



Moving Beyond Reporting

Using Science-based
Targets for Performance
Improvement

The Climate Challenge: Aligning with the Carbon Target

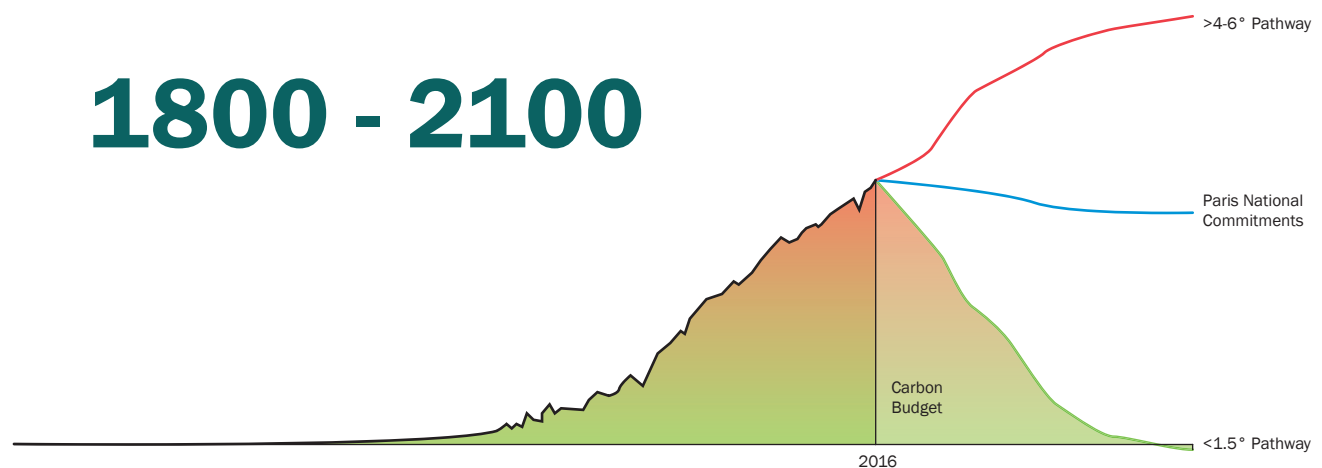
The Problem

We are currently on a trajectory to reach a global temperature rise of 4-5 °C by the end of the century, a catastrophe for business, people and the planet.

Climate scientists have found that total future anthropogenic emissions from 2017 must stay below 700 billion metric tons of carbon dioxide for a chance to limit global warming to below 1.5 °C. Your company can help prevent the worst impact of climate change by aligning your emissions reduction target with this global carbon budget.



1800 - 2100



What makes a Target a Science-based Target?

A target is science-based if it is in line with the level of decarbonisation required to keep the global temperature increase below 1.5 °C compared to pre-industrial temperatures. A company can choose from three approaches to set the target, including a sectoral decarbonisation approach, an absolute-based approach or an economic-based approach.



The SBT Process

Getting Started



Setting the Science-based Targets



Announcing and Implementing



Get started Today!



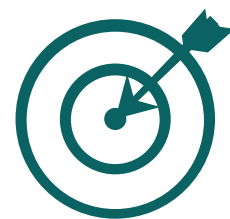
Review

Determine what data inputs are required and how you will collect them. Understand the different target setting methodologies and choose the best fit given your sector and available data.



Analyze

Forecast growth against SBT requirements to evaluate the gap between science-based scenario and business as usual. Assess feasibility: Are the goals achievable? Identify reduction opportunities.



Target

Model impact and evaluate options for achievement. Commit to a goal and establish reduction initiatives.

Science based Target Setting Approaches



Absolute-based approach

- Simple
- Robust
- ✗ Org. changes



Sector-based approach

- Good for manufacturers of uniform products (e.g. steel, cement)
- ✗ Some sectors still under development



Economic-based approach

- Good for companies with diverse activities
- ✗ Not ambitious enough

Make a Difference

Setting a science-based target gives your company credibility in setting corporate goals that support reductions of global carbon dioxide emissions. Instead of setting a goal that you know your company can reach, you are pushed to think about what goal you have to reach. Climate science is informing how good is good enough. This objective benchmark strengthens both investor confidence and your company's reputation among stakeholders.

Climate change is frequently named as the biggest global risk facing businesses and the economy. By setting a science-based target, you are minimising the risk associated with climate change for your company and driving the bottom line.

Inputs Required

- Base year
- Comprehensive inventory of global emissions in base year
- Activities undertaken in base year (production, economic output etc.)
- Target year
- Long-term growth projections
- Scope of Emissions

The Next Step

There is a compelling business case for companies in all sectors to act now. Figure out what a science-based target might look like for your company and evaluate whether you're ready to make that commitment. By understanding what the risk of climate change means for your business operations, you can increase the scale and ambition of your carbon and energy reductions, align your sustainability metrics with business strategy and influence those around you with clear and ambitious objectives.



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