



Science Based Targets Call to Action Target-Setting Letter for Small and Medium-Sized Enterprises

CET-FOR-003 | Version 1.0 April 2020

Introduction

The Science Based Targets (SBTi) is a collaboration between CDP, the United Nations Global Compact (UN Global Compact), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and 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 adopting science-based emissions reduction targets. In recognition of the important role that small and medium-sized enterprises (SMEs) play in global climate action, as well as the limited resources available to companies of this size, the Call to Action Campaign has established a separate process for these companies.

Small and Medium-Sized Enterprises (SMEs) in the Call to Action

The SBTi invites SMEs to submit targets through a new, streamlined target validation route exclusive to SMEs. This route enables SMEs to bypass the initial step of committing to set a science-based target and the regular target validation process, and to immediately set a science-based target for their scope 1 and 2 emissions by choosing from one of several predefined target options. For the purposes of target validation by SBTi, an SME is defined as a non-subsidiary, independent company with fewer than 500 employees.

To join the SBTi, SMEs shall complete the following steps in the Target Setting Letter below:

- 1. Fill out company information.
- 2. Select one of the target options.
- 3. Fill out the emissions profile section.
- 4. Fill out your company's contact details.
- 5. Review terms and conditions included in this letter and sign the letter.
- 6. Send a digital copy of the letter in PDF format to targets@sciencebasedtargets.org.
- 7. Receive invoice and pay the one-time fee of USD 1,000 (+ applicable VAT).

^{*}This is a reduced fee compared to the standard fee of USD 4,950 (+applicable VAT).



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



By signing the Target Setting Letter below, your company commits to:

- Achieve the chosen target in accordance with the rules of the <u>Greenhouse Gas Protocol</u> within the specified timeframe.
- Measure and reduce scope 3 emissions following the <u>Greenhouse Gas Protocol Value Chain</u> (Scope 3) Accounting and Reporting Standard. While the SBTi does not have a requirement for specific scope 3 targets to be set by SMEs, it encourages companies to orientate themselves on the SBTi criteria and best practice recommendations when considering their scope 3 emissions.
- Publicly report its company-wide scope 1 and 2 GHG emissions inventory and progress against published targets on an annual basis. Companies shall follow the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and Scope 2 Guidance.

After completing the steps above and pending due diligence review by the SBTi, your company's target will be automatically approved and posted to the SBTi website. Your company will be recognized as having approved science-based targets at sciencebasedtargets.org as well as on our partner websites at We Mean Business, CDP, and the UN Global Compact. Your company will be sent a communications welcome pack and will be able to use the SBTi logo on your website and in company communications.

If a company no longer wishes to be publicly recognized as a company with approved science-based targets, it must notify the SBTi via email at targets@sciencebasedtargets.org.

The SBTi reserves the right to remove a company from its list of companies with approved targets as well as from partner websites at its discretion, for reasons including reputational concerns, non-compliance with the requirements laid out in this form, or failure to update the SBTi on business changes (e.g. no longer existing as an entity due to merger or dissolution).

In cases where a company ceases to exist (e.g. through a merger or an acquisition), we kindly request you inform the SBTi of this change to ensure the public list of companies stays up to date.

The SBTi also reserves the right to change the terms of this letter at its discretion. The SBTi accepts no liability as a consequence of a company making a commitment under these provisions.

SMEs that wish to boost their ambition further are invited to join the <u>Business Ambition Campaign for 1.5°C</u>.





Science Based Targets Call to Action Target Setting Letter for Small and Medium-Sized Enterprises

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 part the business community can play in minimizing the risk climate change poses to the future of our planet.

We commit to work towards reducing our scope 1 and 2 emissions in line with the target set, measure, disclose, and reduce scope 3 emissions and publically report our company-wide GHG emissions on an annual basis.

We acknowledge that our target will be recognized on <u>sciencebasedtargets.org</u> 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)			
Has your company ever submitted a commitment letter to the SBTi?	Yes	No	
Website			
Country where company is headquartered			
ISIN number (if applicable)			
Social media links			
Please select the <u>GRI sector classification</u> that best describes your company's activity.			
In addition, please provide a more detailed description of your company's sectoral activities.			
Type of organization: privately owned company, publicly listed company, state-owned enterprise, other.			
Number of employees			



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Is your company a subsidiary of a larger organization?	Yes No			
Why did you decide to set this target? (Optional)	Customer request			
	Supplier request			
	Investor request			
	Government incentive or requirement			
	Demonstrating climate leadership			
	Other, please specify			
Commit to a target				
1.5°C aligned option				
commits to reduce absolute scope 1 and scope 2 GHG emissions 50% by 2030 from a 2018 base year, and to measure and reduce its scope 3 emissions.				
Well-below 2°C option				
commits to reduce absolute scope 1 and scope 2 GHG emissions 30% by 2030 from a 2018 base-year, and to measure and reduce its scope 3 emissions.				
Company's emissions profile (scopes 1 and 2)				
Confirm that your company will follow the GHG Protocol Corporate Standard and Scope 2 Guidance to estimate and report GHG emissions and will follow the guidelines for inventory recalculation.	Yes No			
Describe the primary operations and activities that account for emissions in scopes 1 and 2.	Scope 1:			
	Scope 2:			



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

www.facebook.com/ScienceBasedTargets www.twitter.com/sciencetargets

Confirm that your company will not exclude from the GHG inventory more than 5% of scope 1 and 2 emissions combined.	Yes	No
Scope 1 emissions in 2018 (tCO2e)		
Scope 2 emissions in 2018 (tCO2e)		
Confirm that your company will not use offsets or avoided emissions as progress toward achieving your target.	Yes	No
Confirm that your company will measure and reduce scope 3 emissions.	Yes	No
Confirm that your company will publicly report on your emissions and progress against targets	Yes	No
annually.		
Primary contact information If this contact person changes overtime, please contact contact information.	ct us at <u>targets@</u>	esciencebasedtargets.org with their
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SBTi SMEs Terms and Conditions

Please note that the SBTi is composed of four partner organizations, CDP, the UN Global Compact, WRI, and WWF. As such, the SBTi is not a legal entity in and of itself, but rather is governed by a partner agreement between the organizations. CDP manages contracting and invoicing processes on behalf of the SBTi, and therefore, the terms and conditions below relate to the terms and conditions of this agreement between your organization and CDP in order to complete this process. Please email targets@sciencebasedtargets.org if you have further queries about the below terms and conditions.

Fee: The fee for SMEs is USD 1,000 (+ applicable VAT) - a reduced fee compared to the standard of USD 4950 (+ applicable VAT).

Notice: You or CDP may give 30 days' notice in writing of termination of this agreement. No refunds or reduction will be made to the total cost for early termination, unless this is as a result of material breach of the agreement by CDP or notice given by CDP other than for your material breach.

Copyright & Ownership: CDP owns all title, rights, and interest to the SBTi validation materials, and you will not use such documents except as provided herein. CDP reserves all rights and privileges not expressly granted and except as expressly stated herein, CDP does not grant you any rights to, or in, patents, copyright, database rights, trade secrets, trade names, trademarks (whether registered or unregistered), or any other rights or licenses in respect of the SBTi validation nor to any derivatives thereof. Neither this Agreement, nor any act, omission, nor statement by CDP, conveys any ownership right in any intellectual property.

Publicity: You agree to allow CDP to publicly state that you are a participant in the Science Based Targets initiative. You must obtain a written agreement from CDP to include the CDP or SBTi name in any press or publication. You must obtain written agreement from CDP for use of the CDP logo on your website, any marketing material, or on any of your products.

Liability: CDP is not liable for any indirect, incidental, special, consequential, or punitive damages of any kind. In any case, the entire liability of CDP hereunder for any reason and upon any cause of action whatsoever is limited to the total amount of consideration CDP has actually received under this Agreement.

Confidentiality & Responsibility: You will not divulge confidential details of the validation documents or processes to any third party, unless such details are already in the public domain. You will be responsible for any losses, costs, damages or expenses that CDP may suffer or incur as a result of a claim arising out of or in relation to your willful misconduct or any use of data and materials provided to you as part of the SBT initiative.

In the event that these Terms conflict with your Target Setting Letter, these Terms will prevail.			
Signature	Place	Date	