
Introduction to the Science Based Targets initiative

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Introduction to the Science Based Targets initiative

- About the SBTi: mission, governance, work and target-validation service
- Basic concepts and jargon of science-based target-setting
- Introduction to SBTi standards and tools

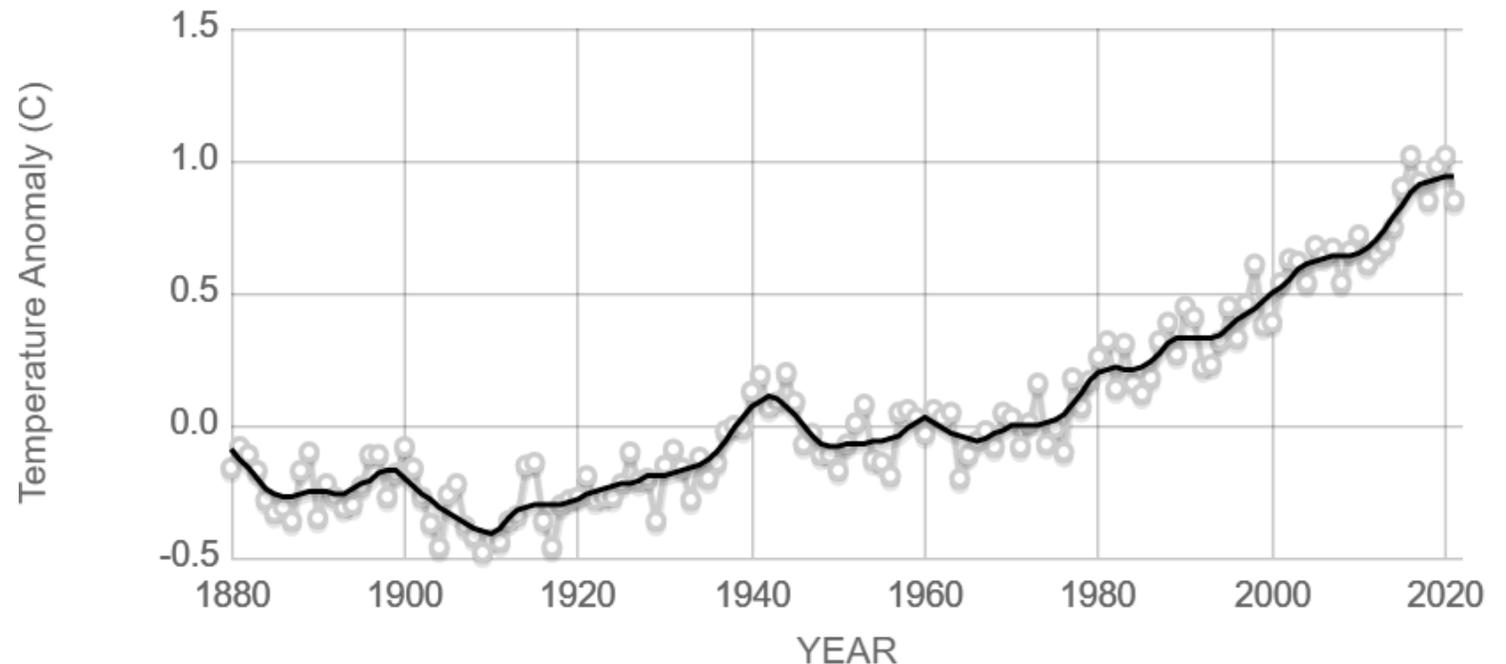
How much has the Earth's climate already changed?

Global Temperature

Latest annual average anomaly:
2021

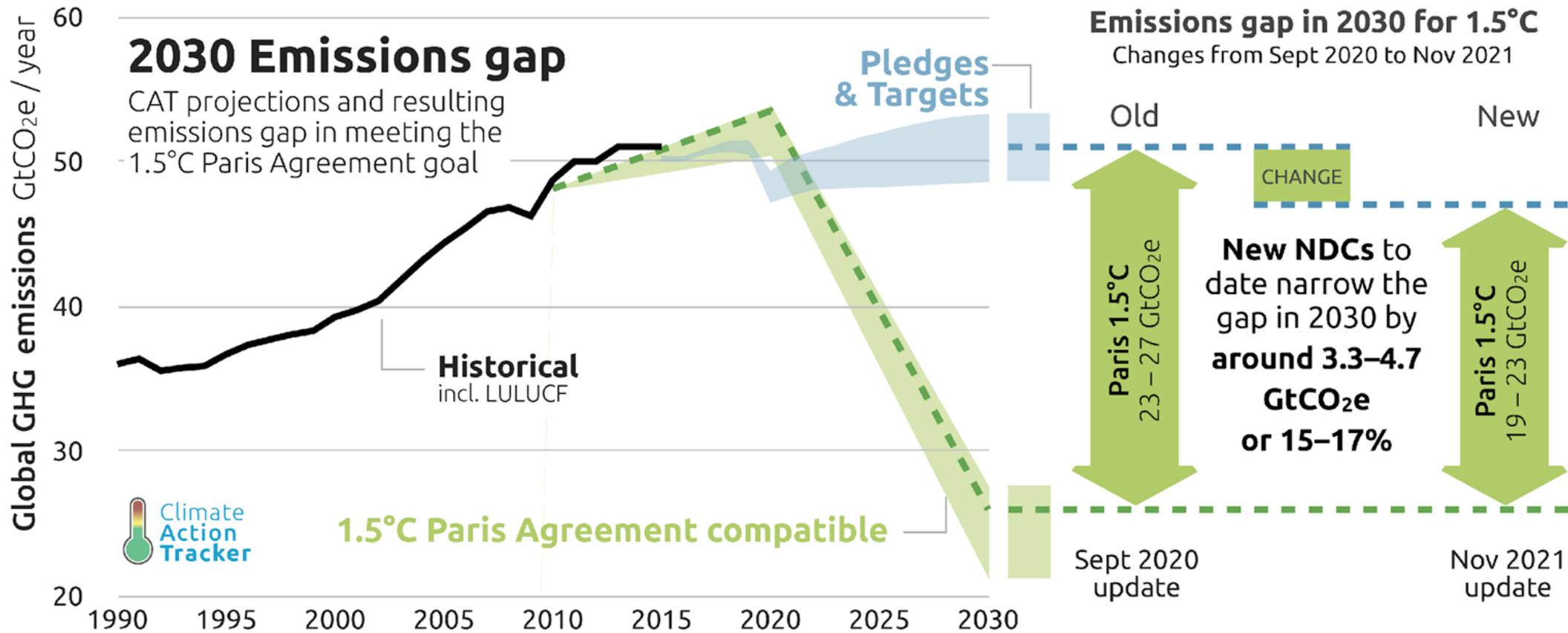
0.85 °C / 1.53 °F

Earth's global average surface temperature in 2020 tied with 2016 as the hottest year on record, continuing a long-term warming trend due to human activities.



Source: climate.nasa.gov

Companies to fill the emissions gap



Introduction to the SBTi



Global body launched in 2015 that enables companies and financial institutions to set ambitious emissions reductions targets in line with the latest climate science.



SBTi vision: Science-based GHG emission reduction target setting will become standard business practice, the new normal and corporations will play a critical role in the transition towards a zero-carbon economy.

Introduction to the SBTi

What is a science-based target?

Greenhouse gas (GHG) emissions reduction targets are considered “science-based” if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

SBTs help companies determine how much and how fast they need to reduce its GHG emissions.



To ensure the integrity of targets, the SBTi's target validation process follows a rigorous protocol aligned to regularly updated criteria based on the latest climate science.

Introduction to the SBTi

Within five years, the Science Based Targets initiative (SBTi) has become the fastest-growing and most reputable climate mitigation initiative in the corporate sector. Additionally, it has become the de facto standard embraced by the climate action ecosystem.

- 60 countries
- 50 sectors
- 38 trn 35% of global capitalization
- 27% of high impact companies
- 20% coverage of the global economy

8811 Companies have joined the SBTi		
3255 Committed	5556 Targets Set	1162 companies with 1.5 °C aligned targets
From Asia Region		
979 Committed	1726 Targets Set	505 companies with 1.5 °C aligned targets

SBTi and the fashion sector



Most majors fashion brands have an SBTi

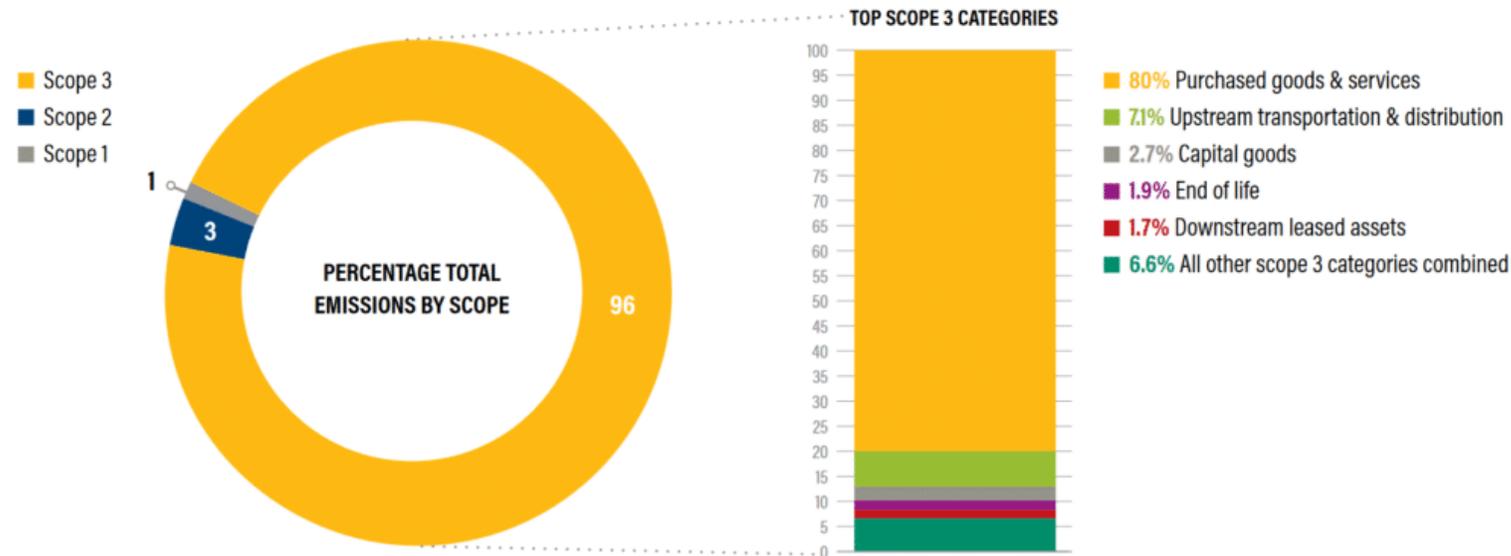
278 companies fashion companies have SBT targets, with 309 further committed to do

Example brands with SBTs



Scope 3 emissions from suppliers are the critical part of brand's carbon emissions

Breakdown of Emissions for a Selection of Companies with Approved SBTs.



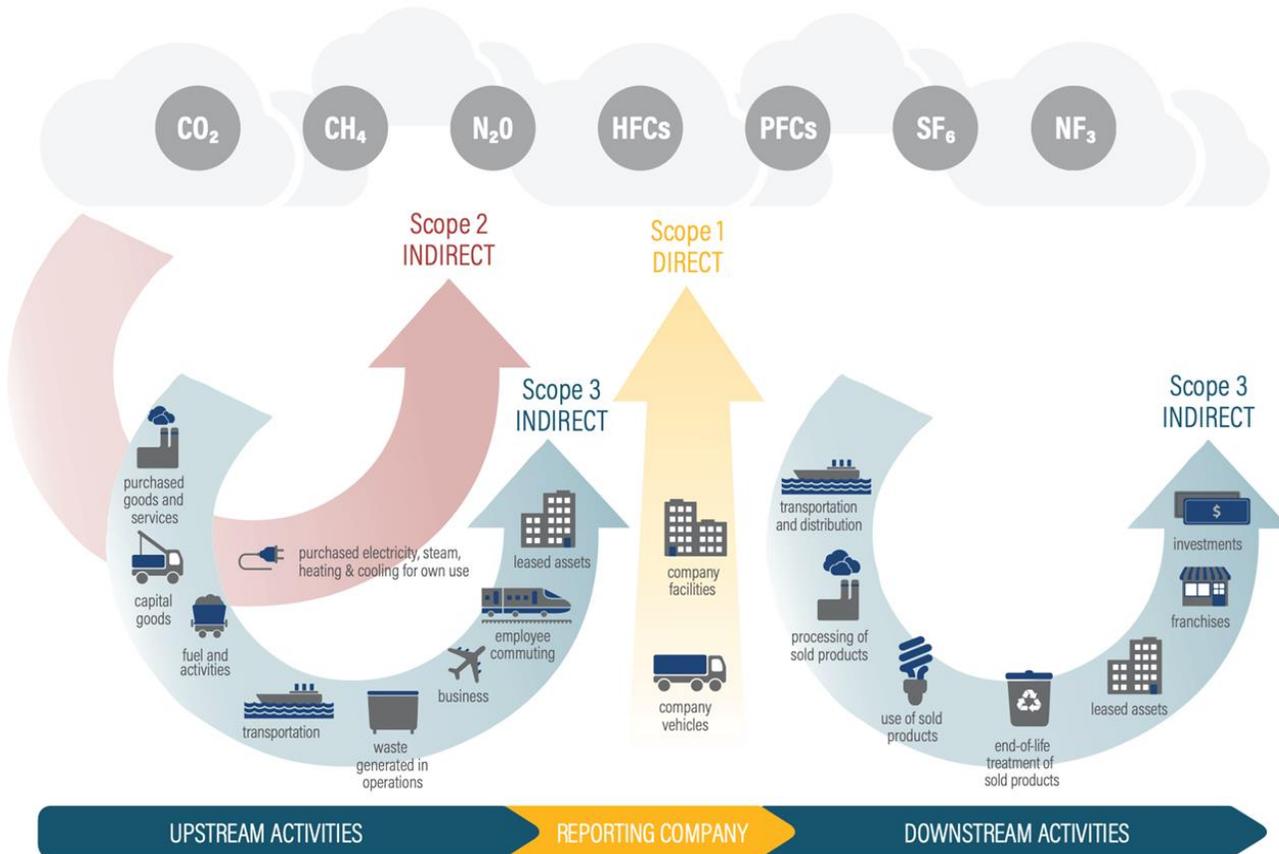
=> Many brands are therefore asking their suppliers to take increasing action to reduce their emissions

Basic concepts and jargon of science-based target-setting



SBTi basic concepts

GHG Accounting and Reporting



Scope 1: Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization

Scope 2: Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Result of the organization's energy use

Scope 3: The result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.



Introduction to SBTi standards and tools



Available validation routes

Depending on the company's size and characteristics, there are different available routes to validate targets.

**Near-term
target
validation**

**Net-zero
target
validation**

**Small and
Medium
Enterprises
target
validation**

Streamlined route for Small and Medium Enterprises (SMEs)

SBTi definition

SMEs in the fashion sector must meet 2 of these criteria:

- Employ < 250 employees
- Turnover of < €50 million
- Total assets of < €25 million
- This faster and simplified process is the **ONLY ROUTE** available for SMEs.
- The route enables SMEs to bypass the regular target validation process and to immediately set a science-based target for scope 1 and 2. It addresses the need to take action on climate change, without having to undertake an exhaustive and resource-intensive standard validation process
- Oil and gas companies and financial institutions cannot set targets via the SME pathway, even if they meet the SME definition.

Streamlined route for SMEs

Submit through the SBTi Target Validation Application for SMEs

" Our company commits to reduce absolute scope 1 and scope 2 GHG emissions ___% by 2030 from a 20___ base year, and to measure and reduce its scope 3 emissions."

- 50% from a 2018 base year
- 46% from a 2019 base year
- 42% from a 2020 base year
- 38% from a 2021 base year

SMEs must choose one of the predefined options available in the SME Target Setting Form

Company's emissions profile (scopes 1 and 2)

1. Confirm that your company will follow the GHG Protocol Corporate Standard and Scope 2 Guidance to estimate and report GHG emissions and will follow the guidelines for inventory recalculation. *

- Yes
- No

2. Describe the primary operations and activities that account for emissions in scopes 1 and 2. *

Scope 1

Scope 2

3. Type of organization *

- Privately-owned company
- Publicly listed company
- State-owned enterprise
- Non-profit organization

4. Number of employees (total head count, not the number of full time employees FTE) *

450

5. Is your company a subsidiary of a larger organization? *

- Yes
- No

6. Why did you decide to set this target? *

- Customer request
- Supplier request
- Investor request
- Government incentive or requirement
- Demonstrating climate leadership
- Other

Target validation services for companies



How to set a target

Target validation services for companies



Near-term science-based target validation

- Targets to be achieved within 5-10 years from the submission date
- Comply with SBTi near-term targets latest Criteria
- Robust technical review conducted by the SBTi team of experts, composed of several steps: Initial screening, Lead reviewer desk review, Appointed approver review, Target validation team discussion, and Final decision.
- Results within 30 business days
- \$9,500 for two complete validations

Net-Zero target validation

- Long-term targets to reduce emissions to a residual level in line with 1.5°C scenarios by no later than 2050.
- Set near-term targets, aligned SBTi near-term targets latest Criteria; Comply with SBTi Net-Zero Criteria
- Robust technical review conducted by the SBTi team of experts against the Net-Zero Criteria composed of several steps: Initial screening, Lead reviewer desk review, Appointed approver review, Target validation team discussion, and final decision.
- Results within 60 business days
- \$9,500 for one validation

Companies can also choose to submit their targets in a package: \$14,500 if they are setting both near-term and net-zero targets at once, and \$12,750 if the company already has an approved near-term target and wants to update it.

How to set a target

Step 1: Commit



COMMIT

Submit a letter establishing your intent to set a science-based target



DEVELOP

Work on an emissions reduction target in line with the SBTi's criteria



SUBMIT

Present your target to the SBTi's for official validation



COMMUNICATE

Announce your target and inform your stakeholders



DISCLOSE

Report company-wide emissions and progress against targets on an annual basis

How to set a target

Step 1: Commit

Register online

Send your commitment letter

Commitment will be published

Fill in your company's information and register online using the SBTi commitment process.

Through the online form, upload your signed commitment letter. Companies can also choose to sign a Net-Zero commitment.

Once the due diligence is completed, your company will receive a confirmation email and will be recognized as "Committed" on the SBTi website.

After the publication of the commitment, your company has 24 months obtain approval on your targets.

The screenshot shows the 'SBTi Standard Commitment Application' form. At the top, there is a header image of wind turbines against a sunset. Below the header, the form includes a Google account login field with the email 'daniecv8@gmail.com' and a 'Switch account' link. A note states: 'The name and photo associated with your Google account will be recorded when you upload files and submit this form. Your email is not part of your response.' There is a red asterisk indicating a required field. Below this is a section titled 'Company's general information' with a sub-section for 'Company name (Please indicate correct spelling, capitalization and punctuation * to be used in public communications)'. A text input field labeled 'Your answer' is visible at the bottom.

The screenshot shows the 'Science Based Targets initiative COMMITMENT LETTER' document. It is dated 'Version 1 - November 2021'. The document includes a list of bullet points for organizations joining the initiative, an introduction explaining the SBTi's mission, and detailed information about the science-based target setting process, including the step-by-step process and the requirement to register online and submit the commitment letter.

COMPANY/FINANCIAL INSTITUTION	NEAR TERM	LONG TERM	NET-ZERO
3B-Fibreglass ★ Belgium, Europe	COMMITTED	-	COMMITTED
A.G. Barr plc ★ United Kingdom (UK), Europe	COMMITTED	-	COMMITTED
AB SKF ★ Sweden, Europe	COMMITTED	-	COMMITTED

How to set a target

Step 2: Develop your targets | Getting started



COMMIT

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DEVELOP

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DISCLOSE

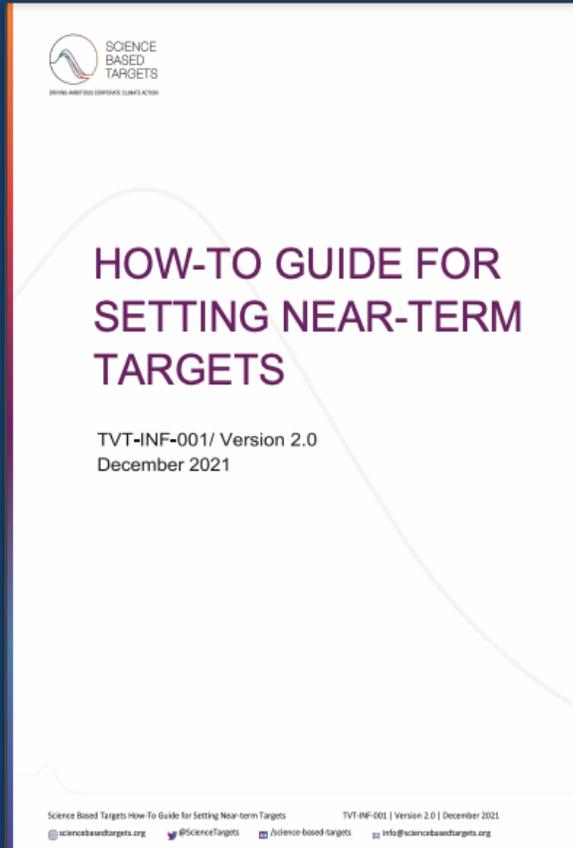
Report company-wide emissions and progress against targets on an annual basis

How to set a target

Step 2: Develop your targets | Getting started

This document helps you understand:

- Types of organizations that can set targets
- Parent company / subsidiary rules
- Validation routes to take
- Minimum GHG emissions requirements: screening/inventory across scope 1, 2 and 3
- Criteria about offsets and avoided emissions, treatment of bioenergy, identification of optional scope 3 emissions, coverage of relevant scope 3 emissions



How to set a target

Step 2: Develop your targets | Sector specific guidance

Companies from all sectors can set targets. To this date, more than 50 sectors are working with the SBTi to set science-based targets.

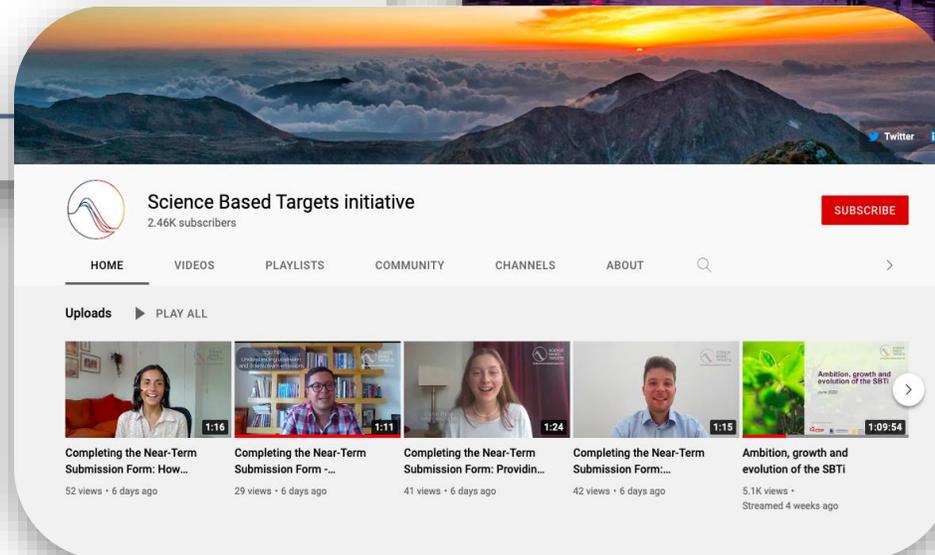
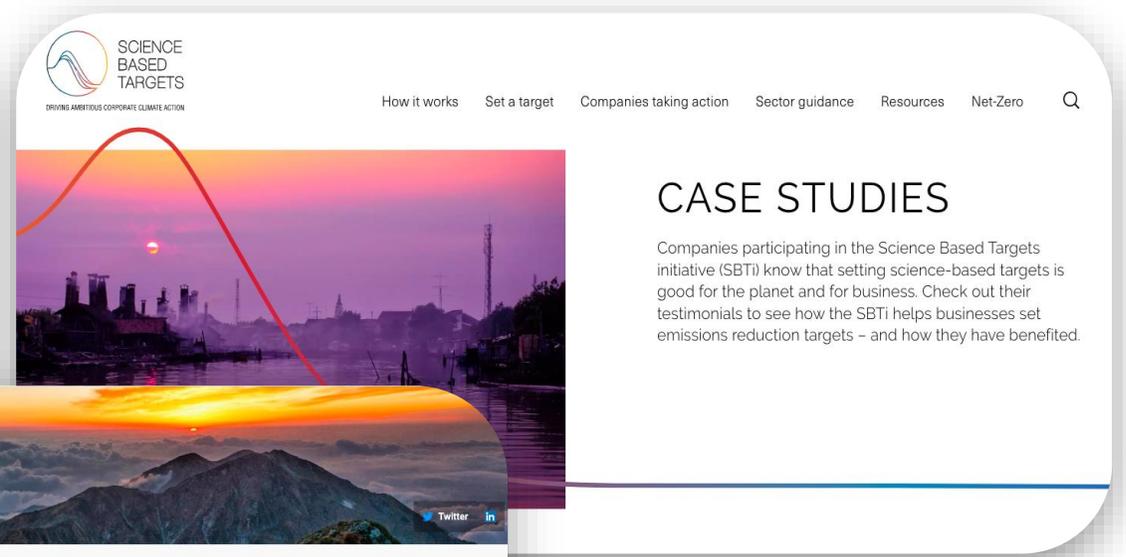
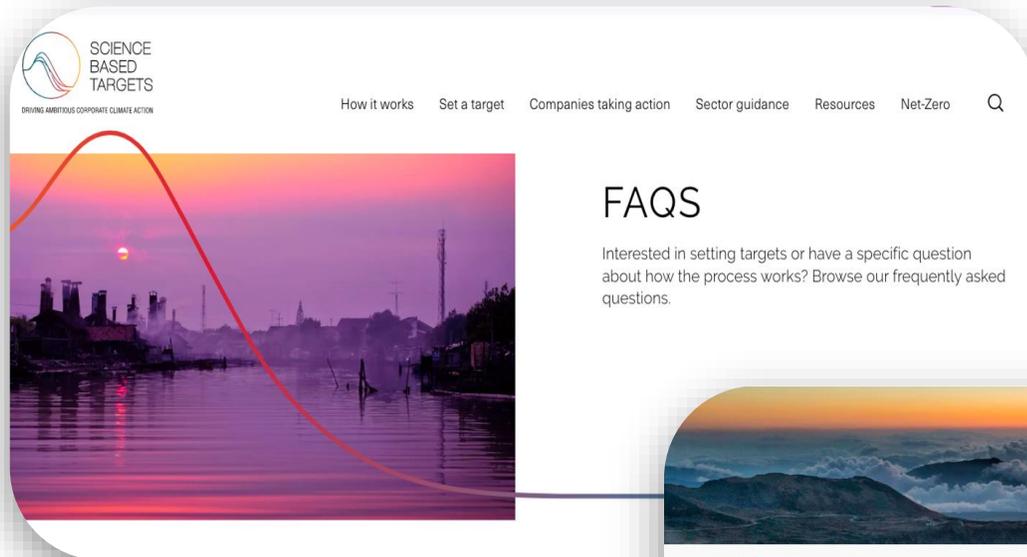
Some sectors have specific methodologies, guidance documents, and requirements.

Apparel and Footwear has a target guidance



How to set a target

Step 2: Develop your targets | Other resources



How to set a target

Step 3: Submit your targets



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DEVELOP

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DISCLOSE

Report company-wide emissions and progress against targets on an annual basis

How to set a target

Step 3: Submit your targets



English (US) ▾

Validation service selection

What kind of target(s) are you submitting for validation? *

- Companies: Setting new or updating existing near-term targets
- Companies: Setting only net-zero targets (this option is only available for companies that already have SBTi approved near-term targets in place that meet all prerequisites for net-zero validation OR are setting net-zero targets within a 5-10 year timeframe)
- Companies: Setting new or updating existing near-term targets AND submitting net-zero targets (this option should be selected by companies seeking net-zero validation that have to update near-term targets to align with net-zero prerequisites)
- Financial Institutions: Setting new or updating existing near-term targets

Back

Save

Next

Upload your target submission form(s)

Submission form templates can be downloaded at the following locations:

- Company new near-term target submission form [here](#)
- Company target update submission form [here](#)
- Company net-zero target submission form [here](#), excel supplement [here](#), and net-zero tool [here](#)
- Financial institution near-term target submission form [here](#)

Please upload your target submission form(s) and all relevant supporting documentation (if relevant) below. *



Browse Files

Drag and drop files here

How to set a target

Step 3: Submit your targets (Before validation)



Prepare target submission form

Fill in your target submission form completely and accurately.

Depending on the target you want to set, there are two different submission forms.

Book your validation

All validations are processed now through the SBTi Booking system.

Complete the screening questions and upload your target submission document(s).

Select an available validation date. This date is the latest date when the initial screening will begin.

Initial screening

On or before the booked date, the SBTi will conduct an initial screening.

This screening is to determine if all necessary information is provided and to assess if the target meets a few basic criteria.

Contracting process

If the screening is passed, the SBTi will send the validation service contract, which must be signed before the target validation process must..

How to set a target

Step 3: Submit your targets (Validation)



How to set a target

Step 4: Communicate your targets



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DEVELOP

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Report company-wide emissions and progress against targets on an annual basis

How to set a target

Step 4: Communicate your targets



Based on the SBTi Criteria, once approved, companies have 6 months to publish their targets on the SBTi website.

TETRA PAK ★ Sweden, Europe	1.5°C	1.5°C	2050	Company	VIEW LESS ^
Date published/updated 2020	Target summary Near term: 1.5°C by 2030 Long term: 1.5°C by 2050 Net zero: Committed by 2050 ★ Business Ambition for 1.5°C campaign member		Target Overall Net-Zero Target Tetra Pak commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2019 base year. Near-Term Targets Tetra Pak commits to reduce absolute scope 1, 2 and 3 GHG emissions 46% by 2030 from a 2019 base year.* Long-Term Targets Tetra Pak commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2019 base year.* *The target boundary includes land related emissions and removals from bioenergy feedstocks.		
Sector Containers and Packaging					

To support companies communications, the initiative has developed the “SBTi communications guide for companies and financial institutions taking action”. This guidance resummed the Do’s and Don’t when communicating the company’s commitments and targets.

How to set a target

Step 5: Disclose your progress



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Announce your target and inform your stakeholders



DISCLOSE

Report company-wide emissions and progress against targets on an annual basis



How to set a target

Step 5: Communicate your targets

According to the SBTi Criteria, companies must publicly disclose their emissions inventory and progress against their targets on an annual basis.

As stated in the SBTi Criteria, Recommendation 11:

“There are no specific requirements regarding where the inventory and progress against published targets should be disclosed, as long as it is publicly available. The SBTi recommends disclosure through standardized, comparable data platforms such as CDP’s climate change annual questionnaire, though annual reports, sustainability reports and the company’s website are acceptable”



Several Vietnamese textile and garment firms have already successfully applied

Example Vietnam companies with approved Science-Based targets

COMPANY/FINANCIAL INSTITUTION	TARGETS			ORGANIZATION TYPE	
	NEAR TERM	LONG TERM	NET-ZERO		
Julie Sandlau Vietnam. ltd Vietnam, Asia	1.5°C	-	-	Small or Medium Enterprise	View more
Jia Hsin Co., Ltd ★ Vietnam, Asia	1.5°C	1.5°C	2050	Company	View more
Huge-Bamboo Enterprise Co., Ltd ★ Vietnam, Asia	1.5°C	1.5°C	2050	Company	View more
FRASERS PROPERTY DEVELOPMENT SERVICES (VIETNAM) CO., LTD. Vietnam, Asia	1.5°C	-	-	Company	View more
Radiant International Textile Co.,Ltd Vietnam, Asia	1.5°C	-	-	Small or Medium Enterprise	View more
NEW WIDE (VIETNAM) ENTERPRISE CO., LTD. ★ Vietnam, Asia	1.5°C	1.5°C	2050	Company	View more
Union Design & Construction Joint Stock Company (Union Architects) Vietnam, Asia	1.5°C	-	-	Small or Medium Enterprise	View more



Thank you

SBTi basic concepts

Target setting elements



Carbon budget: The cumulative amount of gases that can be emitted over a period of time while also limiting temperature rise to a specific amount.



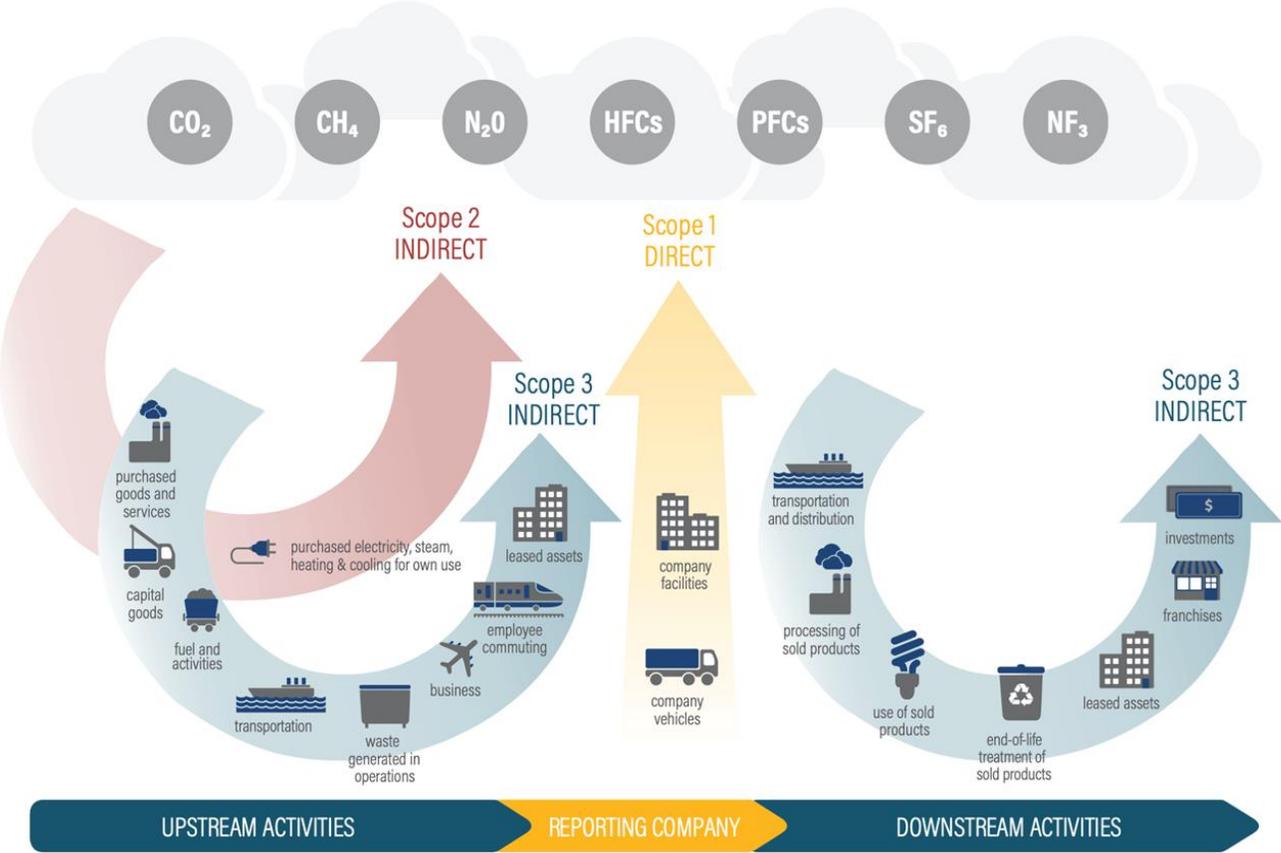
Emissions scenario: Scenarios are alternative images of how the future might unfold depending on the distribution of climate budget over time



Allocation approach: Refers to the way the carbon budget underlying a given emissions scenario is allocated among companies with the same level of disaggregation (e.g. in a region, in a sector, or globally)

SBTi basic concepts

GHG Accounting and Reporting



Scope 2 location-based approach: reflects the average emissions intensity of the local grids on which energy consumption occurs.

Scope 2 market-based approach: reflects emissions from electricity generation that companies have purposefully chosen, enabling businesses to use their purchasing power to accelerate the deployment of renewable energy.