



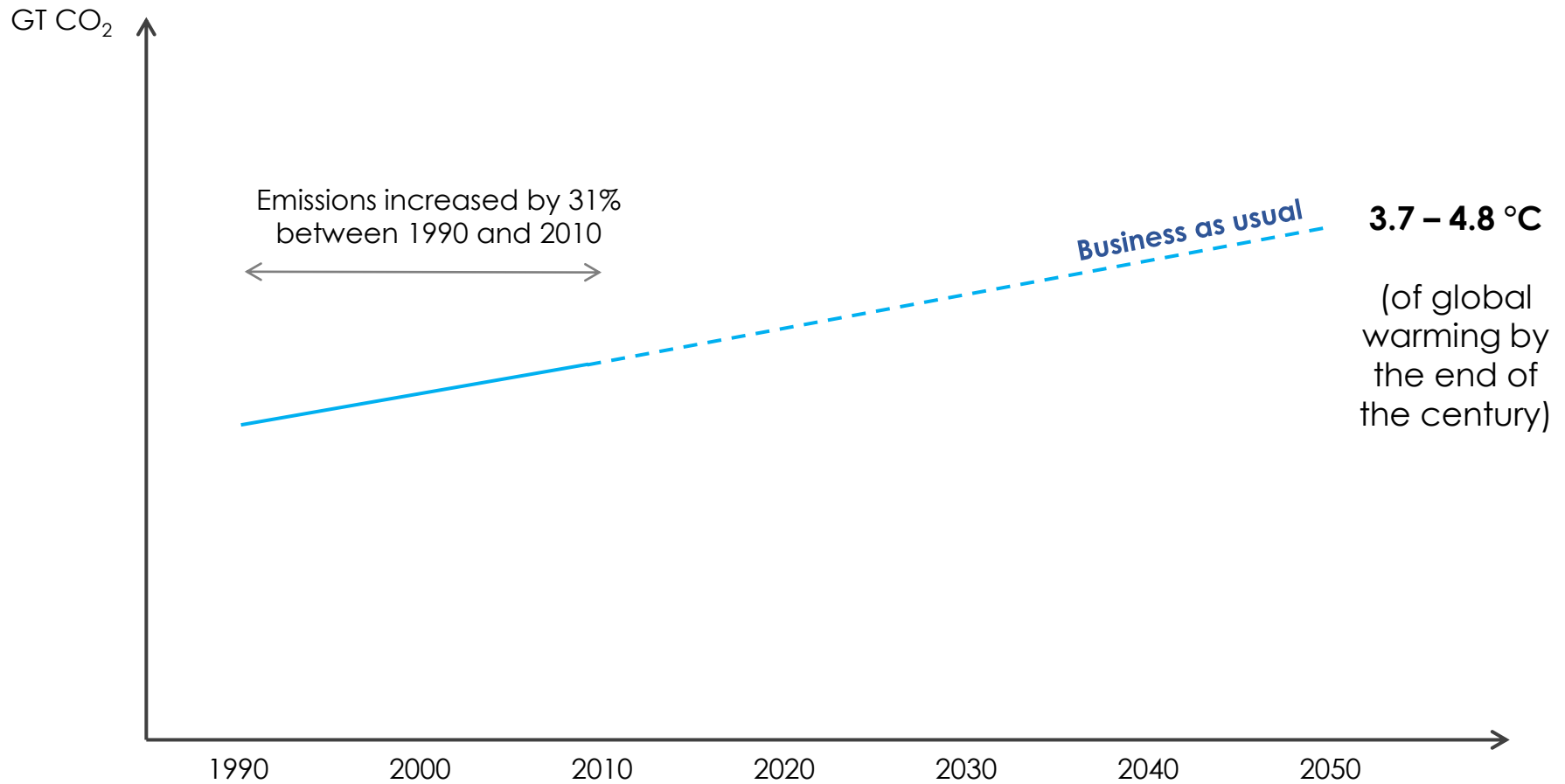
# Alberto Carrillo

Head of Climate Business Engagement  
Global Climate and Energy Initiative  
WWF International

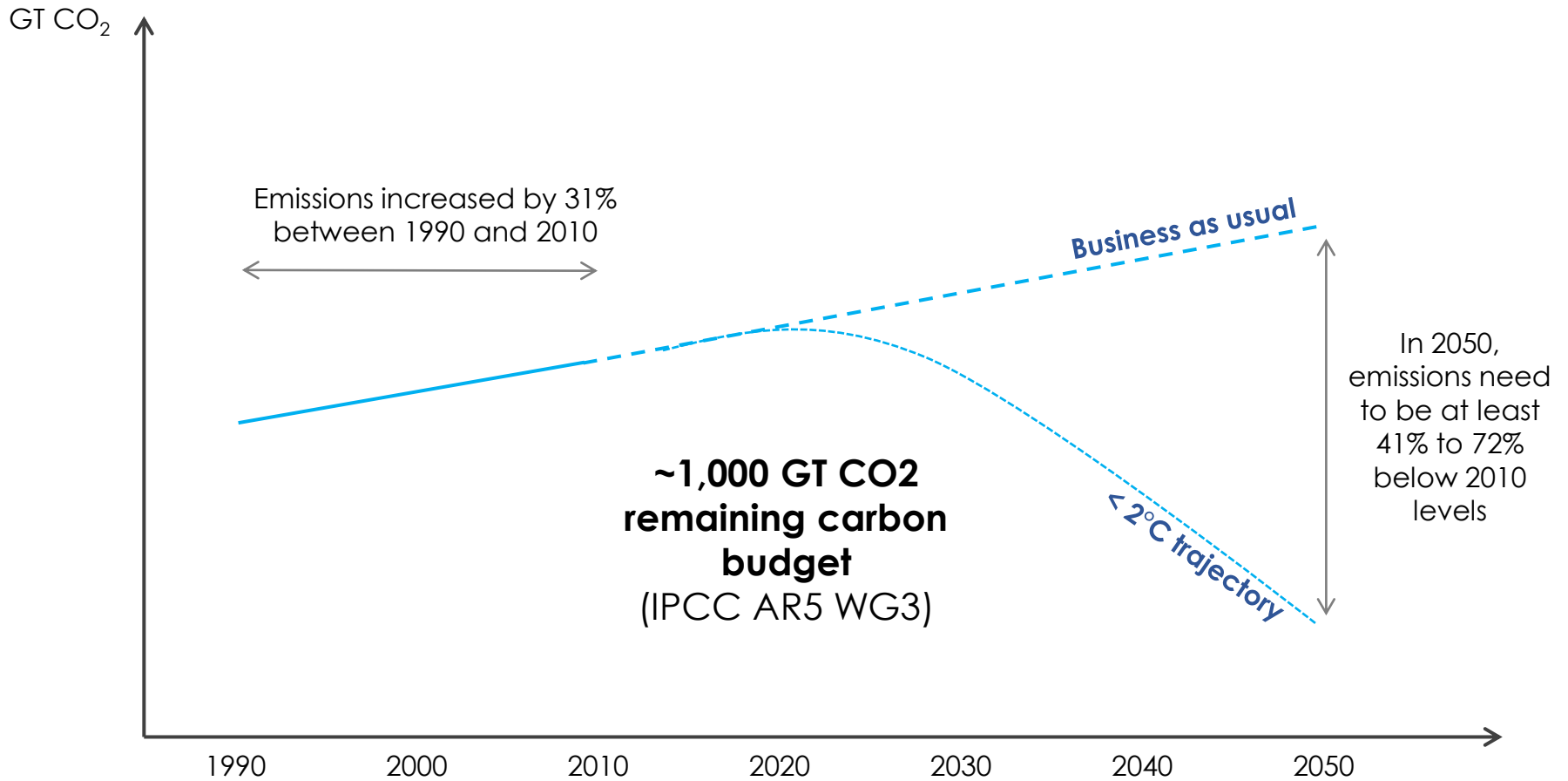
**Science Based Targets** Driving Ambitious Corporate Climate Action



# What we learned from the IPCC AR5



# What we learned from the IPCC AR5



# What does it mean for corporate emission reduction target setting?





## What is the SDA methodology?

The Sectoral Decarbonisation Approach (SDA) is a freely available methodology that allows companies to set emission reduction targets in line with a 2°C decarbonisation scenario. It is based on the 2°C scenario (2DS) developed by the International Energy Agency (IEA) as part of its publication, Energy Technology Perspectives 2014 (IEA, 2014).



## About the SDA methodology:

1. What was the development process?
2. How does it work?
3. What are the limitations / areas for development?
4. What about other methodologies?

# SDA Methodology - Development process

2014				2015	
1Q	2Q	3Q	4Q	1Q	2Q

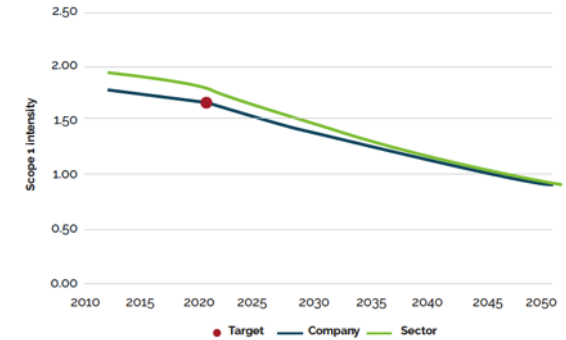
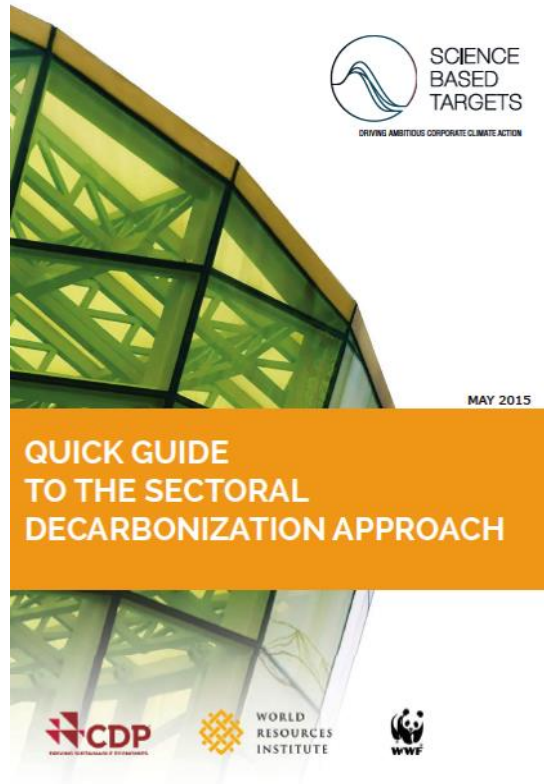


**TAG**  
c.a. 25  
experts

> 50  
organizations  
/ companies

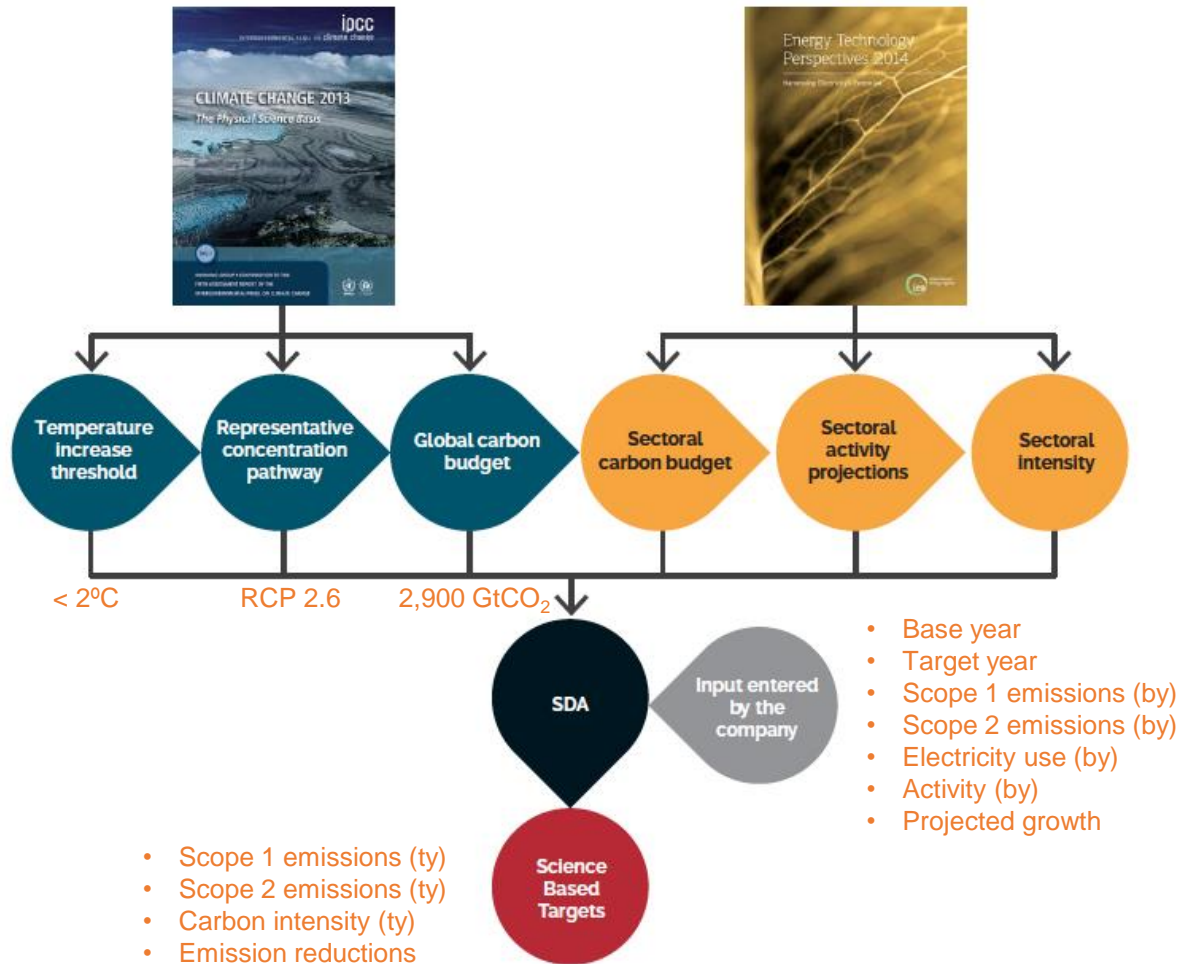


# SDA Methodology - Development process



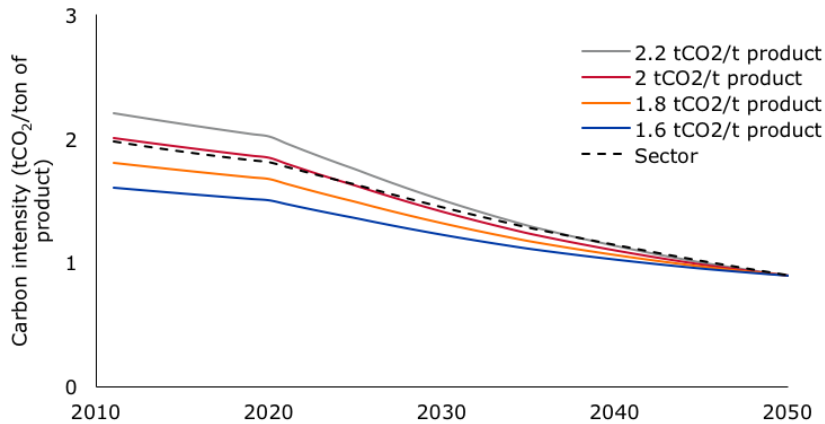


# SDA Methodology – How does it work?



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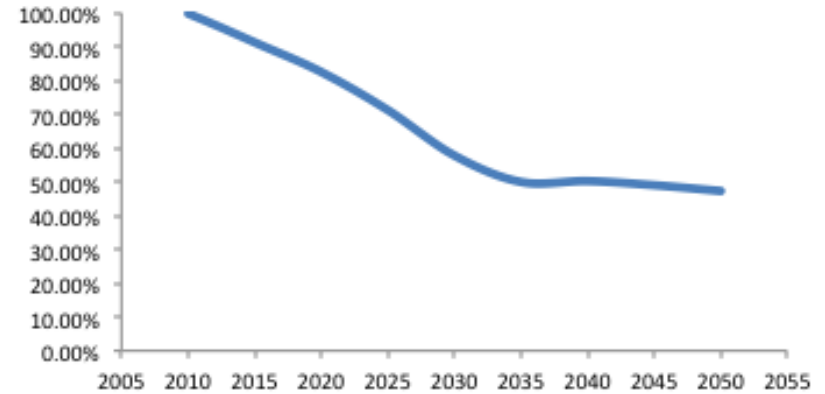
## Carbon **intensity** convergence



### Homogeneous sectors:

- Power
- Cement
- Iron & Steel
- Aluminium
- Pulp & Paper
- Transport (some sectors)
- Commercial buildings

## Carbon **emissions** compression



### Heterogeneous sectors:

- Chemicals
- Other processing & manufacturing industries
- Other transport

# SDA Methodology – Areas for further development



## Areas for further development

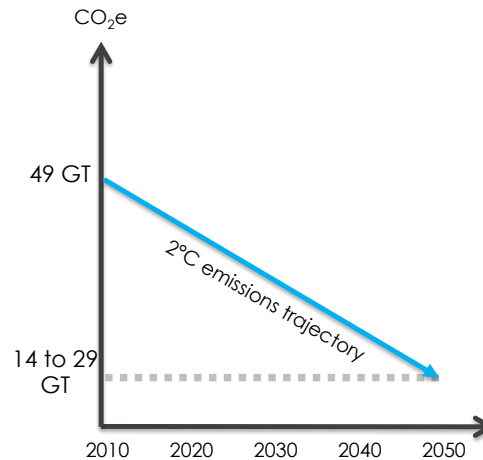
- Regional differentiation
  - E.g. Annex 1 vs. Non-Annex 1
- Inclusion of structural parameters in key sectors
  - E.g. Primary vs. Secondary Aluminium
- Scope 3 – Science-Based Target Setting
- More in-depth analysis for additional sectors
- Inclusion of LULUCF-related emissions
- Inclusion of non-CO2 gases

# Other science-based target setting methodologies

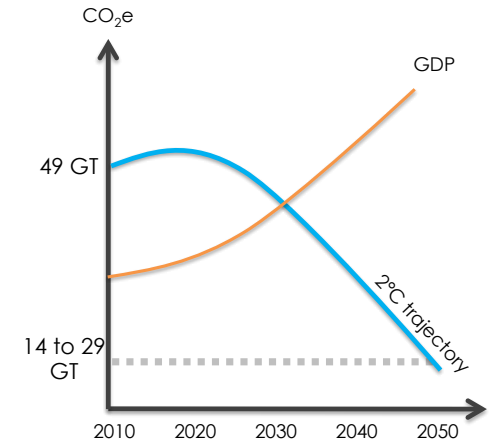
## The 3% Solution:



## Linear decarbonisation:



## Value-added



[www.sciencebasedtargets.org](http://www.sciencebasedtargets.org)