



# SCIENCE-BASED TARGETS



# WHAT IS A SCIENCE-BASED TARGET?

A growing number of businesses are measuring their carbon footprint and then setting climate science-based reduction plans via the [Science Based Targets Initiative](#) (SBTi).

But what is a science-based target? It's when you set your carbon reduction targets to keep in line with limiting global warming to well below 2°C above pre-industrial levels, with efforts placed on keeping it to below 1.5°C (the goals set out in the Paris Agreement). This translates to, on average, every business setting targets to halve their emissions by 2030 and reach net zero by 2050 (the latest climate science). Science-based targets show you how much and how quickly you need to reduce your emissions by. That's a carbon reduction pathway in line with the climate science.

The targets have been identified by climate scientists for Earth to remain a habitable planet for humans and avoid irreversible damage to the planet.



# SCIENCE BASED TARGET INITIATIVE (SBTi)

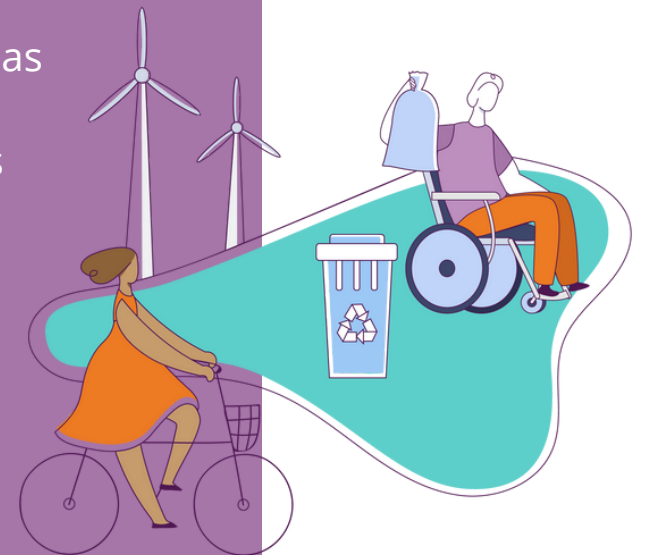


The SBTi is a partnership between the Carbon Disclose Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). They promote best practice in carbon emissions reduction targets in line with the climate science, and validate businesses reduction plans that align to science-based targets to limit global warming to 1.5°C.

## Setting a science-based target via the SBTi: the business case

Setting targets via the SBTi means working towards global best practice as reduction targets are aligned with the latest climate science. This, joined with the fact the SBTi is a globally recognised standard, means that lots of large businesses have used them to set their net zero targets and reduction plans.

Large businesses are increasingly starting to look at their supply chain emissions as part of their Scope 3 measurement and reduction plans. Many are asking their suppliers to join them in setting science-based targets. They're also including it as a metric in tenders as a way to meet their own net zero targets and distinguish their sustainable suppliers. Setting a science-based target via the SBTi can help you stay relevant to your customers and win new business.



## SME route

The SBTi knows that SMEs need to play their part in reducing emissions but recognise that they don't have the same resources as large businesses. That's why they developed a streamlined SME route to give them more time to measure their Scope 3 emissions (the largest and hardest Scope).

As a minimum, it requires SMEs to measure and reduce their Scope 1 and 2 emissions and commit to measure and reduce Scope 3 emissions from a 2018, 2019, 2020, 2021, 2022 or 2023 baseline, in line with the climate science.

The SBTi defines an organisation as an SME if all the below criteria points are met:

- Have <10,000 tCO<sub>2</sub>e across Scope 1 and location-based Scope 2
- Do not own or control maritime transport vessels
- Do not own or control non-renewable power generation assets
- Are not classified in the Financial Institutions and Oil & Gas Sectors as defined by the SBTi
- Are not a subsidiary of a parent company whose combined businesses fall into the standard validation route

And two or more of the below are true:

- Employ <250 employees
- Turnover of <€50 million
- Total assets of <€25 million
- Are not in a mandatory FLAG sector



## How does it work?

SMEs complete the SBTi's target setting [application form](#):

1. Confirm your eligibility for submitting targets via the SME route
2. Fill in your company information
3. Fill in your baseline year emissions information for your Scope 1 and 2 emissions
4. Choose the type of target you're submitting: near-term or net zero target
  - a. Near term: Select your carbon reduction target
  - b. Net zero: Fill in information on your Scope 3 emissions and select your carbon reduction target
5. Enter your billing information for the \$1250+VAT (near-term) or \$2500+VAT (net zero) validation fee
6. Submit a signed terms and conditions document
7. Submit the application form
8. SBTi will examine and validate your targets
9. SBTi will send you an invoice and ask you to confirm payment
10. [SBTi](#), [CDP](#) and [We Mean Business](#) will publish your commitment on their websites
11. SBTi will send you a welcome and communications pack and a logo to use
12. SBTi require you to publicly report your Scope 1 and 2 emissions (and Scope 3 for a net zero target) annually and your progress against your reduction targets



# INFORMATION YOU NEED TO HAND FOR THE APPLICATION FORM



SME route eligibility criteria – confirm your organisation:

- Has less than 10,000 tCO<sub>2</sub>e across Scope 1 and location-based Scope 2
- Doesn't own or control maritime transport vessels
- Doesn't own or control non-renewable power generation assets
- Isn't a Financial Institution according to the [SBTi definition](#)
- Doesn't derive more than 50% of annual revenue from equipment provision to fossil fuel companies
- Doesn't derive more than 5% of revenue from fossil fuel assets for extraction activities with commercial purposes
- If you're a subsidiary -
  - If you're a subsidiary, you need to answer all above questions for your parent organisation

Confirm your organisation's:

- Number of employees - considering all subsidiaries, affiliated entities, and the entire parent company structure; less or more than 250 employees
- Annual turnover – including that of a parent company; less or more than €50 million
- Asset value - including that of a parent company; less or more than €25 million
- If you're engaged in a [FLAG sector](#)

## Company information:

- Company name
- Primary contact name and email address
- HQ location (country)
- Website link
- If you've submitted a commitment letter to SBTi before
- Sector classification
- Type of organisation; privately owned, publicly listed or state owned
- If you're a subsidiary
- Total number of employees – by head count, not full-time equivalent
- Annual turnover in euros for the last financial year
- Total assets in euros for the last financial year
- Reason for setting target
- Documents to upload as evidence for your headcount, annual turnover, and total assets; for example, tax returns or annual reports

## Target information:

- Describe the operations and activities that make up your Scope 1 and 2 emissions
- Provide your Scope 1 and location-based Scope 2 emissions in tonnes CO<sub>2</sub>e
- Confirm the method you'll use to annually report your Scope 2 emissions; market or location-based
- Type of target being set – near-term or net zero
  - For a near-term target
    - Select baseline year and associated % reduction target
  - For a net zero (long-term) target
    - Describe the operations and activities that make up your Scope 3 emissions
    - Provide your Scope 3 emissions in tonnes CO<sub>2</sub>e
    - Select baseline year, target year, and % reduction ambition for your target



## Contract and payment information:

- Company's legal name
- VAT and PO number if needed
- Company representative details
- Company address for invoicing purposes
- Company representative details that will sign the terms and conditions
- Company representative details that will receive the invoice
- Upload signed terms and conditions document in a PDF format





# WHAT'S NEXT?

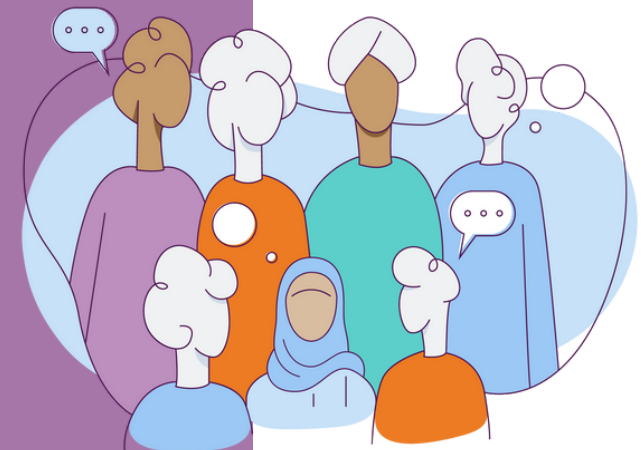
Now that you've set your science-based target, whether it be science aligned or validated by the SBTi, you need to continue measuring your carbon footprint annually and review your reduction targets. This'll help you assess how close you are to meeting them and see what other initiatives you could include in your reduction plans.

You also need to start, or continue, measuring your Scope 3 emissions. You only need to measure your material Scope 3 emissions, but why not be ambitious and see how many you can measure?

Make sure to be transparent and publish your annual carbon footprint report. It builds trust with stakeholders, from customers to employees.

Let people know you've set a science-based target and are working to reduce your emissions. It's likely to help you win new business as lots of big businesses are asking their supply chains to have a target set through the SBTi.

Finally, reduce! The single most important thing you can do is continually work to reduce your emissions.



*Updated in January 2024 by Heart of the City*

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