Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

37th SESSION 2 – 6 November 2020

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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CHEMISTRY THAT MATTERS™



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

سابک عاداد

SABIC AT-A-GLANCE





1976

Company established

82.6

US\$ bn

Total assets



33,000

Employees around the world

1.5

US\$ bn

Net income



50

Countries of operations

37.3

US\$ bn

Annual revenue



3rd

Largest global chemical company*



≈ 150

New products each year



122nd

Largest public company in the world*



12,540

Global patent filings

4.334

US\$ bn

Estimated Brand Value**



68

World-class plants worldwide



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.



SABIC's ambitious goals are to reduce GHG and energy intensity 25% by 2025, from 2010 levels.



Circular Economy

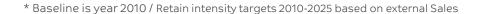
Circular economy inspires SABIC to adapt our processes to the use of renewable and recycled feedstock, and to create durable, recyclable product design solutions for our customers.



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



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



SABIC ADOPTED UN SUSTAINABILITY DEVELOPMENT GOALS FOR CONTINUED BUSINESS SUCCESS ALIGNED WITH ITS SUSTAINABILITY STRATEGIC PRIORITIES





PRACTICAL IMPLEMENTATION OF CORE INDICATORS FOR ENTITY REPORTING

سابک خواعزو

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.

DATA SOURCE



Sustainability Report 2019



Annual Report 2019



Sustainability Report : 2019 Technical Supplement



Sustainable Development Goals Roadmap 2018



DATA COLLECTION AND ANALYSIS RESULT

The key findings shows that SABIC was able to report on a majority of the indicators :

Area	Disclosed indicators based on GCI Methodology	Disclosed based on SABIC Methodology	Not Disclosed indicators	% of GCI disclosed indicators
Economic	6	0	2	75%
Institutional	5	1	1	71%
Environmental	3	3	5	27%
Social	0	3	4	0%
Total	14	7	12	42%

• SABIC had its own reporting standards when it comes to all indictor's disclosure thus it was challenging to report some of the indicators in accordance to GCI Methodology.



KEY HIGHLIGHT FROM GCI IMPLEMENTATION

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 indictors.

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 indictor's disclosure on the targets ,so it was difficult to report some of the indictors 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.

