

FARABI PETROCHEMICAL COMPANY

SUSTAINABILITY BULLETIN

2025 - Q4

Message from Vice President, Business

Leading Sustainability, a responsible today for a better tomorrow

Dear Valued Stakeholders,

I am proud to share the progress we've made in the last quarter and to reaffirm our commitment to steady, measurable advancement in Sustainability. What began as a strategic realignment of our Vision, Mission, and values in Farabi, is now showing up in the choices we make every day. We are moving beyond isolated projects and toward an integrated approach that treats sustainability as a core business imperative.

This shift is deliberate and disciplined. We are translating our long-term ambitions into clear operating policies, measurable performance indices, and an evergreen actionable roadmap. Our partnerships with global experts and our review of emerging innovations are helping us choose solutions that scale and endure. These efforts are not about quick wins; they are about building capability and resilience for the long run. As the world's largest LAB producer and marketer, we are committed to introduce winning innovations across our feedstocks, processes, utilities and outbound logistics.

I'm particularly proud of how we are adopting a solutions mindset—bringing practical, cost-conscious, and customer-focused ideas into routine decision making. We will continue to invest in efforts in innovation and operations to plan, execute and track progress.

As we raise our sights, we will do so at a steady, sustainable pace. Because we realize that sustainability focus is a cultural change, which needs to be habit across the organization and its stakeholders. Therefore, everyone must contribute, with small and big operational changes compounding as meaningful outcomes.

Let's keep challenging the assumptions, testing new approaches, and maintaining the growth momentum together. Together we will convert strong intent into consistent execution, and steady progress into lasting value—for our business, our people, our valued customers and the communities we serve.



Sincerely,

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Business Vice President

Farabi ESG milestones in Q4:2025

This bulletin shares insights into our ongoing efforts in Q4:2025 toward our Sustainability goals, combining clear planning with measured action. Some sections reflect the results we have achieved to date, while others document the efforts taken and the steps we are actively pursuing in that direction. Join us as we celebrate the small steps that have built momentum and take pride in the successful results now visible as outcomes of sustained focus and collaboration.

Stronger step forward in Our Sustainability Journey

We are delighted to share an inspiring milestone in our ongoing commitment to sustainability. Following the success of our first Sustainability Workshop conducted at Jubail last quarter, which we proudly highlighted in our previous bulletin, we have now expanded this initiative to our other Site. The results have exceeded all expectations. The enthusiasm, participation, and collective energy displayed during this workshop at Yanbu was even greater. Colleagues from diverse functions came together with a shared purpose: to learn, collaborate, and contribute to a more sustainable future for our organization and the industry. The discussions were richer, the ideas more innovative, and the engagement truly remarkable. This overwhelming response reflects not only the growing awareness across our teams but also the deep sense of responsibility we all share toward environmental stewardship.

What makes this achievement especially meaningful is the momentum it creates. Each workshop is more than a standalone event—it is a building block in a larger, long-term journey. By empowering our teams with knowledge and practical tools, we lay the foundation to sustainability centric thought process, to integrate Sustainability as a natural part of our daily operations and decision-making.

We take great pride in declaring this initiative a resounding success. It marks a powerful beginning to what we envision as a continuous, organization-wide movement toward sustainability. The passion shown by our teams reinforces our belief that meaningful change is not only possible but already underway.

As we celebrate this milestone, we extend our heartfelt appreciation to everyone who contributed—participants, organizers, facilitators, and supporters. Your commitment fuels our progress and inspires us to aim even higher.

This is just the start. Together, we are shaping a greener, more responsible future for our Sites, our company, and our community. And with each step, we grow stronger in our sustainability journey. The workshops at both Sites collectively generated more than 100 ideas.



Farabi Values demonstrated:

Customer Focus



Teamwork



Excellence



Driving holistic development with redefined Sustainability KPIs for 2026

In today’s rapidly evolving business landscape, growth is no longer defined solely by financial performance. Organizations that thrive are those that embed sustainability into their core strategy—transforming it from an aspiration into a measurable, accountable, and continuously improving practice. Our management team has taken a decisive step in this direction by setting ambitious sustainability goals and establishing a robust KPI framework to monitor our progress.

This renewed focus aligns directly with our redefined Vision and Mission statements, which emphasize responsible growth, operational excellence, and long-term value creation. By translating these commitments into clear, stringent KPIs, we are ensuring that sustainability is not just a concept we talk about, but a discipline we practice every day.

What makes this approach powerful is its practicality. Each KPI has been re-designed to reflect practical operational performance—energy efficiency, waste reduction, resource optimization, employee engagement, and community impact. These indicators are not abstract metrics; they are actionable measures that guide our teams in making informed decisions, improving processes, and identifying opportunities for innovation.

Management’s role in this journey is both strategic and hands-on. By setting challenging targets, they are pushing us to think beyond the status quo. By monitoring performance regularly, they are ensuring accountability and transparency. And by encouraging cross-functional collaboration, they are helping us build a culture where sustainability becomes a shared responsibility rather than a departmental task.

The impact of this structured approach is already visible. Teams are more aware of their environmental footprint. Discussions around efficiency and responsible practices are becoming more frequent and more meaningful. Above all, we are observing shift in culture in every aspect of Operation.

This is a strong maneuver. With clear direction from management, well-defined KPIs, and a collective commitment across our Sites, we are building a sustainability journey that is measurable, purposeful, and future-ready. As we continue to track our progress and celebrate our milestones, we remain confident that these efforts will shape a more resilient and responsible organization for years to come.

Farabi Values demonstrated:

Teamwork



Excellence



HSSEQ Commitment



LAB Product Carbon Footprint

We are proud to announce a major achievement in our sustainability journey—our product carbon footprint has improved by an impressive **18% compared to the baseline**. This milestone reflects the collective dedication, discipline, and continuous improvement mindset demonstrated across our teams and Sites.

This reduction is the outcome of several focused efforts working in harmony. One of the most impactful contributors has been the improvement in data accuracy. By refining our measurement methods, strengthening data validation, and ensuring consistency across processes, we have a clearer and more reliable picture of our environmental impact. Accurate data has empowered us to identify inefficiencies, prioritize actions, and track progress with confidence.

Equally important has been the unwavering commitment from our management. Their strategic direction, timely decisions, and willingness to set ambitious sustainability targets have created the momentum needed to drive meaningful change. This leadership has ensured that sustainability remains a core priority, not just an initiative.

Operational efficiency improvements have played a crucial role. Teams across functions have embraced smarter resource utilization, optimized processes, and adopted more sustainable practices in day-to-day operations. These practical, on-the-ground actions—small and large—have collectively contributed to the measurable reduction we see today. Yield improvement through close collaborations between different stakeholders has been a significant step too.

Beyond these key drivers, numerous other efforts have supported this achievement: enhanced awareness, cross-functional collaboration, supplier engagement, and a growing culture of responsibility. Each contribution, no matter how small, has helped us move closer to our long-term sustainability goals. This 18% improvement is a strong indicator of our efforts being aligned in right direction. It reinforces our belief that with the right focus, disciplined execution, and shared commitment, we can continue to make significant strides. More importantly, it motivates us to aim even higher as we work toward a more sustainable and resilient future.

We celebrate this success with pride and gratitude. Let this achievement serve as both a milestone and a reminder of what we can accomplish together. Our sustainability journey continues—and with this momentum, we are better equipped than ever to shape a greener tomorrow.

Farabi Values demonstrated:

HSSEQ Commitment



Excellence



A Meaningful Milestone: Achieving an 8% Reduction in Annual CO₂ Emissions against projection

We are proud to announce a significant achievement in our sustainability journey—8% reduction in CO₂ emissions compared to our projection over baseline. This milestone stands as a clear reflection of our strong commitment, disciplined execution, and steady efforts toward contributing positively to the global climate agenda.

This improvement did not happen overnight. It is the result of consistent focus across multiple fronts: operational efficiency, responsible resource management, improved monitoring practices, and a culture that increasingly values environmental stewardship. Each team, department, and individual has played a role in driving this progress, demonstrating that meaningful change is possible when we work with purpose and persistence.

Our management’s long-term vision has been central to this achievement. By setting ambitious sustainability goals and ensuring accountability at every level, they have helped embed climate responsibility into our everyday operations. The past five years have shown that when sustainability becomes part of our mindset—not just a metric—we create real, measurable impact.

This 10% reduction is more than a number; it is a symbol of our direction as an organization. It reinforces our belief that continuous improvement, even in small increments, leads to substantial long-term gains. Most importantly, it motivates us to keep pushing forward, exploring new opportunities, and strengthening our contribution to a healthier planet.

As we celebrate this milestone, we remain fully committed to advancing our sustainability efforts and building on this momentum. Our journey continues, and with every step, we reaffirm our responsibility to the climate and to future generations.

Farabi Values demonstrated:

HSSEQ Commitment



Excellence



Success of Sustainability idea proposal portal

We are excited to share the next outcome in our sustainability journey—the overwhelming response to our Sustainability Idea Proposal Portal. Designed as a platform for colleagues to formally contribute their ideas, the portal has quickly become a vibrant space for innovation, collaboration, and collective responsibility.

In less than two quarters, we have already collated more than 20 meaningful and actionable ideas from colleagues across all functions. This level of engagement reflects a powerful message: sustainability is no longer a top-down initiative. It is a shared mission embraced by our entire workforce.

What makes this achievement truly special is the diversity of contributions. Ideas have come from every corner of our organization—operations, engineering, support functions, supply chain, and more. Each submission carries a unique perspective, grounded in practical experience and a genuine desire to make a positive impact. This cross-functional participation demonstrates that sustainability is becoming deeply embedded in our culture.

To ensure that every idea receives the attention it deserves, we have established a structured evaluation process. The collected proposals are currently being reviewed by experts across various stages—technical, operational, environmental, and strategic. This multi-layered assessment ensures that promising ideas can be refined, validated, and eventually transformed into real improvements within our Sites and processes.

The early success of this portal reinforces our belief that great ideas often come from those closest to the work. By giving our colleagues a formal channel to share their insights, we are unlocking a wealth of creativity and strengthening our commitment to continuous improvement.

While we celebrate this strong start, we also recognize that this is just the beginning. The enthusiasm shown so far gives us confidence that many more ideas will follow. We see this as a humble start to a great future, one where innovation and sustainability go hand in hand, driven by the collective passion of our people.

Together, we are building a culture where every voice matters and every idea has the potential to shape a greener tomorrow. With this momentum, our sustainability journey is poised for even greater achievements ahead.

HSSEQ Commitment



Excellence



ISO 50001 implementation

We have successfully implemented ISO 50001 in our Jubail Manufacturing Site. We have previously implemented the Energy Management System in our Yanbu Site in 2025. Witnessing the benefits and disciplined outcomes, we continued the same for Jubail. Now both our manufacturing Sites are ISO 50001 compliant.

ISO 50001 helps us systematically improve energy performance through measurement, targets, and continual improvement. It provides a practical structure for tracking energy use, prioritizing projects, and demonstrating results to stakeholders.

Structured monitoring and management will help us:

- Collect and analyze energy data to set clear baselines and measurable targets; this turns intuition into evidence-based projects.
- Identify inefficiencies and prioritize high-return actions, lowering operating costs over time.
- Better energy planning reduces exposure to supply disruptions and price volatility.
- Plan–Do–Check–Act cycles ensure gains are sustained and scaled across sites.
- Certification assures our stake-holders that we are managing energy responsibly.

ISO 50001 is not a one-time achievement but a commitment to continual improvement. With everyone’s engagement, our operations is set to be more efficient, resilient, and sustainable — delivering measurable savings and a stronger energy culture for years to come.

HSSEQ Commitment



Excellence



Trust and Respect



Social Initiatives

Flu vaccine drive

Farabi recently organized a comprehensive flu vaccination campaign for all employees, reinforcing our ongoing commitment to health, safety, and preventive care in the workplace. The initiative saw enthusiastic participation across teams, reflecting a strong collective awareness of the importance of staying protected during the flu season. By providing vaccination, we aimed to remove barriers and encourage everyone to take a proactive step toward safeguarding their well-being. The campaign also served as a reminder of our shared responsibility in maintaining a healthy work environment, reducing seasonal illness risks, and ensuring business continuity. This effort is part of our broader focus on employee wellness, and we are pleased to see such positive engagement from our workforce.

Inter-department Sports

As part of our ongoing commitment to employee well-being and collaborative growth, we recently organized an exciting inter-team football tournament. The event brought together colleagues from various departments, creating an energetic atmosphere filled with enthusiasm, healthy competition, and a strong sense of unity. What began as a sporting activity quickly evolved into a powerful platform for team building, mutual support, and shared achievement.

The tournament encouraged employees to step away from their daily routines and engage in a refreshing physical activity that promotes health and fitness. Football, with its fast pace and strategic teamwork, proved to be the perfect medium for strengthening communication, trust, and coordination among team members. Whether on the field or cheering from the sidelines, everyone contributed to the spirit of togetherness that defined the event.

Beyond the matches themselves, the tournament highlighted our core value of “Team-work” as essential for organizational success. By creating opportunities for recreation and connection, we aim to foster a workplace culture where people feel energized, valued, and motivated. The positive feedback and high participation levels reaffirm our commitment to integrating wellness and teamwork into our development journey.

This tournament marks another meaningful step in building a vibrant, collaborative, and health-conscious work environment. With such strong engagement, we look forward to hosting more initiatives that bring our teams together and support their overall well-being.



We are proud of the great success of this football tournament and the wonderful spirit shown throughout the event.

We extend our sincere thanks and appreciation to everyone who contributed to the success of this football tournament, and to all who attended to support and encourage.

Below, you will find the link to the photos and the video of the final match.



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Internal Communication

Connecting with the Community: Empowering Local Students Through Learning and Exposure

As part of our ongoing commitment to growing alongside the community we serve, we recently organized a seminar and industrial visit for students from a neighboring university. This initiative reflects our belief that industry and academia must work hand in hand to build a stronger, more capable future workforce. By opening our doors to young learners, we aim to contribute meaningfully to their academic journey and help bridge the gap between classroom concepts and real-world applications.

During the visit, students had the opportunity to interact with our teams, observe our operations, and gain first-hand insights into modern industrial practices. The seminar sessions offered them valuable guidance on emerging technologies, sustainability trends, and the practical challenges faced in today's dynamic business environment. These interactions not only enriched their understanding but also sparked curiosity and motivation as they prepared for their professional paths.

For us, this initiative is beyond an educational activity—it is an expression of our responsibility to give back to the society that supports us. By investing time and knowledge in young minds, we are contributing to the development of future professionals who will shape the industries of tomorrow. It also strengthens our bond with the local community, reinforcing our belief that true progress happens when organizations and society move forward together.

This engagement marks a meaningful step in our journey to stay connected, stay relevant, and grow in harmony with the community around us. We look forward to continuing such initiatives that inspire learning, encourage collaboration, and create lasting positive impact.



Waste recycling agency onboarding: Our Commitment to a Cleaner Future

As part of our ongoing commitment to responsible operations and continuous improvement, we are pleased to announce the onboarding of a new recycling agency that will support us in managing our e-waste and other recyclable materials more effectively. This partnership marks a significant step forward in our efforts to reduce landfill disposal and adopt more environmentally conscious practices across our Sites.

For years, certain waste streams—especially electronic waste—were challenging to process sustainably, often ending up in landfills due to limited recycling options. By collaborating with a specialized agency, we are now able to ensure that these materials are handled responsibly, processed safely, and reintroduced into the recycling ecosystem wherever possible. This shift not only minimizes our environmental footprint but also aligns with our broader sustainability goals and our commitment to operational excellence.

The introduction of this agency reflects our belief that improvement is a continuous journey. Every step, whether large or small, contributes to building a more sustainable organization. By strengthening our waste management practices, we are reinforcing our dedication to protecting the environment, supporting circular economy principles, and setting higher standards for ourselves.

This initiative is another example of how we are actively seeking better ways to operate—ways that benefit our employees, our community, and the planet. With this partnership in place, we are confident that our recycling efforts will become more efficient, more impactful, and more aligned with the future we aim to build.

Farabi Sustainability journey

Presenting a glimpse to few of our Sustainability efforts is a great pleasure. Engagement with Stakeholders helps us keep motivated to exert our best efforts for a better tomorrow. We have a great sense of pride in presenting this edition of our quarterly sustainability bulletin. It gives us an opportunity to look back, reflect and re-iterate our efforts. We will continue our targeted efforts for energy-saving upgrades, reduced emissions, and purposeful engagement across stakeholders.

We acknowledge and appreciate responsibility and this being only the beginning, we have a long and challenging way ahead. The endured trust from all our stakeholders will keep us stay on track.

It is rightly said, "Well begun is half done." As we gain momentum with Management support, the upcoming quarters will reflect smarter technologies, stronger cross-functional collaboration, and deep commitment to sustainability.

The future we aspire to achieve is challenging, it will take shape, one sustainable step at a time.





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