

Sustainability DIY

Science-based emission reduction targets

Journey 1





DIY your science-based emission reduction targets

Journey 1

Introduction and getting prepared for target setting



Disclaimer: This resource has been developed by Sustain Labs Paris & Microsoft to support the use of SBTi's Standards and tool for setting targets. It is not an initiative of SBTi or endorsed by SBTi.

The Science Based Targets initiative (SBTi) is a corporate climate action NGO in partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. The SBTi call to action is one of the We Mean Business Coalition commitments. SBTi develops scientific standards for setting science-based targets for companies and financial institutions, and validates these targets to ensure that they align with the Paris Agreement's aim to limit global warming to 1.5C.¹

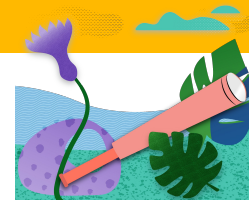
Science-based targets guide companies and financial institutions on how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change.²

The process of setting emission reduction targets in accordance to the SBTi leads to the following³



- Helps companies to future-proof their business models by aligning themselves with the Paris Agreement.
- Supports informed decision making
- Demonstrate seriousness to investors.
- Enables companies to become more transparent about their risks and opportunities.
- Helps to publicly commit to climate action priority.
- Provides stakeholders with greater insight into the company's performance.

3 - Science Based Targets. (n.d.). *How it works*. <https://sciencebasedtargets.org/how-it-works>



SBTi was setup in 2014⁴

Milestones⁵

SBTi in the future

2021 - Launched the Corporate [Net-Zero Standard](#)

2022 - More than 4,000 companies covering over a third of the global economy's market capitalization, were setting targets or committing to do so via the SBTi.

Net-zero target setting standard for financial institutions expected to be published in 2024.⁶

Drive the continued development of a target setting standard for oil and gas companies in 2024.⁷

4 - Science Based Targets. (2022, June 27). *The journey of the Science Based Targets initiative - Science Based Targets*.

<https://sciencebasedtargets.org/blog/the-journey-of-the-science-based-targets-initiative>

5 - Science Based Targets. (n.d.). *About us*. <https://sciencebasedtargets.org/about-us>

6 - Science Based Targets. (n.d.). *Financial Institutions*. <https://sciencebasedtargets.org/sectors/financial-institutions>

7 - Science Based Targets. (n.d.). *Oil and Gas*. <https://sciencebasedtargets.org/sectors/oil-and-gas>

Practitioners, the following details will be useful:

Contact SBTi: info@sciencebasedtargets.org

If you have questions or concerns with respect to your sector, contact:⁸

Aviation	transport@sciencebasedtargets.org
Buildings	buildings@sciencebasedtargets.org
Cement	aamirkhan@sciencebasedtargets.org (Project Officer, SBTi)
Chemicals	chemicals@sciencebasedtargets.org
Financial institutions	financialinstitutions@sciencebasedtargets.org
Oil and gas	OGSector@sciencebasedtargets.org
Power	emma.borjigin-wang@cdp.net
Steel	brendachan@sciencebasedtargets.org (Project Manager, SBTi) aamirkhan@sciencebasedtargets.org (Project Officer, SBTi)

Commonly used terms⁹



Targets

Clearly-defined, science-based pathways for companies and financial institutions to reduce GHG emissions, which have been reviewed and validated by the SBTi.



Commitments

Organization's intention to develop targets and submit these for validation within 24 months.



Target validation

Evaluation process that a target must pass in order for the SBTi to endorse it as science based. Only positive results are communicated publicly. The target validation is not a negotiation of a company's targets, rather an assessment of the targets against the SBTi near-term criteria.

Commonly used terms¹⁰



Near-term targets

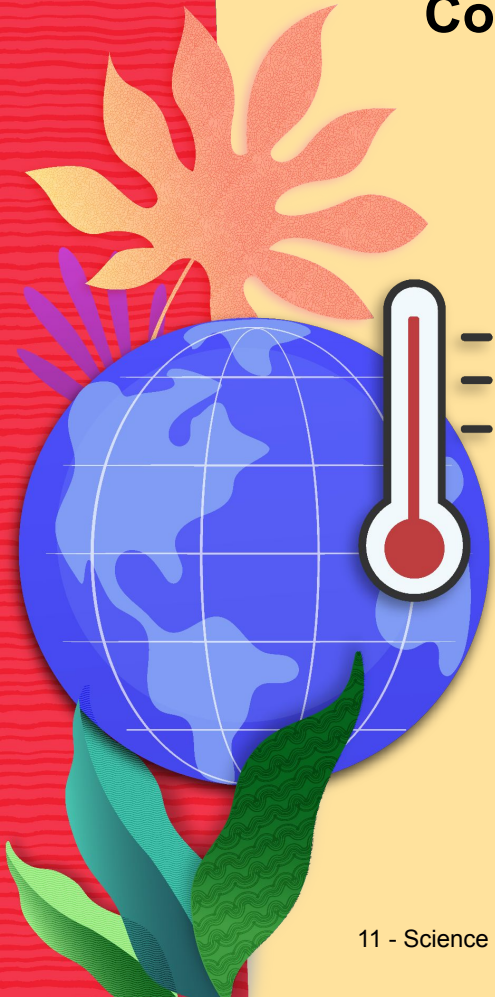
Outlines how organizations will reduce their emissions, usually over the next 5-10 years. These targets galvanize the action required for significant emissions reductions to be achieved by 2030.



Long-term targets

Indicates the degree of emission reduction organizations need to achieve net-zero according to the SBTi's Corporate Net-Zero Standard criteria. Most organizations will need to reduce at least 90% emissions to reach net zero. These targets must be achieved no later than 2050 (or 2040 for the power sector). Long-term targets can only be set by companies that have committed to net zero under the Corporate Net-Zero Standard.

Commonly used terms¹¹



Temperature alignment

Indicates the degree of global temperature increase compared to pre-industrial levels that companies are aligned with, based on their Scope 1 and 2 targets, in line with the goals of the Paris Agreement. Temperature alignment is identified in the SBTi's target dashboard with one of the following values: 1.5°C, well below 2°C, and 2°C.¹⁴

If you are a company from the oil and gas sector, please note the following:¹²



1. Companies that cannot commit to the SBTi until the oil and gas method is finalized.

1.1. Companies with any level of direct involvement in exploration, extraction, mining, and/or production of oil, natural gas, coal, or other fossil fuels, irrespective of percentage revenue generated by these activities, i.e., including, but not limited to, integrated oil and gas companies, integrated gas companies, exploration and production pure players, refining and marketing pure players, oil products distributors, gas distributors and retailers, and traditional oil and gas service companies. (except as noted in category 2 below).

2. Companies that can join the SBTi

2.1. Companies that derive less than 50% of revenue from (a) sale, transmission, and distribution of fossil fuels, or (b) providing equipment or services to fossil fuel companies (see 1.1).

2.2. Companies with less than 5% revenue from fossil fuel assets (e.g. coal mine, lignite mine, etc.) for extraction activities with commercial purposes.

2.3. Electric utilities that mine coal for their own power generation.

2.4. Subsidiaries of fossil fuel companies (see 1.1) may join the SBTi if the subsidiary itself is not considered a fossil fuel company.

Keep enough time aside to set science-based targets!

Organizations reporting for the first time will have to go through the different steps of developing and getting their targets validated by the SBTi .

Align your goals of emission reduction with Microsoft Sustainability Manager - a solution designed to help automate sustainability management in an organization, and enables it to efficiently record, report, and reduce its emissions impact.¹³ This streamlines the functionality of target setting for the organization on sustainability. For more information on the solution, [click here](#).

