

Introduction and Emerging Practices

SBTs for Chemical Companies

Online eceee industry presentation

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SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

PARTNER ORGANIZATIONS

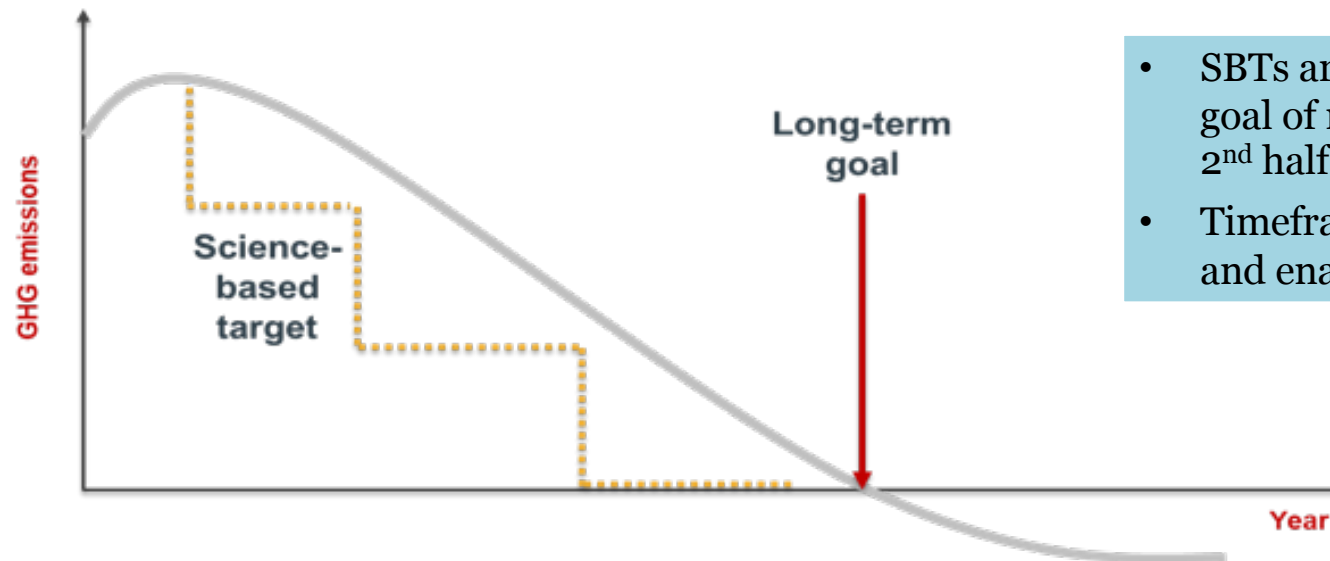


IN COLLABORATION WITH

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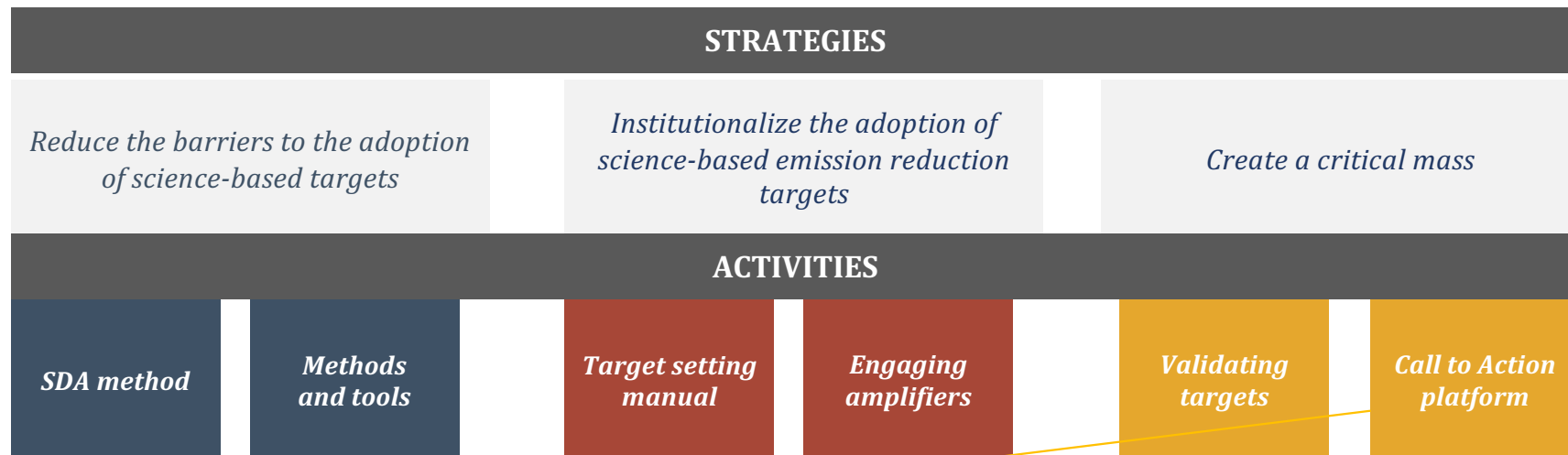
SBTi Overview | Definition

“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 2°C compared to pre-industrial temperature levels.”



- SBTs are consistent with the long-term goal of reaching net-zero emissions in 2nd half of century
- Timeframe drives short-term action and enables accountability (5-15 years)

SBTi Overview | 3-pillar strategy



990 Companies & FIs have formally joined the SBTi Call to Action

460 Companies have approved targets

~ 3 Companies joining the Call to Action every week

SBTi Overview | Criteria

The SBTi uses 5 core criteria to assess company targets

1. Boundary

Covers company-wide scope 1 and scope 2 emissions and all GHGs as required in the GHG Protocol Corporate Standard.

2. Timeframe

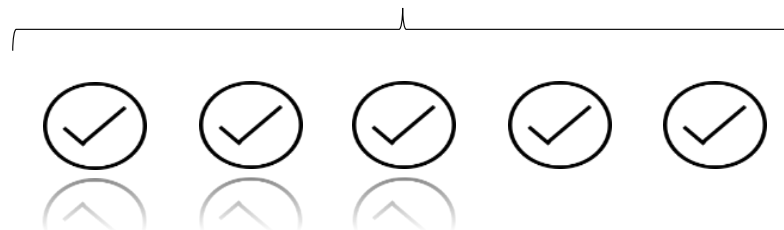
Commitment period must cover a minimum of 5 years and a maximum of 15 years from the date the target is submitted for an official quality check.

3. Level of ambition

At a minimum, the target will be consistent with the level of decarbonization required to keep global temperature increase to well-below 2°C compared to pre-industrial temperatures, though we encourage companies to pursue greater efforts towards a 1.5° trajectory.

Intensity targets are only eligible when they lead to absolute emission reductions in line with climate science or when they are modelled using an approved sector pathway or method (e.g. the Sectoral Decarbonization Approach).

All five criteria are mandatory



#sciencebasedtargets

SBTi Overview | Criteria

4. Scope 3

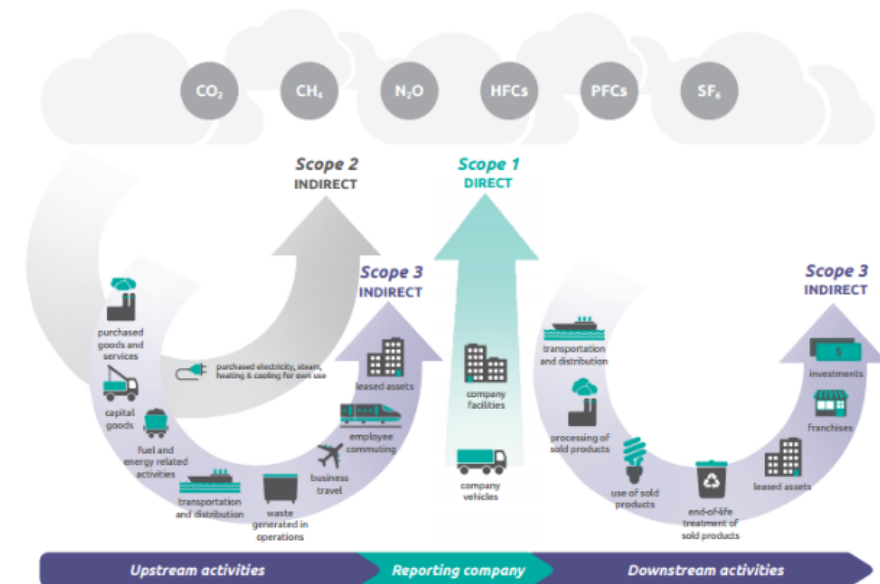
Companies must complete a scope 3 screening for all relevant scope 3 categories in order to determine their significance per the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

An ambitious and measurable scope 3 target with a clear time-frame is required when scope 3 emissions cover a significant portion (greater than 40% of total scope 1, 2 and 3 emissions) of a company's overall emissions.

The target boundary must include the majority of value chain emissions as defined by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

5. Reporting

Disclose GHG emissions inventory on an annual basis.



Source: GHG Protocol Scope 3 Standard
<http://www.ghgprotocol.org/standards/scope-3-standard>

Science-based targets for chemicals companies

The SBTi is pursuing a project to better understand challenges to setting SBTs using existing methods. The project will recommend options for revising these methods and developing guidance considering current barriers and existing resources.

The project audience includes chemical companies, industry associations, and other stakeholders.

WRI gratefully acknowledges financial support from 3M for this project.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



A global group of 23 chemicals companies have committed to setting SBTs

- Air Liquide Group
- AkzoNobel
- Arkema
- **Bayer ***
- **Borregaard AS**
- Croda International
- **Ecolab**
- Group Fu Plastic Co., Ltd
- Gujarat Fluorochemicals Ltd. (GFL)
- **International Flavors & Fragrances Inc.**
- Linde plc
- **Novozymes AS**
- Orbia Advance Corporation
- Polygenta Technologies Limited
- PT Ecogreen Oleochemicals
- PTT Global Chemical
- Reliance Chemical Products Ltd.
- **Royal DSM**
- **Sekisui Chemical Co., LTD**
- **Sumitomo Chemical Co., Ltd.**
- **Syngenta**
- Tata Chemicals Limited
- Univar Solutions

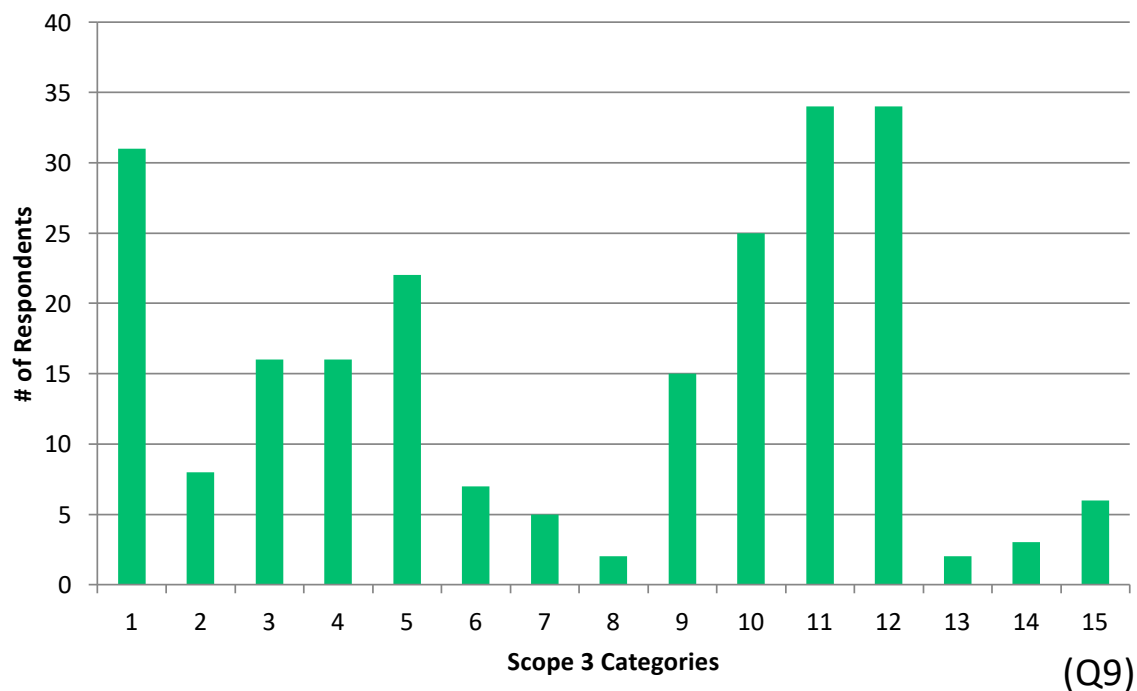
Chemical company SBTs

Company	Target Classification	Scope 1 and 2	Scope 3	Other Targets
Novozymes A/S	1.5° C	Absolute	Absolute	Renewable Energy
Ecolab	1.5° C	Absolute	Supplier Engagement	
Bayer AG	1.5° C	Absolute	Absolute	
Borregaard A/S	WB2D	Absolute	Absolute	
International Flavors & Fragrances Inc.	WB2D	Absolute	Supplier Engagement	
Syngenta	WB2D	GEVA	GEVA	
Royal DSM	2° C	Absolute	Intensity	
Sumitomo Chemical Co., Ltd.	2° C	Absolute	Supplier Engagement	
Sekisui Chemical Co., Ltd	2° C	Absolute	Absolute	

- **Absolute Emissions Contraction** – An overall reduction in the amount of GHGs emitted to the atmosphere by the target year, relative to the base year (e.g., reduce annual CO₂e emissions 35% by 2025, from 2018 levels).
- **Physical Intensity** – A reduction in emissions relative to a specific business metric, such as production output of the company (e.g., tonne CO₂e per tonne product produced).
- **Economic Intensity** - Greenhouse Gas Emissions per Value Added (GEVA) - An intensity reduction of tCO₂e/\$ value added, where companies are required to reduce their GEVA by at least 7% per year.
- **Supplier Engagement** – A company commits to drive the adoption of SBTs amongst its suppliers or customers. Engagement targets may be set around any relevant upstream or downstream scope 3 category.

Survey results on Scope 3

Scope 3 categories for which a methodology needs to be developed specifically for the chemical sector



#	Category
1	Purchased goods and services
2	Capital goods
3	Fuel- and energy-related activities (not included in scope 1 or 2)
4	Upstream transportation and distribution
5	Waste generated in operations
6	Business travel
7	Employee commuting
8	Upstream leased assets
9	Downstream transportation and distribution
10	Processing of sold products
11	Use of sold products
12	End-of-life treatment of sold products
13	Downstream leased assets
14	Franchises
15	Investments



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Thanks for your time!

If you'd like more information, you're welcome to **join SBTi-
Chemicals stakeholder list** at

<https://sciencebasedtargets.org/chemicals-and-petrochemicals/>



www.sciencebasedtargets.org



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