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# Science Based Targets Call to Action Standard Commitment Letter

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## Introduction

The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact (UN Global Compact), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments. The initiative champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

## The call to action

We are calling on companies to demonstrate their climate leadership by publicly committing to adopt science-based targets. To join the movement, companies need to complete the following steps:

### Step 1. Sign and submit the commitment letter

Signing this commitment letter indicates that your company will work to set a science-based emission reduction target aligned with the SBTi's target-setting [criteria](#). After submitting the letter to [commitments@sciencebasedtargets.org](mailto:commitments@sciencebasedtargets.org), your company will be recognized as “committed” at [sciencebasedtargets.org](http://sciencebasedtargets.org) as well as on our partner websites at We Mean Business, CDP and the UN Global Compact. Companies are urged to aim for the highest level of ambition in their target setting. To indicate your intention to align your emissions reduction targets across your value chain with limiting global temperature rise to 1.5°C, please join the [Business Ambition for 1.5°C Call to Action](#) by signing the [Business Ambition for 1.5°C Commitment Letter](#).

As of July 15, 2020, small and medium-sized enterprises (SMEs) must submit the [Target Setting Letter for SMEs](#) instead of the Standard Commitment Letter. SMEs are defined as a non-subsidiary, independent company which employs fewer than 500 employees. Learn more on our [Frequently Asked Questions](#).

### Step 2. Develop a target

Once your company has signed the commitment letter you will have a maximum of 24 months to:

1. Develop a science-based target aligned with the SBTi criteria;
2. Submit the target to the SBTi for validation;
3. Publish your approved target on the SBTi website.



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We encourage companies to begin this process and submit their targets as early as possible. If a company fails to complete all the above steps within 24 months, their name will be removed from the SBTi Companies Taking Action webpage and all other websites, as per our [Protocol to Manage Expired Commitments](#). Under special circumstances the SBTi may grant companies additional time to publish their targets.

The SBTi offers [resources](#), [case studies](#) and [events](#) to help companies develop their science-based targets.

### **Step 3. Submit your target for official validation**

To have your science-based target officially approved and published, your company must complete the Target Submission Form and submit it for validation via email to [targets@sciencebasedtargets.org](mailto:targets@sciencebasedtargets.org). The SBTi will assess the target submission against the latest SBTi criteria and the [Target Validation Protocol](#), and inform you whether the target has been approved or whether further work is needed.

### **Step 4. Announce the target**

On confirmation that your target meets the [SBTi criteria](#), your company's target will be published on the SBTi website and may be showcased in other communications. The SBTi may contact your nominated communications contact about further opportunities to profile your company's climate leadership.

Please proceed to page 5 of this document to sign the Commitment Letter. Oil and gas companies and financial institutions shall consult page 3 and 4 respectively before proceeding to complete pages 5 and 6.



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## Oil and Gas in the Call to Action

Due to the unique nature of the oil and gas sector, the Call to Action Campaign has established a separate process for oil and gas companies. The oil and gas sector's largest impact comes from the use phase of the products sold (known as scope 3 emissions) and therefore it is imperative that targets for this sector encompass these activities, as well as scope 1 and 2 emissions.

For the purposes of the target validation by the SBTi, oil and gas includes, but is not limited to, integrated oil & gas companies, integrated gas companies, exploration and production pure players, refining and marketing pure players, oil products distributors, gas distributors and gas retailers. Although the oil and gas sector is divided into various upstream, midstream and downstream activities, it is important to map the interrelation and mitigation opportunities for each segment, aligned with the latest climate science. The SBTi is currently [developing a method](#) for assessing oil and gas impacts and targets, therefore we cannot currently review or approve targets submitted by oil and gas companies as defined above. We invite oil and gas companies to publicly commit to setting science-based scope 1, 2 and 3 targets when a methodology becomes available by signing this commitment letter.

The SBTi will assess companies on a case-by-case basis to determine whether they **will be classified as oil & gas companies for the purpose of the SBTi validation**, and if so, reserve the right to not move forward with their validation until the SBTi oil and gas sector method is completed.

Committed oil and gas companies will be invited to participate in the consultation process for the method development.

Once a target setting method is finalized, committed oil and gas companies will be notified and asked to develop and submit their targets for validation, and have them approved and published within 24 months.



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## Financial Institutions in the Call to Action

Due to its unique nature, the Call to Action Campaign has established a separate process for the financial sector. The sector's largest impact comes from its investment and lending activities (known as scope 3, category 15 emissions) and therefore it is imperative that targets for this sector encompass such activities.

The SBTi defines a financial institution as a company whose business involves the arrangement and execution of financial and monetary transactions, including deposits, loans, investments and currency exchange. More specifically the SBTi deems a company a financial institution if 5 percent or more of its revenue or assets comes from the activities described above.

On October 1, 2020, the SBTi released a framework that allows financial institutions—including banks, investors, and insurance companies, and others—to set science-based targets to align their lending and investment activities with the Paris Agreement. Visit the [SBTi finance project homepage](#) for more information.

In practice, the primary audience includes universal banks, asset managers (mutual funds), asset owners (pension funds, closed-end funds, insurance companies) and mortgage real estate investment trusts (REITs). The framework is also relevant for other financial institutions that have holdings in the following asset classes where methods are currently available real estate, mortgages, electricity generation project finance, corporate and consumer loans, bonds, and equity.

Asset classes beyond this list are currently out of scope. Bilateral and multilateral development financial institutions (e.g. the World Bank) are not the primary audience of this framework. Equity REITs, namely real estate companies that own or manage income-generating properties and lease them to tenants, are not a target audience of this project and shall pursue the regular target validation route for companies.

Financial institutions are invited to commit to set science-based targets by signing this commitment letter, and to set targets by completing the following steps within a maximum of 24 months:

1. Develop a science-based target aligned with the SBTi criteria for financial institutions;
2. Submit the target to the SBTi for validation;
3. Publish your approved target on the SBTi website.

Financial institutions that committed to the SBTi before October 1, 2020 are asked to complete the steps above by October 1, 2022.

If a company falls under the definition above but does not consider their investment activities significant/relevant for the purposes of science-based target setting, the company should reach out to the team at [info@sciencebasedtargets.org](mailto:info@sciencebasedtargets.org).



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Our company wishes to join the growing group of leading companies that are setting emissions reduction targets in line with what climate science says is necessary. By doing so, we recognize the crucial role the business community can play in minimizing the risk climate change poses to the future of our planet.

We commit to develop a science-based target aligned with the SBTi criteria, submit the target the SBTi for validation and publish our approved targets within a maximum of 24 months. For more information about the four step process of the SBTi Call to Action please consult the [SBTi website](https://www.sciencebasedtargets.org).

We acknowledge that our commitment will be recognized on [sciencebasedtargets.org](https://www.sciencebasedtargets.org) as well as on our partner websites at We Mean Business, CDP and UN Global Compact.

Company information	
Company name (Please indicate correct spelling, capitalization and punctuation to be used in public communications)	
Website	
Country where company is headquartered	
ISIN number (if applicable)	
Social media links	
Please indicate the sector(s) in which your company operates.  *If your company's sector is Real Estate Investment Trust, please indicate if your company is an Equity REIT or Mortgage REIT. *If an oil and gas company (as per the SBTi's definition) please provide a more detailed description of your company's oil and gas activities. *If a financial institution (as per the SBTi's definition) please provide a more detailed description of your company's financing and lending activities.	



# SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

info@sciencebasedtargets.org  
www.sciencebasedtargets.org



www.facebook.com/ScienceBasedTargets



www.twitter.com/sciencetargets

Type of organization: privately owned company, publicly listed company, state-owned enterprise, other	
Number of employees	
<b>Primary contact information</b> If this contact person changes over time, please contact us at <a href="mailto:commitments@sciencebasedtargets.org">commitments@sciencebasedtargets.org</a> with their contact information.	
First and last name	
Email address	
Phone number	
Job title	
<b>Communications contact information</b>	
First and last name	
Email address	
Job title	

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Signature

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Place

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Date