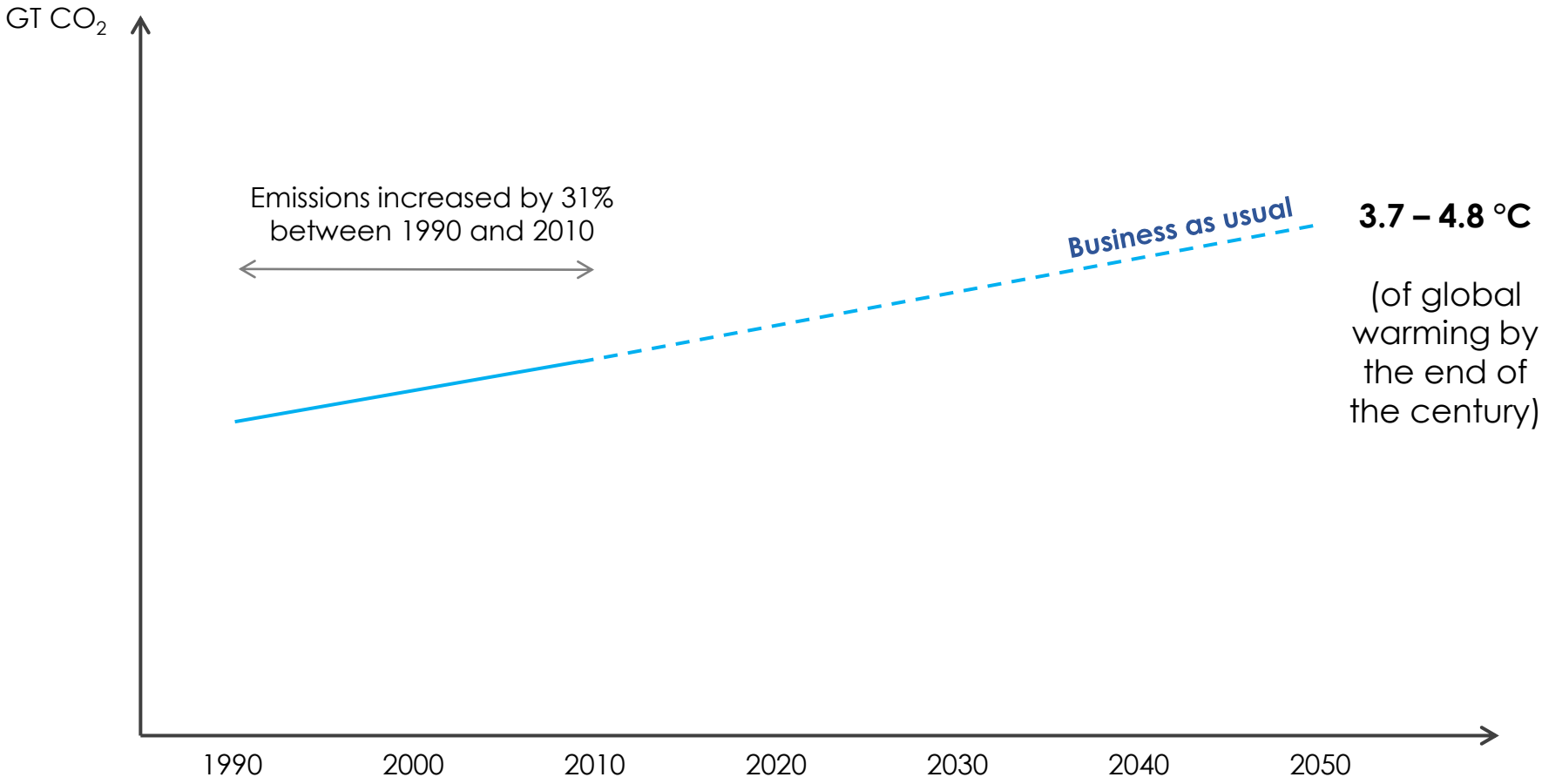
Alberto Carrillo

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



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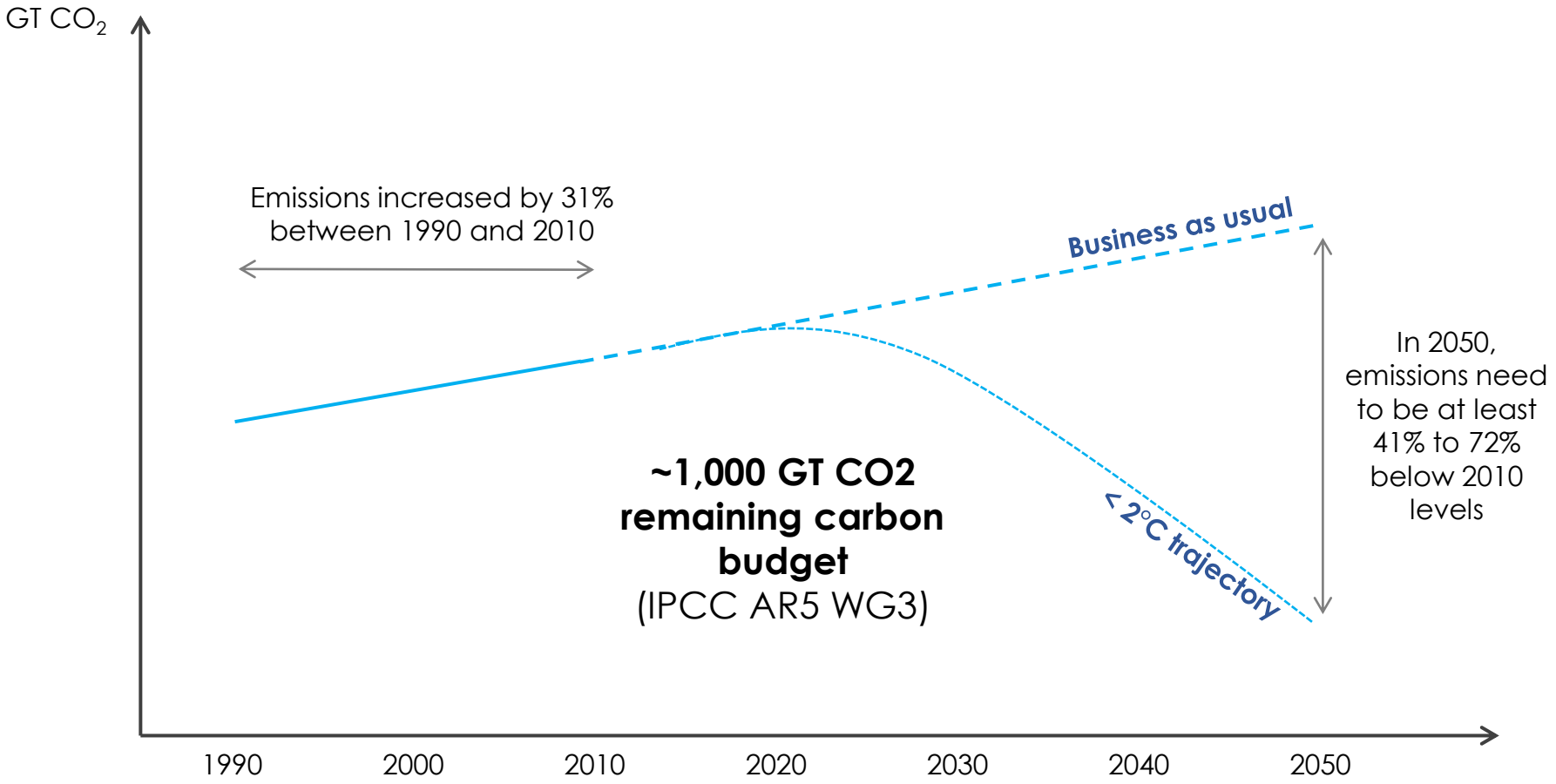
What we learned from the IPCC AR5



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What does it mean for corporate emission reduction target setting?

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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 2ºC decarbonisation scenario. It is based on the 2ºC 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

Consultant appointment → Initial development → Public consultation → Refinement → Launch of Version 1.0

ECOFYS
sustainable energy for everyone

TAG

c.a. 25 experts

> 50 organizations / companies

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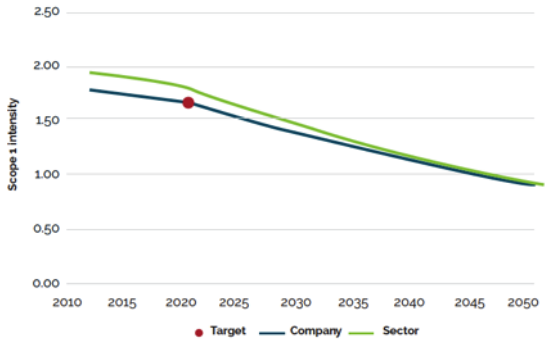
SDA Methodology - Development process



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SDA Methodology – How does it work?

Temperature increase threshold

Representative concentration pathway

Global carbon budget

Sectoral carbon budget

Sectoral activity projections

Sectoral intensity

< 2ºC

RCP 2.6

2,900 $GtCO_2$

SDA

Input entered by the company

- Base year
- Target year
- Scope 1 emissions (by)
- Scope 2 emissions (by)
- Electricity use (by)
- Activity (by)
- Projected growth

Science Based Targets

- Scope 1 emissions (ty)
- Scope 2 emissions (ty)
- Carbon intensity (ty)
- Emission reductions

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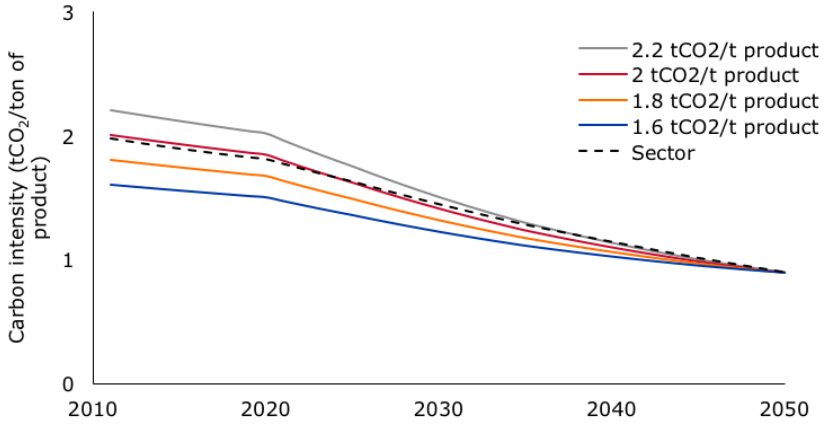
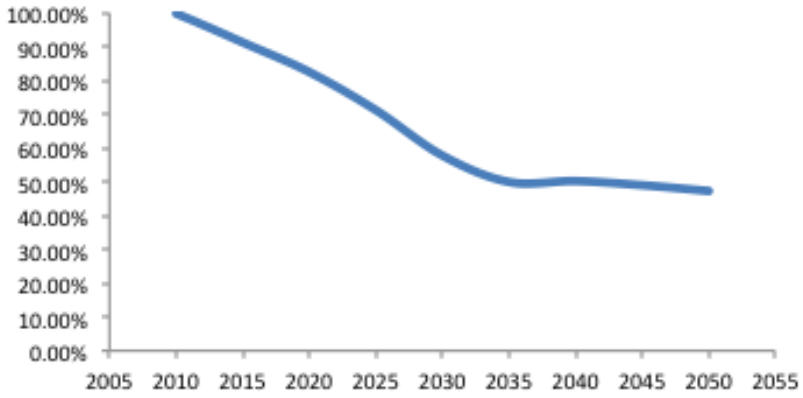
SDA Methodology – How does it work?

Carbon intensity convergence



Carbon emissions compression



Homogeneous sectors:

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

Heterogeneous sectors:

- Chemicals
- Other processing & manufacturing industries
- Other transport

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SDA Methodology – Areas for further development

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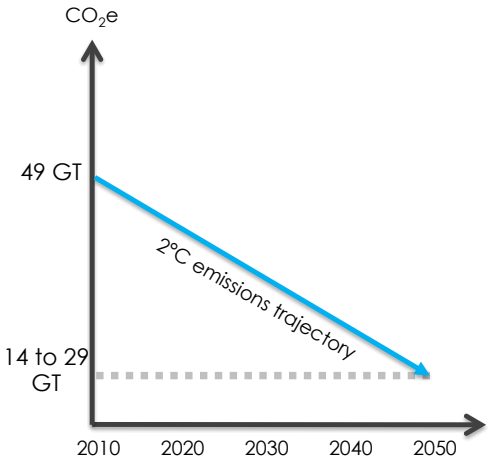
Areas for further development

- 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:



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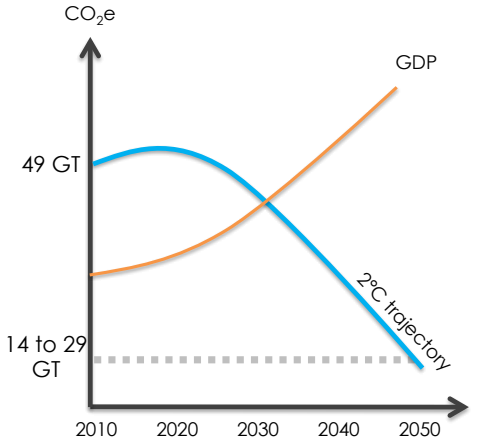

www.sciencebasedtargets.org

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