Status Update 2015
Science Based Targets

The science tells us that we must cut global greenhouse gas emissions by up to 70% by 2050 to limit global warming to 2°C and avert catastrophic and irreversible climate change. This will require global transformational change.

Never before have there been methodologies to support companies to keep their emissions aligned with planetary boundaries. Using science-based targets is an ambitious approach and leading companies have now started to take an "outside-in" approach to goal setting.

Setting emissions reduction targets is now common practice for business: **80%** of the world's **500 LARGEST COMPANIES** reported targets to *CDP* in 2014. However, most of them are not sufficient to meet the threat posed by climate change and keep warming below 2°C.

Caring for Climate

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP DRIVING SUSTAINABLE ECONOMIES

United Nations Global Compact

WORLD RESOURCES INSTITUTE

WWF

Smart companies know that setting ambitious targets is not an act of altruism, but rather it is in their own self-interest. Science-based emissions reduction goals can help drive innovation and secure long-term competitive advantage.

The *2015 Accenture-UN Global Compact CEO study* highlights setting science-based targets as one of five leadership behaviors. **43% of CEOs** surveyed see reduction targets in line with science and the **2°C limit** as one of the MOST IMPORTANT CLIMATE LEADERSHIP BEHAVIORS for companies to adopt.

- There is a clear correlation between companies taking climate action and financial performance. CDP analysis shows that companies with published emissions reduction targets delivered a better return on invested capital over a twelve-month period compared to those with no targets.
- Almost a quarter of the world's GHG emissions are regulated or set to be regulated by some kind of carbon pricing instrument. Companies that set science-based targets will reduce their exposure to fast-developing emissions and energy regulations and can play a role in developing new legislation.
- Investors are increasingly concerned with carbon risks in their portfolios and are engaging with companies to take appropriate action.
- Companies want to do business with suppliers that are taking climate change seriously in order to reduce GHG emissions in their value chain.

COMPANIES THAT HAVE SUCCESSFULLY DEVELOPED SCIENCE-BASED TARGETS

Coca-Cola Enterprises, Inc.
Dell Inc.
General Mills
Procter & Gamble Company
Sony
Thalys

COMPANIES THAT HAVE COMMITTED TO SETTING SCIENCE-BASED TARGETS

Aditya Birla Chemicals
AstraZeneca
Atos SE
Autodesk
AXA Group
Bank J. Safra Sarasin AG
Brown-Forman Corporation
BT Group
China Steel Corporation
CLP Holdings Limited
Colgate Palmolive Company
Commerzbank AG
Correos (Grupo Sepi)
CTT – Correios de Portugal SA
Delta Electronics, Inc.
Dentsu Inc.
Diageo Plc
Eneco
Enel
Gas Natural Fenosa
Gestamp
Givaudan SA
Green Coast Rubbish Inc.
GreenStep Solutions Inc.
H&M Hennes & Mauritz AB
Hewlett-Packard
Honda Motor Company
Iberdrola SA
ICA Gruppen
Infigen Energy
ING Group
KAO Corporation
Kellogg Company
Kering
Kingfisher
Konica Minolta, Inc.
Koninklijke KPN NV (Royal KPN)
L'Oréal
Marks and Spencer Group plc
Mars
Mills Office Productivity
Morgan Sindall Group plc
MVV Energie AG
National Express Group
National Grid
Nestlé
Nissan Motor Co., Ltd.
Novex Delivery Solutions
NRG Energy Inc
Origin Energy
Philip Morris International
Pick 'n Pay Stores Ltd
Principal Financial Group
Proximus
Pukka Herbs
RELX Group
Renault
Ricoh Co., Ltd.
Royal Philips
Senior Plc
Siemens
Sodexo
Sopra Steria Group
SSE
TAV Airports
Tennant Company
Tiger Brands
T.Sinai Kalkinma Bankasi A.Ş.
Unilever plc
Unite Students
Wipro
Woolworths Holdings Ltd
Xerox Corporation
505-Junk

Targets adopted by companies to reduce GHG emissions are considered **"science-based"** if they are in line with the level of decarbonisation required to keep global TEMPERATURE INCREASE BELOW **2°C** compared to pre-industrial temperatures, as described in the *Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)*.

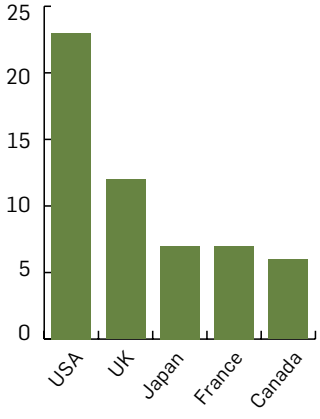
- Targets should cover company-wide Scope 1 and Scope 2 emissions and all GHGs. An ambitious Scope 3 target is also required when Scope 3 emissions cover a significant portion of overall emissions. The target must cover a minimum of 5 years and companies are encouraged to develop long-term goals as well. Annual reporting is required.
- The Science-Based Targets initiative has produced a manual to provide guidance for companies on setting a science-based target and choosing between different methods.
- The Science-Based Targets team will walk companies through the process and provide guidance on setting their targets.

Existing methods for setting GHG emission reduction targets in line with climate science:

- The Sectoral Decarbonisation Approach (SDA) by CDP, WRI and WWF with the technical support of Ecofys.
- The 3% Solution by WWF with CDP, McKinsey & Company and Point380.
- Carbon Stabilization Intensity (CSI) by BT.
- C-FACT (Corporate Finance Approach to Climate-Stabilizing Targets) by Autodesk.
- Context-based Carbon Metric by The Center for Sustainable Organization's (CSO) with the support and involvement of Ben & Jerry's.
- GEVA (Greenhouse Gas Emissions Per Unit of Value Added) paper by Norwegian Business School BI.
- Mars Method, by Mars.

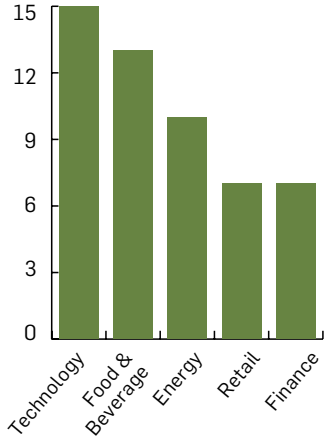
For more information on how to join and what methods exist to set greenhouse gas emission reduction targets aligned with climate science, visit: **www.sciencebasedtargets.org**.

Top five countries where companies setting science-based targets are headquartered



based on companies that have committed to setting science-based targets to date (2015-11-12)

Top five industries setting science-based targets



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