

Scope 3 Target Setting

Setting Meaningful Scope 3 Targets with SBTi

ITU Workshop: Reducing Your Carbon Emissions
Tuesday July 11th, 2023

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INTRODUCTION TO THE SBTi

What is the Science Based Targets initiative?



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Science Based Targets initiative (SBTi) is a **global body** enabling businesses to set **ambitious emissions reductions targets** in line with the **latest climate science**.



Founding Partners



United Nations
Global Compact



WORLD
RESOURCES
INSTITUTE



In collaboration with

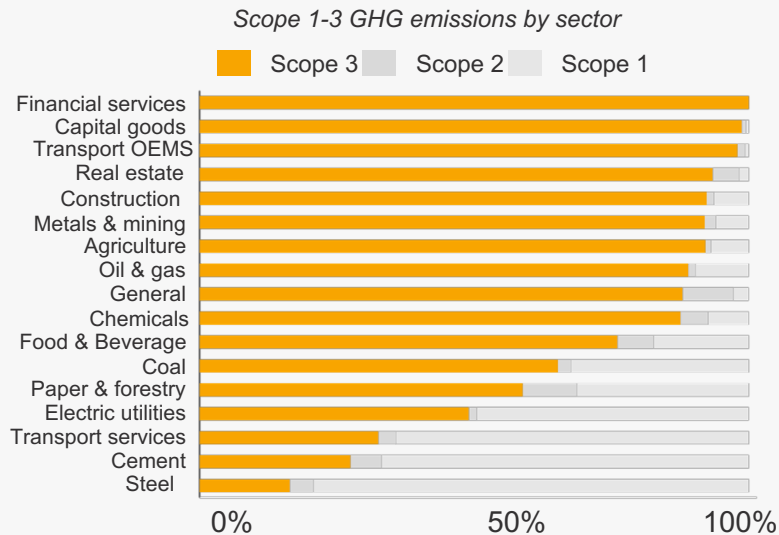
WE MEAN
BUSINESS
COALITION



Scope 3 target-setting is critical to achieve system-wide decarbonization

Representing 70% of a corporate GHG footprints and core to SBTi's theory of change

Scope 3 is significant across most sectors...



Source: CDP Supply Chain Report: Changing the Chain, 2019; CDP Climate Change Questionnaire April 2022

...and key to unlocking action at a broad scale

- Achieving a net-zero economy requires a fundamental transformation of the economy, which can only be achieved by **aligning incentives and eliminating barriers to GHG reduction**
- SBTi believes in the importance of value chain action and builds on attributional accounting to make shared **cross-value chain responsibility** between actors explicit
- By requiring economic actors to set targets not only on their direct emissions, but also on emissions in their value chain, the **SBTi seeks to align all actors behind a common goal**

Scope 3 target-setting is critical to achieve system-wide decarbonization

The end goal is clear...

To reach a net-zero economy, the business models of companies need to evolve to continue to create value to society without causing the accumulation of greenhouse gases in the atmosphere.



Extraction /
production /
of materials



Processing
of materials



Transformation
of materials



Product
manufacturing



Distribution



Commercialization



Use



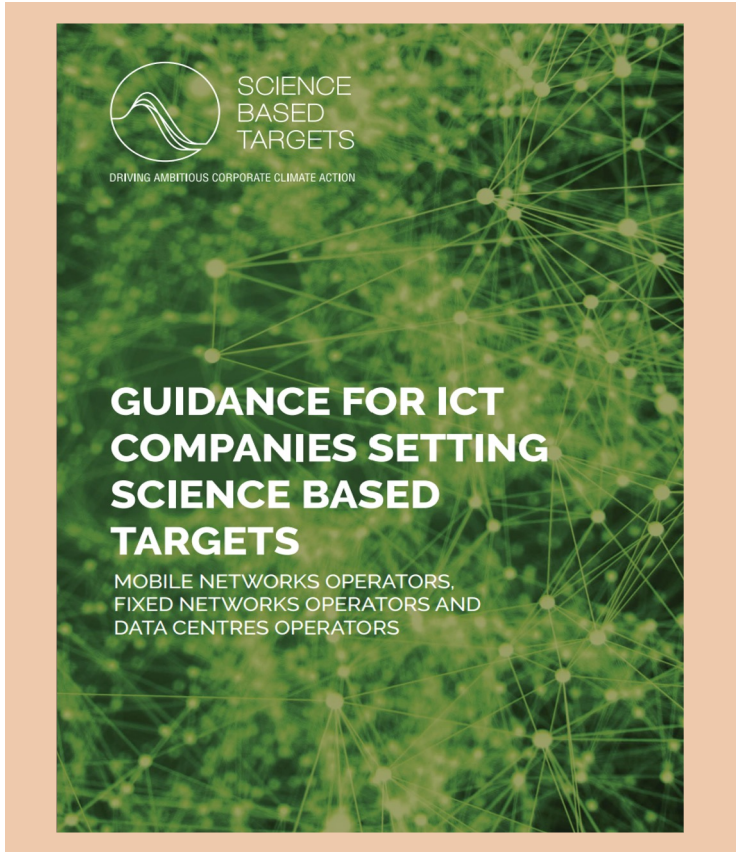
End of
life

A net-zero value chain implies that each step involved in the provision of good and services aligns to a level of emissions that is compatible with achieving climate stability.



SCIENCE
BASED
TARGETS

SBTi's ICT Guidance



- Within the ICT sector where suppliers may also be customers, targeting upstream and downstream scope 3 emissions with ambitious targets is of utmost importance
- ITU, GESI, and GSMA have previously been involved in the development of SBTi's target-setting guidance for ICT companies
- This guidance identifies the most common emissions hotspots for ICT companies (scope 3 categories 1, 2, and 11), and also pinpoints the most suitable target-setting methodologies
- Companies in the telecom sector are encouraged to use the cross-sector absolute contraction approach for scope 3 target setting, or otherwise to consider a supplier engagement target

Best practices in the scope 3 target setting arena

Preliminary Steps

Identify Largest Scope 3 Priorities for your Company



Improving quality of scope 3 data

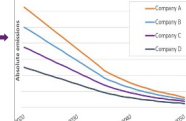


Accommodating a growing product portfolio

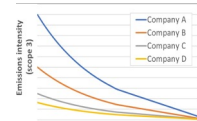


Showing that reductions are already occurring

Pinpoint Methodologies that Address these Challenges



Absolute Contraction



Economic and Physical Intensity



Supplier Engagement

Foundations of Scope 3

Selecting a methodology that is tailored to your company's scope 3 priorities is essential for setting meaningful targets

Keys to Success

Supplier Mapping



Engage in supplier mapping and contact suppliers early in the process to raise awareness.

Pursuing Hotspots



Identify hotspots in the value chain and decide which to target first according to feasibility, level of transparency etc....

Data Improvement Plan



Set benchmarks that determine how emissions factors will be refined over time.

Leverage Contracts



Include target-setting expectations in supplier contracts and make this a condition of doing business.

Enhancing Target Effectiveness

Given the size of the scope 3 task, it is essential to have a clear roadmap for identifying not only what parts of the value chain to tackle first but also how to amplify that effort over time.

Scope 3 Resources: Supplier Engagement Toolkit



The SBTi has published a supplier engagement toolkit that includes more detailed information about how to set, implement, and track/evaluate supplier engagement targets. The guide includes:

- Best practices for companies at different stages of the supplier engagement journey
- Materials to prepare for conversations with suppliers including a premade slide deck
- Information about how to measure progress
- An appendix with helpful resources for supplier engagement and data collection

[Supplier-Engagement-Guidance.pdf \(sciencebasedtargets.org\)](https://sciencebasedtargets.org/Supplier-Engagement-Guidance.pdf)

SBTi is launching a process to review scope 3 guidance & criteria

to reflect the latest climate science and further improve practicality of implementation

Objectives

1. Clarifying technical and scientific foundations to align scope 3 targets to 1.5°C emission trajectories.
1. Evaluating scope 3 target boundary criteria and materiality thresholds for near- and long-term SBTs.
1. Assessing methods and benchmarks to drive value chain decarbonization and to track progress.
1. Clarifying how different interventions can be used in the delivery of value chain decarbonization targets.

Six high-level solutions

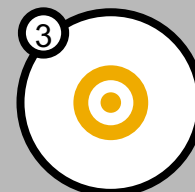
to address the barriers critical to decarbonization



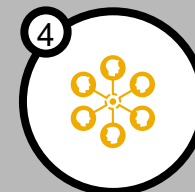
Improved
data
collection &
traceability



Enhanced
accounting
frameworks



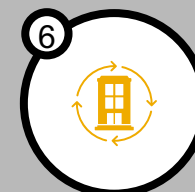
Target
setting
guidance
and methods



Collective
value chain
action



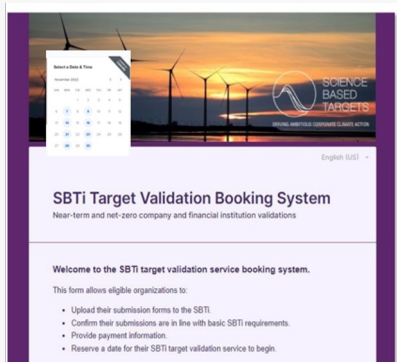
Financiers
and
regulators



Internal
efforts

Important SBTi links

SBTi Corporate Booking System



Companies should submit all documents through the SBTi booking system in order to secure a slot for validation.

[Link](#)

SBTi Newsletter



The communications channel SBTi uses to announce the release of new resources/ guidances, provide updates on public consultations etc....

[Link](#)