Wednesday, 4 November 2020

Agenda item 3. Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies

Presented by

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SABIC CASE STUDY ON PRACTICAL IMPLEMENTATION OF CORE INDICATORS FOR ENTITY REPORTING ON THE CONTRIBUTION TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS PROPOSED BY UNCTAD

PRIVATE SECTOR

SABIC MEA Sustainability Team
Riyadh, Saudi Arabia October 28, 2020
SABIC AT-A-GLANCE

1976
Company established

33,000
Employees around the world

50
Countries of operations

3rd
Largest global chemical company*

122nd
Largest public company in the world*

4.334
US$ bn
Estimated Brand Value**

82.6
US$ bn
Total assets

1.5
US$ bn
Net income

37.3
US$ bn
Annual revenue

≈ 150
New products each year

12,540
Global patent filings

68
World-class plants worldwide

*Forbes 2019  **Brand Finance, 2020
SABIC STRATEGIC SUSTAINABILITY PRIORITIES DERIVED FROM MATERIALITY

**Resource Efficiency**
SABIC’s ambitious goals are to reduce Material Loss intensity 50% and Water Intensity 25% by 2025 since 2010.

**Innovation & Sust. Solutions**
Sustainability is the guiding light for SABIC’s product and process innovation – to support the development of effective solutions to some of the world’s greatest challenges.

**Climate Change & Energy**
SABIC’s ambitious goals are to reduce GHG and energy intensity 25% by 2025, from 2010 levels.

**Circular Economy**
Circular economy inspires SABIC to adapt our processes to the use of renewable and recycled feedstock, and to create durable, recyclable product design solutions for our customers.

**Environment, Health, Safety**
SABIC is committed to our core EHSS values, with a supportive culture and focus on continuous performance improvement.

**Governance & Integrity**
Integrity is a core value and helps to maintain stakeholder trust. SABIC’s Code of Ethics provides guidance to meet stakeholder expectations.

* Baseline is year 2010 / Retain intensity targets 2010-2025 based on external Sales
SABIC ADOPTED UN SUSTAINABILITY DEVELOPMENT GOALS FOR CONTINUED BUSINESS SUCCESS ALIGNED WITH ITS SUSTAINABILITY STRATEGIC PRIORITIES

Resource Efficiency

Innovation & Sust. Solutions

Climate Change & Energy

Circular Economy

Environment, Health, Safety

Governance & Integrity

ADOPTED UN SUSTAINABILITY DEVELOPMENT GOALS FOR CONTINUED BUSINESS SUCCESS ALIGNED WITH ITS SUSTAINABILITY STRATEGIC PRIORITIES
PRACTICAL IMPLEMENTATION OF CORE INDICATORS FOR ENTITY REPORTING
DATA COLLECTION FOR THE CASE STUDY

• Data are collected from SABIC various official published reports
• SABIC Sustainability Report was prepared in accordance with our internally developed reporting criteria. And to guide the selection of report content and improve report quality, we align our internal reporting criteria with the “Core” option of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.
The key findings shows that SABIC was able to report on a majority of the indicators:

<table>
<thead>
<tr>
<th>Area</th>
<th>Disclosed indicators based on GCI Methodology</th>
<th>Disclosed based on SABIC Methodology</th>
<th>Not Disclosed indicators</th>
<th>% of GCI disclosed indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>75%</td>
</tr>
<tr>
<td>Institutional</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>71%</td>
</tr>
<tr>
<td>Environmental</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>27%</td>
</tr>
<tr>
<td>Social</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>7</td>
<td>12</td>
<td>42%</td>
</tr>
</tbody>
</table>

- SABIC had its own reporting standards when it comes to all indicator’s disclosure thus it was challenging to report some of the indicators in accordance to GCI Methodology.
Changing the internal practices will require intensive global effort from data collection processes, systems and Sustainability council approval:

**ECONOMIC AREA**

SABIC is a public company listed on the Tadawul Stock Exchange – TASI, consequently most of the Economic indicators was covered under Capital Market Authority (CMA) disclosure requirements.

75% Disclosure Rate

**INSTITUTIONAL AREA**

Most of the Institutional disclosures are also covered under CMA disclosure requirements, thus SABIC was able to disclose in most of the indicators.

71% Disclosure Rate

**ENVIROMENTAL AREA**

SABIC has its own target toward the 2025 sustainability goals to reduce the intensity of GHG, energy, water, and material-loss. SABIC had its own reporting criteria when it comes to indicator’s disclosure on the targets, so it was difficult to report some of the indicators in accordance to GCI Methodology.

27% Disclosure Rate

**SOCIAL AREA**

SABIC was able to disclose only 3 indicators using SABIC reporting criteria. The other social indicators was measured for internal use only.

0% Disclosure Rate
CASE STUDY OUTCOME AND KEY TAKEAWAYS

• The GCI was a useful assessment tool to measure entity’s contribution towards the SDG implementation.
• GCI can enable consistency of financial/nonfinancial reporting as well as harmonization and comparability of sustainability data reported by entities.
• SABIC will continue its own journey toward enhancing external disclosures using global frameworks and guidelines where applicable.
• SABIC will continue its SDGs commitment to turn the world’s most urgent challenges into opportunities where we can make the greatest impact.
THANK YOU