Saudi Basic Industries Corporation (SABIC)

Climate Transition Analysis

Climate Action 100+ Focus Company

Overall Assessment

SABIC is expected to align with a 3°C warming scenario by 2030.

SABIC maintains its 2050 carbon neutrality goal and continues to target a 20% reduction in Scope 1 and 2 GHG emissions by 2030 from a 2018 baseline. Although SABIC has achieved a 13.95% reduction in emissions since its 2018 baseline, this progress came entirely in the first few years and has stalled more recently; with absolute Scopes 1 and 2 emissions having declined by 3% since 2021, and increased marginally (0.4%) year-over-year in 2024. Moreover, SABIC's disclosure transparency has deteriorated significantly. Scope 3 reporting has ceased entirely, with no value-chain emissions disclosed for 2024 despite Scope 3 historically representing ~70% of the company's total footprint. Capital expenditure transparency has also declined, with no update provided on the previously announced USD 3-4 billion decarbonisation investment commitment. While SABIC highlights pilot projects in renewable energy, carbon capture, and electrification, the absence of quantified spending, emissions impact data, and Scope 3 strategy undermines credibility. The company presents a formal governance structure with Board oversight and states that it has sustainability metrics linked to executive compensation, but provides no detail regarding its breakdown or size. In summary, SABIC's stalled operational emissions performance, lack of Scope 3 disclosure, and insufficient capital allocation transparency indicate the company has regressed from its previous 2°C alignment and is now on a pathway closer to 3°C by 2030.


Aligned with 1.5°C


Aligned with +2°C


Aligned with BAU+3°C

Download the Shareholder Engagement Sheet.

Climate Alignment

- SABIC's Scope 1 and 2 emissions have remained flat since 2021, with only 3% reduction over three years and a 0.4% increase in 2024.
- No Scope 3 data disclosures were published for 2024, obscuring accountability for ~70% of the company's footprint.

Policy and Governance

- SABIC has expanded supplier assessments through TfS-EcoVadis but provides no quantified emissions reductions from these engagements.
- Sustainability metrics remain integrated in executive compensation, but the weighting, thresholds, and actual performance adjustments are not disclosed.

Risk Analysis

- Previous climate risk assessments estimated financial exposure exceeding SAR 1.15 billion (USD 306 million) annually from regulatory risks, but the 2024 report provides no updated quantification despite evolving policy landscapes including EU CBAM implementation.
- Risk management presents minimal evidence of enhanced mitigation measures, while physical risk assessment for coastal facilities shows no meaningful progress beyond "high-level analysis".

Strategy Assessment

- SABIC committed USD 3-4 billion for energy efficiency, renewable energy, and carbon capture through 2030, but the 2024 report provides no update on spending progress, actual capital deployed, or revised allocation plans.
- While the company highlights pilot projects, the absence of potential costs, emissions reduction impact, and timeline disclosure makes it impossible to assess whether capital allocation supports stated climate targets.

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Company Overview

Saudi Basic Industries Corporation (SABIC), headquartered in Riyadh, Kingdom of Saudi Arabia (KSA), is one of the world's largest chemical companies[1], with a significant presence across the Americas, Europe, Middle East & Africa, and Asia Pacific. SABIC is 70% owned by Saudi Aramco, and therefore the KSA government[2]. Following the completion of its Hadeed divestment in 2024 and the sale of its Functional Forms business, SABIC has consolidated its focus on two core operating segments: Petrochemicals (chemicals[3] and polymers[4]) and Agri-Nutrients[5]. During the same year SABIC generated total revenue of SAR 139.98 billion (USD 37.33 billion), representing a modest 1% decline compared to 2023.

Business Segments

In 2024, the Petrochemicals segment generated SAR 129.50 billion (USD 34.53 billion) in revenue, representing 92.5% of total company revenue, with segment assets of SAR 250.10 billion (USD 66.69 billion), or 91% of continuing operations assets. The Agri-Nutrients segment contributed SAR 10.48 billion (USD 2.80 billion) in revenue (7.5% of total) and held SAR 24.30 billion (USD 6.48 billion) in assets (9% of total). These findings are presented in Figure 1 and 2.

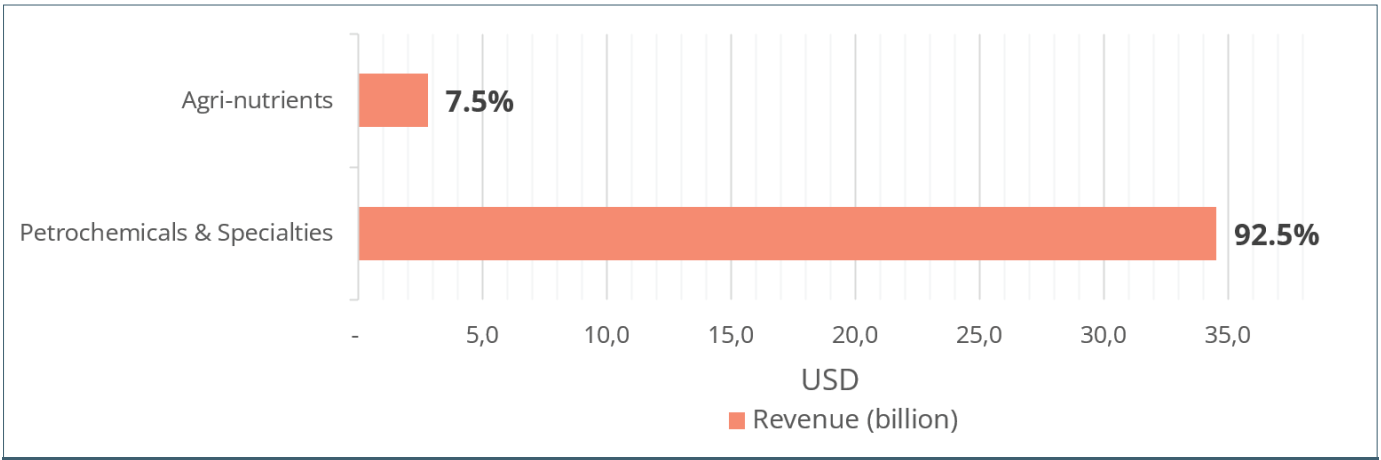

Figure 1: *Revenue (%) - Breakdown by Business Segments (2024). Source: SABIC 2024 Annual Report.*

1 As shown in "Global Top 50" by Chemical & Engineering News - July 22, 2025.
2 Saudi Aramco is mainly owned by the Government of Saudi Arabia (around 82%) and its sovereign wealth fund, the Public Investment Fund (PIF) (around 16%).
3 Using hydrocarbon feedstock (i.e., methane, ethane, propane, butane, and light naphtha) to produce olefins, methanol, aromatics, glycols, carbon dioxide, and methyl tert-butyl ether (MTBE).
4 Including polyethylene (PE), polypropylene (PP), polycarbonate (PC), and specialty polymers.
5 Producing urea, ammonia, phosphate, and compound fertilisers.

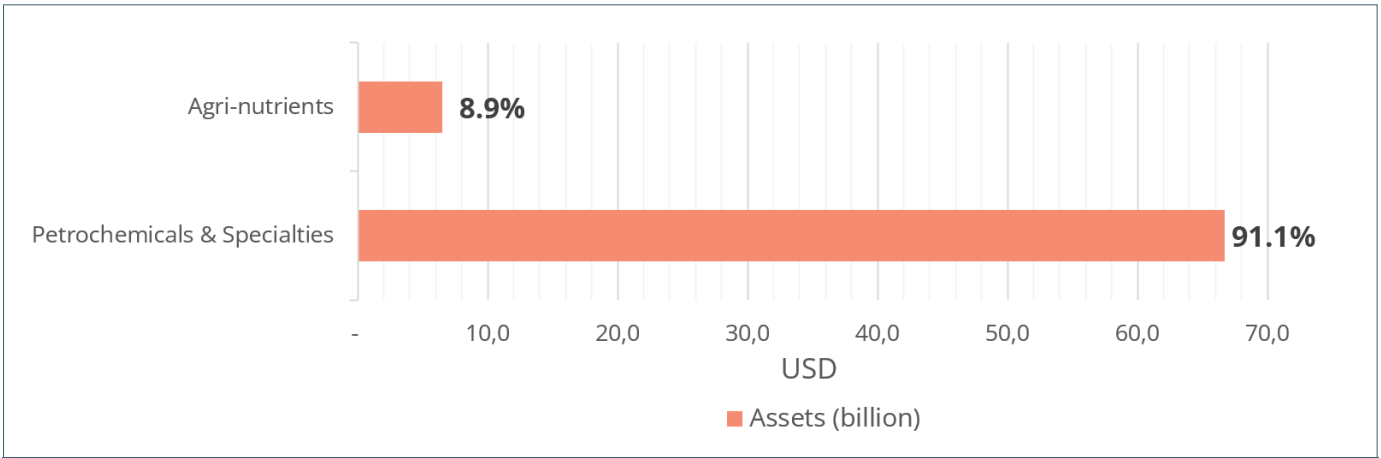

Figure 2: *Assets (%) - Breakdown by Business Segments (2024). Source: SABIC 2024 Annual Report.*

Geographic Distribution

SABIC's revenue remains predominantly international, with 87% generated outside Saudi Arabia across more than 140 countries. In 2024, Asia (excluding Saudi Arabia) accounted for 40% of revenue, with China contributing 18% (SAR 25.02 billion / USD 6.67 billion) and the rest of Asia 22% (SAR 31.20 billion / USD 8.32 billion). Europe represented 20% of revenue (SAR 28.57 billion / USD 7.62 billion), followed by the Americas at 12% (SAR 16.29 billion / USD 4.34 billion), Saudi Arabia at 13% (SAR 18.62 billion / USD 4.97 billion), Africa at 7% (SAR 9.43 billion / USD 2.51 billion), and other regions at 8%.

From an asset perspective, Saudi Arabia hosts 69% of non-current assets (SAR 97.10 billion), reflecting the concentration of manufacturing facilities in the Kingdom. The Americas hold 16% (SAR 22.05 billion), Europe 13% (SAR 18.16 billion), and Asia 2% (SAR 2.75 billion).

These findings are shown in Figures 3 and 4.

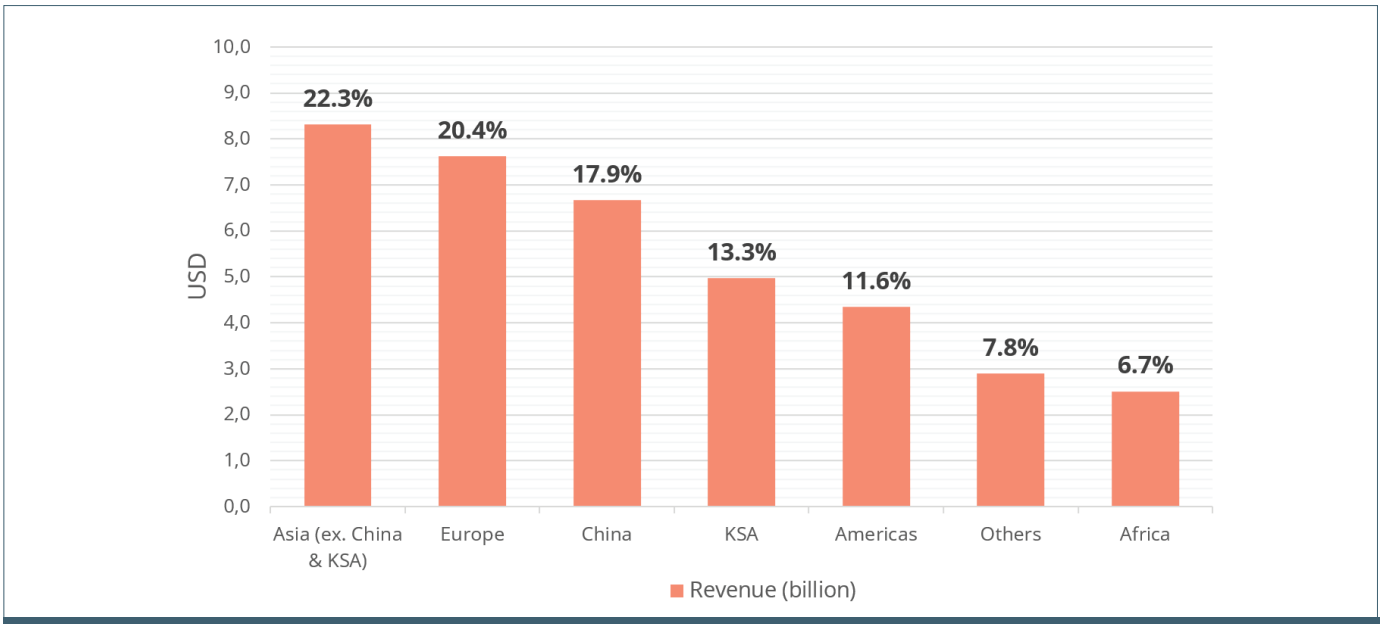

Figure 3: *Revenue (%) - Breakdown by Geography (2024). Source: SABIC 2024 Annual Report.*

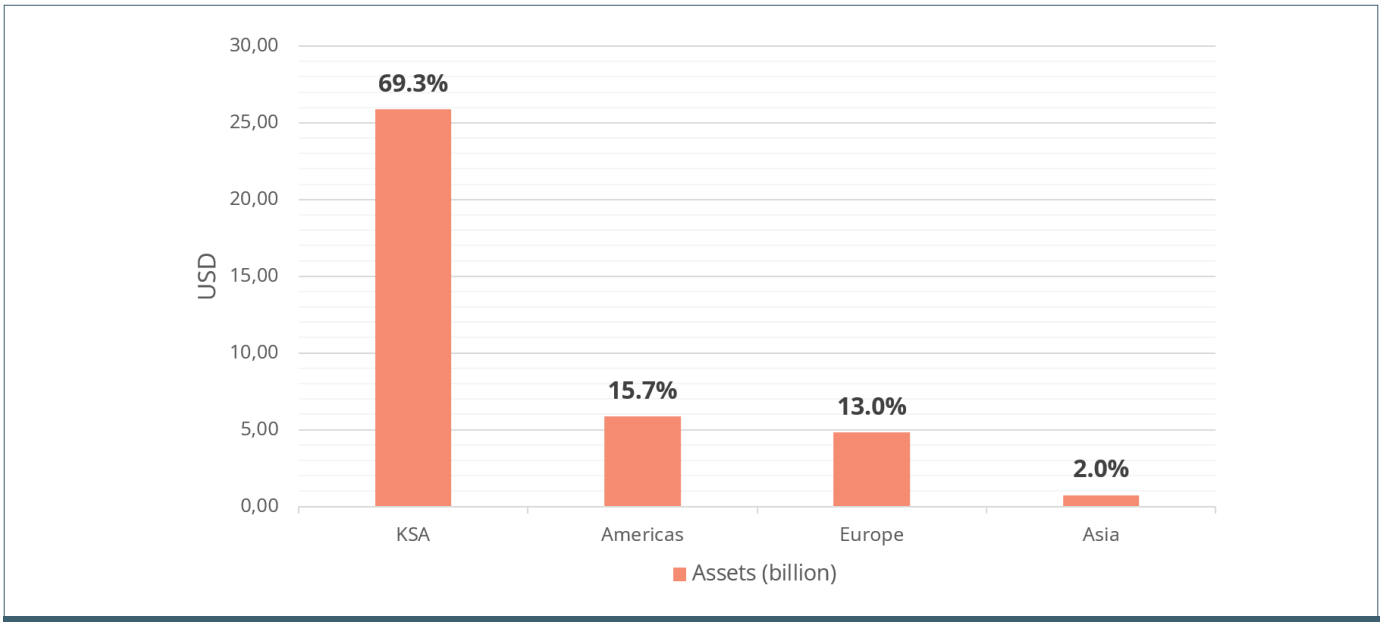

Figure 4: *Assets (%) - Breakdown by Geography (2024). Source: SABIC 2024 Annual Report.*

In summary, it can be deduced that SABIC's exposure to climate transition risks and opportunities arises primarily from developments in the Petrochemicals segment, with particular focus on regulatory environments in Asia (including China), Europe, and Saudi Arabia.

Climate Alignment

A critical finding in this updated assessment is the substantial deterioration in SABIC's emissions disclosure quality and transparency between 2022 and 2024. This decline makes it increasingly difficult to assess the company's climate transition progress.

EMISSIONS INVENTORY

Scopes 1 and 2 Emissions

SABIC's disclosure of absolute emissions figures has become less clear in the last three years. In its 2022 Sustainability Report the company reported absolute Scopes 1 and 2 emissions differentiated by Scope and also broken down between financially consolidated and affiliates (for 2021 and 2022) as shown in Table 1.

Table 1: *SABIC Absolute GHG Scopes 1 and 2 in $KTCO_2e$ until 2022*
Source: SABIC CPD responses 2019 - 2023 and SABIC_Sustainability_2022_EN

Scope	2018 (Baseline)	2019	2020	2021*	2022*
Scope 1 (Total)	**39,008**	**37,423**	**36,749**	**36,008**	**37,259**
Scope 1 (Financially consolidated)	-	-	-	29,003	30,439
Scope 1 (3.5 Affiliates)	-	-	-	7,004	6,820
Scope 2 (Market-based Total)	**17,786**	**17,526**	**17,513**	**15,111**	**14,958**
Scope 2 (Financially consolidated)	-	-	-	12,555	12,513
Scope 2 (3.5 Affiliates)	-	-	-	2,556	2,444
Scope 1+2 (Total)	**56,794**	**54,950**	**54,262**	**51,119**	**52,217**

**Assured by KPMG*

For the following year, SABIC restated its emissions (including its baseline) without providing a clear explanation and disclosed these in its 2023 Integrated Annual Report. However, these emissions are no longer assured by KPMG as in the 2022 report.

Table 2: *SABIC Absolute GHG Scopes 1 and 2 in $KTCO_2e$ until 2023*
Source: SABIC-Integrated-Annual-Report-2023-EN

Scope	2018 (Baseline)	2020	2021	2022	2023
Scope 1 (Total)	-	33,621	32,320	33,277	32,393
Scope 2 (Market-based Total)	-	14,442	12,280	11,907	11,176
Scope 1+2 (Total)	**49,777**	**48,063**	**44,601**	**45,184**	**43,570**

Subsequently, for the 2024 GHG disclosures, Scope 1 and 2 emissions are reported in aggregate, as shown in Table 3. In its 2024 Integrated Annual Report the company reported year on year changes for Scope 1 and 2, but having restated its emissions once again, these numbers are not comparable with the 2023 GHG disclosures.

Table 3: *SABIC Absolute GHG Scopes 1 and 2 in KTCO$_2$e until 2024*
Source: SABIC-Integrated-Annual-Report-2024-EN

Scope	2018 (Baseline)	2021	2022	2023	2024
Scope 1 (Total)	-	-	-	-	-
Scope 2 (Market-based Total)	-	-	-	-	-
Scope 1+2 (Total)	**49,971**	**44,332**	**44,446**	**42,827**	**43,001**

While the restatement of the 2018 baseline from 56.8 MTCO$_2$e to 50.0 MTCO$_2$e might be a result of SABIC's Hadeed divestment in 2024 and the sale of its Functional Forms business, these come without a clear explanation for the rationale behind them and the methodology used. Ultimately, this makes it extremely challenging for third parties to assess the company's progress on a credible basis.

Scope 3 Emissions

The most significant regression in SABIC's climate reporting concerns Scope 3 emissions. The evolution of this disclosure shows a troubling pattern.

2022: SABIC reported a comprehensive value-chain figure of 122.5 MTCO$_2$e, covering all relevant Scope 3 categories. This represented 70% of the company's total footprint, with upstream activities accounting for 25.2% of total emissions and downstream activities representing 44.8%.

2023: The company disclosed only 30.12 MTCO$_2$e, covering upstream categories C1 to C8. This partial disclosure is not comparable to the 2022 figure as it excludes all downstream categories. At the time, SABIC stated that they are revisiting downstream (C9 to C15) reporting methodology to ensure clarity and be on a par with peers.

2024: No Scope 3 emissions figure has been published at all. The 2024 Integrated Annual Report states that "We previously reported Scope 3 emissions for categories 1 to 8, and we are now working with stakeholders to assess and align our Scope 3 emissions calculation approach and methodology for future reporting." This statement offers no timeline for disclosure resumption and no interim data.

This regression is particularly problematic because:

1. It obscures accountability for approximately 70% of the company's carbon footprint.
2. It prevents stakeholders from assessing progress on indirect emissions.
3. It contradicts international best practice, which calls for increasingly comprehensive Scope 3 reporting.
4. It undermines the credibility of the management's stated commitment to value-chain collaboration and emissions mitigation.

SABIC continues to affirm that it aims to "collaborate with value chain partners on initiatives to reduce indirect Scope 3 emissions," including "adoption of low-carbon materials, optimization of logistics, energy and carbon efficiency in processing and use of products, and reducing end-of-life impacts." However, without targets, metrics, or even basic disclosure, these statements lack credibility.

Company Targets

SABIC's 2030 climate target, established in 2021, commits to reducing operating GHG emissions (Scope 1 and 2) by 20% by 2030 from a 2018 baseline, as part of a broader commitment to achieve carbon neutrality by 2050.

According to latest disclosed data, SABIC has achieved a 13.95% reduction in Scope 1 and 2 emissions by 2024 versus the restated 2018 baseline. This means the company has accomplished roughly 70% of its 2030 target with six years remaining, which may suggest the target is likely achievable if historical momentum continues.

However, the primary concern remains SABIC's lack of Scope 3 emissions disclosures and reduction target. Despite Scope 3 historically representing 70% of the company's total footprint (based on 2022 data), SABIC has not established quantified reduction goals for value chain emissions. The company expresses only a broad intention to "reduce indirect emissions along its value chain through strong collaborations with partners," without measurable commitments or timelines. Moreover, the incomplete and declining Scope 3 disclosure makes it impossible to assess whether SABIC's value chain emissions are increasing or decreasing.

According to SBTi Chemical Sector Pathways and Implementation Criteria, to align with the Paris Agreement's 1.5°C pathway, SABIC would need to:

- Increase its 2030 Scope 1 and 2 reduction target from -20% to at least -35-40% versus 2018.
- Establish quantified Scope 3 reduction targets with a group-wide commitment to reduce value chain emissions by at least 25-30% by 2030 versus its 2022 baseline (currently SABIC does not have a Scope 3 target).
- Implement activity-specific intensity targets for ammonia, methanol, and high-value chemicals aligned with SBTi pathway benchmarks (e.g., ammonia at ≤1.27 tCO_2/t by 2030).
- Commit to at least 14% of purchased carbon from alternative feedstocks by 2030, rising to 42% by 2050.

In short, SABIC's current plan (-20% Scope 1 and 2 by 2030, no Scope 3 target, and partial disclosures) is not 1.5°C-aligned. Rather, Planet Tracker believes it sits closer to a 3°C pathway, even lagging the International Energy Agency's (IEA) (2.4°C) slow transition STEPS scenario that focuses on moderate operational decarbonisation and defers deep value-chain mitigation[6].

6 Note that while the "slower" IEA approach aims for a 2–2.5°C pathway, given SABIC other shortcoming we find the company to be closer to the 3°C warming scenario.

Policy and Governance

ENGAGEMENT AND INFLUENCE

Suppliers' Engagement

SABIC maintains supplier engagement programs, though the tangible impact on Scope 3 emissions reductions remains unclear. The company continues its participation in Together for Sustainability (TfS)[7], a chemical industry initiative focused on supply chain sustainability. In 2024, the company assessed 247 suppliers through TfS-EcoVadis (up from 167 in 2023) and audited 530 suppliers through its Supplier Life Cycle and Performance Management program (compared to 165 in 2023). These assessments evaluate suppliers on environmental stewardship, labour and human rights, ethics, and sustainable procurement.

The company reports that its performance in EcoVadis's Sustainable Procurement pillar improved 20 points to reach 70 out of 100. Additionally, over 320 employees and 300 suppliers participated in ESG-focused awareness and training sessions during 2024.

However, despite this expanded assessment coverage, SABIC does not disclose quantified emissions reductions achieved through supplier engagement. While the company states that suppliers have "pledged to reduce millions of tons of CO_2e across Scopes 1, 2 and 3 by 2030," no specific reduction amounts, strategies, or feasibility assessments are provided. This lack of quantification makes it impossible for investors to evaluate the effectiveness of these supplier programs in reducing SABIC's footprint.

Customers' Engagement

In 2024 SABIC:

- Launched certified low-carbon methanol products using the ISCC (International Sustainability and Carbon Certification) Carbon Footprint Certification (CFC) module.
- Worked with ISCC to certify product carbon footprints for methanol and derivatives produced using captured CO_2.
- Began Product Carbon Footprint (PCF) assessments for products through the TfS initiative, using ISCC CFC methodology.

While these innovations demonstrate SABIC's efforts to support customer decarbonisation, the 2024 report does not disclose the volumes of low-carbon products sold, the associated emissions reductions, or the contribution these products make to reducing SABIC's downstream Scope 3 footprint. Without such quantification, the materiality of these initiatives cannot be assessed.

7 TfS is an industry-level initiative driven by chemical procurement specialists. Each TfS member intends to help build sustainable chemical supply chains and regulatory requirements to respond to the needs and expectations of society. However, TfS is a partner to CEFIC (the European Chemical Industry Council), VCI (the German Chemistry Council), and CPCIF (the China Petroleum and Chemistry Industry Federation), all of which have mixed or contrary messaging when it comes to climate change policy as described in Annex I. For more details see – Climate Transition Mismatch.

Influence on Policymakers

SABIC's policy engagement disclosure remains limited. The company references membership in several industry associations but provides minimal detail on policy positions or lobbying activities. SABIC is a member of associations that have climate policy positions that are misaligned with the goals of the Paris agreement, as described by InfluenceMap, including:

- *European Chemical Industry Council (Cefic)*: SABIC holds a Board seat. Cefic's climate policy positions have historically shown mixed support for EU climate regulations, including opposition to certain aspects of the EU Emissions Trading System.
- *China Petroleum and Chemical Industry Federation (CPCIF)*: This association has supported top-line climate objectives but resisted fundamental energy transition measures.
- *Gulf Petrochemicals Association (GPCA)*: Policy positions are not publicly detailed in SABIC disclosures.

SABIC states that it engages with the EU Emissions Trading System and Saudi Arabia's clean energy generation policies but provides no detail on positions taken or influence exercised. The 2024 Integrated Annual Report contains no discussion of clean energy topics such as advocacy for carbon pricing, renewable energy mandates, or circular economy regulations. SABIC is 70% owned by Saudi Aramco, and therefore KSA government policy has significant influence on SABIC's strategic direction. Given Saudi Arabia's role in recent international climate negotiations (including reported efforts to slow progress on plastics treaty negotiations) does not indicate an alignment with the most ambitious climate targets and measures.

Nevertheless, the lack of transparent policy engagement disclosure makes it challenging to assess whether SABIC's advocacy supports or undermines Paris-aligned climate policy.

MANAGEMENT ALIGNMENT

Sustainability Targets Oversight

Board of Directors: The Board retains ultimate responsibility for sustainability strategy and performance, with support from the Board Risk and Sustainability Committee. The committee conducts quarterly reviews of sustainability actions and decisions.

The 2024 Integrated Annual Report provides no substantive new information about the committee's activities, decisions, or interventions related to climate strategy. The disclosure remains high-level and procedural, with no examples of specific risk assessments, strategic redirections, or capital allocation decisions driven by climate considerations.

Executive Management: The CEO and Executive Committee are responsible for integrating sustainability goals into business strategy. However, the 2024 Integrated Annual Report provides little detail on how sustainability targets are monitored and enforced across business units.

The absence of specific examples, quantitative progress reviews, or consequences for missed targets would suggest that climate objectives are not being incentivised enough for the management to deliver on them.

Management Compensation

SABIC implemented a performance-based system in 2023 (most recent disclosed) that includes sustainability metrics. The company's unified balanced scorecard comprises both financial and non-financial performance measures, including two ESG-related objectives: (1) GHG emissions reduction, and (2) internal measurements related to safety, health, and environmental performance.

However, a critical transparency gap remains. For instance, the exact percentage weighting that sustainability targets represent in the overall executive compensation structure is not disclosed. While SABIC states that sustainability is integrated into compensation, the lack of clarity about how these targets influence total remuneration makes it difficult for investors to assess whether climate objectives genuinely drive executive decision-making.

Greater transparency regarding the weight of climate metrics in executive pay, the specific thresholds for achievement, and the actual performance against these metrics would strengthen the credibility of SABIC's commitment to integrating sustainability into its governance framework.

8 For more details see: 1. New York Times (Plumer & Fountain, Nov 30, 2024): "Saudi Arabia Leads Pushback Against Global Plastic Treaty", or UN Environment Programme / Earth Negotiations Bulletin official reports.

Risk Analysis

FINANCIAL IMPACT

External Policy Drivers

Previous assessments estimated SABIC's financial exposure to regulatory risks (primarily EU Emissions Trading Scheme (ETS) and China ETS) at approximately SAR 400 million (USD 106 million[9]) annually. This figure was based on SABIC's European Scope 1 GHG emissions and potential penalties for non-compliance (priced at EUR 100 per ton of carbon or USD 107.3[10]).

The 2024 Integrated Annual Report provides no updated quantification of policy-related financial risks. The company briefly states that it uses compliance safety margin buffers in the UK, Netherlands, and Germany, and implements energy efficiency projects in European operations. However, there is no:

- Updated assessment of ETS cost exposure.
- Analysis of financial implications from EU Carbon Border Adjustment Mechanism (CBAM) – which entered its transitional phase in 2023 and has its full implementation scheduled for 2026.
- Quantification of risks from potential carbon pricing expansion in Asia or the Middle East.
- Discussion of financial impacts from tightening regulatory standards.

This absence of detailed risk quantification suggests either that management has deprioritised climate risk assessment or that the company has chosen to reduce disclosure to avoid scrutiny.

Physical Impact Drivers

The previous assessment identified physical climate risks (primarily sea level rise affecting coastal facilities in Saudi Arabia) with potential financial impact of SAR 375 million (USD 100 million[11]). The 2024 report provides no update on physical risk assessments or mitigation costs.

SABIC operates major manufacturing hubs in Jubail and Yanbu, both coastal locations in Saudi Arabia that face long-term risks from sea level rise and extreme weather events, according to the company. The absence of updated physical risk disclosure is concerning given:

- Increasing frequency and severity of extreme weather events globally.
- Rising insurance costs for climate-exposed assets.
- Regulatory requirements in some jurisdictions (e.g., EU CSRD) for physical risk disclosure.

The 2024 report notes that SABIC is conducting a "double materiality assessment" to support European holding company reporting under the EU Corporate Sustainability Reporting Directive (CSRD) starting in 2025. This suggests that more comprehensive risk disclosure may be forthcoming, but the current gap in reporting leaves investors without critical information.

9 At an exchange rate of SAR 1 = USD 0.2660 at the end of 2022 - the year of the disclosure.
10 At an exchange rate of EUR 1 = USD 1.0726.
11 At an exchange rate of SAR 1 = USD 0.2660 at the end of 2022 - the year of the disclosure.

RISK MANAGEMENT

SABIC's 2024 disclosure on climate risk management is largely repetitive of previous years, with minimal evidence of enhanced practices or more robust mitigation measures.

External Policy Risk Management

The company continues to report energy efficiency projects in European operations as its primary response to ETS compliance requirements. A steam-trap management system implemented in 2018 (first disclosed in previous assessments) is cited as saving 300,000 GJ annually. However, there is no disclosure of:

- New mitigation initiatives implemented in 2024.
- Projected emissions reductions from current projects.
- Capital expenditure allocated to regulatory compliance versus allocated to other business priorities.
- Assessment of whether current measures are sufficient to achieve 2030 targets.

Physical Impact Management

SABIC reports that it has completed "high-level analysis" of sea level rise risk for manufacturing facilities in coastal Saudi Arabia and plans more detailed studies in collaboration with regional authorities. The disclosure is nearly identical to previous years, suggesting minimal progress.

Strategic Assessment

CAPITAL ALIGNMENT

In its previous assessment, based on 2023 disclosures, SABIC stated that it expected to deploy **USD 3–4 billion in capital expenditure between 2022 and 2030** for energy efficiency, renewable energy and carbon capture. At the time, the company indicated that the majority of this capital, around 60%, would be directed towards process optimisation, including reliability and energy-efficiency improvements, with a further 5% allocated to electrification. However, more recently, SABIC reported that its energy intensity (GJ/t product sales) increased 3.3% year-over-year (from 2023 to 2024), arguing that "planned maintenance activities and unplanned shutdowns" were responsible for the increase.

The 2024 Integrated Annual Report represents a step back in transparency. It provides no update on progress against the USD 3-4 billion commitment, nor does it disclose actual decarbonisation spending in 2024, revised capital allocation plans for the remainder of the decade, or project-level costs for major initiatives. While **total capital expenditure in 2024** amounted to **SAR 10.20 billion (USD 2.72 billion)**, the report does not distinguish between spending on climate-related projects and conventional growth or maintenance capital.

This lack of disclosure materially weakens accountability. Without visibility on actual versus planned spending, stakeholders cannot assess whether management is delivering on stated commitments. The absence of explicit decarbonisation capex reporting also raises questions about whether climate investments are being prioritised at board-level. Notably, the 2024 report contains less information on transition capital than the previous sustainability disclosures, indicating a regression in quality.

Nevertheless, SABIC highlights a range of decarbonisation-related activities during 2024.

Renewable energy: The company reports significant progress in Europe, where it inaugurated a large circular solar installation at its Genk site in Belgium and secured substantial solar capacity for its Gelsenkirchen facility in Germany. Collectively, SABIC indicates that nearly 70% of its European electricity demand is now met through renewable sources, delivering an estimated annual Scope 2 reduction of around 650 $KTCO_2e$. Smaller-scale solar installations were also commissioned at sites in China. In Saudi Arabia, SABIC states its intention to increasingly source electricity from renewables through on-site generation, power purchase agreements and renewable energy certificates, but provides no quantitative detail on capacity, timelines or expected emissions impact.

While these initiatives are directionally positive, the absence of information on capital invested, expected returns or payback periods prevents any assessment of capital efficiency or strategic prioritisation.

Carbon capture and utilisation (CCU): SABIC references the launch of a large CCU hub in Jubail and the introduction of a certified low-carbon product portfolio, beginning with methanol incorporating captured CO_2. However, the 2024 report provides no update on actual capture volumes, investment costs, revenues or emissions reductions, despite earlier indications that capture capacity could reach up to 2,000 $KTCO_2e$ annually by 2030.

Electrification: SABIC highlights its participation in the world's first demonstration plant for electrically heated steam cracker furnaces at BASF's Ludwigshafen site, a potentially transformative technology that could reduce steam-cracking-related Scope 1 and 2 emissions by at least 90% if powered by renewables. While strategically significant, the disclosure does not clarify SABIC's financial contribution, the pathway to commercial deployment, expected capital costs, or the extent to which this technology could be rolled out across SABIC's own asset base.

Low-carbon fuels: SABIC Agri-Nutrients received approval to develop a large low-carbon ammonia and urea complex in Jubail, aligned with Saudi Vision 2030. However, the report omits key details, including capital cost, commissioning timelines, emissions intensity relative to conventional production, and whether the resulting emissions reductions will count toward SABIC's 2030 climate targets.

Finally, SABIC reports progress under the *Saudi Energy Efficiency Program (SEEP)*, noting investments in multiple projects during the second compliance cycle. However, the company does not quantify the number of projects, capital deployed, energy savings achieved or emissions reductions delivered. This contrasts with prior expectations that SEEP initiatives could deliver approximately 7,200 $KTCO_2e$ of reductions by 2030, for which no updated progress is provided.

Overall, it is unclear whether SABIC is still on track to deploy USD 3-4 billion in decarbonisation capital by 2030, how much has been spent to date, or how climate investments are prioritised relative to large growth projects in China and Saudi Arabia. The absence of information on expected outcomes and internal capital allocation criteria further obscures whether decarbonisation projects are being treated as strategic investments or discretionary add-ons.

Without clear, quantified disclosure on spending, project economics and emissions impact, it is not possible to conclude that SABIC's capital allocation is aligned with its stated climate ambitions.

TRANSITION APPRAISAL

SABIC continues to reaffirm its long-term aspiration of carbon neutrality by 2050 and its interim target to reduce operating emissions (Scope 1 and 2) by 20% by 2030 from a 2018 baseline. However, the latest disclosure indicates a deterioration in transparency, quality, and strategic credibility.

Since the previous assessment, SABIC's absolute Scope 1 and 2 emissions performance has stalled. Emissions have remained broadly flat since 2021, with only a marginal 3% reduction over the past three years and a slight increase between 2023 and 2024, of 0.4%. As of 2024, the company reports a 13.95% reduction versus the 2018 baseline, leaving roughly six percentage points to be delivered within the remaining years to 2030. While this gap is theoretically achievable, the absence of an accelerating reduction trend could suggest that existing energy efficiency and renewable energy initiatives are not delivering emissions abatement at the pace required.

SABIC continues to reference the same core decarbonisation levers outlined in prior years, namely, energy efficiency, renewable power, carbon capture, and electrification, but provides limited evidence that these initiatives are being deployed at sufficient scale or speed. High-profile pilot and demonstration projects remain visible, yet disclosures do not substantiate that these efforts are translating into material, sustained reductions in absolute emissions across its portfolio.

A more material regression concerns Scope 3 emissions reporting. In 2022, SABIC disclosed comprehensive value-chain emissions of 122.5 $MTCO_2e$, representing around 70% of its total footprint. Since then, the scope and quality of Scope 3 disclosure have declined, culminating in the absence of comprehensive Scope 3 data in 2024. This effectively removes transparency and accountability for the majority of SABIC's climate impact. The continued lack of Scope 3 reduction targets means that most of the company's emissions remain outside any formal management framework, placing SABIC increasingly out of step with international best practice and peer expectations.

Capital allocation transparency has also weakened. In previous disclosures, SABIC indicated that USD 3 to 4 billion would be required by 2030 for decarbonisation measures, with a strong emphasis on process optimisation and a limited allocation to electrification. The latest reporting provides no update on progress against this commitment, no breakdown of actual spending, and no project-level cost or abatement data. This makes it impossible to assess whether capital allocation remains aligned with stated climate objectives or whether decarbonisation investment is being deprioritised relative to other strategic uses of capital.

Governance structures around climate oversight remain formally in place, including board-level oversight and the inclusion of sustainability metrics in executive remuneration. However, disclosures provide little evidence that these mechanisms are driving improved outcomes. The stagnation in operating emissions performance and the gap in Scope 3 transparency have not been accompanied by any visible board-level intervention, revised targets, or accountability measures, suggesting that climate governance remains largely procedural rather than operationally embedded.

In short, while the company may be capable of delivering its Scope 1 and 2 target in the long term, the 20% target is some way short of what SBTi recommends for a 1.5C alignment. Moreover, current performance trends, declining transparency, and the absence of a credible Scope 3 strategy significantly weaken its overall transition profile. We **conclude that SABIC is now aligned with a pathway closer to 3°C by 2030**, given the operational decarbonisation gaps, the effective abandonment of Scope 3 accountability, and insufficient evidence that capital allocation and governance are supporting a Paris-aligned transition.

Based on Planet Tracker's analysis SABIC would align with a 3°C pathway by 2030[12].

12 Based on the data accessed by Planet Tracker until December 2025.

Annex I

European Chemical Industry Council (Cefic). Cefic has shown a mixed stance towards EU climate change policies. The council has strategically engaged with EU policymakers across various policy areas, indicating a shift towards more positive engagement with climate policy since 2015. Despite this progress, Cefic continues to resist certain legislative proposals, particularly those aimed at enhancing the goals of the EU Emissions Trading System. This selective engagement underscores the organisation's continued conservative stance on climate policy support.

China Petroleum and Chemical Industry Federation (CPCIF). CPCIF has publicly endorsed climate policies through supportive statements on top-line objectives, including setting a cap on carbon emissions and specific carbon intensity targets. However, the federation exhibits resistance to fundamental changes in the energy sector, opposing shifts in the energy mix away from fossil fuels and the transition of chemical feedstocks away from fossil-based sources. This stance suggests a conservative approach to more transformative climate policies.

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ABOUT PLANET TRACKER

Planet Tracker is a non-profit financial think tank producing analytics and reports to align capital markets with planetary boundaries. We aim to create a significant and irreversible transformation of global financial activities by 2030. By informing, enabling and mobilising the transformative power of capital markets we aim to deliver a financial system that is fully aligned with a net-zero, nature-positive economy. Planet Tracker proactively engages with financial institutions to drive change in their investment strategies. We ensure they know exactly what risk is built into their investments and identify opportunities from funding the systems transformations we advocate.

PLANET TRACKER'S CLIMATE TRANSITION ANALYSIS

As part of its Petchems programme, Planet Tracker is examining the transition plans of chemical companies covered by the Climate Action 100+ list (https://www.climateaction100.org/whos-involved/companies). Our goal is to provide investors with the key information and analysis they need to be able to hold leading chemical companies to account for the quality of their climate transition plans and their execution against those plans. We also encourage investors to use this information to engage effectively with these companies with the ultimate aim of driving the sustainable transformation of the chemical industry.

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