

# SCIENCE-BASED TARGETS

*Setting emissions reduction targets in line with climate science*

## **What are Science-Based Targets?**

Science-Based Targets (SBTs) are voluntary carbon emissions reduction targets adopted by companies which are considered to be 'in line with the level of decarbonisation required to keep a global temperature increase below 2°C'.<sup>1</sup> The Science-Based Targets Initiative (SBTI), is led by CDP (formerly the Carbon Disclosure Project), United Nations Global Compact, World Resources Institute and World Wide Fund for Nature. Science-based targets reported to SBTi must span at least five years but companies are encouraged by SBTi to set mid- and long-term targets ending in 2030 and 2050.

## **Why do we need SBTs?**

Carbon emissions reduction targets have traditionally been set based on regulatory requirements, past performance, peer performance, and/or in response to guidance from industry-specific benchmarks. Often, these targets align with levels of performance that seem conservative and reasonably achievable, irrespective of whether the resulting GHG emissions reductions will limit mitigate contributions to climate change impacts. In contrast, science-based targets are based on the premise that global emitters must limit emissions within a certain cumulative threshold to mitigate the worst effects of climate change.

Science-based targets are defined based on a share of the global emissions limit calculated to keep global temperature rise below 2°C allocated to companies based on factors such as the company's economic productivity, carbon intensity, or a combination of both.

SBTs provide a framework for ambitious but necessary corporate emissions reduction targets to ensure global temperature rise is managed.

**BY SETTING AMBITIOUS SCIENCE-BASED TARGETS, BUSINESSES WILL BENEFIT FROM REDUCING ENERGY COSTS, AS WELL AS LEADING THE WAY TOWARDS A LOW-CARBON ECONOMY AND ACHIEVING EMISSIONS REDUCTIONS AHEAD OF FUTURE REQUIREMENTS**

## **What can an SBT do for my business?**

Climate science is changing the regulatory and political landscape. Setting an SBT now means your business will be well positioned for impending changes to emissions legislation. Science-based targets can also encourage operational efficiency as well as reductions in material inputs and energy consumption, all of which reduce emissions and save your business money. Furthermore, acting early helps to establish your business' reputation as a progressive and environmentally responsible organisation, which is becoming more and more important to consumers in the face of climate change.

Setting an SBT means your company will be joining the likes of *Coca Cola*, *Nestlé*, *L'Oréal*, *Honda* and *Toyota* in demonstrating your leadership on climate action by publically committing to an emission reduction target that correlates to real change.

## **How do we go about setting an SBT?**

A variety of methodologies exist to help companies set emissions reductions targets based on climate science. These methodologies differ both in their complexity and the stringency of their requirements. Science-based target-setting generally requires several key indicators of a company's operations to serve as baseline inputs, including: annual GHG emissions, activity level, and projected changes over time.

*Ndevr Environmental* is an industry leader on SBTs and can help your business develop its SBT by applying the most appropriate methodology and provide advice on reaching your target in a way that works for your business and amounts to real climate action.