

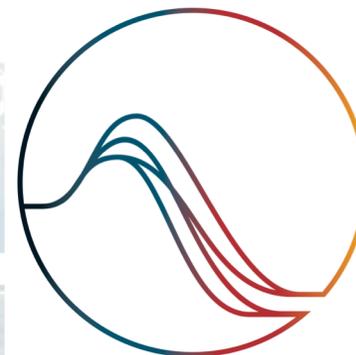


# The Science Based Targets Initiative

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Partnership to Strengthen Transparency for co-Innovation (PaSTI) Workshop

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SCIENCE  
BASED  
TARGETS



# Science Based Targets Initiative



The Science Based Targets initiative mobilizes companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy.

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## Science Based Targets | The need for science-based targets



The Paris Agreement, adopted by consensus on 12 December 2015 within the United Nations Framework Convention on Climate Change (UNFCCC), is the **global response** to the **threat of climate change** by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

## Science-based targets | The need for science-based targets

There is a finite amount of greenhouse gas that we can emit before global temperature rise exceeds safe levels



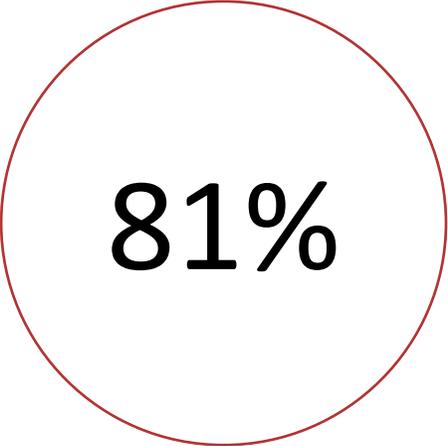
Every sector in every market will be transformed. Leading businesses recognise the opportunity - and the imperative to be part of the solution

Business has a key role to play in reducing GHG emissions, operating in large emitting sector, that are responsible for a large proportion of emission.



**But at what scale and pace should companies aim to decarbonize?**

## Science Based Targets | The need for science-based targets



81%

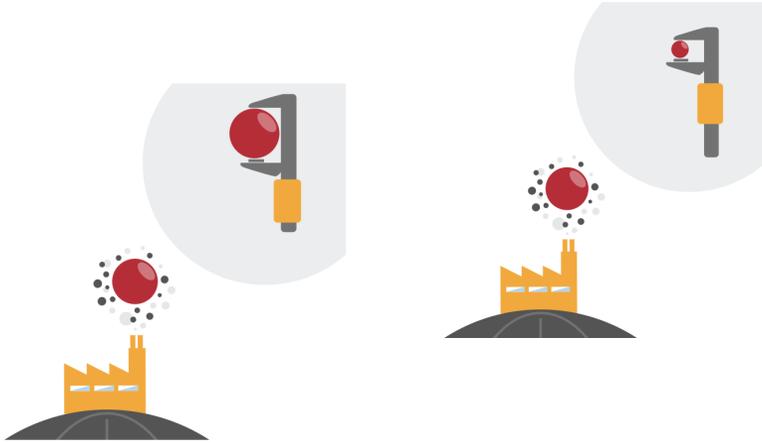
of the world's 500 largest companies in 2014 had emission reduction or energy specific targets

Source: CDP

**BUT** most of those targets were not of a magnitude to meet the threat posed by climate change, because:

- they did not cover a meaningful percentage of the organization's emissions
- they were very short term without a clear long vision
- and they were simply not ambitious enough

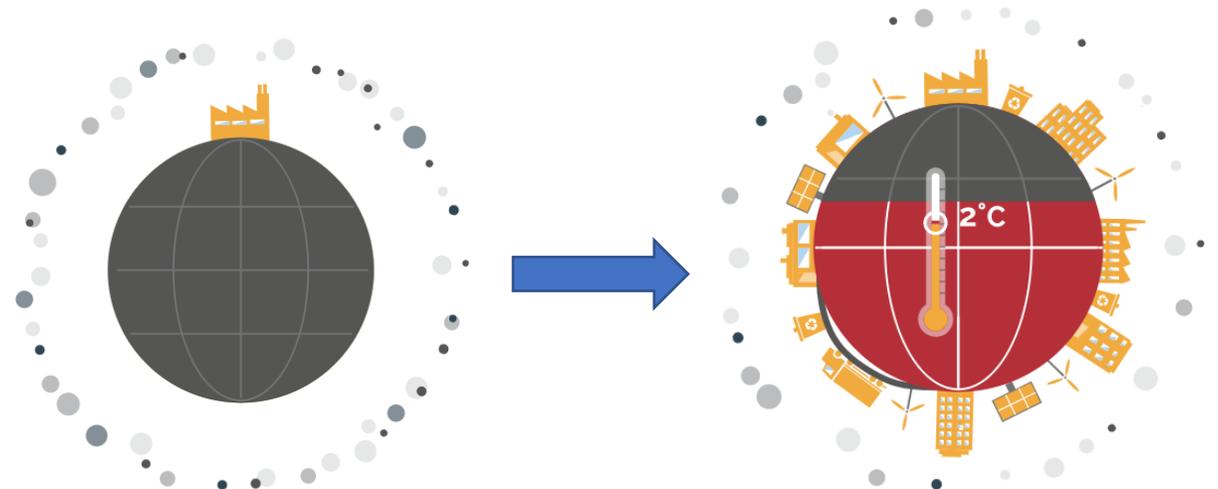
## Science-based targets | What is a science-based target?



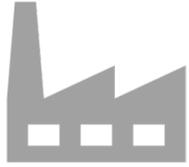
Science-based targets specify how much and how quickly a company needs to reduce its greenhouse gas emissions, in line with the Paris Agreement goals to limit global warming to well below 2°C.

They provide a clear pathway for companies to build into their overall strategy that:

- future-proofs growth;
- aligns plans with keeping warming below 2°C;
- puts them ahead of the game.



# Science Based Targets | Why should companies engage?



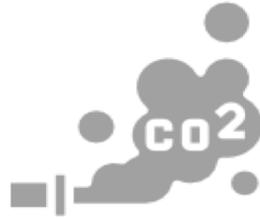
## Climate Risk

\$27.5 trillion, or 93% of U.S. equities by market capitalization are significantly affected in some way by climate risk



## Investors

**650** investors with US \$87 trillion in assets backing the CDP's environmental disclosure request; and **296** investors from 29 countries with US \$31 trillion in assets that are signatories to Climate Action 100+



## Competiveness

Low carbon investments are delivering above average returns



## SDGs

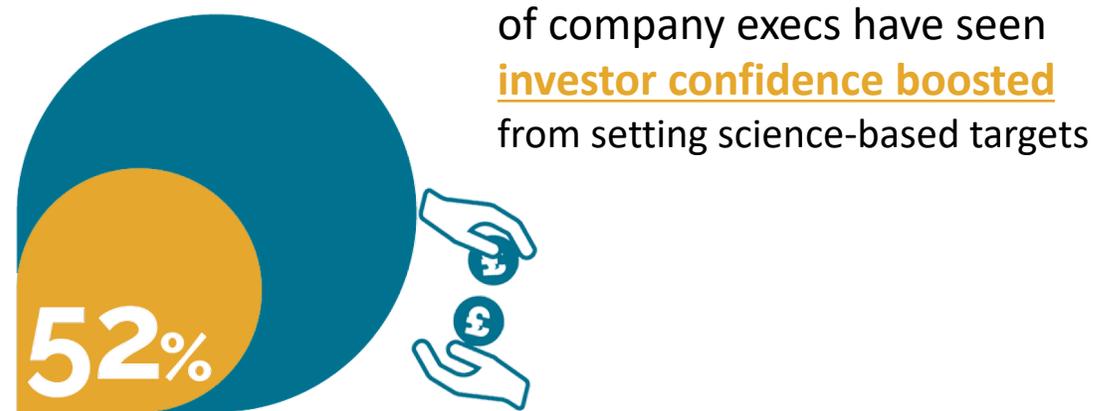
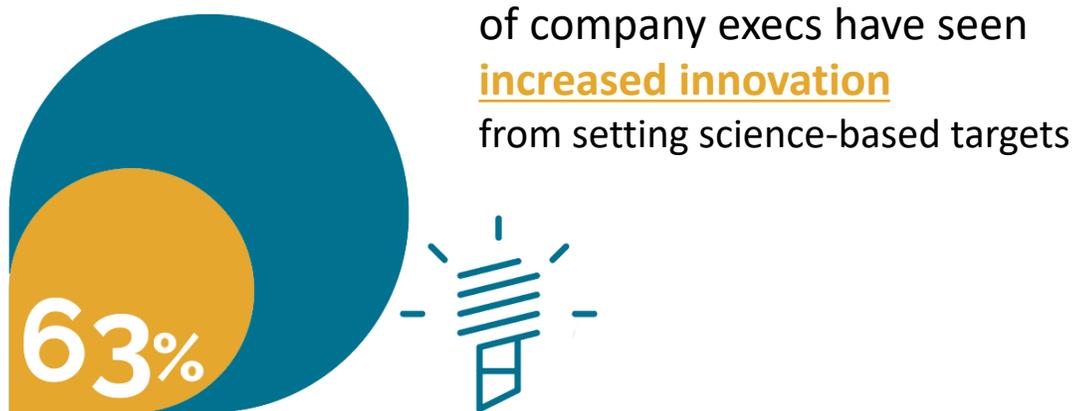
1.5°C pathways that include low energy demand, low material consumption, and low GHG-intensive food consumption have the most pronounced synergies and the lowest number of trade-offs for sustainable development



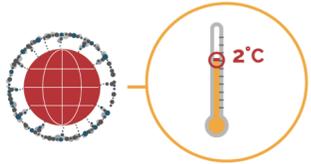
## Suppliers

Approximately 40% of global GHG emissions are driven or influenced by companies through their purchases (i.e. purchased goods and services) and through the products they sell (i.e. use of sold products)

# Science-based targets | The benefits of science-based target setting



# Science-based targets | What is the Science Based Targets initiative?



The Science Based Targets initiative (SBTi) champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy.



The SBTi aims to reduce the barriers to the adoption of SBTs, offering cutting edge resources and experts guidance, as well as independently assessing and approving companies' targets.



The SBTi aims to drive the adoption of science-based emissions reduction targets until a critical mass of companies is reached.

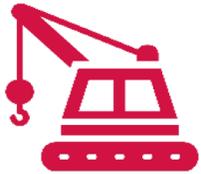


By accelerating the adoption of science-based targets the SBTi aims to institutionalize their adoption in a systematic and consistent way.

# Science Based Targets | The Science Based Targets initiative

## What do we do?

### Build the technical foundations



Develop the technical groundwork required to facilitate the adoption of science-based targets in the corporate sector

### Scale-up adoption



Build a critical mass of high-impact companies with science-based targets in key regions and sectors

### Independent assessment



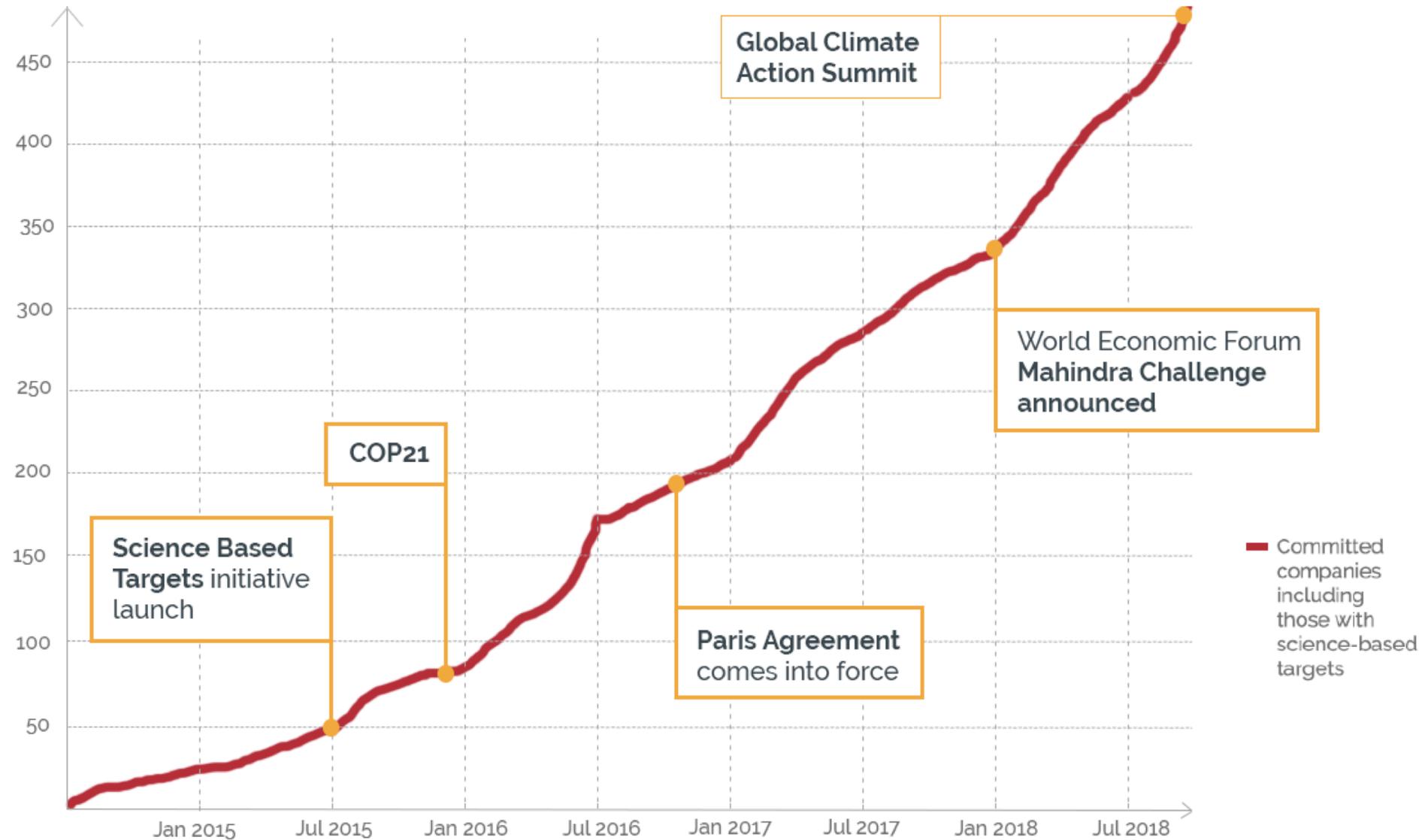
Provide independent assessment of targets, showcase early movers, and disseminate best practice.

### Institutionalisation



Institutionalize the adoption of SBTs through the development of a standard, amplifying the adoption of SBTs through supply chains and investors, and embedding SBTs into the post-Paris climate architecture

# Science-based targets | The rise of science-based targets



# Science-based targets | **The rise of science-based targets**

Since officially launching in June 2015:

**525**

**Companies have  
formally committed to set  
science-based targets**

**169**

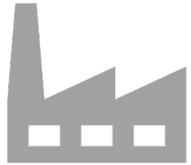
**Companies with  
approved targets**

**~5**

**Companies joining  
the Call to Action  
every week**

# Science Based Targets | The Science Based Targets initiative

## Status in the adoption of science-based target setting



**~525 companies**

are developing new business strategies that are aligned with climate science.



**39 countries**

these companies are headquartered in nearly 40 different countries and have operations all across the globe.



**~700 MT CO<sub>2</sub>**

SBTi companies are directly responsible for ~700 MT CO<sub>2</sub>e, roughly equal to Canada's annual emissions.



**+10 trillion USD**

in market value, comparable to the value of the second largest stock exchange in the world, NASDAQ.

# Top sectors

# Science-based targets | The Science Based Targets initiative



Banks, Diverse Financials  
and Insurance



Food and Beverage  
Processing



Technology Hardware  
and Equipment



Consumer Durables



Software and  
Services



Electrical Equipment  
and Machinery



Electric Utilities



Telecommunication



Real Estate



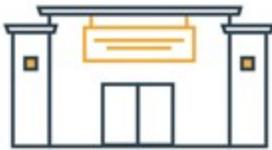
Pharmaceuticals



Construction and  
Engineering



Retailing



Food and Staples  
Retailing



Air Freight and  
Logistics



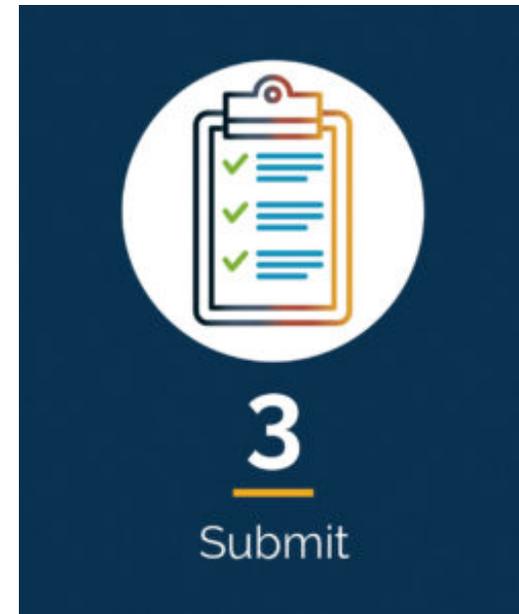
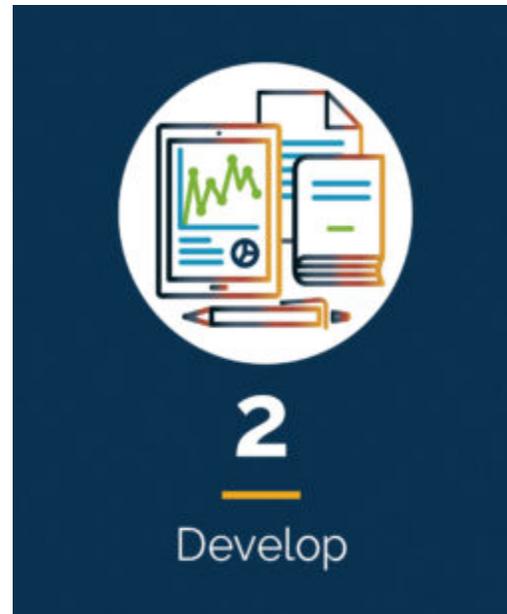
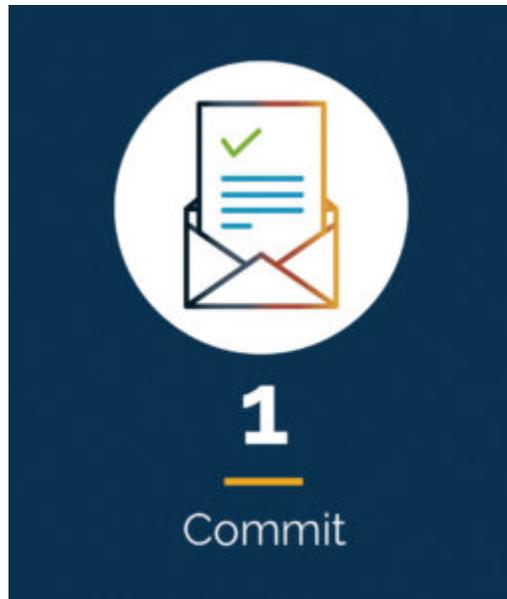
Professional Services



Automobiles and  
Components

# Science-based targets | Getting started on target setting

Join some of the world's biggest companies in aligning company efforts to cut greenhouse gas emissions with climate science. Follow this four step process.



## Science-based targets | Getting started on target setting: Criteria



The SBTi has established a set of criteria that all targets must meet to be validated as science-based.

### **Boundary**

All company-wide Scope 1 and Scope 2 GHG emissions must be covered

### **Timeframe**

5-15 years into the future

### **Ambition**

At a minimum consistent with decarbonization required to stay below to 2° C - while we encourage efforts towards 1.5° C.

### **Scope 2**

Disclose whether a location or market based approach is followed

### **Reporting**

Disclose GHG emissions inventory on an annual basis

### **Scope 3**

A scope 3 screening is required.

An ambitious and measurable Scope 3 target is required when Scope 3 emissions cover more than 40% of total emissions.



# SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



[www.sciencebasedtargets.org](http://www.sciencebasedtargets.org)



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PARTNER ORGANIZATIONS



WORLD  
RESOURCES  
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**WE MEAN  
BUSINESS**