

SBTi

The Science Based Targets initiative enables companies to set science-based emissions reduction and provides companies with targets to reduce emissions in line with the Paris Agreement goals. These targets provide a path for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change. The SBTi's overall aim is for science-based target setting to become standard business practice.

Eligibility

Companies across all sectors and of all sizes qualify to apply for science-based targets to ensure transition to a zero-carbon economy.

Science-based targets have 3 components:



Carbon budget

defining overall amount of GHGs that can be emitted to limit warming to 1.5°C or well-below 2°C.



Emissions scenario

defining the magnitude and timing of emissions reductions.



Allocation approach

defining how the carbon budget is allocated to individual companies.



Target Dates



2030

GHG emissions must halved.



2050

GHG emissions must drop to net-zero.

Benefits

- **79% of corporate executives have seen brand reputation strengthen;**
- **52% of executives have seen investor confidence boosted;**
- **Over 33.3% of executives have achieved increased regulatory resilience;**
- **63% say SBTIs are driving innovation;**
- **29% are already seeing bottom line savings; and**
- **>50% of corporate executives said committing to SBTIs gave them a competitive advantage.**

How to set a SBT

- 1. Commit - Submit letter establishing intent to set target.**
- 2. Develop - Work on emission reduction target in line with 1.5c (24 months to complete this).**
- 3. Submit -Targets for scopes 1,2 and 3 for target validation and the company will then receive detailed feedback.**
- 4. Communicate - Announce your targets and inform stakeholders.**
- 5. Disclose - Report company wide emissions and progress against targets on an annual basis.**

Requirements

Three methods are currently available that are applicable to multiple sectors:

Method	Method Output
Absolute Emissions Contraction	Overall reduction in the amount of absolute GHGs emitted to the atmosphere by the target year, relative to the base year. Minimum target reduction is 2.5% in annual linear terms.
Sectorial Decarbonization Approach (SDA)	A reduction in emissions relative to a specific production output of the company (e.g. tonne CO ₂ e per MWh).
Economic Intensity Contraction	A reduction in emissions relative to financial performance of the company (e.g., tCO ₂ e per VA). Should only be selected if leads to absolute reductions in line with climate science.

Calculations

- To calculate SBTs, the method selected should be based either on sector-specific decarbonization pathways (i.e. the Sectoral Decarbonization Approach) or on a percentage reduction in absolute emissions.

Companies may instead set targets on the procurement of renewable energy (instead of percentage reduction targets). Such procurement targets are acceptable if they are in line with procuring at least 80% of electricity from renewable sources by 2025 and 100% by 2030.

SBTs should:

Cover at least 95% of the company-wide scope 1 and 2 emissions;

Cover a minimum of 5 years and a maximum of 10 years from the date the target is publicly announced; and

Be periodically updated to reflect significant changes that would otherwise compromise their relevance and consistency.

01444 221 555

sales@CEn-Calc.co.uk

CEn-Calc.co.uk