

**SABIC HQ PAS 2060:2014 SPECIFICATION FOR THE  
DEMONSTRATION OF CARBON NEUTRALITY**

**QUALIFYING EXPLANATORY STATEMENT IN SUPPORT OF PAS  
2060:2014 OTHER PARTY CERTIFICATION**

**ACHIEVEMENT PERIOD: 1 January 2018 – 31 December 2018**

**COMMITMENT PERIOD: 1 January 2019 – 31 December 2020**

Date: April 2019

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Prepared by: Corporate Sustainability Department, SABIC

## CONTENTS

1. Introduction	3
2. Declaration of commitment to carbon neutrality	4
3. SABIC HQ 2018 Carbon Footprint	5
3.1 Introduction	5
3.2 Period	5
3.3 Methodology	5
3.4 Organizational and operational boundaries	6
3.5 Total carbon footprint	6
3.5.1 Emissions from Scope 1	7
3.5.2 Emissions from Scope 2	7
3.5.3 Emissions from Scope 3	7
3.5.4 Exclusions	7
4. SABIC HQ Carbon Management Plan	8
4.1 Introduction	8
4.2 SABIC HQ base year carbon footprint	8
4.3 On-going emissions reduction plan	9
4.4 Future emissions reduction plan	9
4.5 The use of carbon offsets	10
4.6 Carbon footprint target	10
5. Declaration of achievement of carbon neutrality	11
6. Carbon offsetting	12
I. Appendix A	13
SABIC HQ Carbon Footprint	
II. Appendix B	14
South Pole Carbon Neutral Assurance Letter	
III. Appendix C	15
Qualifying explanatory statements (QES) checklist	

## 1. INTRODUCTION

SABIC is a global leader in diversified chemicals headquartered in Riyadh, Saudi Arabia. It manufactures on a global scale in the Americas, Europe, Middle East and Asia Pacific, making distinctly different kinds of products: chemicals, commodity and high performance plastics, agri-nutrients and metals. The company has more than 35,000 employees worldwide and operates in more than 50 countries.

As part of its broader sustainability journey, SABIC aims at reducing its GHG emissions. SABIC has voluntarily committed to GHG reduction targets: 25% reduction by 2025 against the 2010 baseline for “GHG per metric ton products sold” intensity metric.

To reinforce its position of sustainability though leader, SABIC is aiming at achieving carbon neutrality for its global headquarters (SABIC HQ) based in Riyadh, Saudi Arabia. The carbon neutrality is achieved by complying with the PAS 2060:2014 Specification for Demonstration of Carbon Neutrality developed by BSI.

This document forms the PAS 2060 Qualifying Explanatory Statement to demonstrate that SABIC HQ has achieved carbon neutrality in accordance with PAS 2060:2014 at 31 December 2018 with commitment to maintain to 31 December 2020 for the period commencing 1 January 2019, all information provided within this report has been reviewed and certified by a third party.

This is the first declaration of commitment towards carbon neutrality by SABIC HQ, and the first declaration of achievement from SABIC HQ.

This document will be updated accordingly to reflect SABIC HQ’s current status toward its carbon neutrality target. The report is publicly available at this website: [www.sabic.com](http://www.sabic.com)

## 2. DECLARATION OF COMMITMENT TO CARBON NEUTRALITY


"Carbon neutrality of SABIC HQ achieved by SABIC in accordance with PAS 2060 at 1<sup>st</sup> January 2019 with commitment to maintain to 31<sup>st</sup> December 2020 for the period commencing 1<sup>st</sup> January 2018 and ending at 31<sup>st</sup> December 2018, South Pole Carbon Management Ltd certified."



Sanna Setterwall  
Consultant, South Pole, 2019-04-05

	Requirement	Compliance with requirement
1	Individual responsible for the evaluation and provision of data necessary for the substantiation of the declaration.	Zaour Israfilof, Climate Change & CDM Specialist, MEA Corporate Sustainability
2	Entity responsible for making the declaration	Saudi Basic Industries Corporation (SABIC)
3	Subject of the declaration	Global Headquarters of Saudi Basic Industries Corporation (SABIC HQ)
4	Rationale for the selection of the subject.	SABIC's total carbon footprint (55 million tCO <sub>2</sub> e) are covered by voluntary commitment to 25% reduction in intensity terms. The objective to achieve 100% reduction (i.e. carbon neutrality) is currently achievable only for its office operations. Therefore, our global headquarters is selected as the subject of PAS 2060:2014.
5	Boundaries of the subject	SABIC HQ located at the following address: Exit 8, Airport Rd, Riyadh, Saudi Arabia 11422. Geographical coordinates are 24.799579, 46.723778.
6	Options within PAS 2060 to follow	Method 3
7	Date by which SABIC plans to achieve the status of "carbon neutrality" of SABIC HQ	1 <sup>st</sup> January 2019
8	The period for which SABIC intends to maintain that status	1 <sup>st</sup> January 2019 – 31 <sup>st</sup> December 2020
9	Standard and methodology for defining the subject, the GHG emissions and the carbon footprint for the defined subject	WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard
10	Justification for the selection of the methodology chosen.	See SABIC HQ 2018 Carbon Footprint
11	Confirmation that the selected methodology was applied in accordance with its provisions and the principles set out in PAS 2060.	The application of the methodology conforms to principles set out in clause 6.1.2 of PAS2060:2014 for Carbon Neutrality developed by BSI.
12	The actual types of GHG emissions, classification of emissions (Scope 1, 2 or 3) and size of carbon footprint of the subject exclusive of any purchases of carbon offsets.	See SABIC HQ 2018 Carbon Footprint
13	Type of conformity assessment	Other party validation
14	Date	05/04/2019



15	Senior Representative	Frank Kuijpers, General Manager Corporate Sustainability Department
16	Signature	

**3. SABIC HQ 2018 CARBON FOOTPRINT**

**3.1 INTRODUCTION**

The analysis of a carbon footprint is a critical first step in achieving carbon neutral status. As the old adage goes, “If you can’t measure it, you can’t manage it”. This document outlines SABIC HQ carbon footprint in 2018 calendar year. It will assist in prioritizing key action areas for carbon reduction.

SABIC HQ serves as a global headquarters for Saudi Basic Industries Corporation (SABIC) and houses approximately 2,000 employees.

The terms “carbon emissions” and “greenhouse gas (GHG) emissions” are used interchangeably throughout the report.

**3.2 PERIOD**

The baseline period is for the calendar year of 2018.

**3.3 METHODOLOGY**

We have ensured the use of the best practice standards of corporate reporting using the WBCSD/WRI GHG Protocol, Corporate Accounting and Reporting Standard (Revised Edition). This approach is recommended by PAS 2060:2014 Specification for Demonstration of Carbon Neutrality by BSI and other standards including ISO 14064-1:2006.

The WBCSD/WRI GHG Protocol requires that an organization report its direct emissions, as well as its energy indirect emissions. Definitions are as follows:

- Direct (scope 1) - emissions from greenhouse gas sources owned or controlled by the organization
- Energy Indirect (scope 2) - emissions from the generation of imported electricity, heat or steam consumed by the organization
- Other Indirect (scope 3) - emissions which are consequences of an organization’s activities but arise from sources that are owned or controlled by other organizations.

100% of Scope 1 and 2 emissions are included.

The Scope 3 footprint is a best estimate based on reasonable cost of evaluation, all likely material sources are included to cover 95% of total carbon footprint. The following emission

categories of scope 3 were included: water, waste, commuting, business travel, estimated purchased goods and services, fuel and energy related services. These were selected due to availability and quality of data. Excluded emissions within scope 3 and rationale for exclusion are described in section “Exclusion” below.

Emissions are calculated and reported in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). This is in line with the best practice, which requires inclusion in addition to carbon dioxide other six greenhouse gases included by Kyoto convention: methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.

Each gas has a different capacity to cause global warming and is compared to carbon dioxide. For example, one ton of sulphur hexafluoride equals to 23,900 tons of carbon dioxide in terms of warming potential. Therefore, one ton of sulphur hexafluoride is accounted and presented as 23,900 tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

These carbon footprint calculations are made exclusive of any purchases of carbon offsets. The application of the methodology conforms to principles set out in clause 6.1.2 of PAS2060:2014 for Carbon Neutrality developed by BSI.

### 3.4 ORGANIZATIONAL AND OPERATIONAL BOUNDARIES

This footprint includes carbon emissions associated with SABIC HQ located at the following address: Exit 8, Airport Rd, Riyadh, Saudi Arabia 11422. Geographical coordinates are 24.799579, 46.723778.

We have included emissions from SABIC HQ where SABIC have operational control (as determined by the GHG Protocol).

### 3.5 TOTAL CARBON FOOTPRINT

The GHG emissions for SABIC HQ for the period January 1<sup>st</sup> 2018 to December 31<sup>st</sup> 2018 is 43,786 tones of CO<sub>2</sub>e. The table below present the breakdown of emissions by scopes and sources:

scope / emission sources	tCO <sub>2</sub> e	%
<b>scope 1</b>		
1.1 diesel for generators	13	0.03
1.2 vehicles	38	0.09
Total scope 1	52	0.12
<b>scope 2</b>		
2.1 electricity	31,076	70.97



Total scope 2	31,076	70.97
scope 3		
3.1 water	258	0.59
3.2 waste	60	0.14
3.3 commuting	2,319	5.30
3.4 business travel	430	0.98
3.5 accommodation (part of business travel)	250	0.57
3.6 Estimated purchased goods and services	957	2.19
3.7 fuel and energy related activities	8,384	19.15
Total scope 3	12,658	28.91
TOTAL	43,786	100

### 3.5.1 EMISSIONS FROM Scope 1

These include emissions from vehicles owned by SABIC and consumption of diesel used as backup generators at SABIC HQ.

The sources of data, emission factors as well as assumptions and calculations are attached in Appendix A titled "SABIC HQ 2018 Carbon Footprint".

### 3.5.2 EMISSIONS FROM Scope 2

Scope 2 emissions were calculated from metered electricity consumption and Saudi National Grid emission factors.

The sources of data, emission factors as well as assumptions and calculations are attached in Appendix A titled "SABIC HQ 2018 Carbon Footprint".

### 3.5.3 EMISSIONS FROM Scope 3

These include emissions associated with water consumption (supply and treatment), waste disposal, estimated purchased goods and services, employee commuting and business travel.

The sources of data, emission factors as well as assumptions and calculations are attached in Appendix A titled "SABIC HQ 2018 Carbon Footprint".

### 3.5.4 EXCLUSIONS

Some emission sources were excluded due to various factors such as irrelevance, unavailable data, and lack of credible assumptions, expected to be below materiality threshold.

These include emission sources such as capital goods, cleaning services, upstream and downstream transportation and distribution, investments, franchises. Emissions from refrigerant gas leaks were excluded as they are estimated to be below materiality threshold. In addition, the company do not have relevant data, as the maintenance of HVAC system is outsourced.

In 2019, SABIC has signed up to CDP Supply Chain Platform with objective to improve its scope 3 data. We have also started data digitalization project. Together, these important programs will allow us to improve data gaps.



## 4. SABIC HQ CARBON FOOTPRINT MANAGEMENT PLAN

### 4.1 INTRODUCTION

As part of its broader sustainability journey, SABIC aims at reducing its GHG emissions. SABIC has voluntarily committed to scope 1 and 2 GHG reduction targets: 25% reduction by 2025 against the 2010 baseline for “GHG per metric ton products sold” intensity metric.

To reinforce its position of sustainability though leader, SABIC is aiming at achieving carbon neutrality for its global headquarters (SABIC HQ) based in Riyadh, Saudi Arabia. The carbon neutrality is achieved by complying with the PAS 2060:2014 Specification for Demonstration of Carbon Neutrality developed by BSI. This section outlines SABIC’s general plan with specific measures to reduce SABIC HQ carbon footprint. The carbon reduction management plan will be subject to annual assessments of performance as per SABIC Climate Change Strategy.

### 4.2 SABIC HQ BASE YEAR CARBON FOOTPRINT

The first carbon footprint for SABIC HQ was established in 2018 calendar year in accordance with GHG Corporate Protocol. Please refer to “SABIC HQ 2018 Carbon Footprint” document. The GHG emissions for SABIC HQ for the period January 1<sup>st</sup> 2018 to December 31<sup>st</sup> 2018 is 43,786 tones of CO<sub>2</sub>e. The table below present the breakdown of emissions by scopes and sources:

scope / emission sources	tCO <sub>2</sub> e	%
<b>scope 1</b>		
1.1 diesel for generators	13	0.03
1.2 vehicles	38	0.09
Total scope 1	52	0.12
<b>scope 2</b>		
2.1 electricity	31,076	70.97
Total scope 2	31,076	70.97
<b>scope 3</b>		
3.1 water	258	0.59
3.2 waste	60	0.14
3.3 commuting	2,319	5.30
3.4 business travel	430	0.98
3.5 accommodation (part of business travel)	250	0.57
3.6 Estimated purchased goods and services	957	2.19
3.7 fuel and energy related activities	8,384	19.15

Total scope 3		12,658	28.91
	TOTAL	43,786	100

SABIC HQ 2018 carbon footprint is used as a base year since this is the first full calendar year for which the data is collected.

#### 4.3 ON-GOING EMISSIONS REDUCTION PLAN

In 2018 SABIC has implemented a range of measures to reduce its environmental footprint within the HQ, including its GHG emissions. These include:

**Staff Commuting** - For the employees residing at SABIC compound, the regular coach is provided on daily basis for commuting purposes. Approximately 80 staff are using the bus service. In addition to other environmental and safety benefits, this measure is estimated to save approximately 200 tCO<sub>2</sub>e annually.

**Waste Management** - In 2018, SABIC has introduced waste recycling within the HQ. The waste generated is sorted and collected by the external recycling company. In total, the following categories of waste were sorted and reported by recycling company to be recycled in 2018:

- Aluminum: 7 tons
- Plastic: 14 tons
- Paper: 39 tons

#### 4.4 FUTURE EMISSIONS REDUCTION PLAN

**Electricity** - To tackle emission arising from the use of grid electricity, the largest emissions source, SABIC has initiated renewable energy project at its HQ.

In 2018, SABIC Corporate Sustainability Department completed solar photovoltaic technology feasibility study. According to expert study, the total feasible capacity of PV system is 1.8 MW. The recommended generation is 1.5 MW.

The project is now in advanced stage and is expected to be completed by 2019. Once implemented, the solar PV system is expected to generate on average 2,238 MW of electricity on annual basis for 25 years. This will potentially reduce GHG emissions associated with electricity consumption by over 5% annually.

**Staff Commuting** - SABIC will continue the coach service for its employees residing in its compound to reduce carbon emissions associated with staff commuting.

**Waste Management** – SABIC will continue waste recycling project. The various waste management campaigns are delivered to raise staff awareness including the food waste reduction in HQ canteen.





#### **4.5 THE USE OF CARBON OFFSETS**

For unavoidable residual emissions at SABIC HQ, the carbon offsets will be utilized to achieve carbon neutrality. The use of offsets will be in strict conformity with PAS2060 requirements. Namely, the credits used will be:


- Genuine, additional GHG emission reductions.
- Originated from projects that meet the criteria of additionality, permanence, leakage and double counting.
- Verified by an independent third party verifier.
- Issued after the emission reduction has taken place.
- Supported by publically available project documentation.
- Stored and retired in an independent and credible registry.

#### **4.6 CARBON FOOTPRINT TARGET**

SABIC HQ carbon reduction target is absolute GHG emission reduction by 2.5% on annual basis against 2018 base year.



**5. DECLARATION OF ACHIEVEMENT OF CARBON NEUTRALITY FOR 2018**

	Requirement	Compliance with requirement
1	Period during which the entity is demonstrating carbon neutrality of the subject has been achieved.	1st January 2018 – 31st December 2018
2	Recorded carbon footprint of the subject during the period stated above.	43,786 tCO <sub>2</sub> e See SABIC HQ 2018 Carbon Footprint
3	Means by which reductions have been achieved	Carbon offsetting
4	Standard and methodology used to achieve carbon offset	The UNFCCC CDM
5	Carbon offsetting information required to comply with clause 9.1.2 (a to g) of BSI PAS 2060:2014.	See Carbon Offsetting section below
6	Type of conformity assessment	Other party validation
7	Statements of validation where declarations of achievement of carbon neutrality are validated by other party certifier.	By South Pole
8	Date	05/04/2019
9	Senior Representative	Frank Kuijpers, General Manager Corporate Sustainability Department
10	Signature	

## 6. CARBON OFFSETTING

The following information covers the confirmed offset strategy for the period of carbon neutrality.

43,786 carbon credits relating to this period were offset to cover emissions for the period as stipulated in carbon neutrality achievement declaration.

- Project Title and ID number: Project 10006: Efficiency Improvement by Boiler Rehabilitation in fossil fuel-fired (Natural Gas) Steam Boiler System
- Country: KSA
- Project Type: Energy Efficiency
- Project Standard: UNFCCC Clean Development Mechanism (CDM)
- Methodology Used: UNFCCC CDM AM0056 - Efficiency improvement by boiler replacement or rehabilitation and optional fuel switch in fossil fuel-fired steam boiler systems
- Vintage: 01 October 14 – 30 September 2015
- Project documentation UNFCCC database link:  
<https://cdm.unfccc.int/Projects/DB/SGS-UKL1405604803.71/view>

SABIC confirms that:

- Offsets generated represent genuine, additional GHG emission reductions as confirmed by the UNFCCC.
- Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage and double counting.
- Carbon offsets are verified by an independent third party verifier. The verification documentation is available on this link: <https://cdm.unfccc.int/Projects/DB/SGS-UKL1405604803.71/iProcess/ESPL1444089695.47/view>
- Credits from Carbon offset projects are only issued after the emission reduction has taken place.
- Credits from Carbon offset projects are retired within 12 months from the date of the declaration of achievement.
- Credits from Carbon offset projects are supported by publicly available project documentation on UNFCCC registry above which provides information about the offset project, quantification methodology and validation and verification procedures.
- Credits from Carbon offset projects are stored and retired in an independent and credible registry (the UNFCCC database above).

**APPENDIX A**

“SABIC HQ 2018 Carbon Footprint”.





# Carbon Neutral Assurance Letter



## APPENDIX B

This is a statement from the independent review by South Pole of SABIC HQs Carbon Neutrality PAS 2060 Qualifying Explanatory Statement (QES) Report as well as the 2018 carbon footprint and carbon management plan

### Conclusions

Based on the boundaries of the review and the methods used, South Pole comes to the following conclusions:

1. SABIC HQ has calculated and reported their 2018 carbon footprint following the principles that are covered by the GHG Protocol Corporate Accounting and Reporting Standard,
2. Based on completed independent review, no circumstances have emerged that give us reason to believe that SABIC HQ's carbon footprint and QES do not meet the applicable criteria.

### Criteria

The GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2004), and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), have been used as criteria for reviewing SABIC HQ's carbon footprint report and carbon management plan. The review was conducted in accordance with PAS 2060:2014 Specification for the demonstration of carbon neutrality.

### Method for review

South Pole has conducted the review according to the following methodology in March/April 2018:

- Review of SABIC HQ's work process to identify and determine material emission sources.
- Review of SABIC HQ's excluded emission sources and the reasons for exclusion.
- Review of SABIC HQ's carbon footprint model
- Review of SABIC HQ's carbon management plan
- Conversation with the person responsible for SABIC HQ's carbon footprint report and carbon management plan, in order to understand the process for the preparation of the accounting.
- Review of SABIC HQ's compliance with the principles of the GHG Protocol Corporate Accounting and Reporting Standard
- Review of SABIC HQ's compliance with PAS 2060:2014

### Adherence to the principles of the GHG Protocol

Based on the scope and methods of the review, we can conclude that SABIC HQ has calculated their carbon footprint in 2018 in accordance to the principles of the GHG protocol.

### Adherence to the principles of PAS 2060:2014

Based on the scope and methods of the review, we can conclude that SABIC HQ's Qualifying Explanatory Statement complies with the requirements of PAS 2060:2014 Specification for the demonstration of carbon neutrality.

### Relevance and completeness

SABIC HQ's carbon footprint reflects the company's GHG emissions well, and all material GHG emission sources are accounted for within the boundary. Exclusions have been disclosed and justified.

### Consistency and transparency

Sabic HQ use consistent methodologies and has provided transparent documentation on boundaries, data, assumptions, and methods used.

### Accuracy

The carbon footprint is deemed to have achieved sufficient accuracy. The emission factors has been chosen with a conservative approach.

### Role, responsibility and competence

SABIC HQ is responsible for compiling the GHG calculation, the carbon footprint report, the carbon management plan, and the PAS 2060 QES. In connection with the review, South Pole is only responsible to SABIC HQ's management. South Pole ensures an independent role in the assignment by appointing a review team that is not or has been involved in projects with SABIC HQ during the accounting period and which could have had an impact on the team's independence or objectivity. Our audit team has adequate knowledge and experience in corporate GHG accounting, the development of carbon management plans, carbon emission reductions, and carbon offsetting strategies, as well as good knowledge of relevant standards such as the GHG Protocol, ISO 14064-1, and PAS 2060. For further information, please visit our website [www.southpole.com](http://www.southpole.com)

South Pole, 2019-04-05

Sanna Setterwall  
Consultant, South Pole

### South Pole

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**APPENDIX C****Qualifying explanatory statements (QES) checklist**

Following table refers to QES checklists requested by PAS 2060:2014.

**Checklist for QES supporting declaration of commitment to carbon neutrality**

	Items	Status	Section in the QES
1	Identify the individual responsible for the evaluation and provision of data necessary for the substantiation of the declaration including that of preparing, substantiating, communicating and maintaining the declaration.	✓	Section 2
2	Identify the entity responsible for making the declaration.	✓	Section 2
3	Identify the subject of the declaration.	✓	Section 2
4	Explain the rationale for the selection of the subject. (The selection of the subject should ideally be based on a broader understanding of the entire carbon footprint of the entity so that the carbon footprint of the selected subject can be seen in context; entities need to be able to demonstrate that they are not intentionally excluding their most significant GHG emissions (or alternatively can explain why they have done so)).	✓	Section 2
5	Define the boundaries of the subject.	✓	Section 2
6	Identify all characteristics (purposes, objectives or functionality) inherent to that subject.	✓	Section 2 and 3
7	Identify and take into consideration all activities material to the fulfilment, achievement or delivery of the purposes, objectives or functionality of the subject.	✓	Section 2 and 3
8	Select which of the 3 options within PAS 2060 you intend to follow.	✓	Section 2
9	Identify the date by which the entity plans to achieve the status of "carbon neutrality" of the subject and specify the period for which the entity intends to maintain that status.	✓	Section 2
10	Select an appropriate standard and methodology for defining the subject, the GHG emissions associated with that subject and the calculation of the carbon footprint for the defined subject.	✓	Section 2
11	Provide justification for the selection of the methodology chosen. (The methodology employed shall minimize uncertainty and yield accurate, consistent and reproducible results.	✓	Section 2
12	Confirm that the selected methodology was applied in accordance with its provisions and the principles set out in PAS 2060.	✓	Section 2
13	Describe the actual types of GHG emissions, classification of emissions (Scope 1, 2 or 3) and size of carbon footprint of the subject exclusive of any purchases of carbon offsets.	✓	
	a) All greenhouse gases shall be included and converted into tCO <sub>2</sub> e.	✓	Section 3.3
	b) 100% Scope 1 (direct) emissions relevant to the subject shall be included when determining the carbon footprint.	✓	Section 3.5
	c) 100% Scope 2 (indirect) emissions relevant to the subject shall be included when determining the carbon footprint.	✓	Section 3.5

## SABIC HQ PAS 2060:2014 Qualifying Explanatory Statement

	d) Where estimates of GHG emissions are used in the quantification of the subject carbon footprint (particularly when associated with scope 3 emissions) these shall be determined in a manner that precludes underestimation.	✓	Section 3.5
	e) Scope 1, 2 or 3 emission source estimated to be more than 1% of the total carbon footprint shall be taken into consideration unless evidence can be provided to demonstrate that such quantification would not be technically feasible or cost effective. (Emission sources estimated to constitute less than 1% may be excluded on that basis alone.)	✓	Section 3.3 and 3.5
	f) The quantified carbon footprint shall cover at least 95% of the emissions from the subject.	✓	Section 3.3 and 3.5
	g) Where a single source contributes more than 50% of the total emissions, the 95% threshold applies to the remaining sources of emissions.	✓	Section 3.3 and 3.5
	h) Any exclusion and the reason for that exclusion shall be documented.	✓	Section 3.5
14	Where the subject is an organization/company or part thereof, ensure that:	✓	
	a) Boundaries are a true and fair representation of the organization's GHG emissions (i.e. shall include all GHG emissions relating to core operations including subsidiaries owned and operated by the organization). It will be important to ensure claims are credible – so if an entity chooses a very narrow subject and excludes its carbon intensive activities or if it outsources its carbon intensive activities, then this needs to be documented.	✓	Section 3.4
	b) Either the equity share or control approach has been used to define which GHG emissions are included. Under the equity share approach, the entity accounts for GHG emissions from the subject according to its share of equity in the subject. Under the control approach, the entity shall account for 100% of the GHG emissions over which it has financial and/or operational control.	✓	Section 3.4
15	Identify if the subject is part of an organization or a specific site or location, and treat as a discrete operation with its own purpose, objectives and functionality.	✓	Section 3.4
16	Where the subject is a product or service, include all Scope 3 emissions (as the lifecycle of the product/service needs to be taken into consideration).	N/A	
17	Describe the actual methods used to quantify GHG emissions (e.g. use of primary or secondary data), the measurement unit(s) applied, the period of application and the size of the resulting carbon footprint. (The carbon footprint shall be based as far as possible on primary activity data.) Where quantification is based on calculations (e.g. GHG activity data multiplied by greenhouse gas emission factors or the use of mass balance/lifecycle models) then GHG emissions shall be calculated using emission factors from national (Government) publications. Where such factors are not available, international or industry guidelines shall be used. In all cases the sources of such data shall be identified.	✓	Section 3.5
18	Provide details of, and explanation for, the exclusion of any Scope 3 emissions.	✓	Section 3.5
19	Document all assumptions and calculations made in quantifying GHG emissions and in the selection or development of greenhouse gas emission factors. (Emission factors used shall be appropriate to the activity concerned and current at the time of quantification.)	✓	Section 3.5 and Appendix A

20	Document your assessments of uncertainty and variability associated with defining boundaries and quantifying GHG emissions including the positive tolerances adopted in association with emission estimates. (The statement could take the form of a qualitative description regarding the uncertainty of the results, or a quantitative assessment of uncertainty if available (e.g. carbon footprint based on 95% of likely greenhouse gas emissions; primary sources are subject to variation over time; footprint is best estimate based on reasonable costs of evaluation)).	✓	Section 3.5 and Appendix A
21	Document carbon footprint management plan:	✓	
	a) Make a statement of commitment to carbon neutrality for the defined subject.	✓	Section 4
	b) Set timescales for achieving carbon neutrality for the defined subject.	✓	Section 4
	c) Specify targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality including the baseline date, the first qualification date and the first application period.	✓	Section 4
	d) Document the planned means of achieving and maintaining GHG emissions reductions including assumptions made and any justification of the techniques and measures to be employed to reduce GHG emissions.	✓	Section 4
	e) Specify the offset strategy including an estimate of the quantity of GHG emissions to be offset, the nature of the offsets and the likely number and type of credits.	✓	Section 4
22	Implement a process for undertaking periodic assessments of performance against the Plan and for implementing corrective action to ensure targets are achieved. The frequency of assessing performance against the Plan should be commensurate with the timescale for achieving carbon neutrality.	✓	Section 4
23	23) Where the subject is a non-recurring event such as weddings or concert, identify ways of reducing GHG emissions to the maximum extent commensurate with enabling the event to meet its intended objectives before the event takes place and include post event review to determine whether or not the expected minimisation in emissions has been achieved.	N/A	
24	For any reductions in the GHG emissions from the defined subject delivered in the period immediately prior to the baseline date and not otherwise taken into account in any GHG emissions quantification (historic reductions), confirm: <ul style="list-style-type: none"> <li>• the period from which these reductions are to be included;</li> <li>• that the required data is available and that calculations have been undertaken using the same methodology throughout;</li> <li>• that assessment of historic reduction has been made in accordance with this PAS, reporting the quantity of historic reductions claimed in parallel with the report of total reduction.</li> </ul>	N/A	
25	Record the number of times that the declaration of commitment has been renewed without declaration of achievement.	✓	Section 1
26	Specify the type of conformity assessment: <ul style="list-style-type: none"> <li>a) independent third party certification;</li> <li>b) other party validation;</li> <li>c) self-validation.</li> </ul>	✓	Section 2
27	Include statements of validation where declarations of commitment to carbon neutrality are validated by a third party certifier or second party organizations.	✓	Appendix B

SABIC HQ PAS 2060:2014 Qualifying Explanatory Statement

28	Date the QES and have it signed by the senior representative of the entity concerned (e.g. CEO of a corporation; Divisional Director, where the subject is a division of a larger entity; the Chairman of a town council or the head of the household for a family group).	✓	Section 2
29	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g. via websites).	✓	Section 1
30	Update the QES to reflect changes and actions that could affect the validity of the declaration of commitment to carbon neutrality.	✓	Section 1

Checklist for QES supporting declaration of achievement to carbon neutrality

	Items	Status	Section in the QES
1	Define standard and methodology use to determine its GHG emissions reduction.	✓	Section 5
2	Confirm that the methodology used was applied in accordance with its provisions and the principles set out in PAS 2060 were met.	✓	Section 6 and Appendix B
3	Provide justification for the selection of the methodologies chosen to quantify reductions in the carbon footprint, including all assumptions and calculations made and any assessments of uncertainty. (The methodology employed to quantify reductions shall be the same as that used to quantify the original carbon footprint. Should an alternative methodology be available that would reduce uncertainty and yield more accurate, consistent and reproducible results, then this may be used provided the original carbon footprint is re-quantified to the same methodology, for comparison purposes. Recalculated carbon footprints shall use the most recently available emission factors, ensuring that for purposes of comparison with the original calculation, any change in the factors used is taken into account).	✓	Section 6
4	Describe the means by which reductions have been achieved and any applicable assumptions or justifications.	N/A	
5	Ensure that there has been no change to the definition of the subject. (The entity shall ensure that the definition of the subject remains unchanged through each and every stage of the methodology. In the event that material change to the subject occurs, the sequence shall be re-started on the basis of a newly defined subject.)	✓	Section 2 and 5
6	Describe the actual reductions achieved in absolute and intensity terms and as a percentage of the original carbon footprint. (Quantified GHG emissions reductions shall be expressed in absolute terms and shall relate to the application period selected and/or shall be expressed in emission intensity terms (e.g. per specified unit of product or instance of service)).	N/A	
7	State the baseline/qualification date.	✓	Section 5
8	Record the percentage economic growth rate for the given application period used as a threshold for recognising reductions in intensity terms.	N/A	
9	Provide an explanation for circumstances where a GHG reduction in intensity terms is accompanied by an increase in absolute terms for the determined subject.	N/A	
10	Select and document the standard and methodology used to achieve carbon offset.	✓	Section 6
11	Confirm that:		



## SABIC HQ PAS 2060:2014 Qualifying Explanatory Statement

	a) Offsets generated or allowance credits surrendered represent genuine, additional GHG emission reductions elsewhere.	✓	Section 6
	b) Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage and double counting. (See the WRI Greenhouse Gas Protocol for definitions of additionality, permanence, leakage and double counting).	✓	Section 6
	c) Carbon offsets are verified by an independent third-party verifier.	✓	Section 6
	d) Credits from Carbon offset projects are only issued after the emission reduction has taken place.	✓	Section 6
	e) Credits from Carbon offset projects are retired within 12 months from the date of the declaration of achievement.	✓	Section 6
	f) Provision for event related option of 36 months to be added here.	N/A	
	g) Credits from Carbon offset projects are supported by publicly available project documentation on a registry which shall provide information about the offset project, quantification methodology and validation and verification procedures.	✓	Section 6
	h) Credits from Carbon offset projects are stored and retired in an independent and credible registry.	✓	Section 6
12	Document the quantity of GHG emissions credits and the type and nature of credits actually purchased including the number and type of credits used and the time period over which credits were generated including:	✓	
	a) Which GHG emissions have been offset.	✓	Section 4 and 6
	b) The actual amount of carbon offset.	✓	Section 6
	c) The type of credits and projects involved.	✓	Section 6
	d) The number and type of carbon credits used and the time period over which the credits have been generated.	✓	Section 6
	e) For events, a rationale to support any retirement of credits in excess of 12 months including details of any legacy emission savings, taken into account.	N/A	
	f) Information regarding the retirement/cancellation of carbon credits to prevent their use by others including a link to the registry or equivalent publicly available record, where the credit has been retired.	✓	Section 6
13	Specify the type of conformity assessment: a) independent third party certification; b) other party validation; c) self-validation.	✓	Section 5
14	Include statements of validation where declarations of achievement of carbon neutrality are validated by a third party certifier or second party organizations.	✓	Appendix B
15	Date the QES and have it signed by the senior representative of the entity concerned (e.g. CEO of a corporation; Divisional Director, where the subject is a division of a larger entity; the Chairman of a town council or the head of the household for a family group).	✓	Section 5
16	Make QES publicly available and provide a reference to any freely accessible information upon which substantiation depends (e.g. via websites).	✓	Section 1

QES openness and clarity

	<b>Entities should satisfy themselves that the QES</b>	<b>Status</b>
1	Does not suggest a reduction which does not exist, either directly or by implication.	✓
2	Is not presented in a manner which implies that the declaration is endorsed or certified by an independent third party organization when it is not.	✓
3	Is not likely to be misinterpreted or be misleading as a result of the omission of relevant facts.	✓
4	Is readily available to any interested party.	✓