Planet Tracker

ENGAGEMENT SHEET

Saudi Basic Industries Corporation (SABIC) Climate Transition Analysis

Recommended Questions

Q.1

Will SABIC restore Scope 3 disclosure and establish reduction targets, given that it accounts for ~70% of its total GHG emissions?

Background: SABIC reported comprehensive Scope 3 emissions of 122.5 $MtCO_2e$ in 2022, partial disclosure of 30.12 $MtCO_2e$ in 2023, and no Scope 3 data in 2024. The company cites "methodology review" without providing timelines, interim data, or reduction commitments. This regression eliminates accountability for the majority of SABIC's climate impact.

Best Practice: Resume and expand Scope 3 disclosure covering all 15 categories with near-term (2030) and long-term (2050) absolute reduction targets aligned with SBTi Chemical Sector Pathways (minimum 25-30% reduction by 2030 vs. 2022 baseline).

Q.2

What specific progress has SABIC made against its USD 3-4 billion decarbonisation capital commitment?

Background: SABIC announced USD 3-4 billion investment for energy efficiency, renewable energy, and carbon capture through 2030, but provides no updates on actual spending, project costs, or emissions impact. Energy intensity worsened 3.3% year-over-year in 2024, contradicting efficiency improvement narratives. Also Scope 1 and 2 emissions increased 0.4% in 2024.

Best Practice: Publish: (1) actual spending vs. commitment with year-by-year breakdown through 2030, (2) project-level costs and expected emissions abatement for major initiatives (renewable energy, CCU, electrification, SEEP), and (3) evidence that energy efficiency investments are delivering measurable improvements.

Q.3

How will SABIC update its climate risk assessment and enhance transparency on regulatory exposure and physical risks?

Background: Previous assessments estimated USD 306 million annual financial exposure from climate risks, but the 2024 report provides no updated quantification despite major regulatory developments (i.e., CBAM). Physical risk assessment for coastal manufacturing hubs remains at "high-level analysis" despite documented vulnerability.

Best Practice: Disclose: (1) quantified financial exposure to EU CBAM, ETS compliance costs, and potential carbon pricing expansion in Asia/Middle East, (2) detailed physical risk assessment for key facilities (3) scenario analysis showing financial impacts under 1.5°C, 2°C, and >3°C pathways, and (4) disclosure of actual capital deployed for risk mitigation.

Report Key Takeaways

- SABIC maintains a 2050 carbon neutrality goal and 20% Scope 1 and 2 reduction target by 2030, but emissions have declined only 3% since 2021, and increased 0.4% in 2024 (year-over-year). Most troublingly, Scope 3 reporting ceased entirely in 2024, lacking accountability for ~70% of total emissions.
- SABIC committed USD 3-4 billion for decarbonisation through 2030 but provides no spending updates or project details. Energy intensity deteriorated 3.3% year-over-year in 2024, contradicting efficiency improvement claims.
- Previous climate risk assessments valued exposure at USD 306 million annually, but 2024 provides no updated quantification despite evolving regulatory landscapes including EU CBAM. Risk management remains stagnant, with coastal facility assessments stuck at "high-level analysis."
- The combination of emissions evolution, collapsed Scope 3 transparency, and capital allocation opacity indicates SABIC aligns closely to a 3°C pathway by 2030.

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