

# Science-Based Targets and the SBTi's Net-Zero Standard

Bloomberg France

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7<sup>th</sup> July 2021

Partner organizations



United Nations  
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# THE SCIENCE BASED TARGETS INITIATIVE (SBTi)



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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In collaboration with **WE MEAN  
BUSINESS**

767

with science-  
based targets

1539

companies taking action

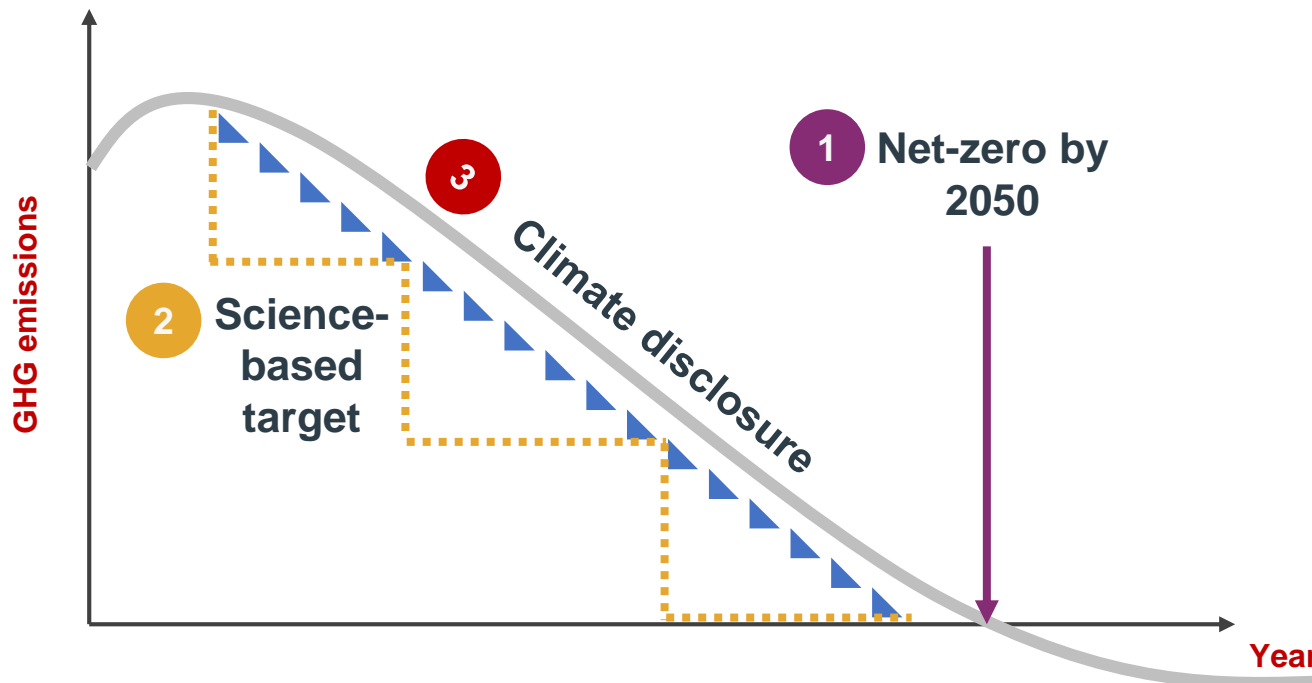
610

commitments to  
1.5°C

# WHAT ARE SCIENCE BASED TARGETS?

## SBTS ON THE PATH TO NET ZERO

*“SBTs are GHG emissions reduction targets that are consistent with the level of decarbonization that, according to climate science, is required to keep global temperature increase within 1.5 to well-below 2°C compared to pre-industrial temperature levels”*

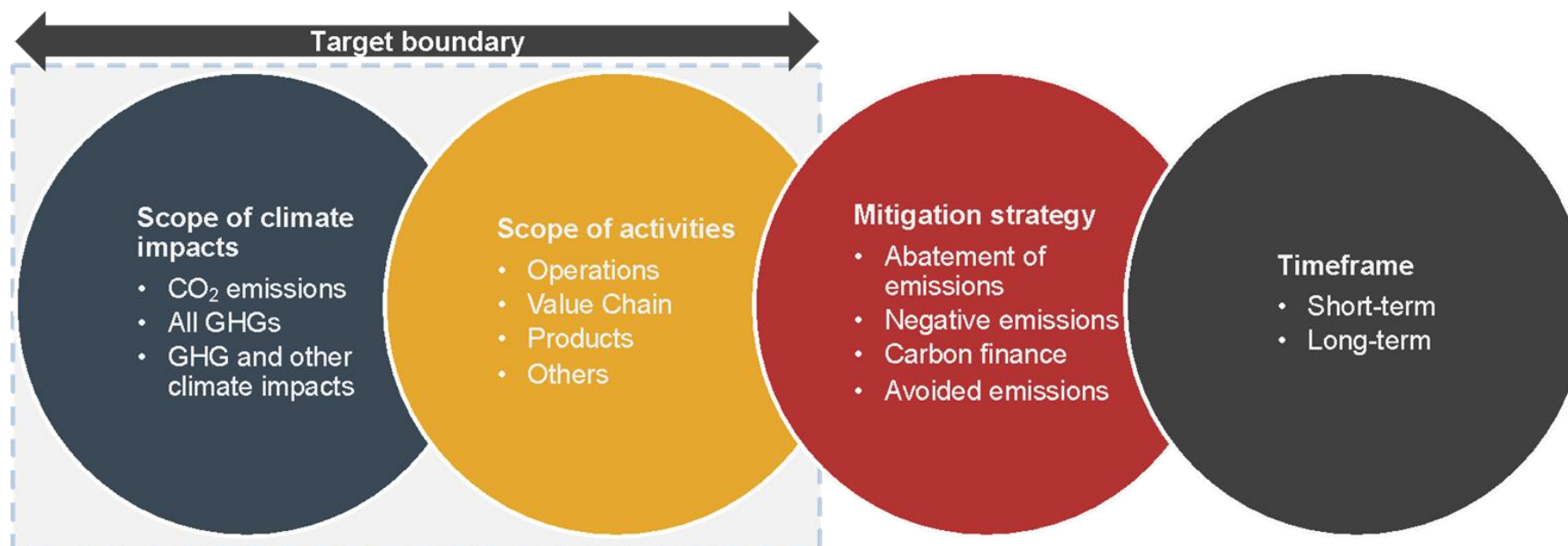


- 1 **Long-term net-zero commitment:** A net-zero commitment provides clarity about the direction that the company will follow and serves as a north-star for long-term strategic and investment decisions;
- 2 **Science-based target:** Science-based targets ensure that the company is taking shorter-term action to reduce emissions at a pace that is consistent with keeping warming below 1.5°C;
- 3 **Annual disclosure:** Climate disclosure gives visibility on how the climate strategy is being implemented within the company and provides transparency on progress against targets

# Companies are setting net-zero targets without a global standard

There is a high degree of heterogeneity in the current net-zero landscape. Net-zero targets differ across three important dimensions:

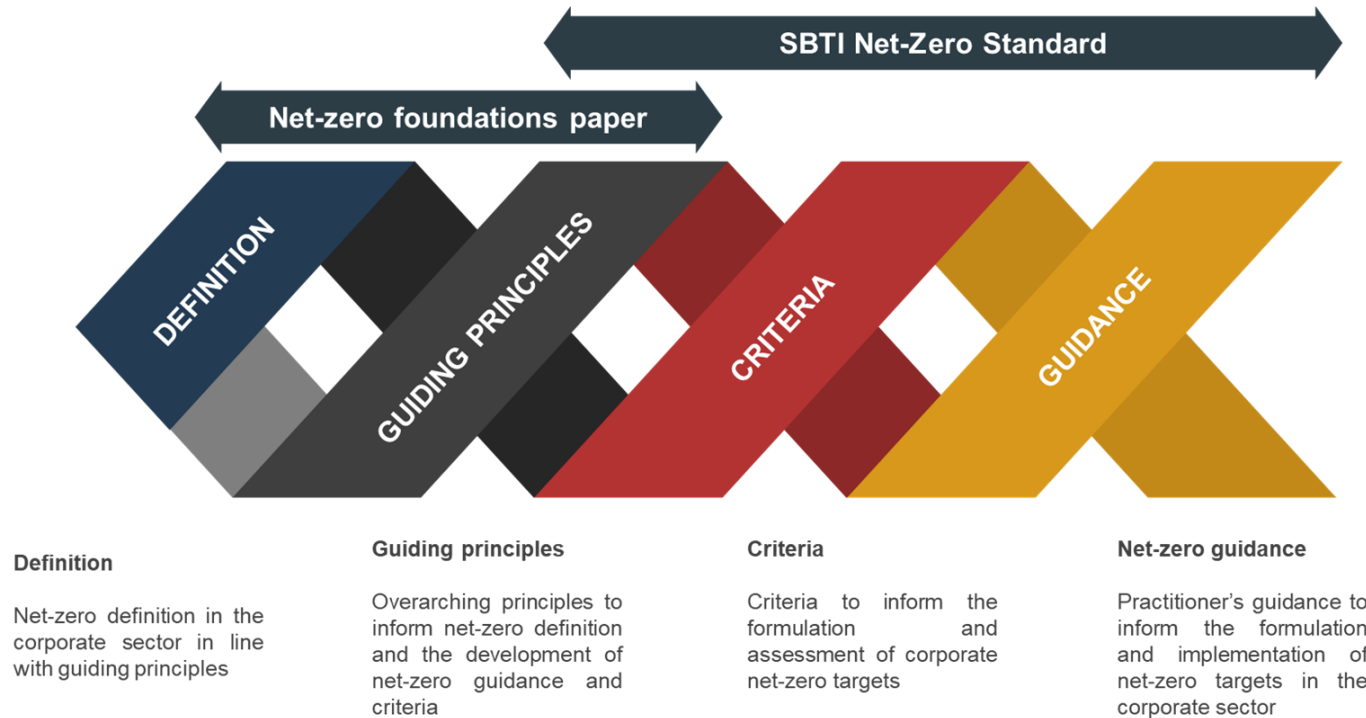
1. The sources of emissions included in the target;
2. The mitigation strategy pursued (including the degree of abatement achieved);
3. The timeframe of the target





# What is the SBTi doing to address this issue?

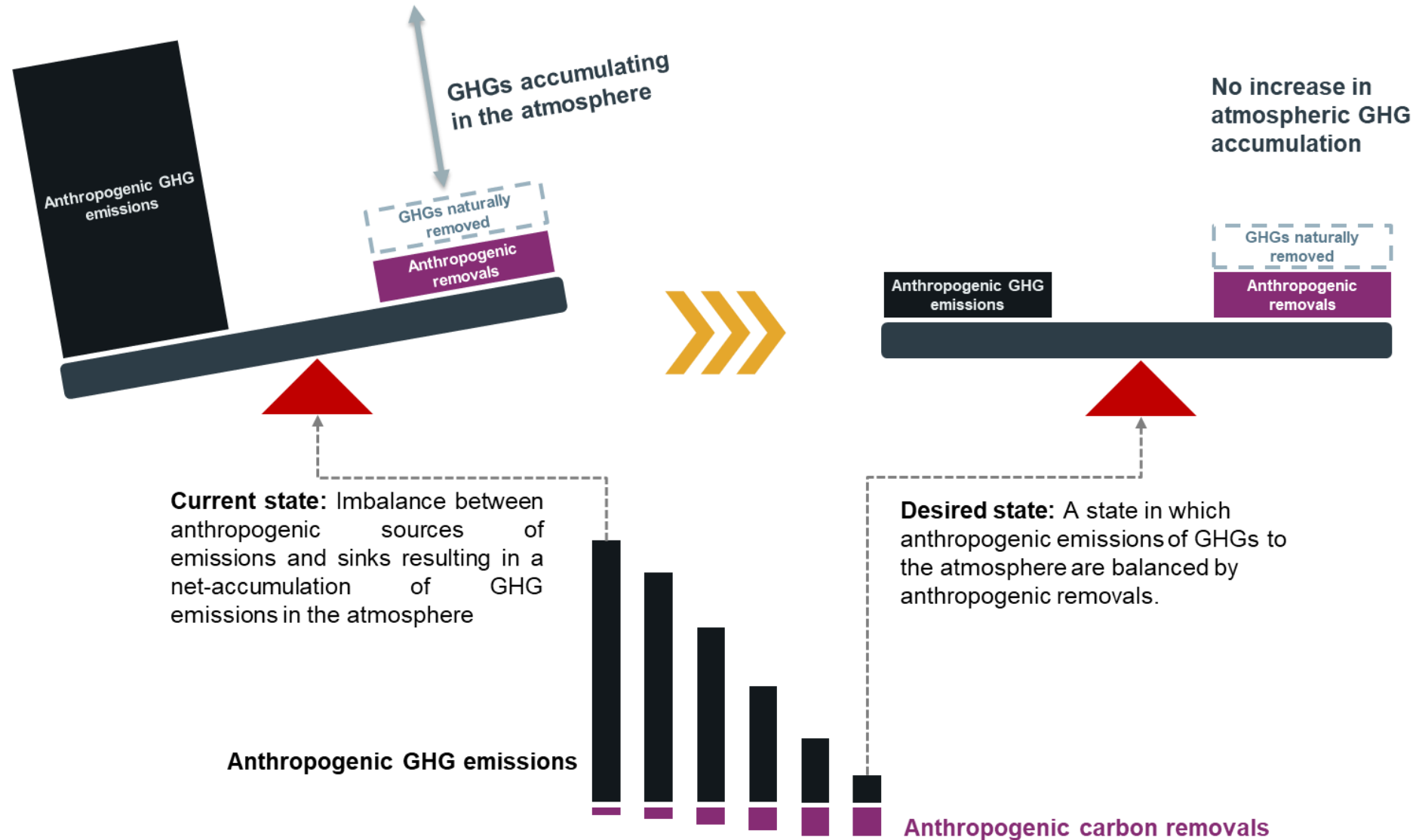
## SBTi corporate net-zero standard



- The SBTi is conducting an inclusive, stakeholder-informed process to develop a framework to enable companies to set robust and credible net-zero targets in line with a 1.5°C future.
- It includes criteria and guidance, which will enable companies to have their targets validated by the SBTi.

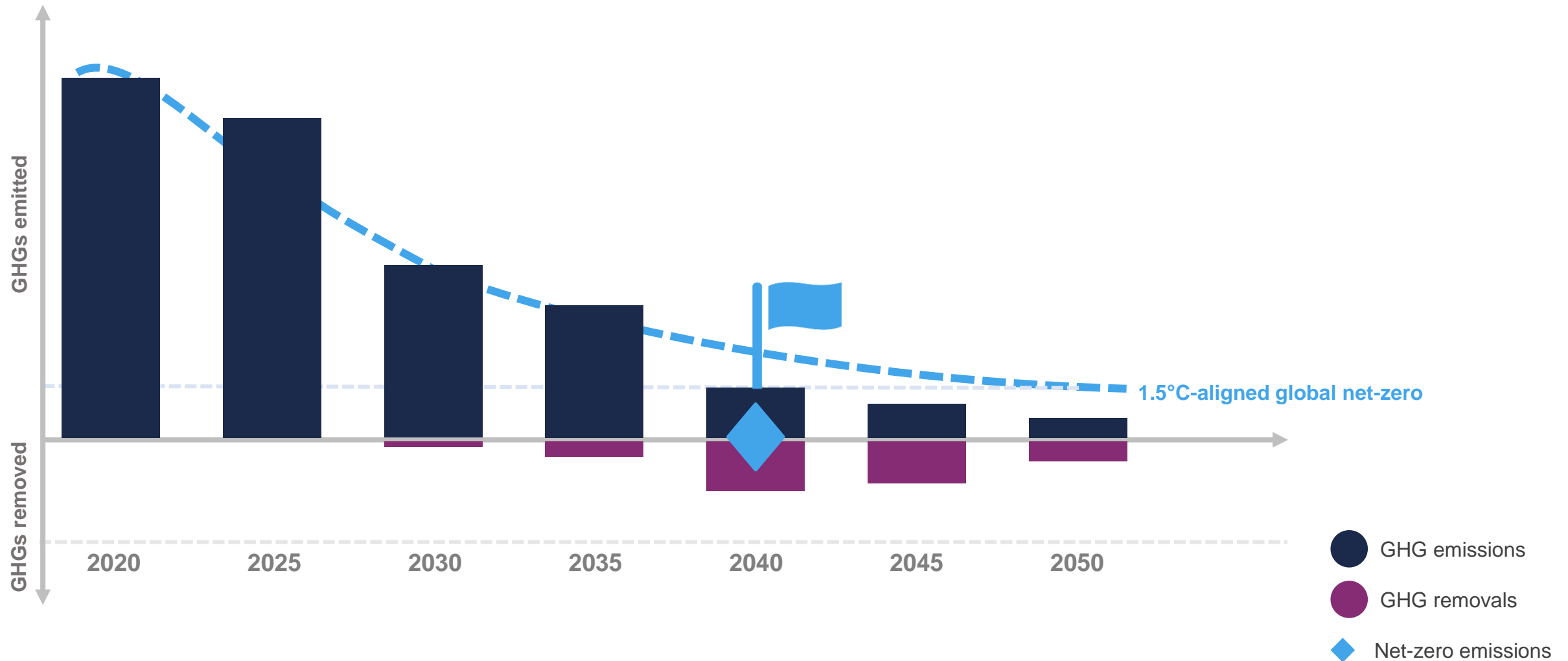
# What does net-zero mean?

Understanding net-zero at the global level



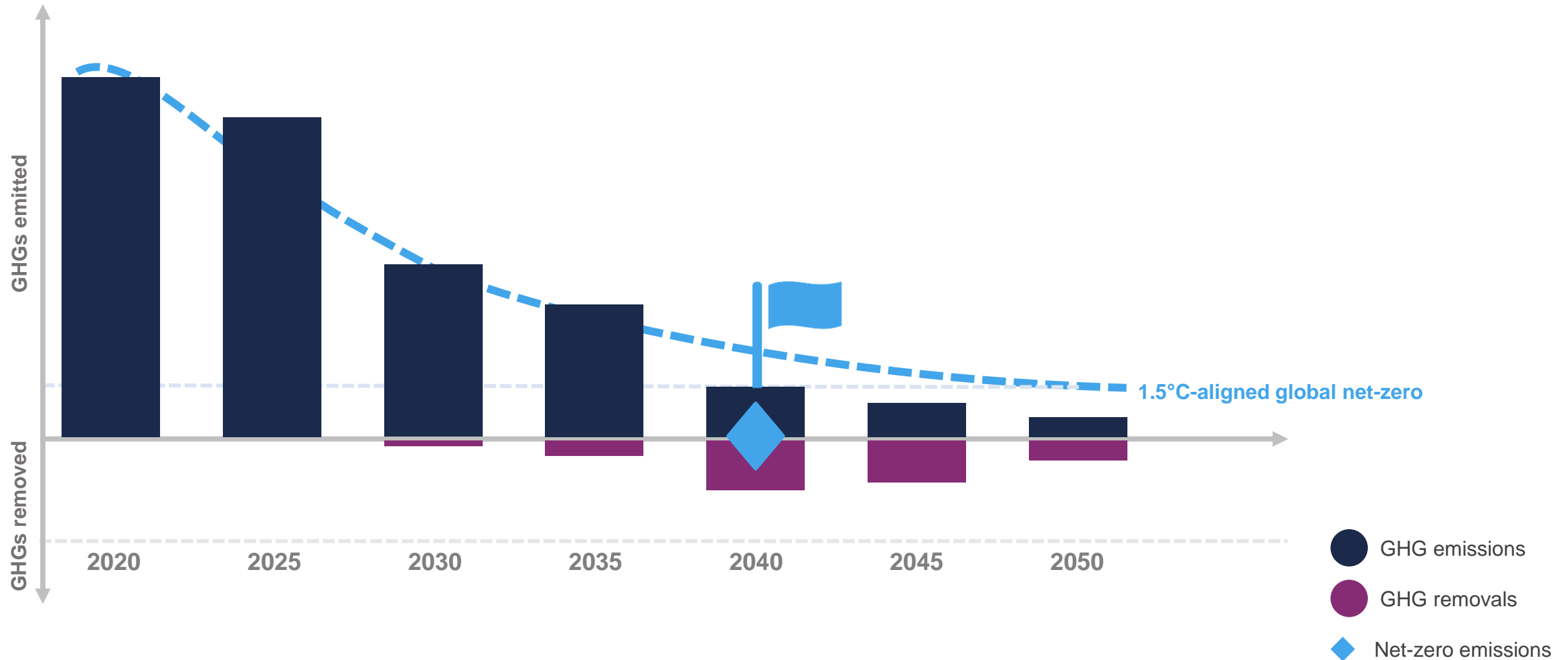
# What does reaching science-based net-zero at the company level look like?

In this example, the company reaches net-zero at 2040



## So, why does this approach to net-zero fit under the SBTi NZ Framework?

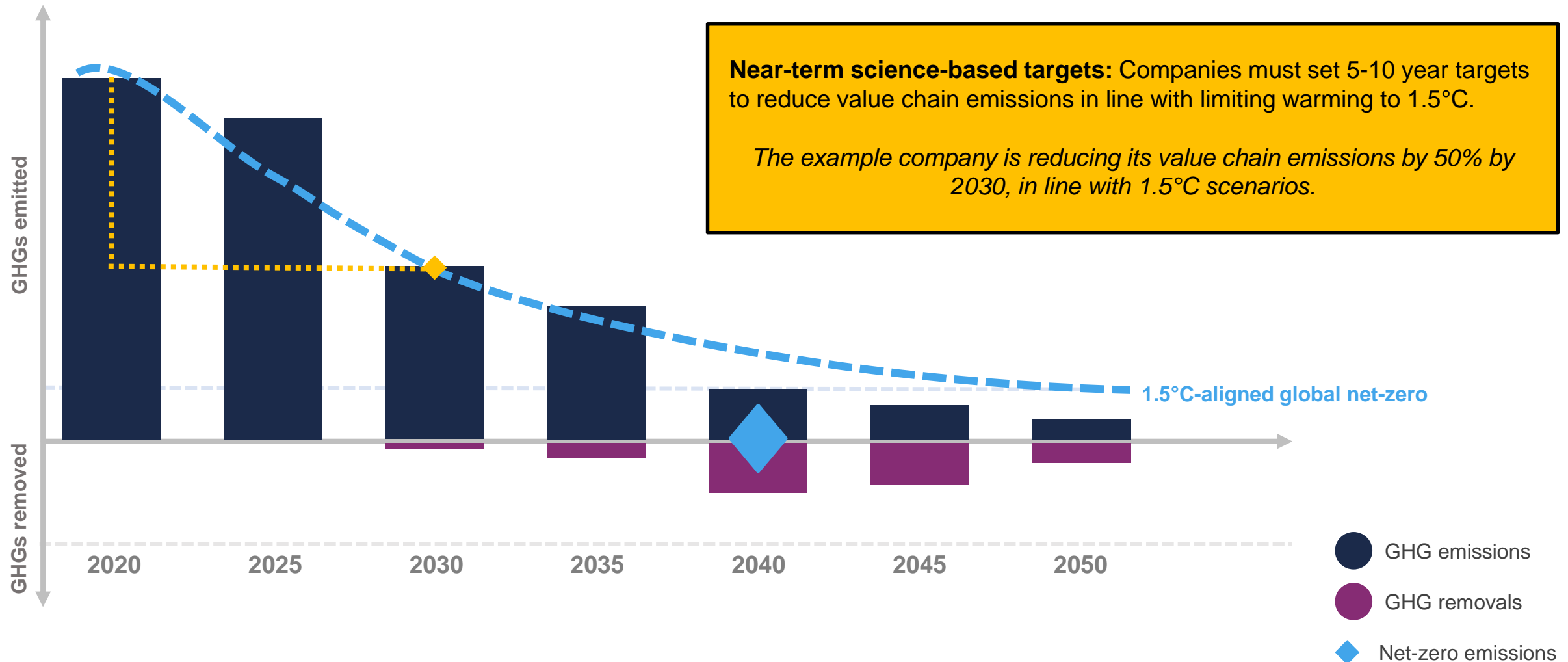
In this example, the company reaches net-zero at 2040





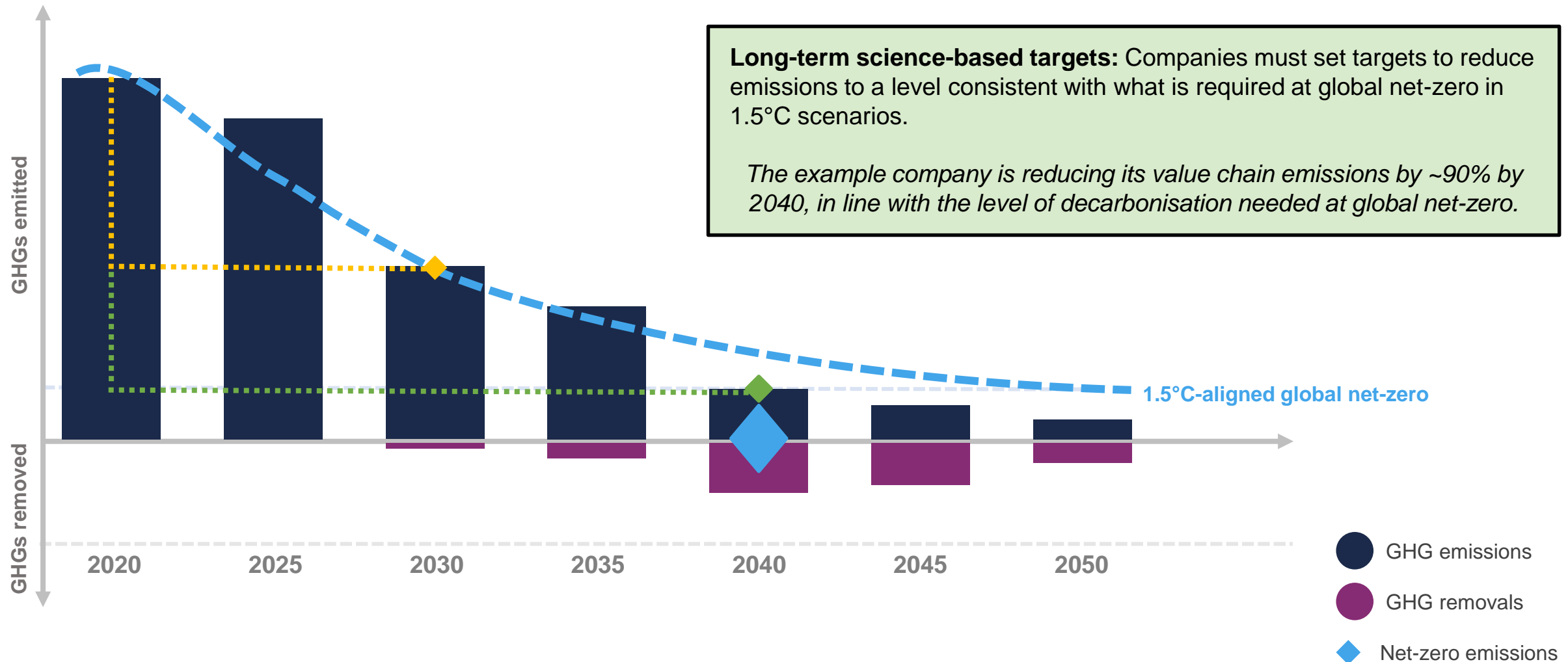
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In this example, the company reaches net-zero at 2040



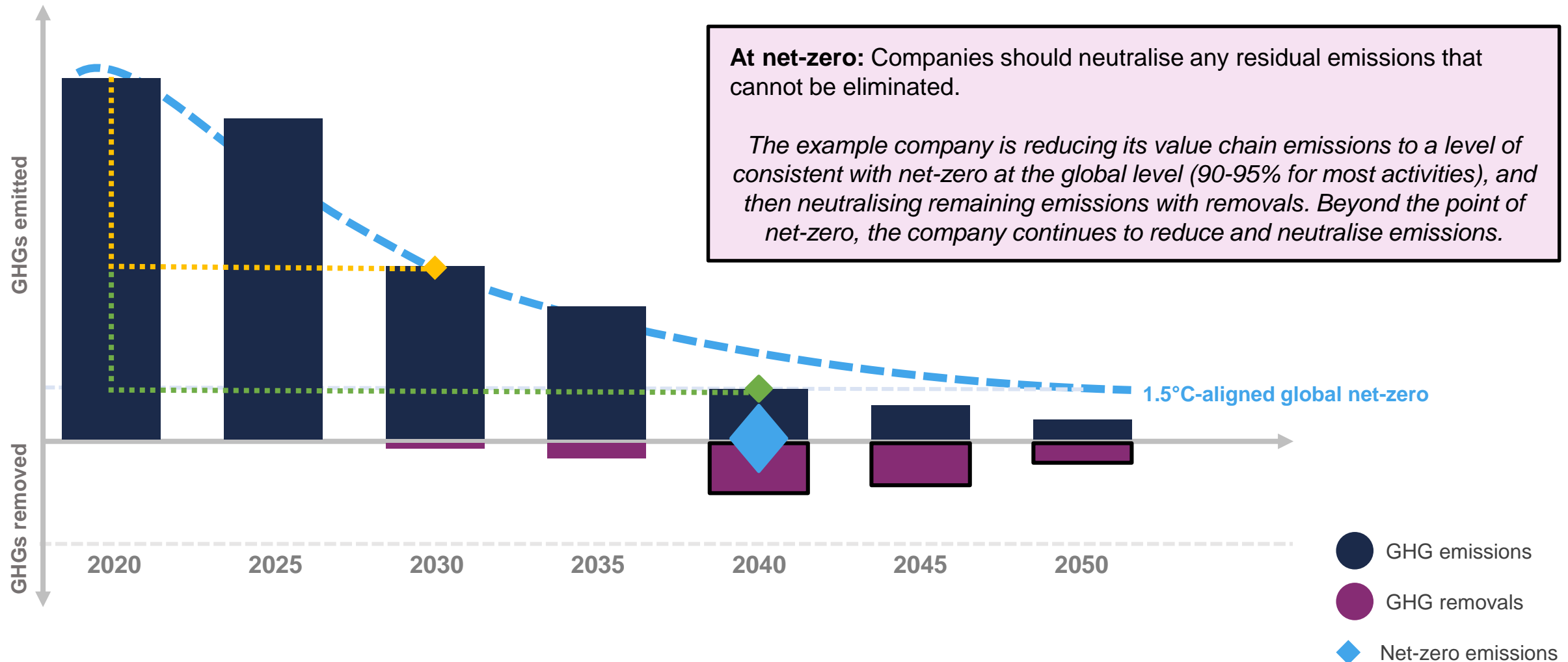
## So, why does this approach to net-zero fit under the SBTi NZ Framework?

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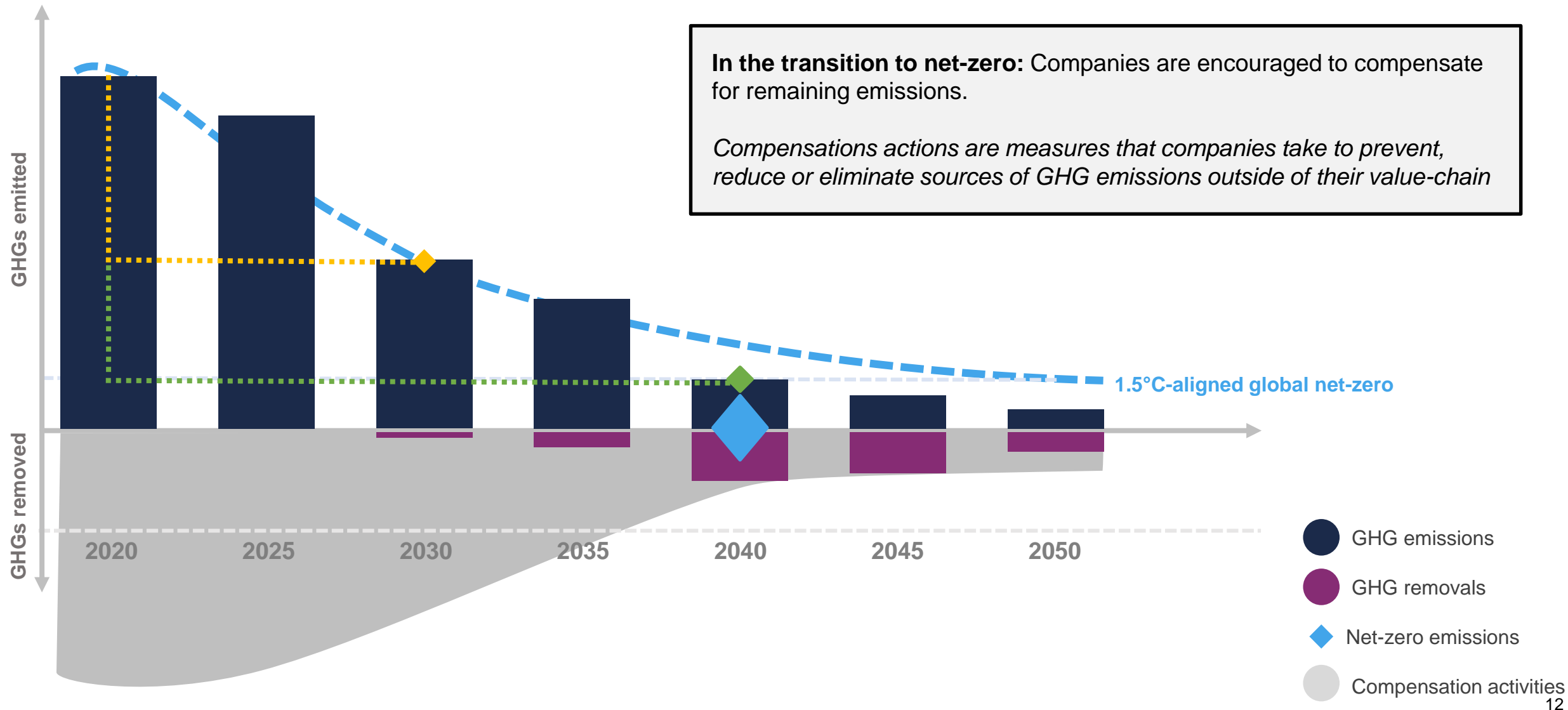


## So, why does this approach to net-zero fit under the SBTi NZ Framework?

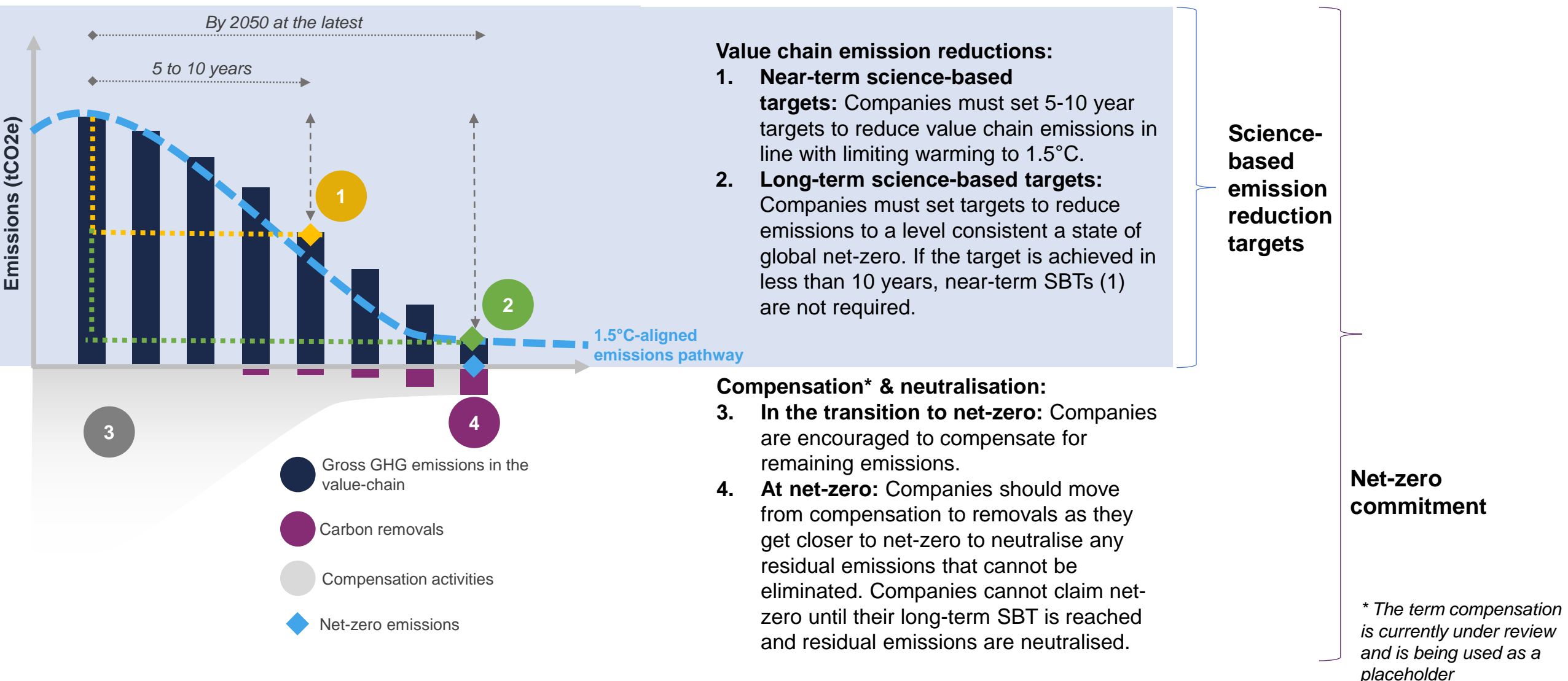
In this example, the company reaches net-zero at 2040



# What else can a company do to mitigate emissions in alignment with the SBTi's Net-Zero Standard?



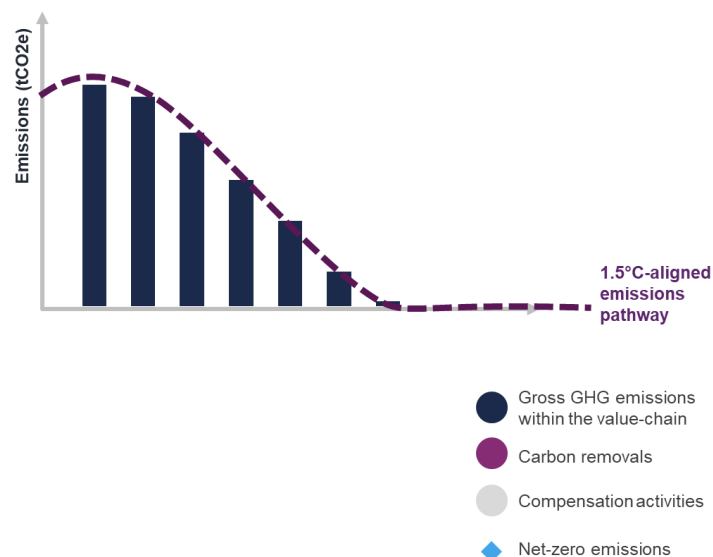
# In summary, what are the key elements that make up a company's SBTi aligned net-zero commitment?



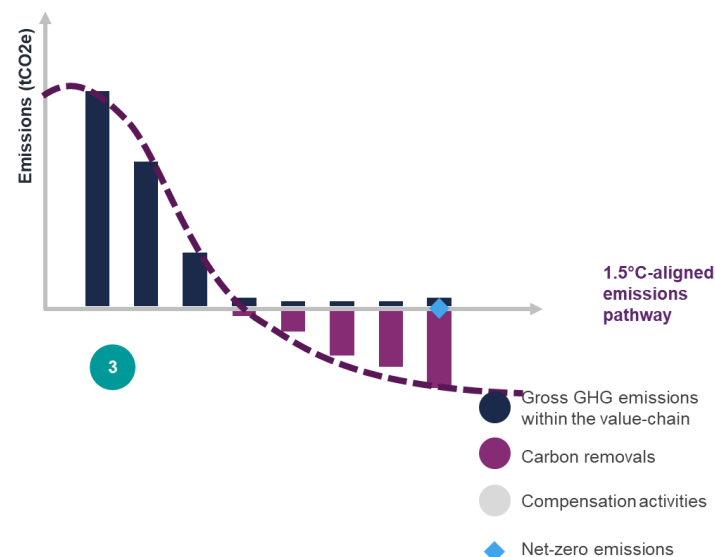
# What will decarbonisation pathways look like for different companies?

## Illustrative transition models for different sectors

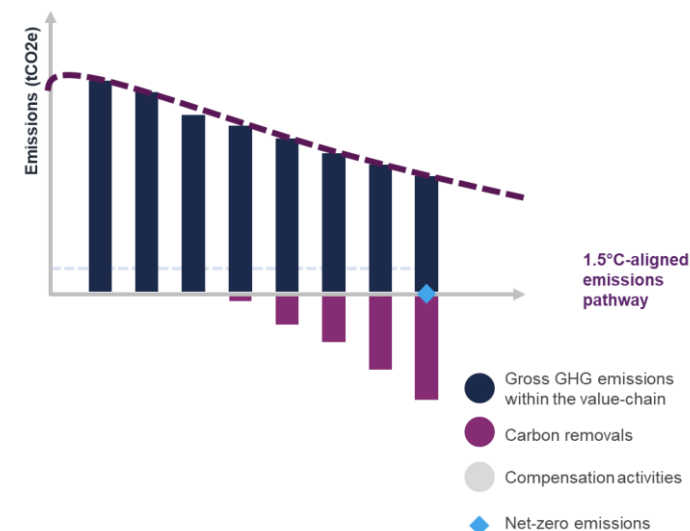
Most sectors are expected to be fully decarbonised (e.g. power generation, energy related emissions)



Sectors that are expected to reach a state of net-negative emissions (e.g. forestry, land-use, etc.)



Sectors where some residual emissions are expected at global net-zero (e.g. agriculture, cement, steel, etc.)





# What are the key features of the SBTi's Net-Zero Framework?



Short and long-term targets lead to a level of abatement that is consistent with 1.5°C. *This means that many activities will fully decarbonise by the time of net-zero.*



Long-term abatement targets cover all relevant emissions (95% of Scope 1 & 2 and 95% of Scope 3).



Does not rely on offsetting, but looks to incentivise climate finance.

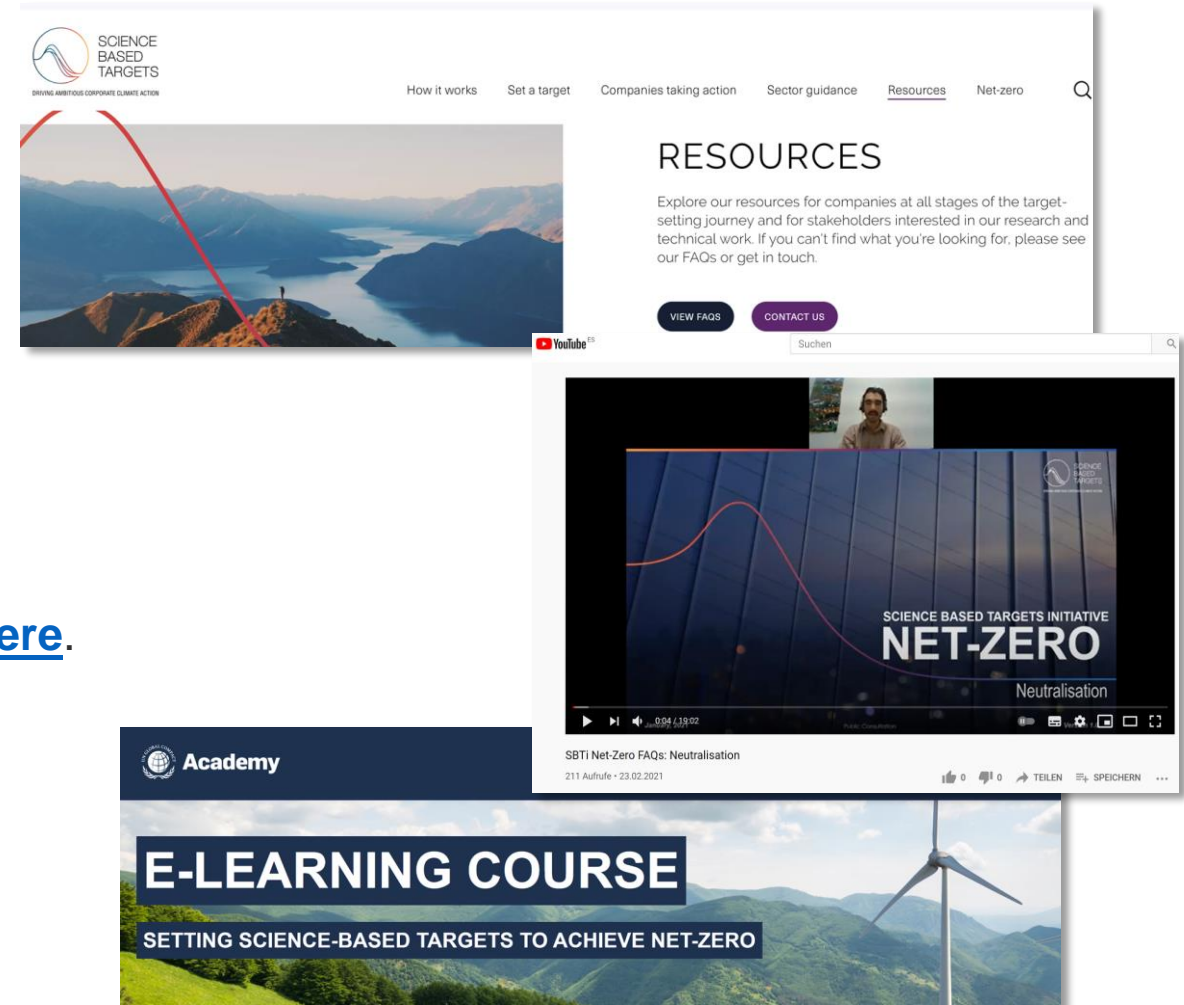


Ensures that in the long-term residual emissions (about 5% of current energy and industry-related emissions) are neutralised with removals.

# MORE ABOUT SBTs & NET ZERO


## NEW E-LEARNING OPTIONS

- Consult the **SBTi [Resources](#)**
- Review the **SBTi's [FAQs for SMEs](#)**
- Watch our new **SBTi Net-Zero FAQ videos [here](#)**:
- Take the new **UNGC E-Learning course on SBTs [here](#)**.



# JOIN THE GLOBAL LEADERS IN THE RACE TO ZERO

→ **SIGN THE COMMITMENT**

**BUSINESS AMBITION FOR 1.5°C** 

Science Based Targets Initiative  
Business Ambition for 1.5°C Commitment Letter  
Version 1.1 - March 2021

- Organizations joining the Business Ambition for 1.5°C campaign of the Science Based Targets Initiative (SBTI) and partners must follow the [SBTI sign-up process](#) and align with SBTI criteria and recommendations.
- Please consult the [Business Ambition for 1.5°C Guidance and FAQs](#) document for additional information on the process and expectations.
- By joining the SBTI Business Ambition for 1.5°C, organizations are also joining the [UNFCCC Race to Zero](#).
- Please review this document in its entirety and fill in the table at the end.
- SMEs are welcome to join Business Ambition for 1.5°C and need to submit both the completed SBTI [SBTi Target Setting Letter](#) and this commitment letter.




I am pleased to confirm that insert name of your company is aligning its climate mitigation targets with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature: to reach net-zero global emissions by 2050 at the latest in order to limit global warming to 1.5°C.

By signing this letter and selecting one of the two options below, my organization commits to align its ambition with keeping warming to 1.5°C and reaching science-based net-zero emissions by 2050, by icking both options, my organization is committing to the highest level of ambition in the short and long-term.

☐ **Option 1 – 1.5°C science-based emissions reduction targets.** My company commits to set science-based emissions reduction targets across all scopes<sup>1</sup>, in line with 1.5°C emissions scenarios and the criteria and recommendations of the Science Based Targets initiative.

☐ **Option 2 – Net-zero science-based emissions reduction targets.** My company commits to a) set a long-term science-based target to reach net-zero value chain GHG emissions by no later than 2050 and to b) set interim science-based targets<sup>2</sup> across all relevant scopes and in line with the criteria and recommendations of the Science Based Targets initiative.

<sup>1</sup> In line with the Science Based Targets initiative (SBTI) criteria, scope 3 targets are required when scope 3 emissions represent 40% or more of total emissions generated by the company.  
<sup>2</sup> Interim science-based targets can be consistent with either of the two levels of ambition accepted by the SBTI: 1.5°C and well-below 2°C. If a company sets a long-term net-zero target and sets interim science-based targets in line with well-below 2°C, more aggressive emissions reductions will need to happen in the longer term for the company to meet its net-zero commitment.

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TARGETS**  **United Nations  
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# Thank you!

