to prioritize the recruitment and development of Saudi talent wherever possible. Strengthening national workforce participation remains a core component of SIIG's long-term talent strategy and commitment to advancing the Kingdom's human capital development objectives.





HUMAN CAPITAL DEVELOPMENT

With a small number of direct employees, SIIG takes an informal and collaborative approach to employee engagement, built on open communication and strong working relationships across the organization.

Each subsidiary is responsible for implementing its own employee engagement programs, supported by SIIG's broader commitment to fostering an inclusive, positive, and respectful workplace. These programs help create opportunities for employees to be recognized and rewarded for their contributions to the Group's sustainable growth.

SIIG holds quarterly meetings with employees to discuss safety, performance, compensation, and organizational updates. In addition, employees have access to communication channels throughout the year to ask questions, raise concerns, and share feedback.

Employee development

SIIG believes that supporting employees in building successful, fulfilling careers at every stage is central to our responsibility as an employer. We provide competitive benefits, annual performance reviews, and access to training, tools, and resources that enable professional growth. In 2025, 100% of SIIG employees received a regular performance and career development review. SIIG also provides an e-learning platform for mandatory training, and managers are assigned KPIs to ensure completion.



100%

of total employees received a regular performance and career development review during 2025.

Leadership and development training

SIIG is committed to enabling every employee to build a thriving career and continuously grow their skills, knowledge, and expertise. While SIIG provides core training resources, the majority of structured capability-building programs are implemented at the subsidiary level, where operational learning needs are most relevant.

Across the Group, employees have access to a variety of in-person and online training programs, including on-the-job training, sensitization programs, and skills-based competency training. These programs help employees advance in their careers and contribute to the long-term resilience of the organization.

Examples of training and development offerings at the subsidiary level include:

Leadership Development Programs

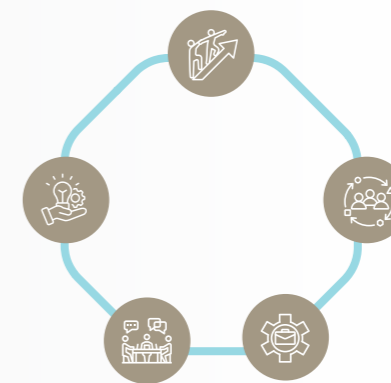
Designed to nurture the next generation of leaders, these programs strengthen strategic thinking, decision-making, people management, and organizational leadership capabilities.

Technical Skills Training

To ensure our workforce remains current with evolving technologies, we offer training that builds proficiency in specialized tools, systems, and digital platforms, including advanced data analysis and software applications relevant to operational needs

Diversity and Inclusion

Awareness and sensitization programs reinforce the importance of respect, inclusion, and equity in the workplace, helping to maintain a supportive and collaborative culture across teams.



Soft Skills Workshops

These workshops enhance interpersonal effectiveness by building communication, collaboration, critical thinking, and problem-solving skills, supporting a culture of teamwork and constructive dialogue.

On-the-Job Training

Practical, role-specific training is integrated into daily work activities, enabling employees to apply new knowledge immediately and strengthen their capabilities through hands-on experience.

These development opportunities help employees strengthen their capabilities and support a high-performing and resilient workforce across the Group.

SIIG provides an e-learning platform to enable employees to complete mandatory training, and each manager has a KPI to ensure their team completes these sessions.





Spotlight on S-Chem: structured capability building

S-Chem applies a structured, policy-driven approach to employee training and development, ensuring employees possess the skills and knowledge required to perform their roles effectively and support long-term organizational performance. Its Learning & Development (L&D) Policy formalizes the company's commitment to continuous professional growth, defines roles and responsibilities, and establishes clear guidelines for planning, delivering, and evaluating training programs.

Training priorities are identified through a systematic Training Needs Analysis (TNA) and reflected in Individual Development Plans (IDPs), which are embedded within the performance management cycle. These inputs inform the Annual Learning Plan, aligning capability-building initiatives with business objectives and strategic requirements. Program effectiveness is evaluated through learner feedback, competency assessments, and performance indicators to ensure measurable outcomes.

Learning is delivered and monitored through a centralized Learning Management System (LMS), which serves as the primary platform for enrolment, digital content access, training completion tracking, and record management. A diverse range of methodologies is utilized to address operational and developmental needs, including classroom learning, workshops, simulations, on-the-job coaching, e-learning modules, blended learning programs, and knowledge-sharing sessions.

Training at a Glance – 2025

- ◆ Delivered a total of **205,832 training hours** across the workforce.
- ◆ **2,253 hours** were delivered to female employees.
- ◆ **203,579 hours** were delivered to male employees.
- ◆ Anti-corruption policies were communicated to **1,239 employees, representing 84% of the workforce.**

To reinforce a culture of continuous learning, S-Chem offers a range of targeted development programs, including:

- ◆ Leadership Development Programs to strengthen strategic thinking and managerial capabilities.
- ◆ Corporate Learning and Skills Enhancement Programs focused on ongoing upskilling.
- ◆ First Level Leaders (FLL) Development to prepare emerging leaders for supervisory roles.
- ◆ Female Empowerment Programs providing structured career development and mentorship for women.
- ◆ Professional Development Program (PDP) supporting fresh graduates in early career growth.

- ◆ Specialized Competency and Certification Programs aligned with operational needs.
- ◆ CIPS Certification Program supporting globally recognized procurement qualifications.
- ◆ Educational Refund Program enabling Saudi employees to pursue approved higher education.
- ◆ External Training and Conferences to enhance technical expertise and industry exposure.
- ◆ KM Café Program promoting internal knowledge sharing and best-practice exchange.
- ◆ Tamheer / COOP Training Program supporting practical field experience and future talent pipelines.
- ◆ iCare 2.0 Program fostering inclusion, cooperation, accountability, and respect.
- ◆ Emergency Response Team (ERT) Training aligned with competency matrices to ensure safety readiness and crisis preparedness.

Through this integrated L&D framework, S-Chem strengthens workforce capability, supports leadership succession, enhances operational excellence, and contributes to the long-term resilience and performance of both S-Chem and the wider SIIG Group.

Learning and development across GPDC and ADCo

GPDC and ADCo deliver training through their Learning Management System (LMS), with employees encouraged to take both mandatory and optional courses to maintain up-to-date skills. Recent training offerings have included:

- ◆ Cybersecurity Awareness
- ◆ Code of Conduct (Ethics, Anti-Corruption, Data Privacy, Conflicts of Interest)
- ◆ Portable Fire Extinguisher, Defensive Driving, and Hazard Recognition Safety Training
- ◆ Quality Management System (ISO 9001:2015) Awareness





OCCUPATIONAL HEALTH AND SAFETY

As SIIG's largest operation in terms of workforce and industrial activity, S-Chem carries a significant share of the Group's occupational health and safety (OH&S) exposure.

To manage this responsibly, S-Chem has established a comprehensive Health, Safety and Security (HSS) management approach that integrates engineering and administrative controls from facility design through day-to-day operations to safeguard employees, contractors, and surrounding communities.

A formal risk management methodology underpins S-Chem's safety framework. Hazard identification, risk assessment, Job Safety Analysis (JSA), work permit systems, incident reporting, and the structured reporting of unsafe acts and conditions are foundational elements applied systematically to both routine and non-routine activities. These processes are supported by the SAGER program, which strengthens employee awareness and encourages proactive reporting of hazards and unsafe behaviors.

To further enhance safety performance and workforce engagement, S-Chem implements several structured initiatives, including:

- Safety Coach Process**, promoting open dialogue between safety coaches and employees to reinforce safe behaviors and address potential risks.

- Critical Procedure Audits**, focused reviews of high-risk tasks to ensure compliance and identify improvement opportunities.

- Management by Walking Around (MBWA)**, where leadership actively engages with employees in operational areas to observe, listen, and reinforce a culture of safety accountability.

Governance and oversight are reinforced through joint management-worker health and safety committees under Policy CP-1391. This structure includes Employee Safety Committees (ESCs) and a Management Safety Committee (MSC). ESCs promote Zero Injury Performance, conduct audits, review incidents, and strengthen communication at the operational level, meeting monthly. The MSC meets quarterly, provides strategic oversight and leadership direction, and holds final authority for implementing safety initiatives based on ESC recommendations.

Safety awareness and capability building are embedded across the organization. The S-Chem Basic Safety Orientation Program covers critical topics such as fall protection, PPE selection based on hazard evaluation, manual lifting techniques, proper tool selection, dropped object prevention, and electrical safety. Additional certified training programs include first aid, emergency response, firefighting, and ergonomic safety, ensuring employees are equipped to respond effectively to workplace risks.

S-Chem's OH&S system aligns with national regulatory requirements and international safety standards, including those from the High



Commission for Industrial Security, the Ministry of Human Resources and Social Development, OSHA, NIOSH, API, and ANSI. Continuous improvement is reinforced through the Operational Excellence (OE) system, which promotes operational discipline, safety accountability, and performance monitoring across all sites.

In 2025, a 30% increase in Tier 3 process safety events was recorded compared to 2024. This rise was driven by operational fluctuations during the year and reflects the enhanced reporting practices of the operations team, which now capture a broader range of process safety challenges, including non-critical events. Corrective and preventive measures were implemented following each incident, supporting continuous learning and reinforcing S-Chem's commitment to process safety excellence.

Beyond workplace safety, S-Chem facilitates access to non-occupational medical and healthcare services to promote overall well-being. Employees and eligible dependents are provided with comprehensive medical insurance coverage, including outpatient and inpatient care, specialist consultations, diagnostic services, and emergency treatment. On-site medical clinics are available to address immediate health concerns and provide preventive services such as routine check-ups and vaccinations.

Through this integrated and structured approach, S-Chem maintains a strong safety culture focused on prevention, engagement, accountability, and continuous improvement.

S-Chem's OH&S performance

Health and Safety	Unit	2023	2024	2025
Total employee man hours	Hours	3,563,897	3,903,570	3,532,008
Total contractor man hours	Hours	3,167,022	6,651,486	4,177,585
RIR - Recordable Incident Rate	Rate	0.06	0.04	0.05
PSER - Process Safety Event Rate	Rate	0.03	0.032	0.03
Tier-1 Process Safety Event	Qty	1	0	0
Tier-2 Process Safety Event	Qty	0	0	0
Tier-3 Process Safety Event	Qty	107	117	152



100% of our employees covered by the health and safety management system



GPDC and ADCo's OH&S performance

Health and Safety	Unit	2023	2024	2025
Total employee man hours (GPDC)	Hours	42,240.00	40,128.00	38,016.00
Total employee man hours (ADCo)	Hours	6,336.00	4,224.00	4,224.00

Across the Group, GPDC follows the Tenets of Operations, ensuring all employees are covered under a formal OH&S management system and have access to medical insurance. SAGER reinforces a proactive safety culture through its "Journey to Zero" program, which encourages active safety engagement and requires employees to meet quarterly participation targets.

Building on the structured OH&S systems implemented across its subsidiaries, SIIG is working to strengthen Group-level tracking and disclosure of key OH&S indicators. This includes enhancing the consistent measurement and reporting of fatalities, occupational illness, and absenteeism rates, supported by clearly defined scope and methodology.



Fostering a safe, healthy and sustainable workplace

As part of SIIG's commitment to maintaining a safe, healthy, and supportive work environment, a series of educational and awareness workshops were implemented throughout 2025. These initiatives were designed to strengthen employee wellbeing, enhance safety practices, and promote a culture of sustainability across the organization.

First Aid Workshop

Focusing on essential life-saving skills and emergency response readiness.

Fire Safety and Prevention Workshop

Emphasizing preparedness, awareness, and effective response to fire emergencies.

Physical Therapy Awareness Workshop

Highlighting the importance of regular mobility, stretching, and maintaining physical well-being.

Healthy Nutrition and Fitness Workshop

Encouraging healthy eating habits and active lifestyles for overall wellness.

Breast Cancer Awareness Workshop

Reinforcing the importance of early detection, regular screening, and community awareness.





COMMUNITY ENGAGEMENT

SIIG and its subsidiaries recognize the importance of contributing to the wellbeing and resilience of the communities where we operate. As a responsible corporate citizen, we are committed to supporting social development, strengthening community capabilities, and partnering with organizations that create meaningful and lasting impact.

In 2025, SIIG contributed approximately **ﷲ2 million** to community programs focused on education, skill development, and social support. A significant portion of these contributions was directed through the Ehsan platform to registered charitable organizations, supporting initiatives such as workshops for children with disabilities, community awareness and education programs, and training in various fields including English language skills.



ﷲ2 million
Annual community investment
Maintained consistently from 2023 to 2025

2025 Impact highlights

Support Program	Details
Ehsan Platform	<p>In 2025, SIIG allocated ﷲ1 million to the Ehsan Platform, Saudi Arabia's national portal for charitable work. This partnership ensures our contributions are governed by the highest standards of transparency and reach the most vulnerable beneficiaries. Through this strategic allocation, we successfully delivered impact across several specialized areas:</p> <ul style="list-style-type: none"> Disabled Children's Association: Funded a specialized splint manufacturing workshop. This initiative provides customized orthopaedic solutions tailored to each child's growth, directly enhancing the mobility and long-term quality of life for children with disabilities.

Support Program	Details
	<ul style="list-style-type: none"> Childhood Care Association: Sponsored a comprehensive educational campaign focused on child protection. The program fosters a safer community environment by raising awareness about the fundamental rights and care requirements of children. Bunyan Association for Social Services: Invested in human capital through developmental training in English language and computer literacy. These programs are designed to bridge the skills gap, empowering beneficiaries to achieve greater financial independence and career readiness.
Saudi Food Bank (Etaam)	SIIG contributed ﷲ300,000 to the Etaam program in Jubail. This partnership provided consistent nutritional support to over 400 families throughout the year, reinforcing our commitment to basic social welfare and local community stability.
Higher Institute for Plastics Fabrication	We invested ﷲ400,000 in specialized technical training programs. These courses are designed to qualify young Saudi nationals for high-skill roles within the plastics industry, directly supporting the Kingdom's goal of building a robust, localized industrial workforce.
Autism Excellence Center	Through a ﷲ200,000 investment, SIIG sponsored a vocational rehabilitation program for individuals with Autism Spectrum Disorder (ASD). This initiative focuses on professional empowerment and labor market integration; notably, 20% of the sponsored trainees from the previous cycle have already secured permanent employment with McDonald's.
Gulf Petrochemicals and Chemicals Association (GPCA) Conference	In support of the next generation of industry leaders, we sponsored 30 university students to attend the 4 th Youth Forum at the 2025 GPCA Conference. This ﷲ45,000 investment provided students with vital exposure to the petrochemical sector and professional networking opportunities.
Erada Charity Association for People with Disabilities in Jubail	We allocated ﷲ50,000 to a specialized vocational program in Jubail for individuals with Down Syndrome. The program provides professional qualification and training, fostering confidence and independence by preparing trainees for meaningful roles in the workforce.



SIIG remains steadfast in its commitment to scaling programs that deliver deep, systemic impact. Moving forward, our strategy will prioritize health and safety education and the vocational empowerment of orphans and underprivileged families. By fostering close partnerships with academic and training institutions, we aim to build a sustainable pipeline of talent and opportunity within our local communities.

To ensure our social capital delivers measurable value, we conduct rigorous annual assessments of all supported programs through a framework focused on operational effectiveness, community alignment, and outcome optimization. This process involves measuring the quality of delivery and team performance while ensuring initiatives remain responsive to the evolving needs of our local ecosystem. By analyzing the potential for positive long-term impact, we are able to make data-driven decisions on whether to renew existing partnerships or pivot toward alternative high-impact programs that better serve our strategic objectives.

Community Investment and Social Impact at S-Chem

S-Chem plays an active role in advancing community development through strategic partnerships and targeted social investments. In 2025 alone, S-Chem contributed approximately 1.4 million to community initiatives.

The company maintains partnerships with a wide network of charitable and community based organizations in Jubail and across Saudi Arabia, including Bena Charitable Association, Eradah Charitable Society for Special Needs, the Saudi Diabetes and Endocrine Association, Wahaj Women Charitable Society, the Saudi Cancer Association, Jubail Charitable Society, orphan support associations, Tarabot for patient care, Tarmeem for housing restoration, the Saudi Food Bank Etaam, and the Jubail Dawah Association.

Key initiatives during the year included sponsoring educational programs at cancer care centers, supporting housing restoration projects through Tarmeem, funding medical

equipment and hospital visits during Eid, and contributing to a range of health awareness campaigns such as Breast Cancer Awareness, World CPR Day, and broader public health outreach efforts. Community engagement activities also included Ramadan Iftar programs, environmental and clean up campaigns, OH&S awareness initiatives, and seasonal visits to Jubail General Hospital.

Through structured investment, strong partnerships, and consistent engagement, SIIG and S-Chem continue to build trusted relationships and deliver tangible social value, contributing to stronger, healthier, and more resilient communities.

Recognition and Industry Acknowledgment

Throughout 2025, S-Chem further strengthened its position as a responsible corporate citizen through impactful community engagement, strong safety performance, and sustainability-driven initiatives. These efforts were recognized at both national and regional levels.

S-Chem received the **Bronze CSR Award** from the Ministry of Human Resources & Social Development (HRSD), recognizing the company's contributions to community development and responsible social initiatives. The company was also acknowledged by HRSD for driving purposeful social impact through structured programs aligned with national development objectives.

In recognition of its humanitarian contributions, S-Chem was honored by HRH Prince Saud bin Nayef for supporting Sanad Charity, reflecting its ongoing commitment to initiatives benefiting children undergoing cancer treatment.

At the regional level, S-Chem received acknowledgment at the **GPCA Responsible Care® Awards** for achievements in environmental protection, safety performance, and community responsibility within the petrochemical sector. The company also earned the **Occupational Health and Safety Pioneers Award**, highlighting its proactive efforts to enhance workplace health and safety standards. In addition, S-Chem received the **OE Initiative**

Award and the **GPCA Community Awareness Award for Operation Clean Sweep**, reinforcing its commitment to operational excellence and environmental stewardship.

Beyond formal recognition, S-Chem actively contributes to industry collaboration through participation in platforms such as the GPCA Process Safety Committee, demonstrating ongoing leadership in responsible operations, knowledge sharing, and continuous improvement.





SIIG's key achievements in 2025

During 2025, SIIG made several strategic and operational advancements that strengthened financial efficiency, enhanced governance, and supported the Group's long-term growth objectives.

Capital Reduction

SIIG reduced its share capital from $\text{AED } 7.548$ billion to $\text{AED } 6.793$ billion (a reduction of %10) through the cancellation of 75,480,000 ordinary shares (equivalent to one share for every ten shares held). The capital reduction reflected the Company's assessment that the previous capital level exceeded operational needs. Shareholders were compensated for the cancelled shares through a $\text{AED } 754.8$ million distribution ($\text{AED } 10$ per cancelled share). This action improved SIIG's capital structure and is expected to enhance earnings per share (EPS), dividends per share, and return on equity (ROE) going forward.



Bio-Protein Project Progress

Significant progress has been made on the Unibio project, with SIIG formally establishing the Bio-Protein Company, headquartered in Jubail, to advance the development of sustainable protein solutions. The Board of Directors formally announced, via Tadawul website, its approval to proceed with the project's development.



Share Buy-Back Program

In 2025, the General Assembly approved SIIG's plan to repurchase up to 10,000,000 shares to be held as treasury shares, based on the Board's view that the current market price does not reflect the Company's fair value. In addition, the General Assembly approved the repurchase of 1,000,000 shares to be allocated to the long-term employee incentive program, supporting SIIG's commitment to retaining and rewarding high-performing talent.



Long-Term and Short-Term Incentive Plans

To enhance employee engagement and talent retention, the Board approved the implementation of both the Long-Term Incentive Plan (LTIP) and Short-Term Incentive Plan (STIP) for key positions across the organization. These programs are designed to align employee performance with SIIG's strategic goals and long-term value creation.

Enterprise Risk Management (ERM) Framework

SIIG is currently developing a comprehensive ERM Framework in collaboration with an external consultant. The framework will be reviewed with the Risk Committee before being presented to the Board of Directors for approval by the end of the year, strengthening risk oversight and integrated decision-making across the organization.



Spotlight on subsidiary performance

S-Chem continues to play an active role in supporting and uplifting the communities in which it operates. Each year, the company sponsors and participates in educational, industry, and community events, including programs held by the Gulf Petrochemicals and Chemicals Association (GPCA) and other local institutions, contributing to knowledge-sharing and industry development.

In addition, S-Chem provides direct support to charitable organizations and social programs, including orphanages, food banks, and organizations that assist children with special needs, cancer patients, and individuals living with diabetes. Through these initiatives, S-Chem reinforces its commitment to social responsibility, community wellbeing, and inclusive development.



INTEGRATING EXCELLENCE

SIIG is committed to operating with clarity, accountability, and purpose. We aim to strengthen confidence among our stakeholders by ensuring that our decisions are guided by ethical practices, transparent communication, and well-defined governance processes. A key priority is maintaining a responsible and resilient value chain and ensuring that our people, partners, and customers are supported through reliable, fair, and sustainable business practices.

Alignment with Saudi Vision 2030 pillars:



An ambitious nation

Alignment with the UN SDGs:



Chapter highlights:

- Zero attempted and actual cyberattacks recorded in 2025
- Zero customer data privacy breaches over the past three years
- At S-Chem, %93 of total supplier spend was directed to local suppliers in 2025





GOVERNANCE AND BUSINESS ETHICS

SIIG is committed to conducting business with integrity, transparency, and accountability. Our governance approach is rooted in ethical decision-making and responsible operations, supporting long-term value creation for shareholders, stakeholders, and the communities in which we operate.

Strong corporate governance practices, reinforced by the leadership of the Board of Directors, help SIIG sustain performance excellence, enhance competitiveness, and contribute to national sustainability priorities, including Saudi Vision 2030 and the UN SDGs.

SIIG maintains a dedicated Governance Committee and Governance Department to support the effective implementation and oversight of governance across the Group. The Governance Department, consisting of one manager and one employee, is responsible for maintaining governance frameworks, monitoring compliance with regulatory requirements, and ensuring alignment with SIIG's policies and standards.

SIIG's governance system is guided by core principles:



Transparency and Stakeholder Communication

SIIG maintains open and proactive communication with shareholders, employees, and communities. Regular disclosure and engagement help build trust-based relationships across the value chain.



Clear Roles and Accountability

The roles of the Board of Directors and executive management are clearly defined and separated to ensure effective oversight and sound decision-making in line with Capital Market Authority (CMA) requirements.



Supportive and Inclusive Work Environment

SIIG promotes a work culture that encourages confidence, innovation, and continuous growth, prioritizing professional development and diversity and inclusion.



Zero Tolerance for Corruption and Unethical Practices

SIIG enforces a strict zero-tolerance policy toward bribery, corruption, and unethical behavior. This is supported by internal controls, awareness sessions, and accountability mechanisms.



Commitment to Regulatory Compliance

SIIG maintains rigorous compliance procedures, including regular policy reviews and reporting aligned with applicable laws and regulatory frameworks.



Ethical Conduct and Fairness

SIIG ensures impartiality and fairness in all business dealings. Ethical standards are reinforced through policies, monitoring, and corrective measures when required.



Governance framework

SIIG's governance framework is based on core policies and procedures that ensure ethical business practices and full regulatory compliance across SIIG and its subsidiaries.

In alignment with CMA requirements, SIIG has:

- ◊ Established a full separation between Board and executive management roles,
- ◊ Implemented compliance and ethics training for Board members, senior management, and key employees, and
- ◊ Conducted periodic reviews of corporate governance policies and procedures.

In alignment with modernization efforts under the Companies Law, SIIG has continued to update and refine its governance framework. SIIG currently maintains 25 corporate governance policies, reviewed periodically to ensure compliance with regulatory requirements and best practice standards. Five policies were approved by the General Assembly 2023, and 15 policies were reviewed and approved in 2023 and 2024 by SIIG executive leadership, the Governance Committee, and the Board. Five policies under review and expected to be approved by the year 2026.

Board leadership

SIIG is governed by an experienced Board of Directors appointed in accordance with the Companies Law. As the highest governing authority, the Board sets the company's strategic direction, oversees executive management, and ensures responsible, transparent, and ethical business conduct. Reflecting the increasing strategic importance of sustainability, the Board provides oversight of SIIG's ESG and climate-related activities.

Further information on Board composition, responsibilities, and professional backgrounds is available in SIIG's [Annual Report](#), which is publicly accessible on the company's [website](#).

Board of Directors	Unit	2023	2024	2025
Total number of board members	Number	10	7	7
Independent board members	Number	4	3	3
Executive board members	Number	0	1	1
Non-executive board members	Number	6	3	3
Male members of the board of directors	Number	10	7	7

During 2025, the Board held five meetings with a 100% attendance rate, demonstrating strong commitment to the company's oversight.

To ensure strategic agility, the Board participated in a two-day workshop in November 2025 led by a leading consulting firm. This session focused on petrochemical market developments and strategic pathways to maximize shareholder returns.



Board governance

SIIG's corporate governance framework, including its bylaws and policies, promotes transparency, accountability, and integrity. These documents define the roles, powers, and responsibilities of the Board and its committees, and outline clear requirements related to ethical conduct and avoidance of conflicts of interest. To uphold these standards, SIIG requires all Board members to submit an annual declaration confirming the absence of any conflict of interest.

Looking ahead, SIIG plans to further strengthen Board governance practices by introducing a formal Board performance evaluation framework that will define the scope, frequency, methodology, and oversight responsibilities of the evaluation process. The framework will support continuous improvement by ensuring that evaluation outcomes inform Board effectiveness and strategic oversight. In addition, SIIG intends to develop and approve a Board diversity policy addressing gender, skills, experience, and professional background, supporting balanced and well-informed decision making at the Board level.



Board committees

SIIG's Board committees support the Board of Directors in fulfilling its oversight responsibilities in accordance with corporate governance regulations. These committees enhance the Board's efficiency by providing focused guidance on strategic, operational, and risk-related matters.



Executive and Investment Committee

The Executive and Investment Committee is responsible for overseeing SIIG's business affairs and strategic direction. The Committee reviews the company's long-, medium-, and short-term strategic plans, monitors progress, and recommends updates as necessary. In addition, the Committee plays a central role in guiding SIIG's investment approach and financial planning.

Key responsibilities include:

- ◆ Overseeing SIIG's financial position and reviewing the company's budget and funding needs.
- ◆ Identifying, evaluating, and prioritizing new investment opportunities, including mergers, acquisitions, and the expansion of existing projects.
- ◆ Preparing the company's investment strategy, including related guidelines and policies.
- ◆ Assessing the feasibility and strategic impact of potential investments before making recommendations to the Board.
- ◆ Reviewing the financial implications of proposed investments, including funding requirements and expected impacts on SIIG's liquidity and debt ratios.
- ◆ Monitoring the performance and progress of new and ongoing investments and establishing criteria to evaluate investment outcomes and associated risks.

The Committee may engage independent consultants, when necessary, to conduct specialized studies that support informed decision-making.

Governance, Risk, and Sustainability Committee

The Governance, Risk, and Sustainability Committee is responsible for ensuring the effectiveness of SIIG's governance framework and supporting the company's commitment to ethical business practices, responsible risk oversight, and sustainable value creation. The Committee works to improve decision-making processes, strengthen Board and committee's performance, and ensure alignment with applicable regulations and organizational priorities.

Key responsibilities include:

- ◆ Reviewing and updating SIIG's corporate governance procedures and regulations to ensure continued alignment with legislative and regulatory requirements.
- ◆ Developing and overseeing SIIG's risk management strategy and related policies in accordance with the nature and scale of the company's activities and in response to internal and external developments.
- ◆ Reviewing SIIG's sustainability strategy and policies periodically to ensure their continued relevance to the company's operating environment, regulatory expectations, and strategic objectives.
- ◆ Reviewing and recommending social responsibility programs and initiatives that reflect SIIG's values and stakeholder priorities.

Stories of impact: embedding risk awareness into strategic decision-making

In 2025, SIIG strengthened its Enterprise Risk Management (ERM) framework to reinforce governance, improve decision-making, and better align with evolving regulatory expectations. Previously, risk information existed across multiple systems and departments, and risk management was often viewed primarily as a compliance requirement rather than an integrated part of strategic planning. The enhancement initiative aimed to address this by establishing a unified, forward-looking approach that reflects SIIG's operational context, growth ambitions, and defined risk appetite.

As part of this effort, SIIG developed updated ERM policies and a department charter outlining clear roles, responsibilities, and reporting structures. A standardized risk taxonomy was introduced to harmonize language and terminology across the Group, supported by a consistent methodology for identifying, assessing, and prioritizing risks. Quantified risk appetite and tolerance thresholds were defined and aligned with strategic objectives to ensure balanced, informed decision-making. Risk registers and Key Risk Indicators (KRIs) were also introduced to enable proactive monitoring and timely escalation of issues.

Senior leadership played a central role in championing these enhancements, helping embed a culture of accountability and transparency across the organization. Regular reporting to the Risk Committee now provides improved visibility into emerging risks, mitigation progress, and opportunities for strategic response.

These improvements have strengthened the integration of risk considerations into corporate planning, enabling SIIG to take a more proactive and resilient approach to managing uncertainty while supporting sustainable long-term growth.



Audit Committee

The Audit Committee is responsible for overseeing the integrity of SIIG's financial reporting and internal control environment. The Committee recommends the appointment and dismissal of external auditors, evaluates their performance and independence, and reviews the scope and terms of their work. The Committee also provides oversight of internal audit functions and risk controls.

Key responsibilities include:

- ◆ Reviewing annual and interim financial statements prior to approval and public disclosure.
- ◆ Evaluating the effectiveness of SIIG's systems for identifying and managing significant risks.
- ◆ Verifying the adequacy and effectiveness of internal control activities.
- ◆ Ensuring the independence of the internal audit function.
- ◆ Approving the internal audit work plan, reviewing internal audit reports, and monitoring the implementation of corrective actions.
- ◆ Reviewing SIIG's accounting policies to confirm the accuracy of financial reporting and compliance with applicable laws, regulations, and policies.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for recommending candidates for Board membership in accordance with SIIG's Board membership policy. The Committee conducts periodic reviews of the Board's structure and evaluates the skills and experience needed to support SIIG's strategic priorities. Where gaps are identified, the Committee recommends appropriate actions to strengthen Board capabilities.

Key responsibilities include:

- ◆ Conducting an annual assessment to confirm the independence of independent Board members.
- ◆ Verifying that no conflicts of interest exist when Board members hold positions on other Boards.
- ◆ Establishing and periodically reviewing remuneration policies for Board members and senior executives in line with regulatory standards and performance criteria.
- ◆ Recommending remuneration and rewards for Board members, Board committees, senior executives, and SIIG employees in accordance with approved policy.
- ◆ Ensuring compliance with all applicable requirements of the Companies Law, the Capital Market Law, and their executive regulations on an annual basis.

On an annual basis, the Committee must also ensure compliance with all provisions of Companies Law, the Financial Market Law, and their executive regulations.

Risk management

SIIG is committed to proactively identifying, assessing, and managing risks across the Group. Risk management activities are carried out at both the corporate and subsidiary levels to ensure business continuity, protect people and the environment, and support stable long-term performance. SIIG works closely with its jointly managed companies to ensure that appropriate controls and preventative measures are consistently implemented.

As part of ongoing efforts to strengthen its risk governance practices, SIIG is currently initiating the development of a comprehensive ERM framework and defining the Group's risk appetite. This initiative will support a more structured and consistent approach to identifying, assessing, and managing risks across the organization. Once implemented, the ERM framework will enhance risk transparency, support informed decision-making, and ensure stronger alignment between SIIG's strategic priorities, operational activities, and acceptable risk thresholds.

Key risk areas and mitigation measures include:

Human Capital Risks

Challenges in attracting and retaining Saudi talent can affect organizational performance and continuity. To mitigate this risk, SIIG and its jointly managed companies implement programs designed to attract, develop, and retain qualified Saudi employees, with an emphasis on career growth and reducing turnover.

Health, Safety, and Environmental (HSE) Risks

The handling and processing of petrochemical products involves potential safety and environmental hazards. To reduce these risks, SIIG's jointly managed companies conduct continuous safety training, implement rigorous safety management systems, and apply

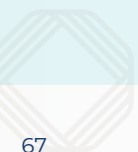
internationally recognized best practices to safeguard employees, communities, and the environment.

Environmental Impact Risks

Petrochemical operations may generate emissions, waste, and other environmental impacts that can result in fines or remediation requirements. To mitigate these risks, SIIG's jointly managed companies follow sustainability principles, use materials approved to minimize environmental harm, and ensure that waste is managed responsibly through certified disposal and recycling partners.

Operational Performance Risks

Equipment reliability and technology performance can impact production stability and efficiency. To address this, jointly managed companies operate comprehensive reliability and maintenance programs and adhere to international standards to ensure optimal performance of all critical assets.





ECONOMIC PERFORMANCE

SIIG is proud to be one of the first privately owned petrochemical companies in the Kingdom of Saudi Arabia. Our primary objective is to create sustainable value for our shareholders while supporting national economic development through continued investment in the petrochemical sector.

In recent years, we have expanded our portfolio to include new sectors that respond to emerging global challenges, such as energy transition and food security.

SIIG's investment in Unibio International in 2023 marked a key milestone in advancing our diversification strategy into emerging sectors such as bioprotein technology. In 2025, we continue to evaluate and develop further strategic opportunities that contribute to sustainable innovation and long-term value creation.

Listed on the Saudi Stock Exchange (Tadawul) since 2004, SIIG plays an important role in strengthening the Kingdom's industrial base. SIIG is considered one of the largest petrochemical companies in the Kingdom and among the largest in the Middle East and North Africa region, with a hypothetical market value of **ﷲ8.44 billion**

and a total hypothetical combined production capacity of 6.3 million tons annually.

Despite global economic disruptions, population growth and increased purchasing power in key markets, particularly China and India, continue to drive demand for consumer products that rely on petrochemical inputs. As a result, the Gulf region remains one of the largest petrochemical suppliers to global markets. Continued demand growth is expected over the coming decade, presenting opportunities for SIIG and its subsidiaries to expand production capacity, pursue strategic partnerships, and invest in technological innovation to reinforce our competitive position.

More information about SIIG's economic impact, including annual financial performance data for 2025, is disclosed in the company's [Annual Report](#).

SUPPLY CHAIN MANAGEMENT

Supply chain management and procurement activities are managed at the subsidiary level across the Group.

As SIIG's largest jointly managed company with extensive operational activities, S-Chem maintains the most comprehensive supply chain management framework.

S-Chem operates under a formal Procurement Policy and maintains a Supplier Code of Conduct, which is publicly available on the company's website. These frameworks establish clear expectations for ethical conduct, regulatory compliance, safety performance, and responsible business practices across its value chain. Together, they guide sourcing decisions and reinforce accountability among suppliers and contractors.

From sourcing raw materials to the distribution of finished polymer products, S-Chem works closely with its suppliers and business partners to promote responsible, ethical, and safe practices across its value chain.

Building on this foundation, SIIG and its jointly managed companies are working to further strengthen responsible sourcing practices by advancing the development of dedicated Supplier Social Responsibility and Supplier Environmental policies. These frameworks will introduce structured screening processes and measurable targets to assess suppliers' social and environmental performance across the value chain. As these initiatives progress, the Group intends to begin reporting the percentage of suppliers undergoing social and environmental screening, supported by clearly

defined scope and methodology. In parallel, supplier due diligence, monitoring, and corrective action mechanisms will be further enhanced to promote transparency, strengthen oversight, and support continuous improvement among suppliers and contractors.

In line with its procurement policy, S-Chem requires all suppliers and contractors to undergo a pre-qualification process that includes a review of safety performance, incident records, and compliance with applicable standards. The process also includes confirmation of General Liability Insurance and other required documentation to ensure that suppliers meet the company's expectations for operational integrity, safety, and risk management.

The Supply Chain Department plays a critical operational role in managing the physical movement of S-Chem's polymer products, from the plant to Saudi ports and onward to final destinations, including flatbed shipments. As one of the company's most dynamic and operationally sensitive functions, the department contributes directly to process efficiency, customer satisfaction, and overall business performance.

Given the predominantly business-to-business nature of S-Chem's operations, stakeholder engagement is structured around operational needs and customer portfolios. The company works closely with logistics providers, customers, and supply chain partners to enhance efficiency, strengthen coordination, and proactively mitigate potential risks. Meaningful engagement is maintained through periodic reporting, regular meetings, and continuous collaboration to ensure alignment with business requirements and performance objectives.



S-Chem’s supply chain continued to expand, with the total number of suppliers increasing to 1,067 in 2025. The number of local suppliers also grew steadily, reaching 738 and raising the share of local suppliers to 69%. Although overall based suppliers increased significantly, reaching 93% of total supplier spend in 2025. This reflects S-Chem’s continued emphasis on strengthening local sourcing, enhancing supply chain resilience, and supporting in-country economic value creation.

S-Chem’s Supply Chain Management

Procurement	Unit	2023	2024	2025
Total number of suppliers	Number	810	1,015	1,067
Total number of local suppliers	Number	464	682	738
Percentage of local suppliers	Percentage	57%	67%	69%
Total spending on suppliers and contractors	SAR '000	2,013,301	1,455,232	1,420,088
Spending on locally based suppliers and contractors	SAR '000	1,518,629	1,305,503	1,324,538
Percentage of spending on local suppliers	Percentage	75%	90%	93%



DATA PRIVACY AND SECURITY

Data privacy and cybersecurity are core governance priorities at SIIG. The company adheres to the principles of the General Data Protection Regulation (GDPR), including lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy, security, and accountability.

As a holding company with limited operational activities, SIIG primarily processes employee and financial data. Employee records are managed through SAP system, while controls and user permissions are managed by the IT function, with all company data stored on secure cloud platforms such as Microsoft 365, OneDrive, and Dropbox. Access is role-based and supported by strong password requirements and multi-factor authentication where applicable.

SIIG maintains a Data Privacy Policy aligned with the National Cybersecurity Authority (NCA) Essential Cybersecurity Controls (ECC) and ISO 27001. Confidentiality of employee and financial information is further reinforced through internal safeguards and vendor compliance requirements. Privacy and security awareness sessions are conducted quarterly to ensure staff understand secure data handling, phishing prevention, and responsible use of systems. Internal and external audits, including periodic audits by PwC, are used to assess performance and identify opportunities for improvement. All employees receive annual data privacy and cybersecurity training.



All employees receive annual training on data privacy and security





Technology and security controls

SIIG operates within a secure, cloud-based IT environment designed to maintain data integrity and enable efficient internal collaboration. The network is built on Ubiquiti's UniFi platform, including the UniFi Dream Machine SE, managed switches, secure access points, and VPN connectivity, all centrally managed with Intrusion Detection and Prevention (IDS/IPS). The platform also supports physical security systems, including access control and CCTV, enabling integrated oversight.

Endpoint protection is provided through Trend Micro Email Security and Trend Micro Antivirus for on-premise systems, and Microsoft Defender for portable devices. Regular firmware and security patching are carried out in line with SIIG's data backup and cybersecurity guidelines to ensure system resilience.

Key achievements during 2025 included:

- ◆ Completion of the UniFi security infrastructure rollout
- ◆ Formalization of the Data Privacy Policy aligned with NCA ECC and ISO 27001
- ◆ Continued quarterly cybersecurity awareness training

Looking ahead, SIIG will:

- ◆ Finalize Board approval and full implementation of the Data Privacy Policy
- ◆ Expand cybersecurity awareness training to address emerging risks
- ◆ Maintain regular updates and security lifecycle management across systems

Spotlight on subsidiary performance

GPDC maintains ISO 9001 certification and a dedicated cybersecurity function responsible for implementing security controls. Training is delivered regularly via the Learning Management System (LMS), and GPDC has reported zero cyberattacks for the past three years. GPDC also played a key role in the system migration under Project Ascent (S/4HANA), acting as a core participant in user acceptance testing and ensuring accuracy during transition.

S-Chem implements a comprehensive cybersecurity program aligned with the NIST Cybersecurity Framework and governed by senior management-approved policies. A corporate-level cybersecurity team manages vulnerability assessments, patching, and ongoing monitoring. S-Chem applies the 3-2-1-0 backup principle, maintaining multiple data copies across secure, off-site locations to ensure resilience. S-Chem also aligns with GDPR core privacy principles.



Cybersecurity

SIIG's cybersecurity program is structured around the NIST Cybersecurity Framework and overseen by a dedicated cybersecurity function. The program encompasses governance, protective controls, threat detection, incident response readiness, and continuous system monitoring to safeguard digital assets and operational integrity.



Regular vulnerability assessments, resilience testing, and security reviews are conducted to evaluate the effectiveness of controls and strengthen defensive capabilities. SIIG maintains a robust vulnerability and patch management process to ensure timely system updates and protection against evolving cyber threats.

At S-Chem, cybersecurity practices reflect a high level of operational maturity. The cybersecurity program is formally implemented through policies approved and endorsed by senior management and aligned with the NIST Cybersecurity Framework. The program is applied across all business units and centrally managed by IT, supported by dedicated corporate-level cybersecurity resources and a fully established Cybersecurity Department responsible for IT and data security governance.

S-Chem maintains a disciplined vulnerability and patch management process under which all devices are continuously monitored and regularly patched to address identified vulnerabilities. Data resilience is reinforced through the implementation of the 3-2-1 backup strategy, ensuring three copies of critical data are maintained on at least two different types of media, with at least one copy stored off site. This structured approach ensures business continuity and protection against data loss.

To reinforce employee awareness and risk prevention, cybersecurity training is provided to all new hires immediately upon joining and annually for all employees thereafter.



Zero

As a result of these preventive and proactive measures, S-Chem recorded zero attempted and actual cyberattacks in 2025.





CUSTOMER EXPERIENCE

SIIG is committed to delivering a high-quality and responsive experience to our customers, and to supporting our subsidiaries in doing the same. Each subsidiary is responsible for engaging directly with its customers, gathering feedback, and continuously improving product quality, service delivery, and overall customer satisfaction.

GPDC operates a structured customer feedback system that enables customers to provide input regarding product quality, delivery performance, and service responsiveness. Feedback is reviewed and addressed to maintain service excellence and support long-term customer relationships.

In 2025, GPDC achieved a significant milestone in customer satisfaction, recording a remarkable 91.8% decrease in customer complaints compared to 2024. The total number of complaints dropped from 73 to six, a transformation driven primarily by intensive product quality development initiatives. This substantial improvement underscores GPDC's commitment to operational excellence and its proactive approach to addressing customer needs through enhanced technical standards and quality control.

GPDC – Customer Experience	Unit	2023	2024	2025
Customer complaints received through communication channels	Number	40	73	6
Resolved issues that were raised through the complaint channels	Percentage	100%	98%	85%



Spotlight on subsidiary performance

Customer feedback is also a core component of S-Chem's approach to improving product and service quality. S-Chem conducts regular customer satisfaction surveys and records all feedback within its Customer Feedback System. Complaints are handled with a target resolution time of 30 days or less, ensuring timely and responsive service.

To safeguard customer data, S-Chem has implemented strong privacy controls and data protection procedures. There have been zero incidents of customer privacy breach or data loss over the past three years.



GUIDING TRANSFORMATION

SIIG recognizes that digital transformation and innovation are key drivers of operational efficiency, sustainability, and long-term competitiveness. By modernizing internal systems and advancing technology-driven solutions, SIIG aims to optimize resource use, reduce environmental impacts, enhance performance, and create value across the Group. These efforts align with national priorities under Saudi Vision 2030, particularly industrial diversification, technology localization, and the development of future-ready sectors.

Alignment with Saudi Vision 2030 pillars:



A Thriving Economy



An Ambitious Nation

Alignment with the UN SDGs:



Chapter highlights:

- S-Chem maintains ISO 9001 certification for Quality Management.
- Expansion into biotechnology through Unibio investment and establishment of the Bio-Protein Company.





OPERATIONAL EXCELLENCE AND QUALITY INFRASTRUCTURE



As part of its commitment to operational excellence and continuous improvement in line with internationally recognized standards, S-Chem maintains a strong certification framework that reinforces quality, product integrity, and technical reliability. These include:

- ◆ ISO 9001 – Quality Management System
- ◆ HALAL Certification
- ◆ Testing Laboratory TL 843 – Compliance with ISO/IEC 17025:2017

As SIIG expands into new sectors, including biotechnology, the Group intends to progressively enhance transparency around product safety metrics, establish defined reporting methodologies, and reinforce response mechanisms to ensure continued alignment with international standards and customer expectations.

These certifications demonstrate S-Chem's adherence to globally recognized quality standards, laboratory competence, and responsible operational practices. They strengthen product reliability, regulatory compliance, and customer confidence, forming a solid foundation for future growth and innovation initiatives.

To complement its established quality and laboratory assurance systems, SIIG is working to further formalize and enhance its product safety governance framework at the Group level. This includes strengthening oversight mechanisms, standardizing product safety controls, and developing a more structured approach to monitoring and reporting product-related performance indicators.



TECHNOLOGICAL INNOVATION AND SUSTAINABLE PRODUCT DEVELOPMENT

Diversifying SIIG's portfolio and supporting sustainable industrial development remain strategic priorities for the Board and shareholders. In response to global shifts in the petrochemical sector, SIIG is expanding into new sectors and forming strategic partnerships that support technology localization and entry into future-growth markets, including biotechnology.

A key milestone toward this direction was SIIG's 2023 investment in Unibio International, a global leader in bioprotein production technology. The investment, valued at approximately USD 70 million, represents a 24% ownership stake.

Unibio's U-Loop® fermentation technology produces sustainable bioprotein (Uniprotein®) using methane as a feedstock, eliminating the need for arable land or large water resources. Uniprotein® is a non-GMO, pesticide-free, traceable protein ingredient suitable for animal and aquaculture feed, with ongoing research into applications for human nutrition.

Progress in 2024 - 2025: establishment of bio-protein company

To advance domestic bioprotein production capabilities, SIIG has established the Bio-Protein Company, headquartered in Jubail Industrial City, to lead the planning and implementation of a Saudi-based bioprotein production facility.



The facility is being studied in collaboration with Unibio and would utilize dry gas to produce sustainable bioprotein, supporting Vision 2030 objectives to:

- Enhance national industrial capacity and localization,
- Strengthen food security and agricultural sustainability,
- Create new high-value job opportunities in biotechnology.

On March 15, 2026, the Board of Directors of SIIG formally announced its approval to proceed with the project's development, with commercial production targeted to commence by 2028.

Strategic Impact of the Bio-Protein Initiative

- Economic Diversification:** Positions SIIG in the biotechnology sector, enabling growth beyond traditional petrochemicals.
- Industrial Localization:** Supports the development of new advanced manufacturing capabilities in Jubail and within the Kingdom.
- Food Security:** Helps meet increasing local and global demand for sustainable protein sources.
- Environmental Sustainability:** Promotes more resource-efficient protein production, reducing land and water pressures associated with conventional agricultural practices.

The Bio-Protein initiative marks a significant step in aligning SIIG's growth strategy with national sustainability priorities and future-forward industries.





APPENDIX





APPENDIX. A. GRI CONTENT INDEX



Statement of use	Saudi Industrial Investment Group (SIIG) 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.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	9 – 11
	2-2 Entities included in the organization's sustainability reporting	9 – 11
	2-3 Reporting period, frequency and contact point	5
	2-4 Restatements of information	39
	2-5 External assurance	This report has not been externally assured
	2-6 Activities, value chain and other business relationships	11 – 12
	2-7 Employees	39 – 40
	2-8 Workers who are not employees	40
	2-9 Governance structure and composition	63 – 65
	2-10 Nomination and selection of the highest governance body	63, 67
	2-11 Chair of the highest governance body	63
	2-12 Role of the highest governance body in overseeing the management of impacts	65
	2-13 Delegation of responsibility for managing impacts	63
	2-14 Role of the highest governance body in sustainability reporting	63
	2-15 Conflicts of interest	63

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	39 – 40
	2-17 Collective knowledge of the highest governance body	63
	2-18 Evaluation of the performance of the highest governance body	63
	2-19 Remuneration policies	43
	2-20 Process to determine remuneration	43
	2-22 Statement on sustainable development strategy	7 – 8, 15 – 16
	2-23 Policy commitments	25, 32, 34, 39, 41, 47, 49, 62, 64, 67, 70, 72, 73
	2-24 Embedding policy commitments	25, 32, 34, 39, 41, 47, 49, 62, 64, 67, 70, 72, 73
	2-25 Processes to remediate negative impacts	39 – 40
	2-26 Mechanisms for seeking advice and raising concerns	40
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17
	3-2 List of material topics	17
	3-3 Management of material topics	17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	69
	201-3 Defined benefit plan obligations and other retirement plans	41
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	71



GRI STANDARD	DISCLOSURE	LOCATION
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	47
GRI 302: Energy 2016	302-1 Energy consumption within the organization	26, 29
	302-4 Reduction of energy consumption	26
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	32
	303-2 Management of water discharge-related impacts	32
	303-3 Water withdrawal	32
	303-4 Water discharge	33
	303-5 Water consumption	32
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	35
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	29
	305-2 Energy indirect (Scope 2) GHG emissions	29
	305-5 Reduction of GHG emissions	27 – 28
	306-1 Waste generation and significant waste-related impacts	30 – 31
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	30 – 31
	306-3 Waste generated	30 – 31
	306-4 Waste diverted from disposal	30
	306-5 Waste directed to disposal	31
	GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	49
	403-2 Hazard identification, risk assessment, and incident investigation	49
	403-3 Occupational health services	50
	403-4 Worker participation, consultation, and communication on occupational health and safety	49 – 50

GRI STANDARD	DISCLOSURE	LOCATION
	403-5 Worker training on occupational health and safety	49
	403-6 Promotion of worker health	49 – 50
	403-8 Workers covered by an occupational health and safety management system	50, 51
	403-9 Work-related injuries	49 – 50
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	45 – 48
	404-3 Percentage of employees receiving regular performance and career development reviews	45
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	40, 63
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	39 – 40
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	39 – 40
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	53 – 56
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	72, 75





APPENDIX. B. ACRONYMS

ABBREVIATION	DEFINITION
3Rs	Reduce, Reuse, Recycle
ADCo	Aromatics Distribution Company
ANSI	American National Standards Institute
API	American Petroleum Institute
ASD	Autism Spectrum Disorder
CCTV	Closed-Circuit Television
CMA	Capital Market Authority
CO ₂ eq	Carbon Dioxide Equivalent
CDM	Clean Development Mechanism
CFR	Code of Federal Regulations
CIPS	Chartered Institute of Procurement and Supply
COOP	Cooperative Training Program
CPR	Cardiopulmonary Resuscitation
CSR	Corporate Social Responsibility
DAFZA	Dubai Airport Freezone
ECC	Essential Cybersecurity Controls
HSE	Health, Safety and Environment
EIA	Environmental Impact Assessment
EMS	Environmental Management System
EnMS	Energy Management System
ERM	Enterprise Risk Management
ESC	Employee Safety Committee
ESG	Environmental, Social and Governance
ERT	Emergency Response Team
EPS	Earnings Per Share
FLL	First Level Leaders

ABBREVIATION	DEFINITION
GA	General Assembly
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GPCA	Gulf Petrochemicals and Chemicals Association
GPDC	Gulf Polymers Distribution Company
GRI	Global Reporting Initiative
HOP/HLP	Home Ownership Program / Home Loan Program
HR	Human Resources
HRSD	Ministry of Human Resources & Social Development
HRU	Heat Recovery Unit
HSS	Health, Safety and Security
IDS/ IPS	Intrusion Detection and Prevention Systems
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
IDP	Individual Development Plan
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
IT	Information Technology
JSA	Job Safety Analysis
Kg	Kilogram
KPI	Key Performance Indicator
KRI	Key Risk Indicator
kWh	Kilowatt-hour
L&D	Learning & Development
LDAR	Leak Detection and Repair
LMS	Learning Management System
LTIP	Long-Term Incentive Plan
MBWA	Management by Walking Around
MENA	Middle East and North Africa
MSC	Management Safety Committee
MMBTU	Million British Thermal Units
MT	Metric Tons



ABBREVIATION	DEFINITION
NCA	National Cybersecurity Authority
NIOSH	National Institute for Occupational Safety and Health
NIST	National Institute of Standards and Technology
Non-GMO	Non-Genetically Modified Organism
NOx	Nitrogen Oxides
OCS	Operation Clean Sweep
OE	Operational Excellence
OH&S	Occupational Health and Safety
OSHA	Occupational Safety and Health Administration
PDP	Professional Development Program
PPE	Personal Protective Equipment
PSER	Process Safety Event Rate
PwC	PricewaterhouseCoopers
QA	Quality Assurance
QC	Quality Control
RC ®	Responsible Care ®
RCER	Royal Commission Environmental Regulations
RCJY	Royal Commission for Jubail and Yanbu
RIR	Recordable Incident Rate
ROE	Return on Equity
SAP	Systems, Applications, and Products in Data Processing (Software)
SAR	Saudi Riyal
SASB	Sustainability Accounting Standards Board
SCP	Saudi Chevron Phillips Company
SDGs	Sustainable Development Goals
SEC	Saudi Electricity Company
SEEC	Saudi Energy Efficiency Centre
SIIG	Saudi Industrial Investment Group
SOx	Sulfur Oxides
SPCo	Saudi Polymer Company
STIP	Short-Term Incentive Plan
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent

ABBREVIATION	DEFINITION
TL	Testing Laboratory
TNA	Training Needs Analysis
TPH	Tonnes Per Hour
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals
USD	United States Dollar
VPN	Virtual Private Network





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