

LyondellBasell (LYB) – Climate Transition Analysis

Questions for investors and lenders to ask management

Recommended Questions	
Q.1	<p>Question: <i>When does management expect to be able to present a pathway to net zero by 2050?</i></p> <p>Background: Although LYB looks set to meet its 2030 emission target, which makes it a leader in the chemical sector, after this date there is little guidance. Scope 3 accounts for 80% of LYB’s emissions.</p> <p>Target: Reveal the roadmap to achieving net zero by 2050.</p>
Q.2	<p>Question: <i>Are you confident that LYB will meet its recycled/renewable polymer content and 50% from low-carbon/renewable sources targets by 2030?</i></p> <p>Background: LYB management has committed to selling at least 2 million tonnes of recycled or renewable polymers by 2030 (20% of currently sales) and to source at least 50% of electricity from low-carbon or renewable sources by 2030.</p> <p>Target: Ensure stated emission reduction targets are achievable. (This is important as it allows comparisons with other chemical companies which are well off the net zero pathway).</p>
Q.3	<p>Question: <i>What pressure is LYB applying to its suppliers, which will assist in bringing down Scope 3 beyond 2050?</i></p> <p>Background: From publicly available statements, management appears to be applying little pressure on its suppliers to reduce their carbon footprint?</p> <p>Target: Understand the importance of suppliers in carbon transition pathway and what pressure LYB can reasonably apply.</p>

Report Key Takeaways

- LyondellBasell (LYB) is on target to meet its 2030 emission target, but not net zero by 2050.
- We recognise that the company’s emission targets are among the most ambitious in the sector, for which it should receive credit.
- Presently, there is no Scope 3 target for post 2030. Scope 3 accounts for over 80% of total emissions.
- The management has committed to selling at least 2 million tonnes of recycled or renewable polymers by 2030 (20% of currently sales).
- Furthermore, by 2030, the management aims to source at least 50% of electricity from low-carbon or renewable sources.
- We are surprised that it appears to be applying little pressure on its suppliers to reduce their carbon footprint

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