

# FARABI PETROCHEMICAL COMPANY

## SUSTAINABILITY BULLETIN

2025 - Q1



# CEO Message

## Leading Sustainability, a responsible today for a better tomorrow

Dear Valued Stakeholders,

As we reflect on our progress this quarter, I am proud to share the strides we have made in our ongoing sustainability journey. At Farabi, we believe that sustainable practices are beyond responsibility, they are opportunities to create long-lasting value for our stakeholders, our community, and our planet. We have now grown our focus towards achieving greater goals in ESG.



In Q1 2025, we achieved significant milestones that exemplify our commitment to environmental stewardship. We believe in laying strong foundation to our forthcoming initiatives. Care has been taken to redefine our philosophies and align our intentions to screen our actions with Sustainability as a core underlying value. These accomplishments are a testament to the ingenuity and dedication to our stakeholders.

We are also deeply engaged in fostering collaboration & synergy within our industry and beyond. By partnering with local authorities, non-profit organizations, Industrial experts and other businesses, we aim to drive collective action toward a shared vision of a greener and more resilient future.

We are mindful to the fact that the path to sustainability is an endurance marathon, not a sprint. The challenges ahead demand greater innovation, resilience, perseverance and a commitment to doing what is right above what is easy. As we navigate this path, we remain unwavering in our mission to balance economic growth with environmental and social responsibilities. The collective and consistent efforts from all stakeholders, upstream and downstream teams will help us reach new heights.

I extend my heartfelt thanks to all of you— our employees, partners, and stakeholders. Your steadfast support, confidence and belief in our mission. Together, we will continue to push boundaries and set new benchmarks for sustainability within our industry.

The realization that our actions will create a better society, a better place to live for the future generations motivates us to move forward. We progress with determination towards every challenge with our goals in mind.

Sincerely,

**MOHAMMED Z. AL-WADAEY**

Group Chief Executive Officer

## Laying Strong Foundation in 2025

Farabi has welcomed 2025 with new philosophies of operation. We proudly announce our **new Vision and Mission statements**.

Vision statement is a guiding light for a company. It outlines organizations' long-term goals, aspirations and direction. **It helps stakeholders align their efforts towards a shared purpose.**

### Farabi's Vision Statement:

**To be the preferred world leader in LAB business and grow our petrochemical products portfolio in the most sustainable and responsible manner.**

The new statement highlights the company's ambition to be the preferred world leader in LAB business. We will focus our efforts to grow our petrochemical products portfolio simultaneously. While we achieve our growth goals, we will ensure our efforts are having a positive impact on the environment. **We will consume in a responsible manner.**

Mission statement defines the guiding principles towards achieving the Vision.

### Farabi's Mission Statement:

**To excel in providing the best quality products through sustainable, most efficient and responsible practices, maximizing returns to all stakeholders.**

Our new mission statement highlights the approach we will follow to achieve success while being a responsible manufacturer. We will adopt steps to improve our efficiency, identify opportunities to optimize our consumption and demonstrate responsibility in our actions. We have re-aligned Sustainability in our core foundation of business.

Taking this opportunity, we have redefined our core values of business as well.

## Our Core Values



### **HSSEQ Commitment**

We are committed to promote HSSEQ culture throughout the organization by using world class HSSEQ standards & practices and complying with the applicable HSSEQ laws & regulations.



### **Teamwork**

We are committed to working together in a healthy work environment by sharing knowledge, ideas and talents in total alignment to achieve our company vision.



### **Excellence**

We encourage superior performance throughout our organization, taking pride and joy in all what we do and constantly challenging ourselves to perform even better. We measure results, reward high performance and assume responsibility for all our activities and outcomes.



### **Trust & Respect**

We are trustful and respectful in all our dealing with each other, our clients, and the society we live in.



### **Customer Focus**

We are committed in everything we do, from design to delivery, to meet expectations of our customers. Engaged customers fuel synergy and sustainable growth by prolonged partnership.

## Company performance overview

Beyond the challenges, **Farabi has successfully met key production targets planned for Q1 despite global challenges.**

**We are proud to have met the Energy target requirement as set by Saudi Energy Efficiency Center for year 2024 and Q1 of 2025. Our commitment towards energy performance will continue.**

**Our sincere gratitude is extended to all the stakeholders who have consistently supported us, ensuring our operations and business are resilient and optimized.** The tireless and meticulous planning, coordination and every effort to monitor and deliver excellence has achieved consistent performance.

Discussing challenges and commendable performance by one discipline should not be misunderstood to undermine the efforts of others. Operations, business, logistics, support services etc., all the said and un-said disciplines are our seen and unseen heroes who work together beyond measurable and attributable accountability.

We at Farabi have been striving to achieve the best performance from our assets. By saying the best performance, we underline the significance of responsible and reliable manufacturing. Continuous efforts are being made to achieve optimized specific consumption figures and efficiency targets. We are identifying and reducing waste and losses in all operations, thus optimizing our energy consumption.

## ESG Strategic initiatives in Q1

The visionary Management team at Farabi has re-aligned to adopt the ESG framework. This will help us prioritize all our practices with holistic growth in mind. We have defined our KPIs for 2025 to align with the Kingdom's vision 2030. Along with our commitment towards Net-zero, Farabi will target all-round development in Environmental, Social and Governance pillars. This will help Farabi define and achieve great near-term and long-term goals.

Various efforts have been identified and implemented to work towards reducing our carbon intense processes. Strategies have been identified and evaluated to help us move away from using fossil-based liquids as fuel. We are hopeful to soon formalize our commitment towards no liquid fuel at Farabi. This commitment will enable us to reduce our specific CO2 emissions for the same amount of heat generated.

Farabi has ventured into discussion to explore opportunities in generation and utilization of renewable energy. This would help us meet our energy requirements without causing adverse effects on the environment. We intend to gradually improve the share of renewables in Farabi's energy platter.

Efforts to identify scope in process energy optimization have been strengthened. Discussions with various technology providers to identify the latest developments in making energy-efficient drives have been initiated. In line with our efforts to reduce our Scope 2 emissions, our engineers conducted Site wide surveys to identify opportunities. After a granular study of our operations, we have strengthened our systems to address optimization requirements as per varying feed and market demands. Post addressing loss reduction, we identified an opportunity in our air cooling equipment. Latest technology in fans focuses on use of lightweight, better aero-design fans to eliminate drag losses. Any reduction is an opportunity to reduce CO2 footprint. We have upgraded to high efficiency fans in our process cooling equipment. These latest generation fans consume about **15% less electricity** than their predecessors for equivalent cooling duty. We believe this retrofit will be a predecessor to our upcoming resilient efforts towards reducing emissions in



every opportunity. By continually investing in high-efficiency technologies, Farabi aims to build an environmentally responsible future for our communities.

Farabi has collaborated with Industry experts to support in our GHG reduction journey. These experts are working closely with us to identify our current emission levels, understand the projected emissions and help us set strategic transition milestones to reach our ultimate ambitious net-zero goal.

Discussing CO<sub>2</sub> abatement, Farabi has partnered with global experts. We together intend to evaluate Farabi's product carbon footprint and life-cycle assessment. This partnership will formalize the numbers for baseline for our future reference.

We are also partnering with expert organizations to support the Saudi green initiatives. We will ensure that Farabi growth will be in sync with the growth and guidelines of the Kingdom.

Discussing the efforts towards social aspects, Farabi is evaluating the opportunities to support society. Society being a key pillar of ESG holds significance in Farabi's holistic growth. Opportunity to impact society in positive manner at considerable scale is a priority for us. We have been working to improve our inclusivity and women empowerment initiatives. Various initiatives have been undertaken to improve employee health, share awareness of hygiene and cleanliness.

Our multi-disciplinary Sustainability Steering Committee is working on all fronts for 360 degrees development. We hope our strategic initiatives and steps help us achieve all around growth for all our stakeholders.



Info@farabipc.com



www.farabipc.com



+966 13 356 5000



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