

Document ID: EHS&S001 Revision No: 01	Title: Environment, Health, Safety & Security Policy	Proponent/Owner: EHS&S
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Effective Date: March 1, 2020	Reviewed By: EHS&S Executive Director	Date Reviewed:
	Approved By: CEO	Date Approved:

Table of Contents

- I. INTRODUCTION 2
- II. POLICY STATEMENT..... 2
- III. IMPLEMENTING AUTHORITY 2
- IV. DEFINITION OF TERMS 2
- V. RESPONSIBILITIES AND REGULATION 3
- VI. APPROVALS 6

ENVIRONMENT, HEALTH, SAFETY, AND SECURITY POLICY

APPROVED BY

Name
CEO

ISSUED BY

Department

EHS&S

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02



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I. INTRODUCTION

This environment, health, safety, and security policy (the "EHS&S Policy") is pursuant to Sadara – Initial Board Resolutions, Exhibit D (executed copy effective October 30, 2011) where it outlines the underlying principles governing the environment, health, safety, and security matters of Sadara ("the Company"). This EHS&S policy is implemented in a manner that serves as guides in preventing any incidents, accidents, and an injury which results to a loss of life, damage to property, assets, and environment.

II. POLICY STATEMENT

Sadara is committed to achieve the best environmental, health, safety and security (EHS&S) practices in its operations, performance, activities, products and services in compliance with all applicable EHS&S regulations and standards.

Sadara management will implement Responsible Care Guiding Principles, best practices and available technologies to manage EHS&S risks and prevent incidents which may result in injuries, damage to property, and environment. Sadara will apply appropriate Sustainability strategies to conserve natural resources, prevent pollution, and reduce our footprint in Greenhouse gases (GHG), energy, water and waste generation.

Sadara will engage employees, contractors, and stakeholders to maintain and improve EHS&S performance by close monitoring and applying continual improvement programs to achieve EHS&S goals. Sadara will keep openness in regard of EHS&S performance with interested parties.

Compliance of EHS&S policy is the responsibility of everyone in Sadara.

III. IMPLEMENTING AUTHORITY

All Sadara employees are expected to adhere at all times to this EHS&S policy for a safe and healthy working environment. Thus, it shall be the Environment, Health, Safety, & Security (EHS&S) responsibility to oversee the implementation of this policy and shall update in a manner where applicable.

IV. DEFINITION OF TERMS

Company – shall mean "Sadara or Sadara Chemical Company"

EHS&S – shall mean as "Environment, Health, Safety, & Security".

KPI's – shall mean as "Key Performance Indicator's".

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Responsible Care – shall mean as “the chemical manufacturing industry’s environment, health, safety and security performance initiative.

Shareholders – shall mean either “Saudi Aramco Founding Shareholder or Dow Founding Shareholder”.

V. RESPONSIBILITIES AND REGULATION

The EHS&S Policy of the Company is as follows:

- Comply with environment, health, safety, and security laws, applicable to the Company’s operations and, more generally, conducting itself with respect to environment, health, safety, and security matters in accordance with practices and procedures that are adopted by the Company.
- Organize and perform routine independent audits in compliance with this policy and promptly resolving deficiencies identified by such audits.
- Notify the Shareholders within twenty-four (24) hours of any major environment, health, safety, and security incident including fatalities, significant injuries, major audit non-conformance, significant regulatory non-compliance, releases that may require major remediation, or any other significant environment, health, safety, and security incident that may have a major adverse effect on the Company, its operations or its business. Additionally, at the request of either Shareholder, the Company will promptly provide copies of any related correspondence.
- Investigate any major environment, health, safety, and security incident. Each Shareholder may participate in any investigation of major environment, health, safety, and security incidents.
- Implement a behavioral based safety program aimed at establishing a creative interchange of information and fostering mutual trust.
- Provide training resources to continually develop the environment, health, safety, and security competencies of its employees and contractors.
- Collaborate with industry and government agencies to ensure excellence in emergency preparedness programs.

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- Develop sustainability KPI's that take into consideration the sustainability goals of the Founding Shareholders, and shall upon request, provide the Shareholders with a summary of its management approach to communicating and measuring its sustainability and goals.
- Shareholders and their Affiliates shall be entitled to discuss the Company and its environment, health, safety, and security performance in narrative form in public reports and other relevant reporting programs.
- Apply the features and principles of Responsible Care® promulgated by the International Council of Chemical Associations including the Regional Responsible Care Guiding Principles.
- Develop and routinely update risk management, business continuity, and multi-level crisis management plans (including a program of insurance) consistent with applicable laws, industry best practices, and in accordance with the crisis management plans of each Shareholder or their designated Affiliates.
- Ensure a functioning security management system is in place, which includes supply chain and site security programs as well as employee business travel, special event, key company personnel security, protection of proprietary information, and cyber security.
- Conduct comprehensive security vulnerability assessments (including, without limitation, those required by applicable laws) of its facilities, implement security enhancements, and obtain independent verification that those enhancements have been made.
- Implement a screening program for conducting background checks and assessments to ensure personnel security. The screening program shall include background checks of new hires (employees and contractors) and periodic screening of employees/contractors for security and criminal activity to the extent permitted under applicable law. The screening program shall ensure appropriate credentials for employees, contractors and unescorted visitors with access to restricted areas, sensitive information or critical assets.
- Ensure that the Information technology ("IT") system used by the Company conforms to the security standards required by applicable law and established by the security vulnerability assessment
- All IT system networks (including process automation networks and business information networks) used by the Company shall be subject to periodic security audits and vulnerability assessments, the results of which – along with any associated recommendations – shall be presented to appropriate management members for review and action.

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- Establish, implement, and comply with a process safety, reactive chemicals program, and mechanical integrity program based on recognized and generally accepted good engineering practices.
- Establish and implement a product stewardship program to ensure that health, safety, and environmental protection is an integral part of designing, manufacturing, marketing, distributing, using, recycling, and disposing of its products. The program shall, at a minimum, meet the principles and intent of Responsible Care®.
- Implement transportation safety and risk management matters in a manner that is at least as stringent and extensive in scope as the most stringent and extensive policies adopted by either of the Founding Shareholders or their Affiliates. The Company shall plan, design, and manage to minimize highly hazardous goods transport.
- Implement a Greenhouse Gas (GHG) accounting, reporting, and management system in accordance with the Kingdom’s vision requirements. Greenhouse Gas emissions will be optimized, and specific targets will be set.
- The Company shall, upon the request of a Shareholder, supply such Shareholder with aggregate greenhouse gas emission information and general management information regarding greenhouse gas emissions from the Company’s assets, and each Shareholder (or their Affiliates) shall be entitled to include such information in its overall greenhouse gas footprint reporting.
- The Company shall, where it utilizes third parties for the manufacture of intermediates or products, establish an external/contract manufacturing program to manage health, safety, environment, and security matters. This program shall at all times comply with the relevant applicable government regulations, the Royal Commission Environmental Regulations and the High Commission for Industrial Security’s Safety and Fire Directives as well as the Company’s requirements to ensure effective integration into overall site operations.
- Implement a water management plan that accounts, monitors, and reports the water consumption across Sadara. Industrial, Utility, Demineralized, and Portable water consumed will be optimized and specific targets will be set.
- Adhere to a waste management hierarchy that minimizes the impact of waste and emissions on the environment through minimization, reuse, recycling, treatment, and finally disposal.

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- Plan, design, and implement energy efficient processes and make energy efficiency upgrades a high priority in existing facilities.

VI. APPROVALS

Recommended by:


Wafiq Y. Osailan
 Executive Director, EHS&S

Reviewed by:


Farhan M. AlQahtani
 Vice President, Industrial Relations

Approved by:


Faisal M. AlFaqeer
 Chief Executive Officer