Science based target-setting for Maritime Transport

Public consultation webinar

March 2021

Welcome to the Maritime Transport Public Consultation Webinar

Webinar etiquette

- Please make sure you are connected to audio through your computer or the dial-in numbers.
- Participants can send questions via the Q&A window at the bottom of the screen.
- Presenters will try and address most questions during the Q&A time slot.
- Slides and a recording from this meeting will be shared with all registered participants after this call.

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Agenda

1. Welcome and intro to SBTi (10 min)
2. Overview of maritime transport guidance (15 min)
3. Target setting tool (10 min)
4. Call for inputs & next steps (5 min)
5. Dedicated Q&A (20 min)

Today's speakers

Alan Lewis
Technical Development Director
SFC

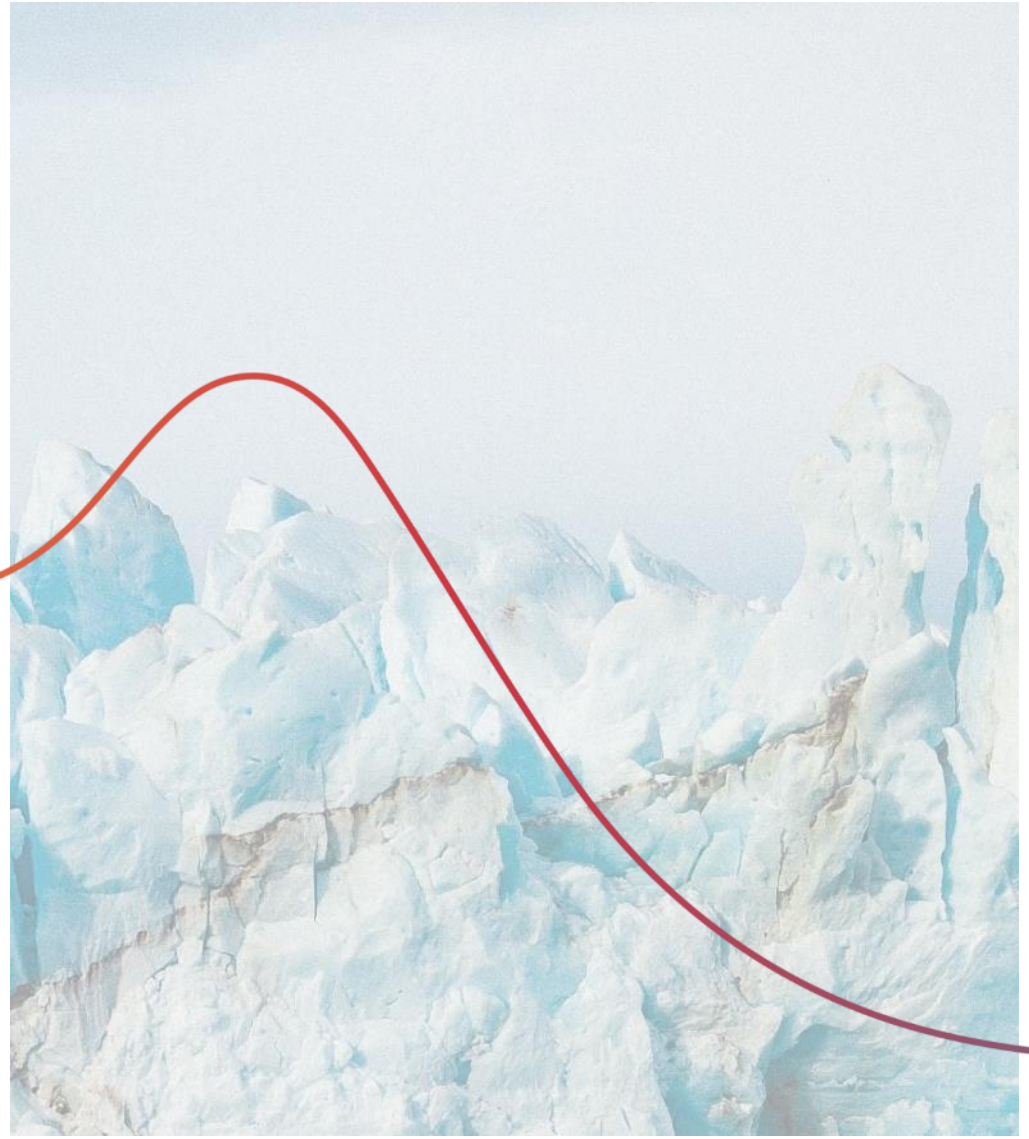
Dan Smith
Senior Technical Manager
SFC

Jean Marc Bonello
Consultant
UMAS

Rebekah Hughes-Khan
Engagement and Target Analyst
WWF

Fernando Rangel Villasana
Senior Technical Manager
WWF

What are science-based targets?



“GHG emissions reduction targets are considered ‘science-based’ if they are in line with what the latest climate science says is necessary 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.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP DISCLOSURE INSIGHT ACTION

UN GLOBAL COMPACT

WWF

WORLD RESOURCES INSTITUTE

+1250 Companies have formally joined the SBTi Call to Action

+630 Companies have approved targets

How can companies join?

Review your targets (at least every 5 years)

Commit	Model your targets	Get your targets validated	Announce your new targets	Implement	Track and disclose progress
Commitment	Target setting			Target implementation	

Companies are expected to announce their targets within 24 months upon commitment

Project overview

Project objective:

To develop target setting tools and guidance for inspiring ambitious action on maritime transport emissions across different types of stakeholders, taking into account best GHG reporting practices and long-term decarbonization pathways.

Project team structure

Development of this project has been a collaborative process between WWF, SFC, UMAS and our Technical Working Group.

Project Management

WWF

Technical Partners

Smart Freight Centre

UMAS

Technical Working Group

Sector experts and reps. from companies interested in setting a SBT

Broader stakeholder ecosystem

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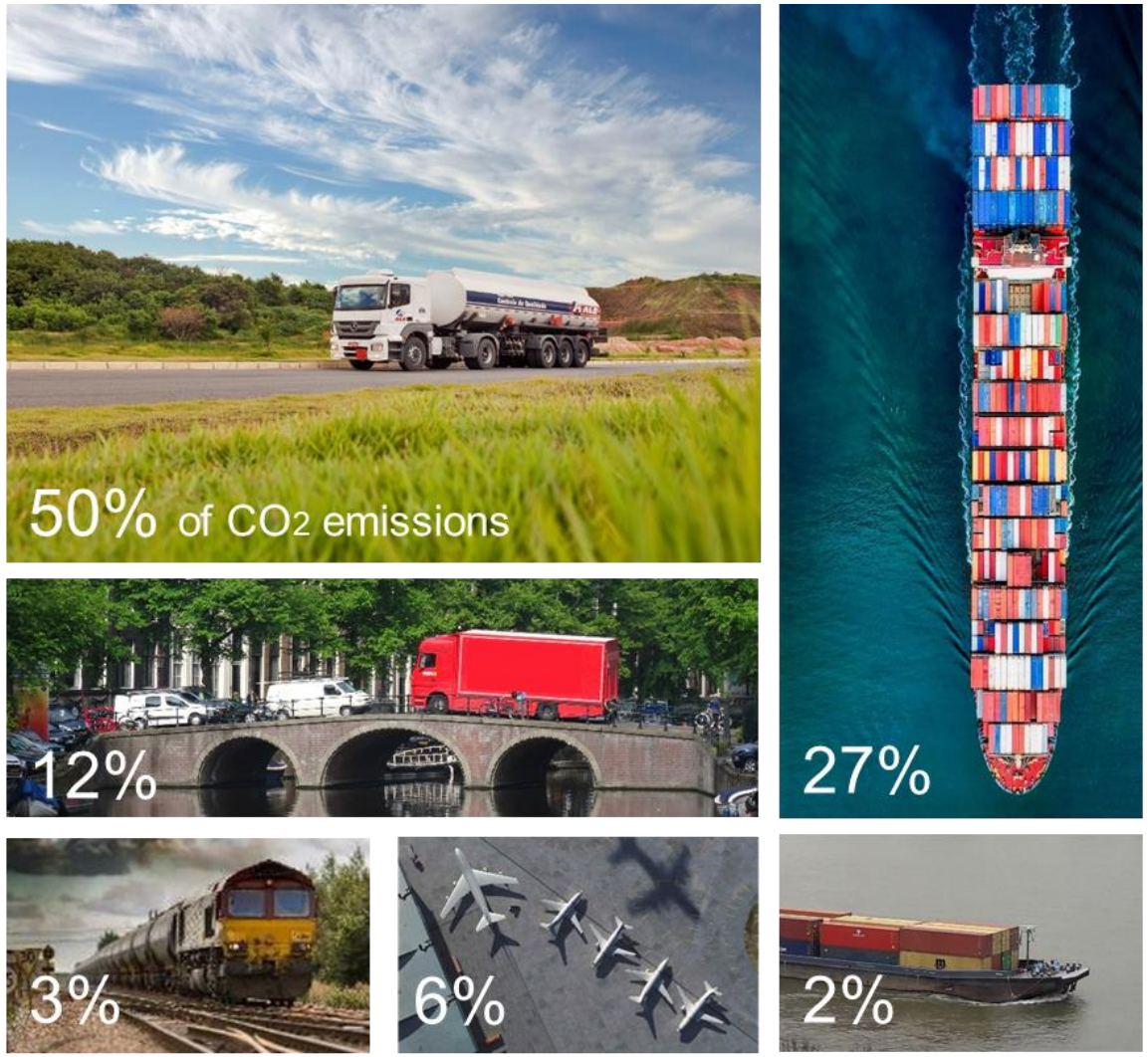
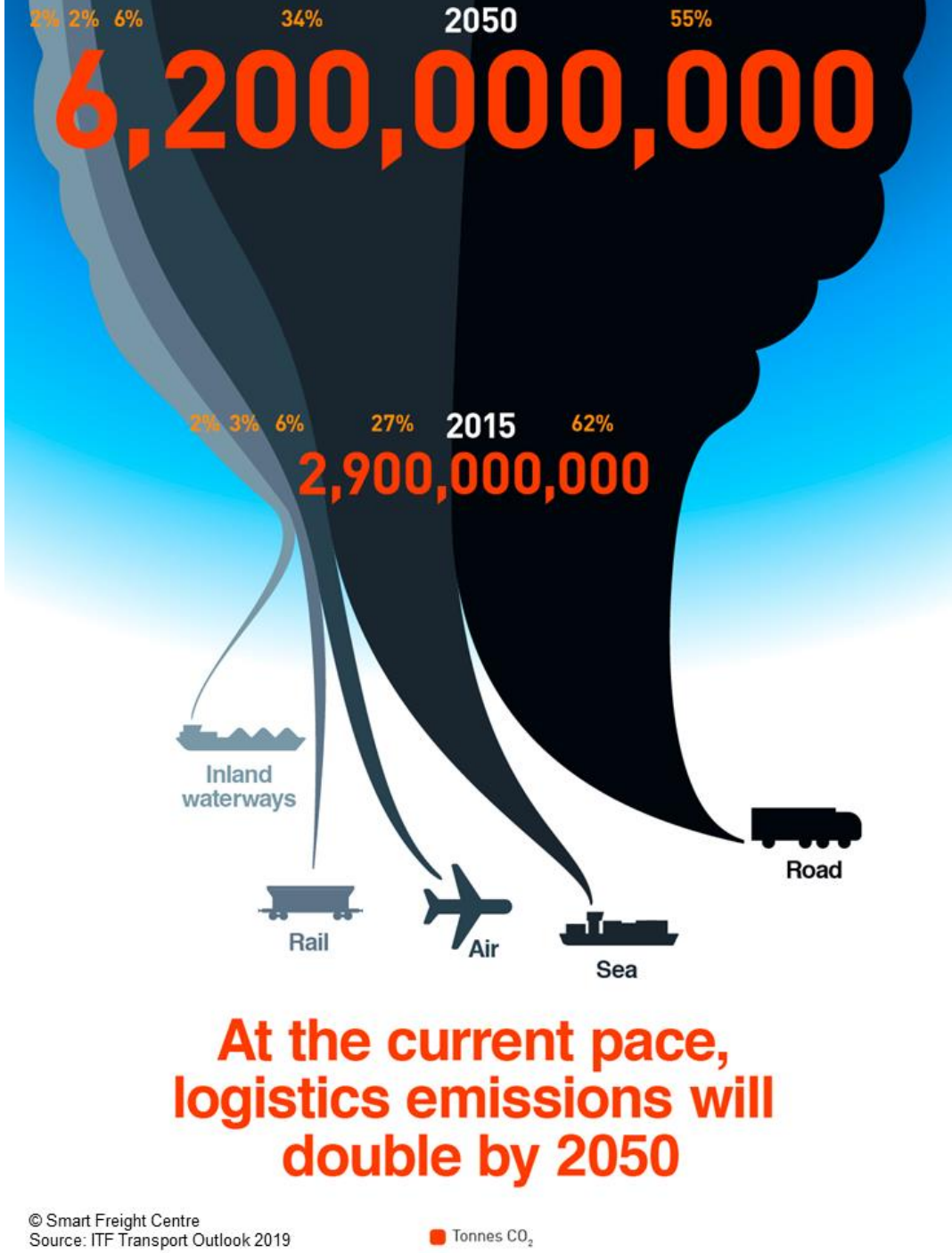
A Key Element in the Bigger Picture

- Approximately 72% of global freight transport activity
- 27% of transport CO_2 emissions
- Expected tripling of maritime freight transport activity by 2050



Smart Freight Centre, based on ITF Transport Outlook 2019

It's urgent


2% 2% 6%
34%
2050
55%
6,200,000,000
2% 3% 6%
27%
2015
62%
2,900,000,000
Inland waterways
Rail
Air
Sea
Road
At the current pace, logistics emissions will double by 2050
© Smart Freight Centre
Source: ITF Transport Outlook 2019
Tonnes CO_2

Calculation of GHG Emissions: Full Supply Chain Perspective

The only globally recognized methodology to calculate GHG emissions consistently across the multi-modal logistics supply chain

Recognized by

BUILT ON GHG PROTOCOL

CDP DISCLOSURE INSIGHT ACTION

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CLIMATE & CLEAN AIR COALITION TO REDUCE SHORT-LIVED CLIMATE POLLUTANTS

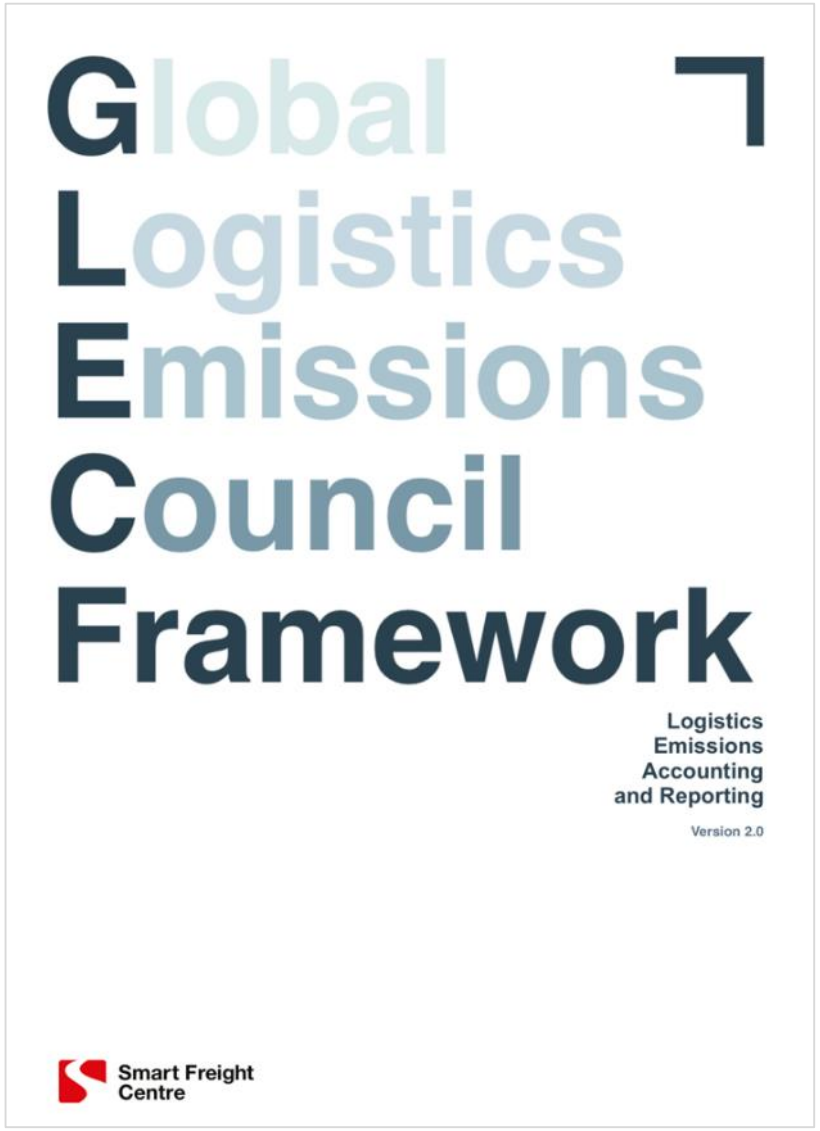
A basis for new ISO standard

ISO

Used by

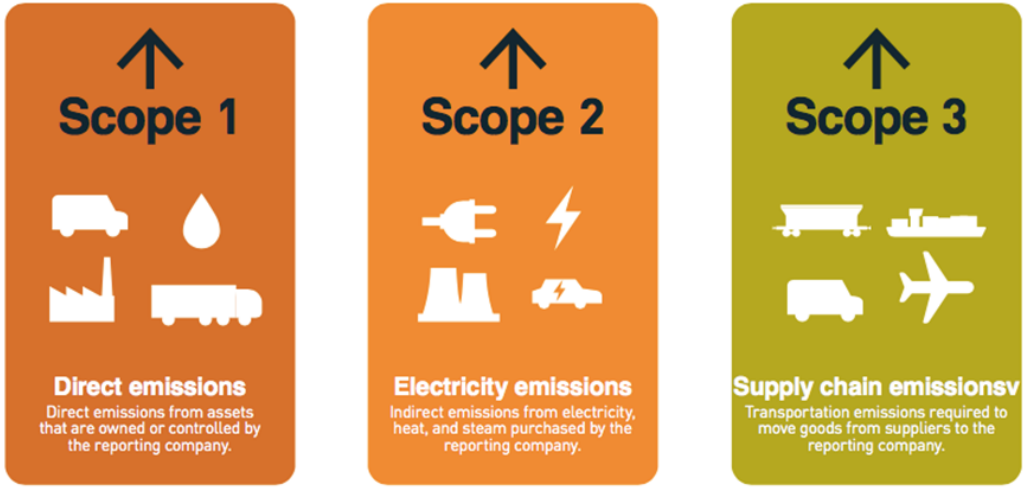
100+ Multinationals

20+ Programs, tools, initiatives



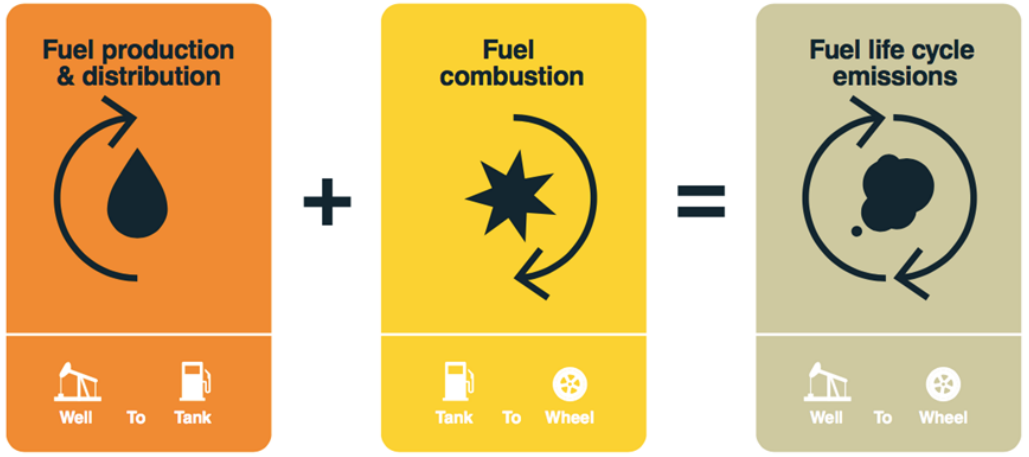
Calculation: Include everything!

ALL MODES



TOTAL SCOPE

ALL GHGs



FULL LIFE CYCLE

How can companies decarbonize transport?

1 Report
credible emissions across the multi-modal supply chain

2 Set targets
for emission reduction that are science-based

3 Reduce
emissions by implementing solutions as buyer or supplier

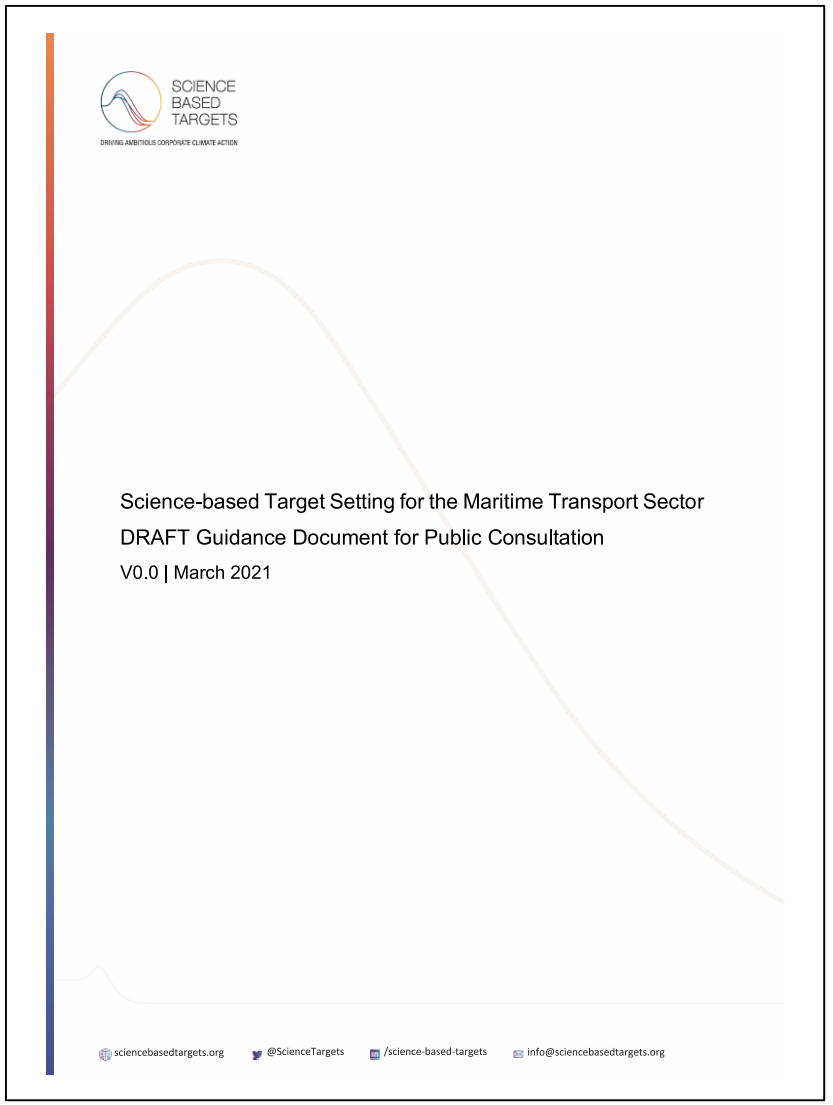
4 Collaborate
and advocate for sector-wide action and supportive policy

Avoid
Shift
Improve
Decarbonize **F**uel

Purpose of the Guidance

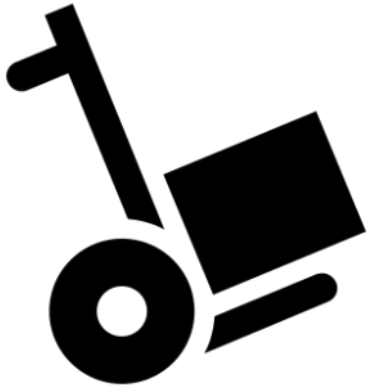
The Maritime Transport guidance document provides:

- Guidelines on setting GHG emission reduction targets for the maritime sector
- A summary of maritime sector GHG emissions accounting
- An overview of relevant SBTi methods
- Detailed information on the required user inputs into the SBTi maritime target setting tool



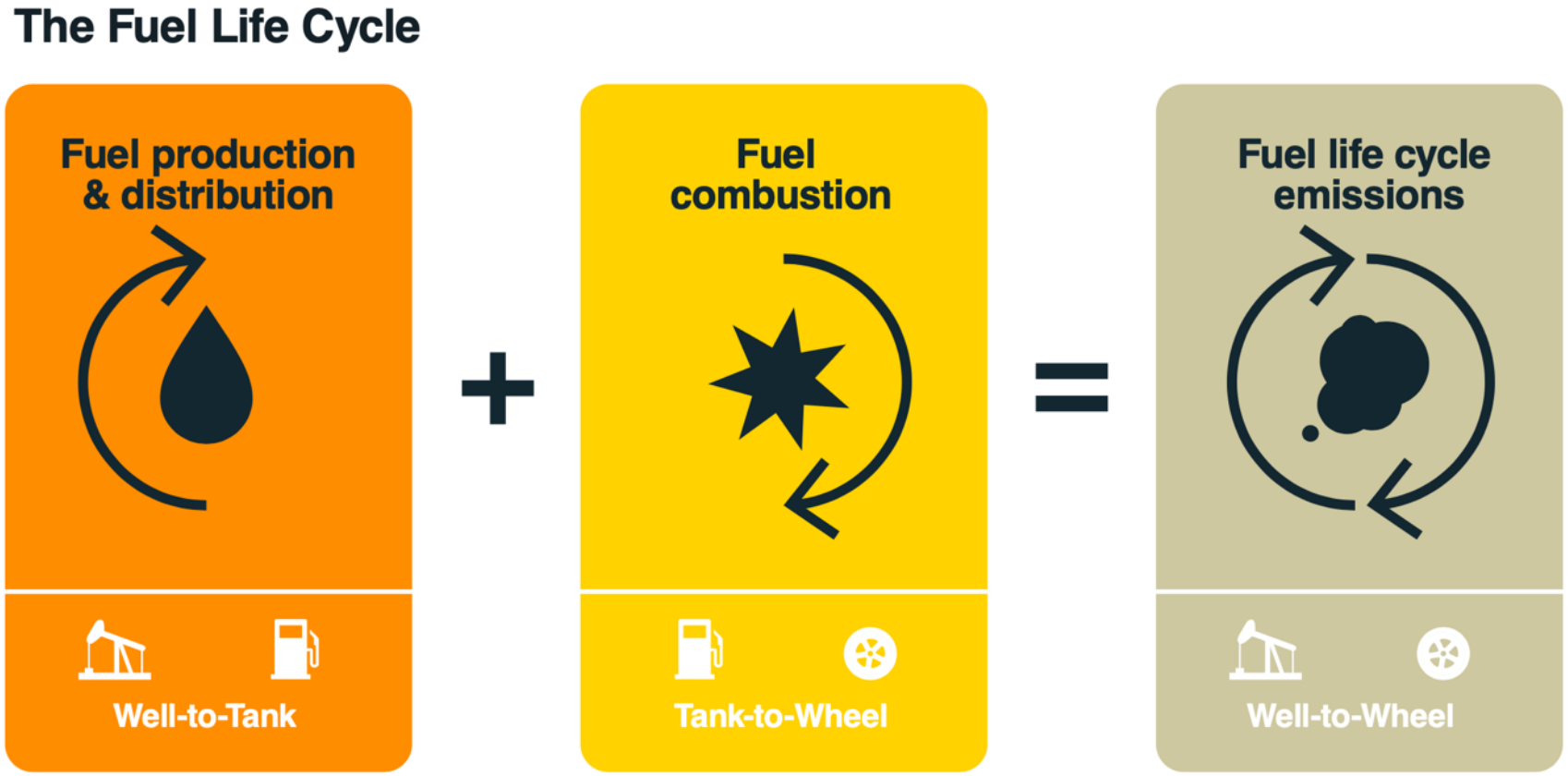
Target Audience

Carriers



Shippers and Logistics Service Providers

Maritime SBTs Address Life-Cycle Emissions



Trajectory Methodology

Carbon Budget

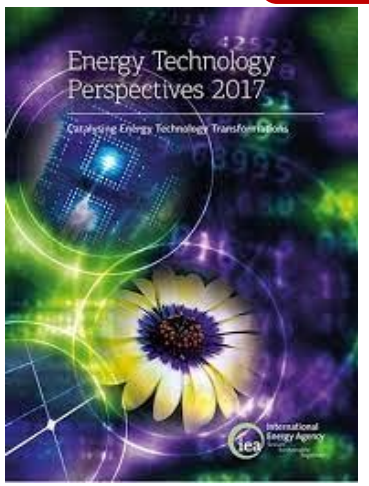
+

Transport Work Demand

→ Carbon Intensity

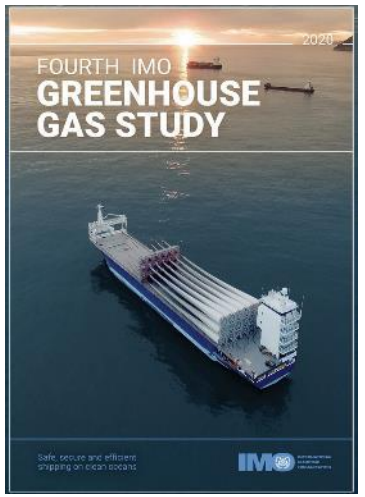
Carbon Budget

Below 2°C

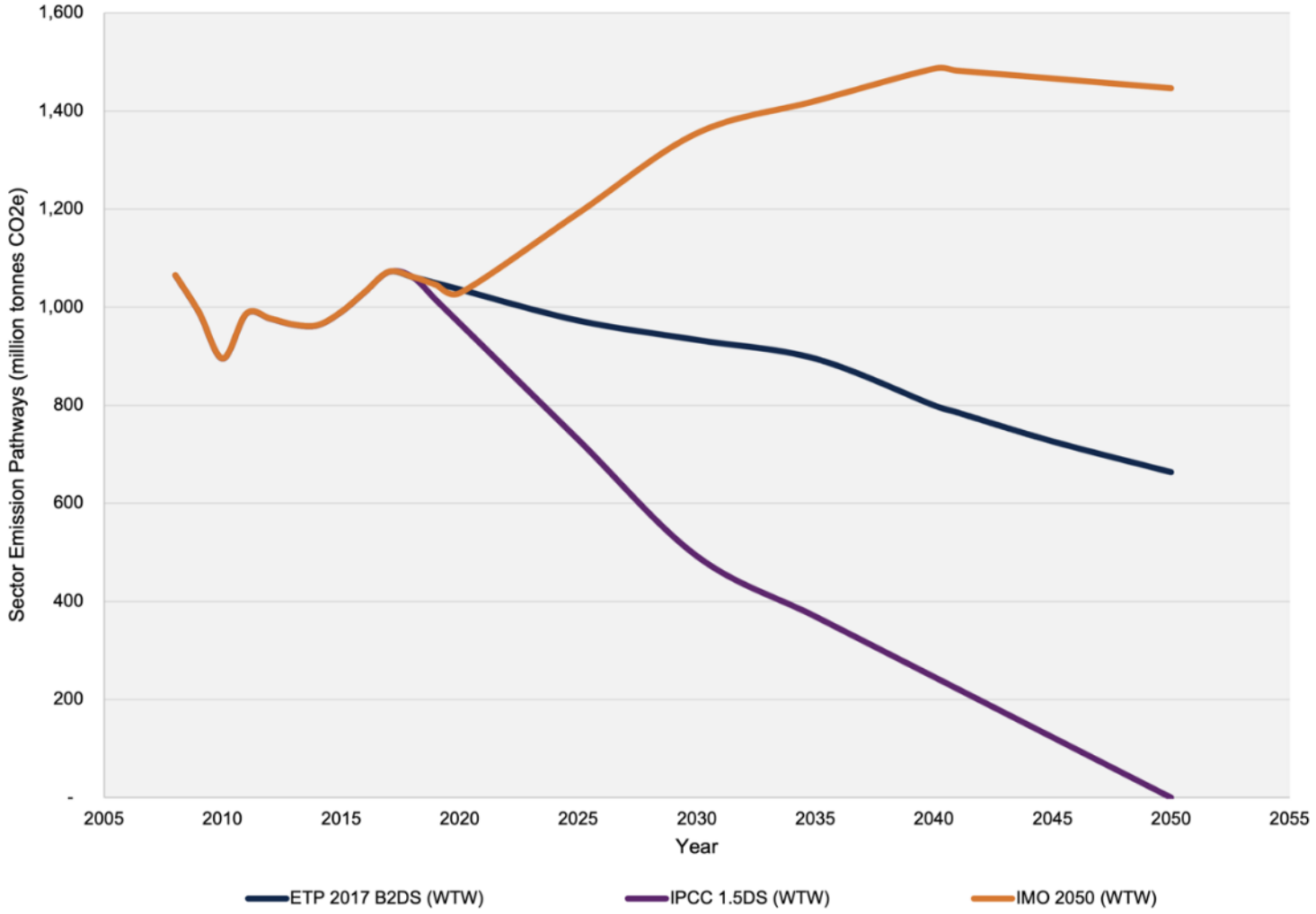


1.5°C

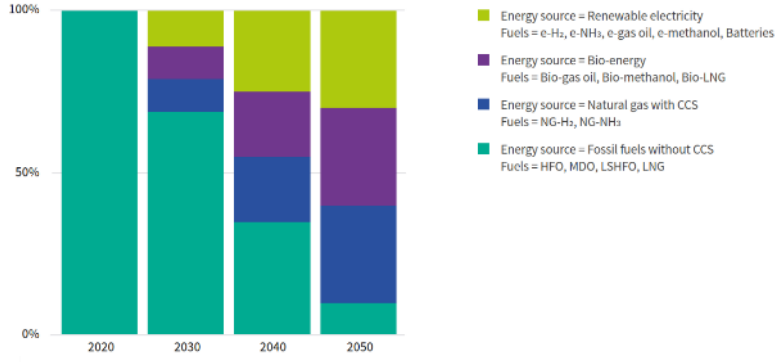
Transport Work Demand



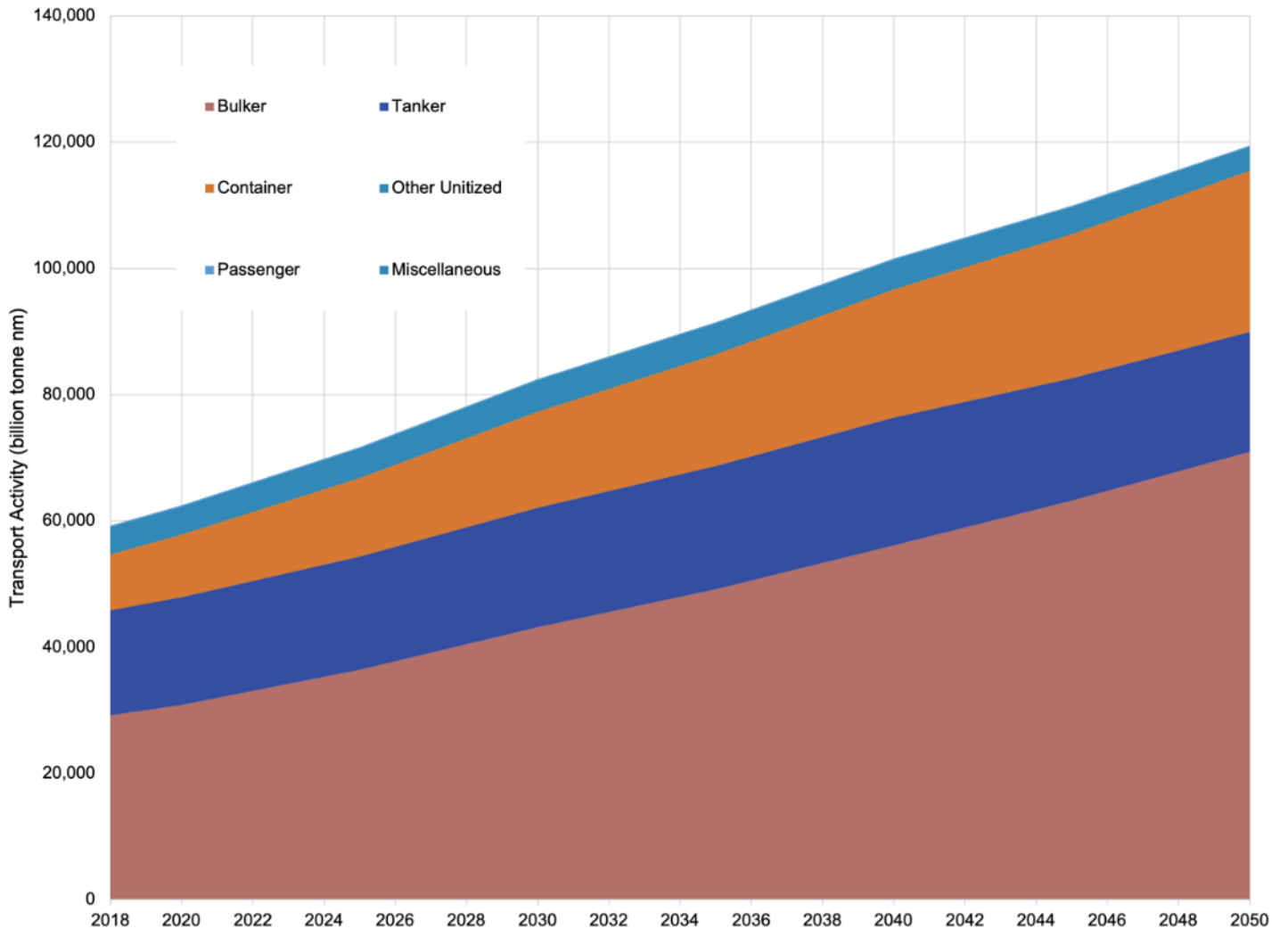
Sectoral Carbon Budget

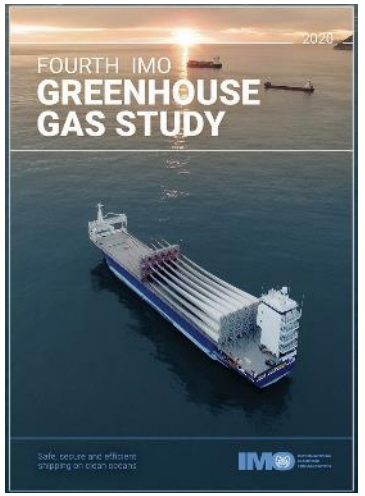


Emission Factors

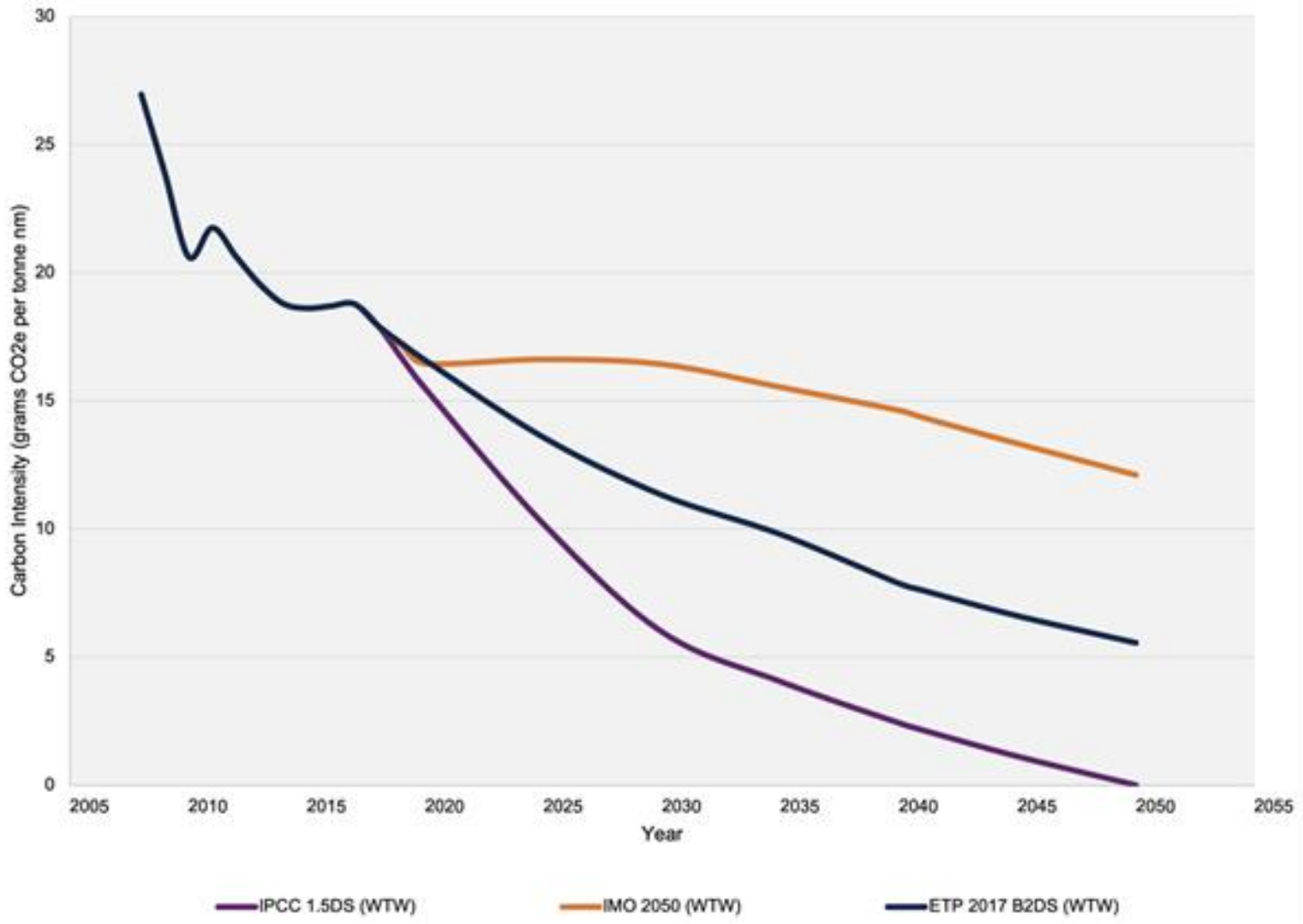


Transport Demand Projection





Carbon Intensity Trajectories



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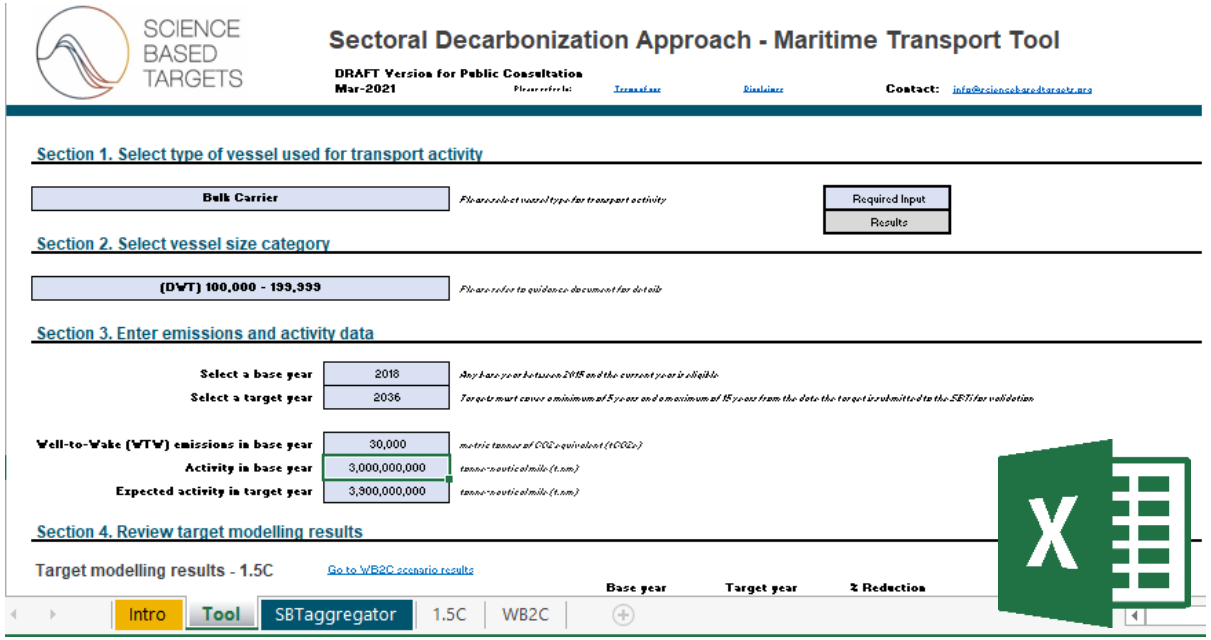
An Excel tool has been developed to support target setting for the maritime sector

The tool is an Excel document that calculates science-based targets for different vessel types and sizes following the SDA (convergence approach)



One interface for calculating SBT for all maritime transport categories and one additional (non target setting) feature are included

SBT tool

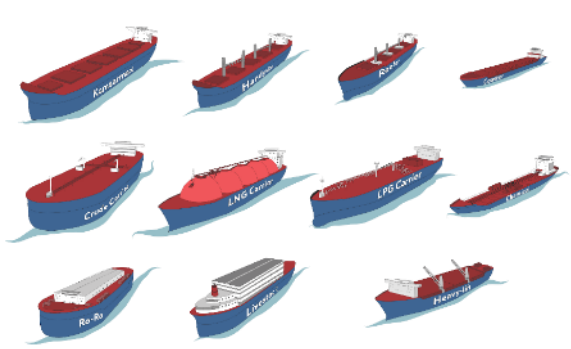
Carriers can model emission reductions targets for freight and passenger maritime transport activities. Shippers and Logistics Service Providers can also use this tool to model emission reduction targets for Scope 3 category 4/9 emissions.

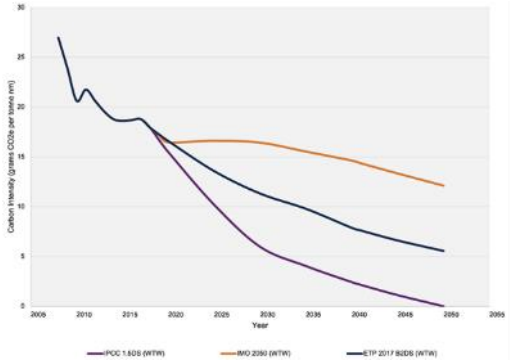
SBT aggregator

Additional feature to help companies combine targets across multiple maritime transport categories into a single metric.

The maritime transport tool calculates SBTs aligned with 1.5 C and Well-Below 2 C

Intensity pathways





Company input

Section 3. Enter emissions and activity data

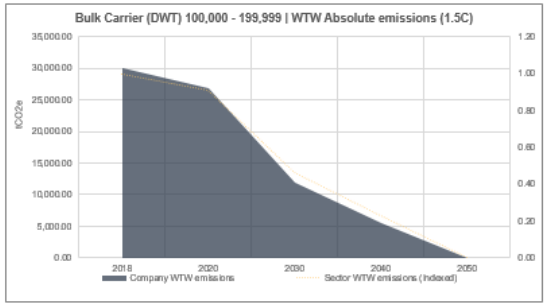
Select a base year	2018	*Any base year between 2015 and the current year is eligible*
Select a target year	2036	*Target must cover a minimum of 5 years and a maximum of 15 years.*
Well-to-Wake (WTW) emissions in base year	30,000	*metric tonnes of CO2 equivalent (tCO2e)*
Activity in base year	3,000,000,000	*tonne-nautical mile (t.nm)*
Expected activity in target year	3,300,000,000	*tonne-nautical mile (t.nm)*

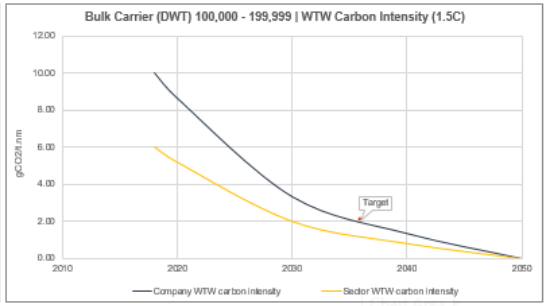
1.5°C results

Section 4. Review target modelling results

Target modelling results - 1.5C Go to WB2C scenario results

			Base year 2018	Target year 2036	% Reduction 2018 - 2036
Bulk Carrier (DWT) 100,000 - 199,999	WTW emissions	tCO2e	30,000	8,088	73.0%
Bulk Carrier (DWT) 100,000 - 199,999	WTW carbon intensity	gCO2/t.nm	10.00	2.07	56.0%

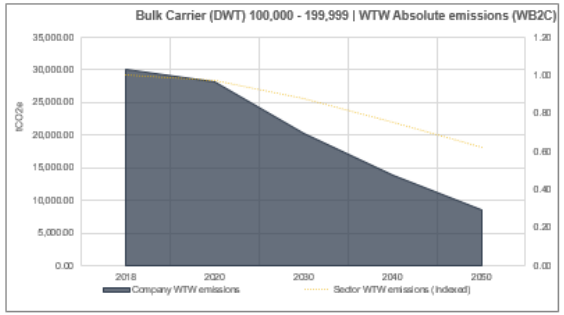


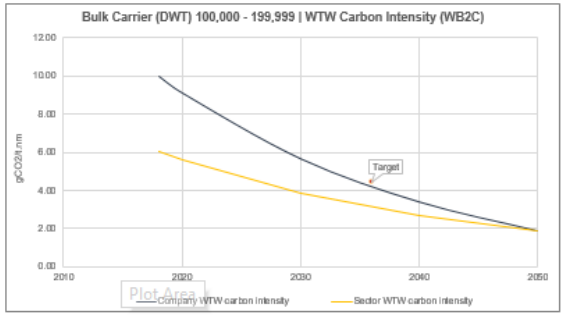


Below 2°C results

Target modelling results - WB2C

			Base year 2018	Target year 2036	% Reduction 2018 - 2036
Bulk Carrier (DWT) 100,000 - 199,999	WTW emissions	tCO2e	30,000	17,178	42.7%
Bulk Carrier (DWT) 100,000 - 199,999	WTW carbon intensity	gCO2/t.nm	10.00	4.40	56.0%





Four steps to modelling a science-based target

1 Settings

Select type of maritime transport activity

Select a relevant vessel type and size category to model a SBT

AND

Input base and target year

Select as base year the last year since 2015 you conducted a full GHG inventory. Select a target year anytime between 5 and 15 years from today

2 Base Year Data

Activity level

Enter the base year activity level in tonne nautical miles for the selected freight activity OR gross tonne nautical mile for ferry-pax and cruises.

AND

WTW Emissions

Input total emissions on a Well-to-Wake basis (Scope 1 + Scope 3 category 3) for the selected transport activity.

3 Target Year Data

Activity level

Enter the expected activity values for the target year in tonne nautical miles OR in gross tonne nautical miles for ferry-pax and cruises.

4 Target Wording

Formulate your target

Using the tool output values you can now formulate a target wording using the template below:

(Company Name) commits to reduce Well-to-Wake GHG emissions (percent reduction) % gCO_2e /t.nm by (target year) from a (base year) base year.

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How to provide feedback

Preferential feedback method: Submit feedback via our dedicated survey (see the SBTi website)

Feel free to email us directly with any specific queries or questions

Feedback for the SBTi Maritime Transport Sector Methodology will be accepted from 29 March 2021 to 16 April 2021.

Feedback will be considered by the SBTi project team and Technical Working Group, however, the SBTi does not guarantee all perspectives will be reflected in the final materials. All materials will be submitted to the SBTi Steering Committee for final approval.

Public consultation illustrative timeline and process

March 29th — Public consultation launch

March 30th — Consultation webinar

April 16th — Public consultation closes

April 16th- 30th — Feedback integration

May 1st — Submit for review to SBTi Technical working group

May 15th — Approval by SBTi Steering Committee

May/June — Full launch

Consultation Period

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Time for Questions and Discussion

Please use the Q&A box below

Thank you

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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Why we believe in ‘together possible’

We can’t do it alone

We must work with others

And build strong partnerships

Together, we are stronger

#togetherpossible

Why we’re here

Our mission

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by: conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.