



# Science-Based Targets

Training Module

Reading time: 25min

# Overview

## In this module, we will cover:

- An introduction to science-based targets (SBTs)
- The process of setting SBTs, starting with timelines
- Aspects of the SBT process
- Target-setting
- Additional SBTi resources to learn more

# Science-Based Targets

SBTs introduction

# Science-Based Targets (SBTs)

Businesses are responsible for the majority of emissions worldwide. Setting SBTs is increasingly a standard corporate business practice.

## What is an SBT?

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SBTs are a set of emission reduction targets developed by a business to provide a clear route to reduce their greenhouse gas emissions

Origin: SBTs were established at The Paris Climate Agreement where governments and leading organizations committed to prevent dangerous climate change by limiting global warming to 2°C.

## Why SBTs Matter

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- They provide a rigorous standard for setting goals with meaningful targets
- Future-proof growth on our changing planet
- Save money through efficiencies
- Provide resilience against regulation
- Boost investor confidence
- Spur innovation and competition

SBTs demonstrate concrete sustainability commitments to increasingly aware customers, employees, and investors

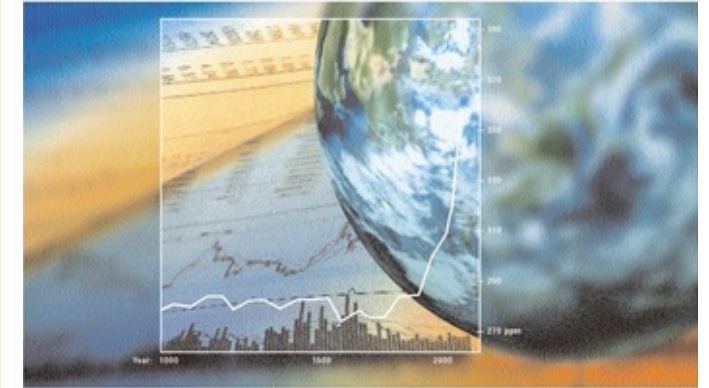
# Getting Started

Setting SBTs comes **after** you complete a greenhouse gas (GHG) inventory

Before you dive into SBTs, you will need:

- An understanding of what **activities fall into scope 1, 2, and 3 emissions** for your company
- **A completed carbon footprint** using the GHG Protocol calculator
- **Identification of any data gaps** and an understanding of what emissions & activities contribute the most to your footprint
- An understanding of your **scope 3 emission** sources (even if you don't have data on them yet)
- To have identified key **emission reduction opportunities** (such as energy savings, travel savings, waste reduction, supplier engagement, etc.) that are feasible for your business

## The Greenhouse Gas Protocol



A Corporate Accounting and Reporting Standard  
REVISED EDITION



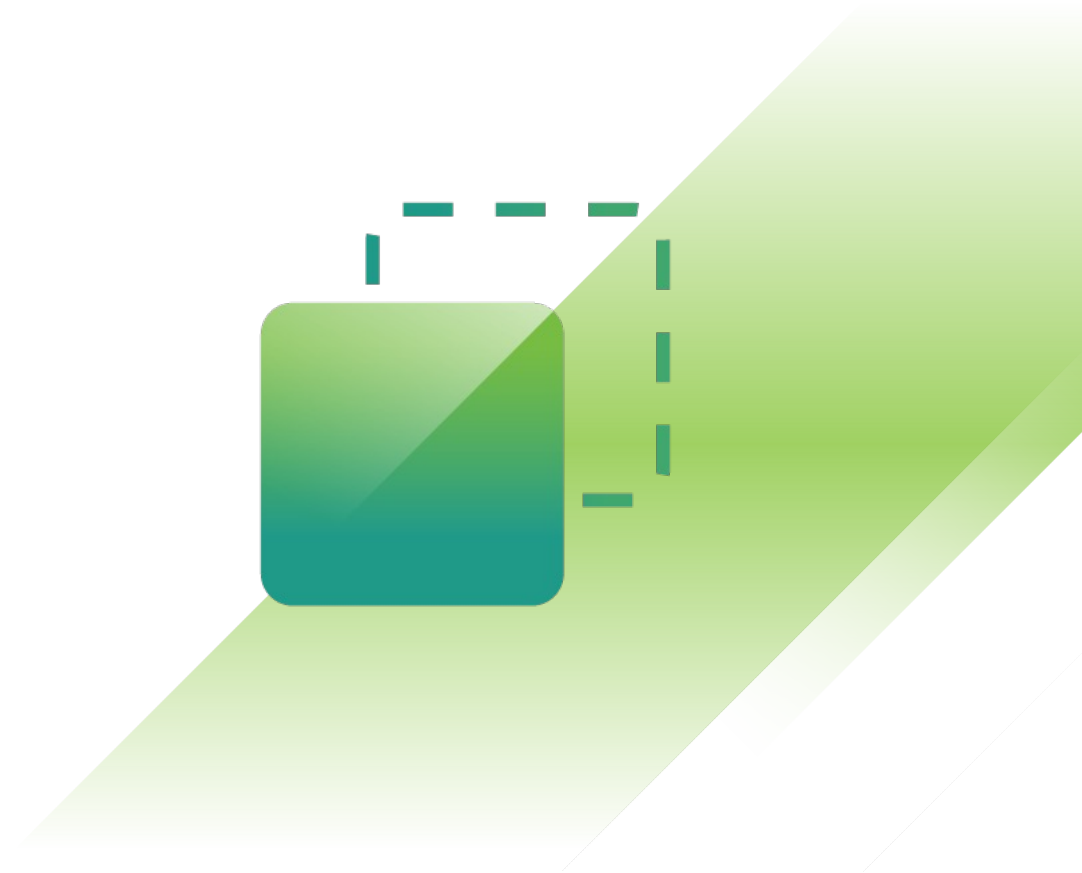
Calculation tool is located on the GHG  
Protocol website

Many resources exist to help you complete your GHG inventory, like the **GHG Protocol free calculator**

<https://ghgprotocol.org/>

# The SBT Process

The SBTs process follows five key steps for every business



# Overview: The Science-Based Target Process in 5 Steps

The Science Based Targets initiative (SBTi) is the organization that drives the SBT process. They outline a 5-step process for companies to follow to achieve their SBTs



## 1. Commit

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



## 2. Develop

Work on an emissions reduction target in line with SBTs. Use the guidance & resources from SBTi's website



## 3. Submit

Present your target to the SBTi for official validation



## 4. Communicate

Announce your target and inform your stakeholders



## 5. Disclose

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



# Step 1: Commit to Setting a Science-Based Target

## Making the Commitment

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Simply **register online and submit commitment letter to the SBTi**

- By signing the letter, companies officially commit to setting a science-based emission reduction target within 24 months.
- Companies will receive guidance on how to communicate this first step to stakeholders and suppliers.
- Access a library of free resources to help get started, explore methodology, and learn more about each step of the process on the SBTi website.





# Step 2: Develop Science-Based Targets

The SBTi encourages companies to start the target development process and submit targets for validation as early as possible—even during your GHG inventory

## Target Setting

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Once a company has signed the commitment letter, it will have up to **24 months** to:

- **Develop** SBTs aligned with the SBTi criteria
- **Submit** the target to the SBTi for validation
- After approval, have the SBTi **publish** the targets publicly

The targets must be in line with the SBTi's qualifying criteria.

## Learning Resources

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The SBTi has developed a suite of tools and guidance to help companies understand how to meet these criteria.

- No cost
- Accessible anytime

Aim for the highest level of ambition in target setting

- Meaningful change requires ambitious reduction targets
- Sets you up to showcase your wins



# Step 3: Submit Your Target for Validation

Once you have conducted your GHG inventory, set your targets, and explored your scope 3 emissions, the next step in the SBT path is submitting your targets for validation to ensure that they meet the rigorous criteria defined by the SBTi.

## Validation Process

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SBTi validates your targets via their technical team and provides **detailed feedback to you within 30 days**

- Submit the validation form and supporting documents to SBT directly
- Follow instructions on the SBTi site for submission

## Considerations

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It is the company's responsibility to clearly provide appropriate information. SBTi's validation team will review your targets, goals, and data thoroughly with their team of experts

**If you are a small- or medium-size enterprise (SME) (under 500 employees), you have an expedited validation path toward SBTs**

- Submit scope 1 & 2 emissions
- Automatically get pre-defined targets set for you
- Commit to scope 3 measurements and reduction strategies

# Steps 4 & 5: Announce & Disclose Your Progress

Following validation and approval, companies must disclose emissions and progress against targets annually. This happens publicly on the SBTi website but can be leveraged in many reports and marketing channels.



## Announce

Setting an SBT can set a company apart as a leader.

SBTi coordinates with your comms team to announce your targets publicly on its website.



## Disclose

Companies must report on progress toward their SBT target(s) and their corporate-wide GHG emissions inventory **annually to SBT**

In addition, company reports (e.g., Sustainability and Corporate Social Responsibility reports) are good platforms to start communicating your SBT commitment to your investors and employees.

EcoVadis, CDP, GRI, UNGC, and many other sustainability reports are ideal places to discuss and disclose your SBTs to a wider, global audience

# Target Setting

Setting SBTs is a complex process.  
Let's talk about a few key considerations.





# Selecting the Most Ambitious Targets

To help you adhere to the global carbon budget, companies should use the most ambitious decarbonization targets they can. Targets need to align with the latest climate science for limiting warming to 1.5C or well below 2C. **That means finding ways to reduce your carbon footprint by 50% by 2030.**

To be successful, you will need:

## Internal stakeholder engagement

It is important to have input and oversight from across your business when it comes to SBTs. Functions like procurement, legal, compliance, and facilities are all key when it comes to delivering on your targets. Senior level buy in is essential as well.

## Ambitious but realistic targets

Climate targets in principle are simple to set. Feeling confident you can reach them is far more challenging.

**TIP:** Itemize all your possible efficiency and reduction initiatives across your various services, business units, products and activities. Then determine the investment you would need—and fasted ROI

- Consider that investments in capital, energy efficiency, facilities, and fleet often amortize over longer periods of time but can yield carbon savings in the short-term

# Target Setting Challenge: Scope 3 Emissions

Scope 3 emissions, also known as “value chain” emissions, are indirect greenhouse gas emissions both upstream and downstream of an organization's main operations.

Scope 3 emissions are outside of an organization's direct control, but they are the most important and the most challenging emissions to manage.

- This is often cited by companies as the biggest roadblock to SBT setting and validation.
- The GHG Protocol and SBTi websites have many resources to help address Scope 3 emissions

Scope 3 emissions are often the largest part of a carbon footprint.

If most of your emissions lie in purchased goods and services, then your procurement team will need to:

- Review and set new supplier criteria so you start to gather data in new engagements, and update existing contracts to include sustainability data exchange
- Communicate and incentivize your partners to improve both their data and their climate performance; consider a preferred supplier program to incentivize suppliers to participate
- Create a third-party logistics strategy – and work directly with your logistics provider to understand their processes and environmental procedures
- Set specific procurement targets so upstream purchases include sustainability information or preference better products and services
- Collaborate with partners to improve products and source lower-emission materials

# Target Setting: Key Considerations for Wording Your Target Effectively



Your target needs to be worded to clearly indicate your commitments:

**Align your targets** to within the boundaries of your GHG inventory

- SBTs must cover at least 95% of company-wide scope 1 and 2 emissions

**Choose a baseline year** with verifiable data on scope 1, 2, and 3 emissions

- Choose the most recent year for which data are available as the baseline year
- Be representative of a company's typical (and foreseeable) GHG profile

**Choose a target year** that allows your business to evolve—reach your reductions and build sustainable business operations

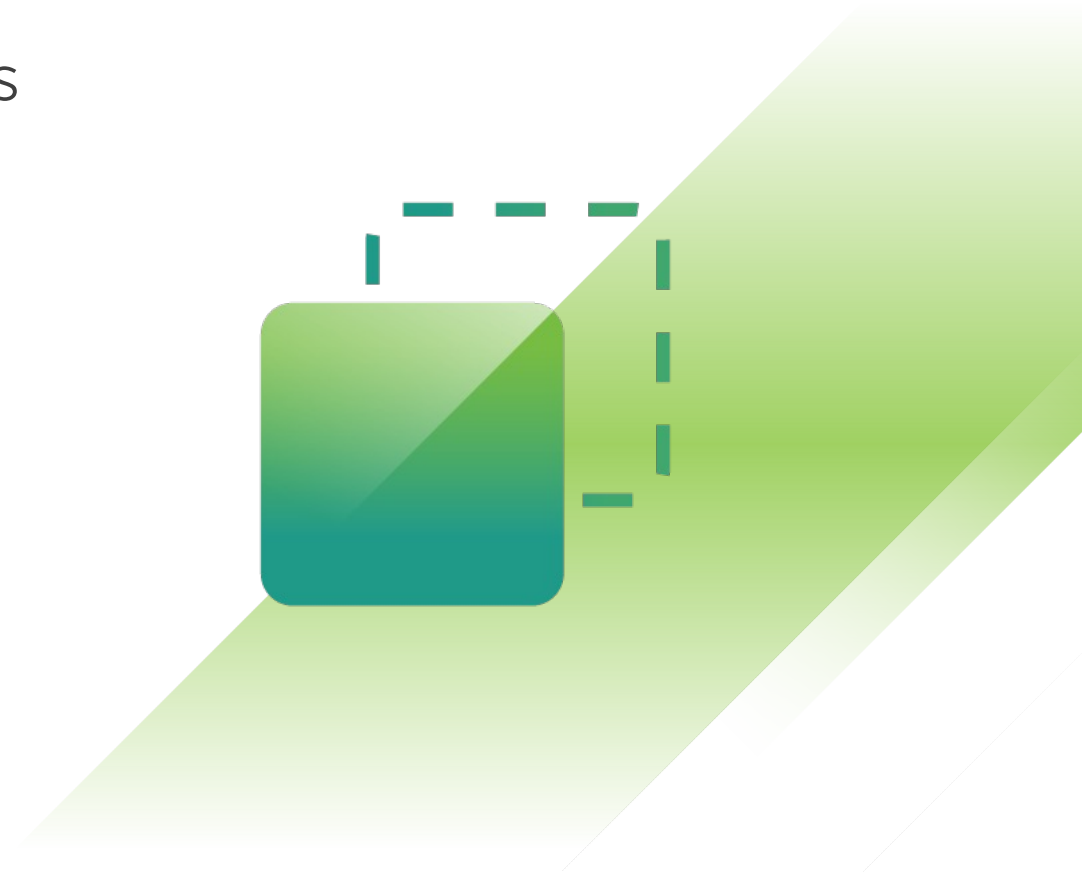
- Near-term targets can be instrumental for identifying inefficiencies and opportunities for emission reductions

## Example of an SBT target:

We commit to reduce absolute scope 1, 2 and 3 GHG emissions 51% by 2030 from a 2018 base year across 97% of our operations.

# Emission Reductions

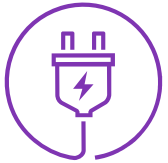
The SBT process is ultimately about reducing emissions. Identifying reduction opportunities can be a challenge.





# Emission Reductions Tactics: Some Key Hot Spots

Depending on your largest emissions sources, reduction strategies can include programs, new ways of operating, and performance targets all designed to reduce GHGs. Here are some common hot spots:



## Energy Efficiency & Renewable Energy

Adopt energy-efficient solutions and best management practices

Transition to use 100% renewable energy sources



## Business Travel

Reduce business travel and find ways to swap travel for remote meetings

Set annual targets for travel reduction, explore ways to invest in sustainable aviation fuel



## Employee Commuting

Reduce employee commuting to company facilities, incentivize public transit

Develop and move to a remote work model for specific employees



## Supply Chain

Develop and implement a sustainable sourcing program

Assess current suppliers, set reduction targets, and look to procure from “green” suppliers



## Waste Reduction and Diversion

Develop and implement a zero-waste program

Explore options for e-waste disposal, reuse in products, and reduced purchasing of single-use products that end up in landfill



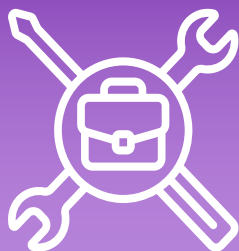
## Training & Awareness

Educate employees workers as new policies and procedures come online

Encourage employees to explore more environmentally friendly ways to work within their own jobs, and encourage them share learnings

# Reductions in Your Supply Chain: Engaging Suppliers Requires Different Tools

Supply chains are typically the most difficult area to get data and information on emissions. Many businesses need to invest in retooling to obtain this data—but that can also help the business be more agile and provide greater visibility into your own emissions. Some of these tools include:



## Business Tools

- Software
- Training
- Data management



## Partnerships

- Industry peers
- Consulting services
- B2B support



## Education

- Online learning
- Workshops
- Sponsored trainings



## Incentives

- Direct collaboration with VMware
- Cost sharing programs
- Offset or emission reduction support

# Additional Guidance & Resources

SBTi's extensive resource libraries include:

Case studies, calculators, digital recordings, whitepapers, how-to guides, and sector-specific guidance in the target-setting process.



## Science-based Target Setting Tool

Version: Version 2.0

Support: [info@sciencebasedtargets.org](mailto:info@sciencebasedtargets.org)

### Section 1. Input data

Target setting method		Select method
SDA scenario	<div>SBTi 1.5C</div>	
SDA sector		
Base year		Select a base year
Base year   Activity output		
Base year   Scope 1 emissions		tCO <sub>2</sub> e
Base year   Scope 2 emissions		tCO <sub>2</sub> e
Target year		Select a target year
Target year   Type of activity projection		
Target year   Activity output		
Most recent year (MRY)		Select most recent year of available

[www.sciencebasedtargets.org](http://www.sciencebasedtargets.org) has an extensive resource library

# We Learned:

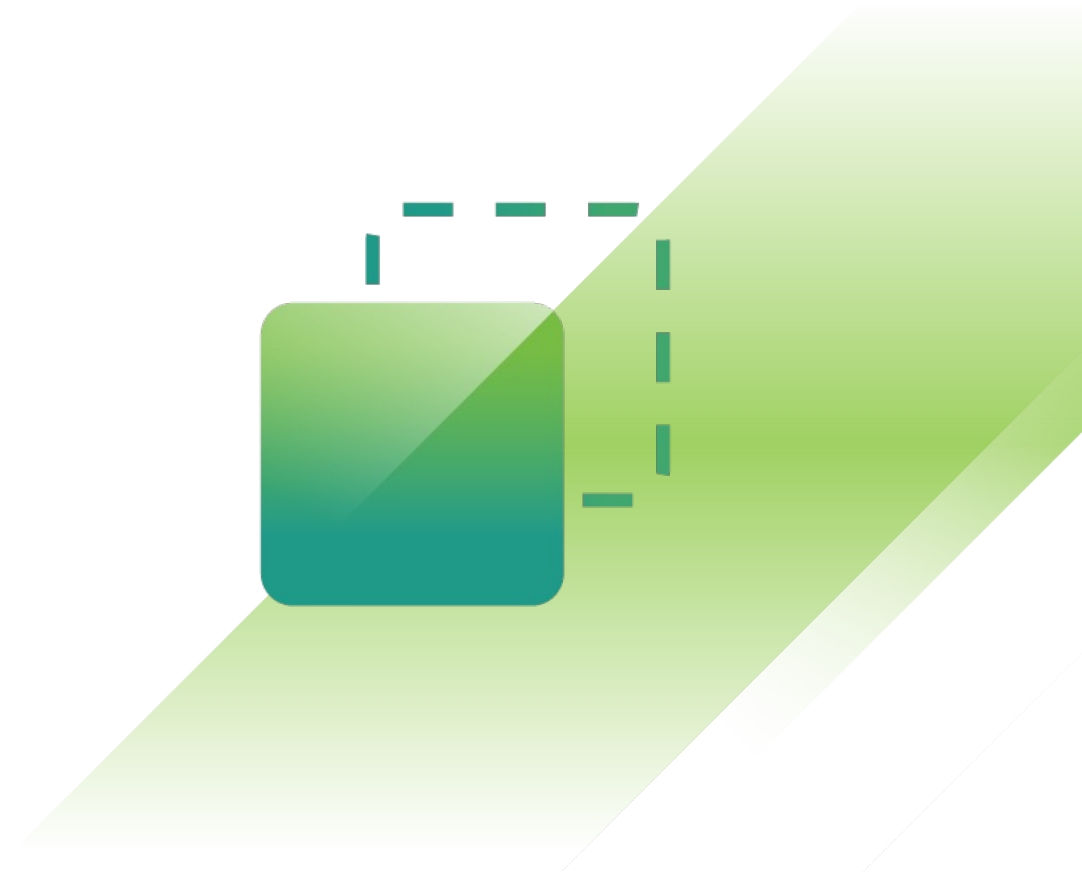
Businesses are responsible for the majority of emissions worldwide. Setting SBTs is increasingly a standard corporate business practice.

We reviewed:

- The five steps for setting and committing to SBTs
- Key considerations for Scope 3 emissions, ambitious target setting, and wording your targets effectively
- Emission reduction strategies for common hot spots and supplier engagement
- Where to find more information on SBTs

# Additional Slides

- SME exceptions



# Different-Sized Companies Have Different SBT Pathways

Small companies have an expedited  
pathway to set SBT targets



# Exceptions for SMEs: Expedited Pathway

For small- and medium-sized  
companies  
(SMEs) <500 employees

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An expedited route exists for small companies with a reduced one-time application fee

SMEs are required to complete a recent, comprehensive GHG emissions inventory

BUT they can immediately set targets for their scope 1 and 2 emissions and work towards understanding Scope 3 over time.

SMEs are not required to set targets for their scope 3 emissions **but must commit to measure and reduce their scope 3 emissions**

This simplified approach balances the need to take account of emissions across the value chains without imposing too great a burden.

## Reduced costs

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SMEs are **required to publicly report company-wide scope 1 and 2 GHG emissions** inventory and progress against published targets annually. As they do this, they continue on the path to understanding their scope 3 emissions and making reductions year over year.

The process for SMEs still follows the five primary SBT steps:

- Commit
- Develop targets for scope 1 & 2
- Submit targets to SBTi
- Announce and disclose your targets