

# Chemicals Sector Target-Setting Criteria

## Open Letter

On November 12th, the Science-Based Target Initiative (SBTi) issued a second draft of the Chemicals Sector Target-Setting Criteria for a second round of public consultation. As we approach the conclusion of the adoption process, the undersigned wish to reiterate **their deep concerns**. The industry is keenly awaiting a sector-specific guidance tailored to its needs and context. Such guidelines would enable companies to develop **ambitious and achievable science-based targets and create a common understanding with investors and customers**. However, the current draft proposed by the SBTi does not represent a practical way forward for chemical companies and therefore risks ending up as a **missed opportunity**.

To date, 276 chemical companies have committed to the SBTi. Almost all committed companies are not directly producing primary chemicals, which are the primary focus of the target-setting criteria and the Sectoral Decarbonisation Approach (SDA). These primary chemical producing companies represent about 60% of the sector's total GHG emissions. **The inability for these companies to apply the SDA will therefore limit its overall impact**. In the longer term, there will also be negative spillover effects on companies that are already committed but unable to drive the SDA's rollout across the industry: the absence of practical solutions for primary chemical producers will undermine the capacity of downstream chemical companies to reduce upstream scope 3 emissions. 22 companies have already withdrawn or have been forced to withdraw. This number may increase if the guidance is not embraced across the sector, as the chemical sector operates as a value chain.

The undersigned therefore wish to reiterate the five key areas where the SBTi's criteria require decisive improvement:

1. **SDA Reduction Pathways:** Chemical companies should be allowed to follow a Cradle-to-Gate approach, focusing on the carbon intensity of products rather than the intensity of specific processes or value chain steps. They should provide flexibility for the sector to deliver its target in an aggregated manner.
2. **Sector-Specific Approach for "Other Chemicals":** This should reflect the sector's abatement potential, rather than following the cross-sector absolute contraction approach. The current approach reduces the budget available to the sector as it is not tailored to the sector.
3. **Circular Content Cut-Off Method:** This method is the most effective way to drive down scope 3.12 emissions by enhancing circularity. It could achieve the similar outcome as proposed alternative feedstock/content targets.
4. **Self-Generated Power Emissions:** The SDA should account for the fact that emissions from self-generated power cannot be abated at the same pace as the national grid.
5. **Biogenic Carbon Emissions Reductions:** Emissions reductions associated with the use of carbon from biogenic sources should be acknowledged.

We also believe that SBTi's criteria should align with existing global definitions and standards on GHG accounting, allocation and mass-balance.

We urge the SBTi to seriously consider the industry's feedback and ensure that this consultation is not merely a formality. To that end, we remain at the SBTi's disposal to collaborate on finding an ambitious yet pragmatic way forward.

Thank you for your attention.

**This open letter is signed by:**

1. Guillermo Novo, Chief Executive Officer of **Ashland**
2. Markus Kamieth, Chief Executive Officer of **BASF SE**
3. João de Mello, Chief Executive Officer of **Bondalti Chemicals**
4. Christian Kohlpaintner, Chief Executive Officer of **Brenntag SE**
5. Ashley Duffie, Member of the Executive Leadership Team of **Celanese**
6. Eva Baumann, Chief Executive Officer of **CHT Group**
7. Markus Steilemann, Chief Executive Officer of **Covestro**
8. Daniel Hruška, Chief Executive Officer of **DEZA, a.s.**
9. Yves Bonte, Chief Executive Officer of **DOMO Chemicals**
10. James Schober Chief Executive Officer of **Donau Chemie AG**
11. Jim Fitterling, Chief Executive Officer of **Dow**
12. Petr Bláha, Chief Executive Officer of **Duslo a.s.**
13. Erwin Dijkman, President Chemical Intermediates and Fibers at **Eastman Chemical BV**
14. Frederic Van Gansberghe, Executive Officer of **Futero**
15. Alope Lohia, Chief Executive Officer of **Indorama Ventures PCL**
16. Liam Condon, Chief Executive Officer of **Johnson Matthey plc**
17. Dimitrios Kavadas, Managing Director of **KAPACHIM S.A.**
18. Antti Salminen, President and Chief Executive Officer of **Kemira Oyj**
19. Anja Vonderhagen, Executive Director of **KLK Kolb Specialties B.V.**
20. Marcello Celesta Boldrini, Chief Executive Officer of **Kraton Corporation**
21. Matthias Zachert, Chief Executive Officer of **LANXESS**
22. Leo Alders, Chief Executive Officer of **LAT Nitrogen**
23. Josef Liška, Chief Executive Officer of **Lovochemie, a.s.**
24. Peter Vanacker, Chief Executive Officer of **LyondellBasell**
25. Belén Garijo, Chief Executive Officer of **Merck**
26. Bernd Eulitz, Chief Executive Officer of **Messer**
27. Javier Del Río, Chief Executive Officer of **Moehs Iberica S.L.**
28. José María Slana Deza, Chief Executive Officer of **Moeve Chemicals**
29. György Bacsá, Executive Vice President at **MOL Group**
30. Johannes Heckmann, Chief Executive Officer of **Nabaltec AG**
31. Markku Korvenranta, Executive Vice President for **Neste**
32. Florian Kohl, President **Olin Epoxy & Chemicals International**
33. Daniela Vlad, Executive Vice President Chemicals at **OMV**
34. Dariusz Balicki, President of **Petrochemia-Blachownia**
35. Ivo Hanáček, Chief Executive Officer of **Precheza a. s.**
36. Ettore Nanni, Chief Executive Officer of **Raegens**
37. Kris Vanherbergen, Chief Executive Officer of **Rain Carbon BV**
38. Juan Abascal, Executive Managing Director at **Repsol**
39. Hans-Peter Hauck, Chief Operating Officer of **Röhm GmbH**
40. Pierre Luzeau, Chief Executive Officer of **Seqens**
41. Marco Bencini, Chief Executive Officer of **SIR Industriale Spa**
42. Carsten Franzke, Chief Operating Officer of **SKW Stickstoffwerke Piesteritz GmbH**
43. Ilham Kadri, Chief Executive Officer of **Syensqo**
44. Michael Willome, Chief Executive Officer of **Synthomer plc**
45. Luc Tack, Chief Executive Officer of **Tessenderlo Group**
46. Michael Grün, Chief Executive Officer of **TIB Chemicals AG**

- 47. John Romano, Chief Executive Officer of **Tronox**
- 48. Eduard Hoozemans, Chief Executive Officer of **United Initiators GmbH**
- 49. Adriano Alfani, Chief Executive Officer of **Versalis**
- 50. Christian Hartel, Chief Executive Officer of **Wacker Chemie AG**
- 51. Karl-Martin Schellerer, Managing Director of **Westlake Vinnolit**
- 52. Svein Tore Holsether, President and Chief Executive Officer of **Yara International ASA**

**Date:** 14 January 2025

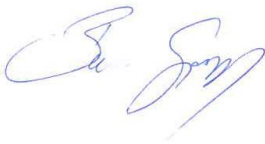
**Signatures :**

		
	 DI James Schober	
		
		
		
		
		
		

And by



Luc Tack  
Luc Tack (Jan 8, 2025 13:52 GMT+1)

  
Dr. Michael Grün  
CEO

Date: 08/01/25



H.-P. Hantz

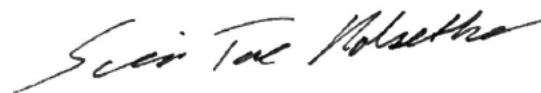


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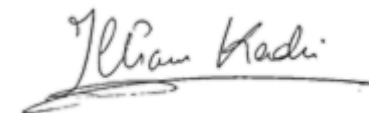


Florian Kör

Manu Bieri

  
Carsten Franke

PREZES ZARZADU  
Dariusz Balicki



M. Wil.