

ABOUT THE SBTI

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

PARTNERS













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 - About the SBTi 1.5°c target-setting method for automakers
 - Development process of the target-setting method
- Public consultation participants
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INTRODUCTION

- From October 11 to November 10, 2023 the Science Based Targets initiative (SBTi) held a <u>public consultation</u> for a new method for automakers to set 1.5°C emissions reduction targets.
- The objective was to inform the development of clear, robust and practical sector-specific criteria.
- 68 total responses were received from industry, NGOs, consulting firms, academia and public sector.
- This document provides a summary of the responses received during the consultation process.





BACKGROUND INFORMATION





ABOUT THE SBTi 1.5°C TARGET-SETTING METHOD FOR AUTOMAKERS

- The SBTi aims to continue to develop methodologies to support decarbonization at the pace and scale required by science.
- There is currently no Sectoral Decarbonization Approach for transport that allows companies to align their use-phase emission targets for new road vehicles with 1.5°C.
- In pursuit of the goal of attaining technical completeness, and to support companies in the transport sector that are ready to set 1.5°C aligned targets now, the SBTi is looking to release a 1.5°C target-setting method for automakers.

DEVELOPMENT PROCESS OF THE SBTi 1.5°C TARGET-SETTING METHOD FOR AUTOMAKERS



A REMINDER OF THE DEVELOPMENT PROCESS SO FAR

The 1.5°C target-setting method for automakers was open for **public consultation for 30 days** until November 10, 2023. Stakeholders interested in contributing their views completed a short survey.

The objective of the consultation was to survey views on:



Allowing automakers to set near-term and long-term scope 3 category 11 targets for sold vehicles using the Absolute Contraction Approach.



Requiring automakers to commit to the phase out of new internal combustion engine cars and vans by 2035 in leading markets and by 2040 globally, or earlier as per local applicable regulation, and publish this alongside their science-based target.

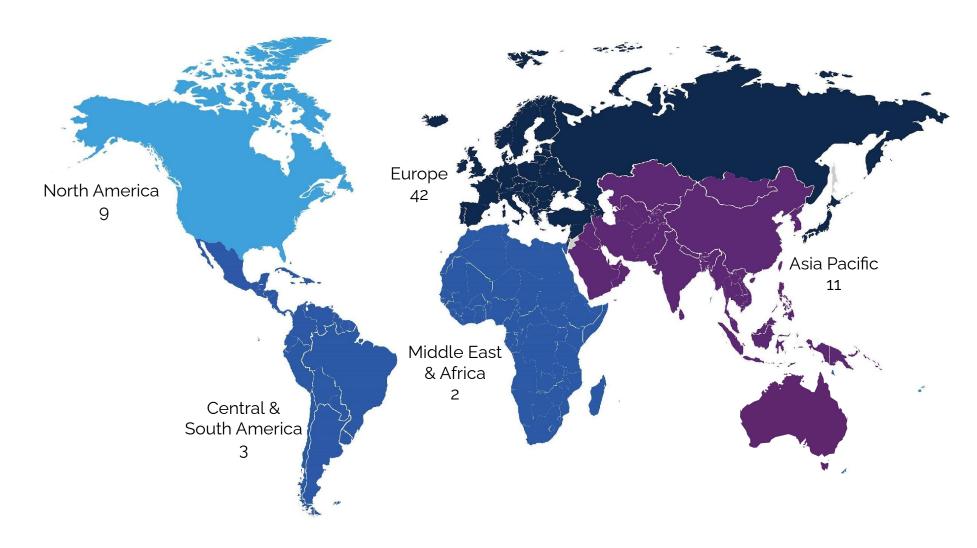


PUBLIC CONSULTATION PARTICIPANTS

PARTICIPANTS: 68* RESPONSES

FROM STAKEHOLDERS

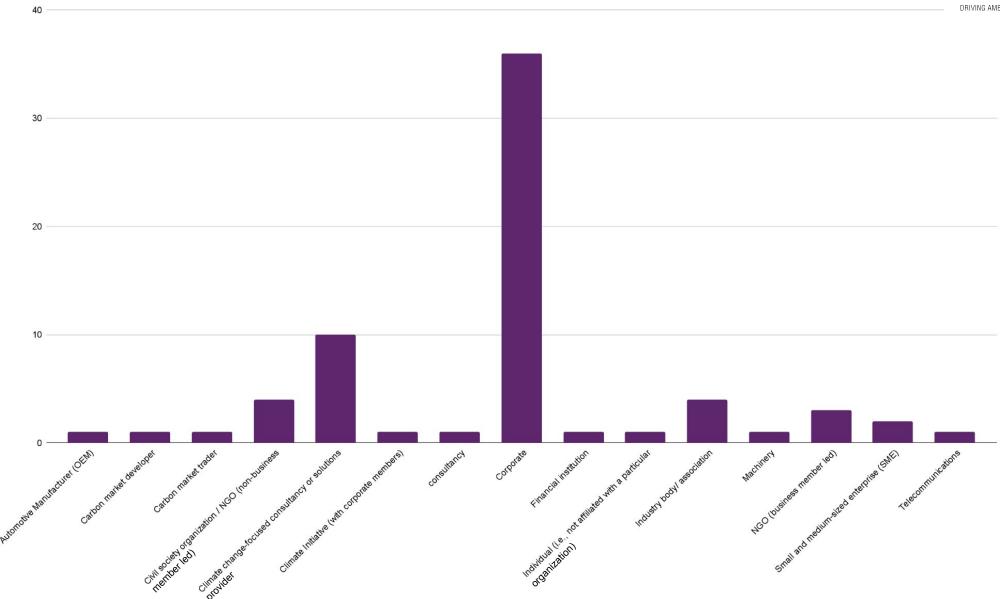




^{* 1} response did not include geographical location

WHAT TYPE OF ORGANIZATION DO YOU REPRESENT?



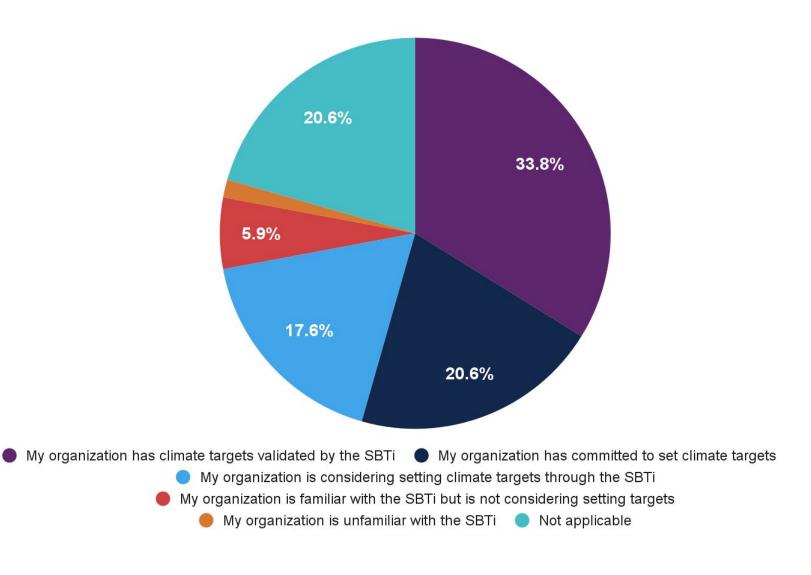




DETAILED SURVEY RESPONSES

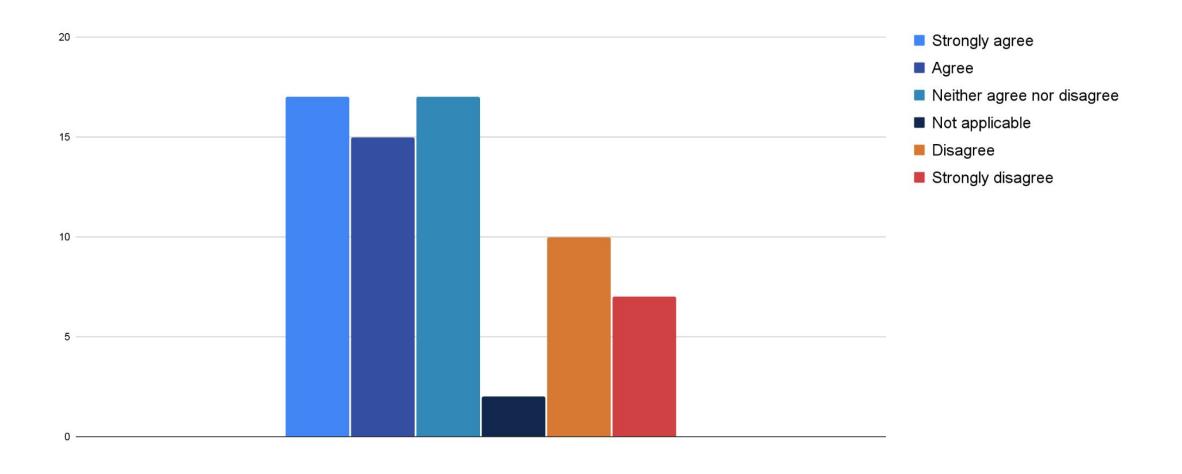
WHAT IS THE STATUS OF YOUR ORGANIZATION WITH RESPECT TO THE SBTi?





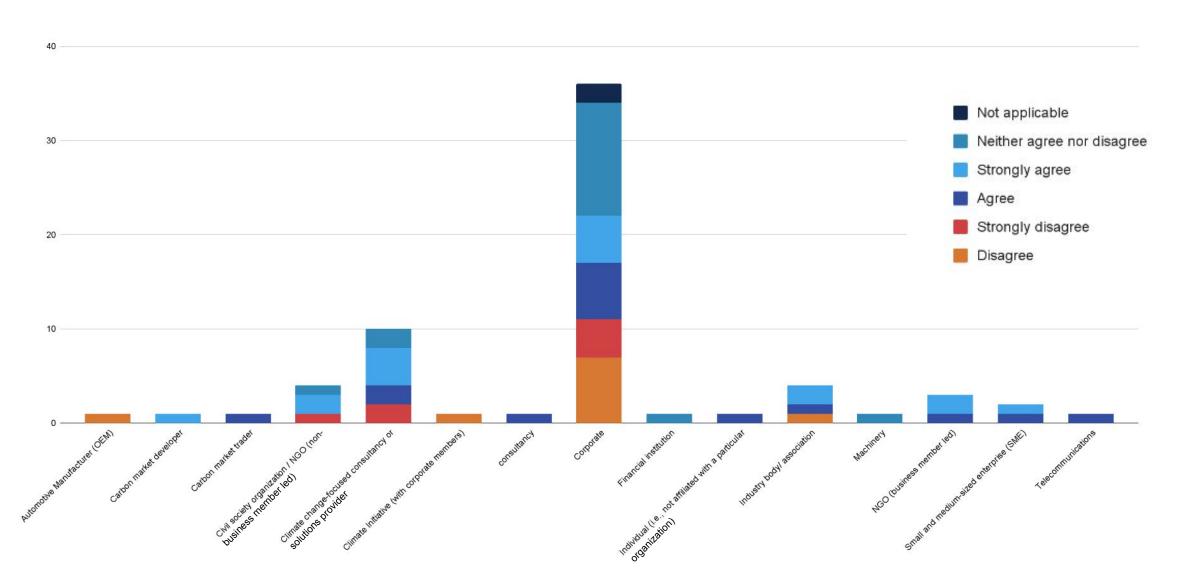
Q1. WHAT ARE YOUR VIEWS ON ALLOWING AUTOMAKERS TO SET NEAR-TERM AND LONG-TERM SCOPE 3 CATEGORY 11 TARGETS FOR SOLD VEHICLES USING ABSOLUTE CONTRACTION?





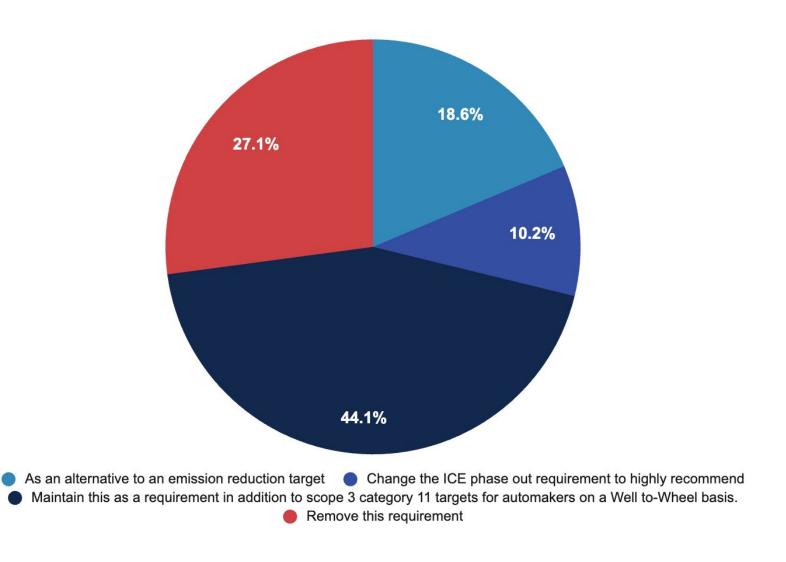
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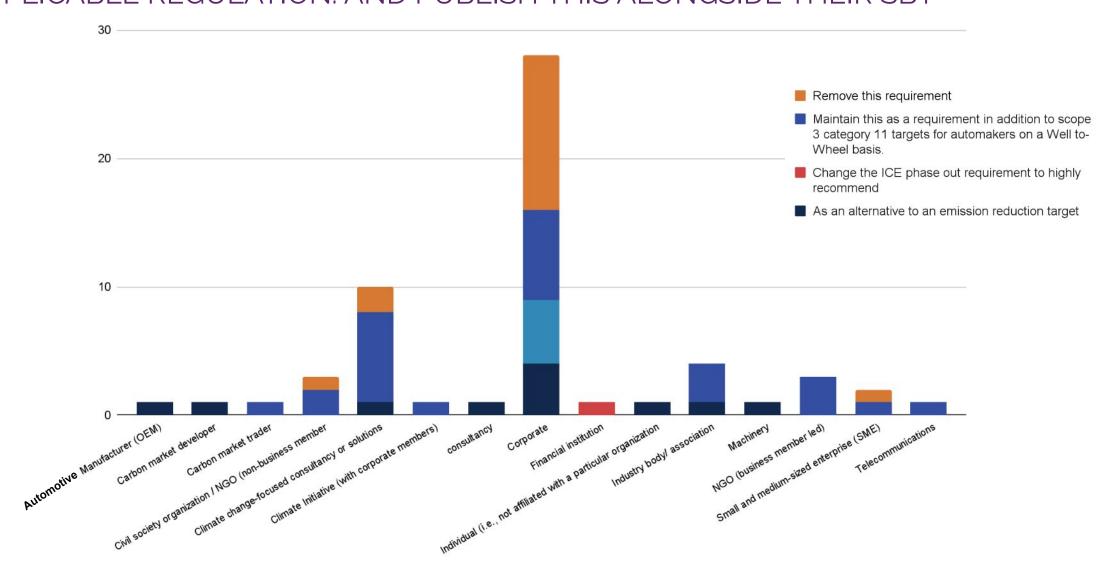
Q.2 REQUIREMENT FOR OEMs TO COMMIT TO THE PHASE OUT OF NEW INTERNAL COMBUSTION ENGINE CARS AND VANS BY 2035 IN LEADING MARKETS AND BY 2040 GLOBALLY, OR EARLIER AS PER LOCAL APPLICABLE REGULATION. AND PUBLISH THIS ALONGSIDE THEIR SBT





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SUMMARY OF CONSULTATION FEEDBACK

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	ABSOLUTE CONTRACTION	ICE PHASE OUT	OTHER FEEDBACK
Stakeholder Feedback	 There was overall support for the choice of the absolute contraction pathway from all types of stakeholders. A small proportion of responders suggested that target should take into account the sales regions and the regional energy mix. 	 There was overall support to include the mandatory phase out of ICE vehicles in accordance with the Glasgow Declaration. There was a small proportion of respondents who did not support phase out of ICE vehicles in accordance with the Glasgow Declaration. 	 Clear definitions are needed on terminology. ICE vehicles may have a place if eFuels are utilized, supplying net negative fuel.
Key Decisions	 The method for automakers to set near- and long-term scope 3 category 11 targets for sold vehicles using absolute contraction to be included in the updated Land Transport Guidance. 	 The SBTi to recommend that automakers join the Accelerating to Zero Coalition's (A2Z) Zero Emissions Vehicles Declaration, if they have not already signed. 	 The SBTi will provide clarity on the definitions within the Accelerating to Zero Coalition's (A2Z) Zero Emissions Vehicles Declaration.

SUMMARY OF CONSULTATION FEEDBACK



	ABSOLUTE CONTRACTION	ICE PHASE OUT	OTHER FEEDBACK
Key Decisions (continued)	No exclusions are allowed under category 11, with 100% of WtW emissions required to be covered under a 1.5°C aligned target.	Automakers must publish a statement alongside their science-based targets. The statement must follow the format: "Company X commits to work toward the phase out of new internal combustion engine vehicles by 2035 in leading markets and by 2040 globally for add earlier dates]."	 The SBTi acknowledges that eFuels and geographical differences in electricity grids and renewable energy availability are potential risks and opportunities for the automaker sector. However, at this time phasing out of fossil fuels remains the science-based solution to reaching net-zero by 2050. The SBTi therefore supports the A2Z Coalition and the ZEV Declaration.



THANK YOU

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