Launch Webinar

SBTi
Forest Land and Agriculture (FLAG) Sector Development

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Introduction I Presenters

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Overview of SBTi

Introduction I SBTi background

SCIENCE BASED TARGETS

An initiative by:

CDP
DRIVING SUSTAINABLE ECONOMIES

UN GLOBAL COMPACT

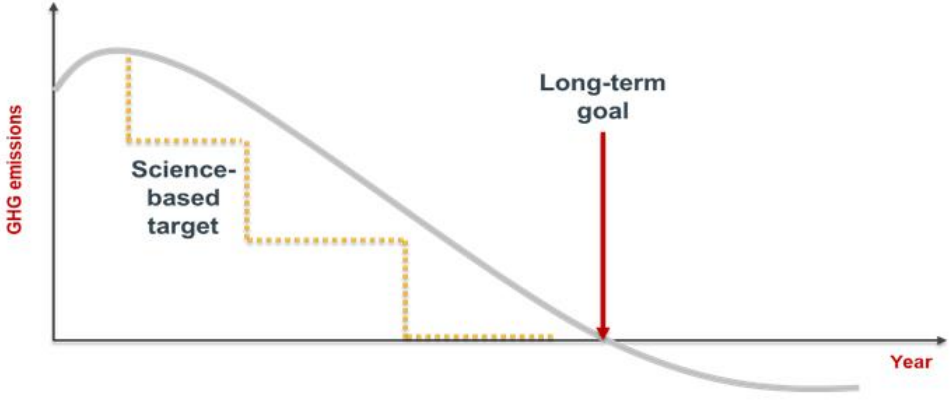
WORLD RESOURCES INSTITUTE

WWF

Develop

Promote

Validate



Introduction I SBTi background

All companies

805
Joined SBTi

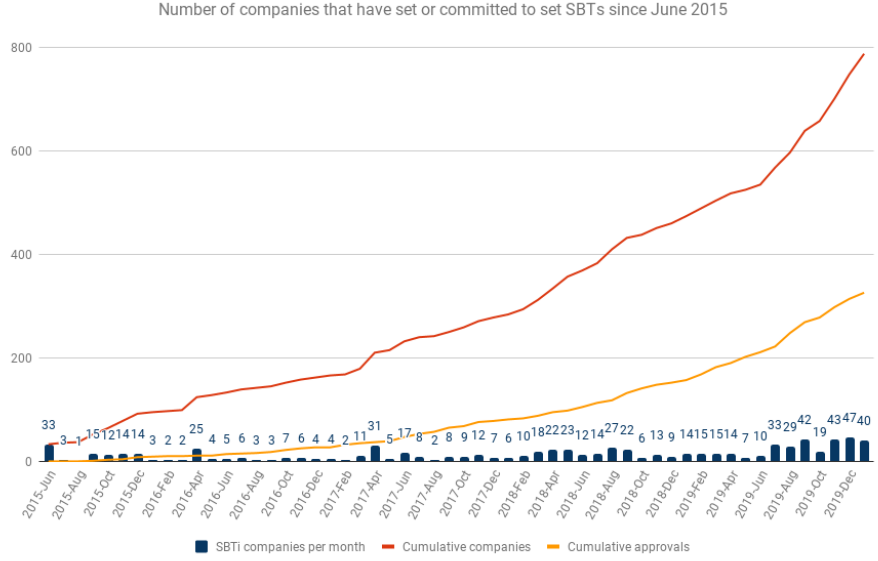
30+
join per month

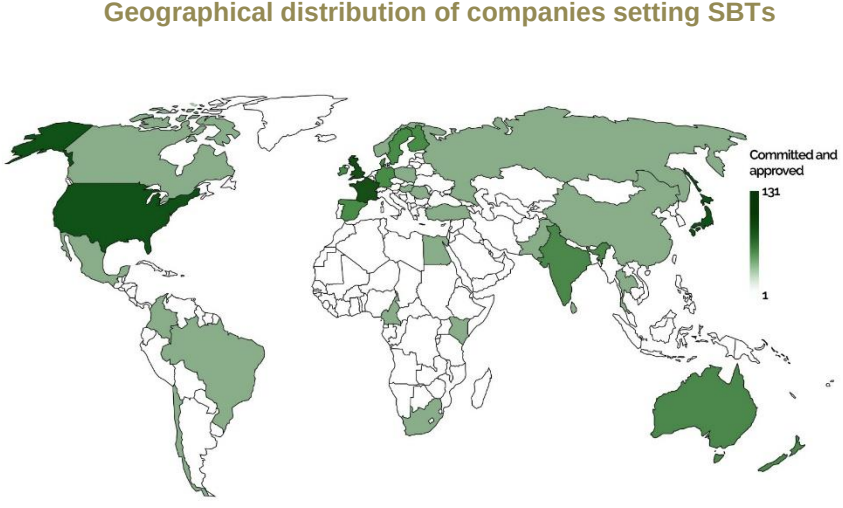
330
approved

Land-intensive sectors

70+
Joined SBTi

40+
approved



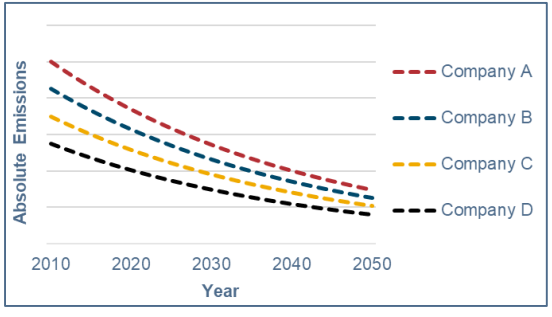


Introduction I Step-by step process to join the SBTi

Introduction I SBTi target-setting approaches

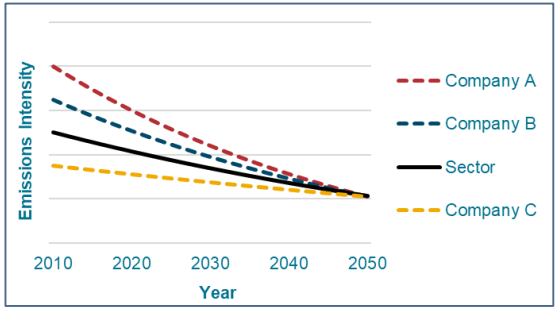
A) Sector-agnostic absolute contraction

- Companies are assigned percentage reductions of absolute emissions in line with reductions required at a global level
- Simple, robust, available for 1.5C and WB2C ✓
- Doesn't account for differences between individual businesses or sectors ✗
- Can be used by companies from all sectors, except Financial Institutions and Oil & Gas



B) Sector-specific methods

- Sectoral Decarbonization Approach (SDA) provides sectoral decarbonisation pathways that enable companies to set emission targets
- Takes into account sector-specific context ✓
- Not available for all sectors; current lack of 1.5C pathways more generally ✗
- Currently no relevant pathways for land-intensive sectors available ✗



Introduction I Relevant criteria and recommendations

Target boundary

Companies must cover company-wide (Scopes 1 and 2 emissions) as well as Scope 3 emissions when these are significant (>40% of total Scopes 1, 2 and 3).

Biomass and biofuels emissions/removals

- Direct emissions from the combustion of biomass and biofuels, as well as GHG removals associated with bioenergy feedstock, must be included in the inventory and target boundary.
- Due to the lack of standardized guidance, it is up to the company to choose an accounting methodology and justify assumptions.

Land-use change

In the absence of standardized guidance on calculation and reporting, inclusion of land use change emissions in the target boundary is currently recommended, not required.

GHG Removals/Carbon Credits

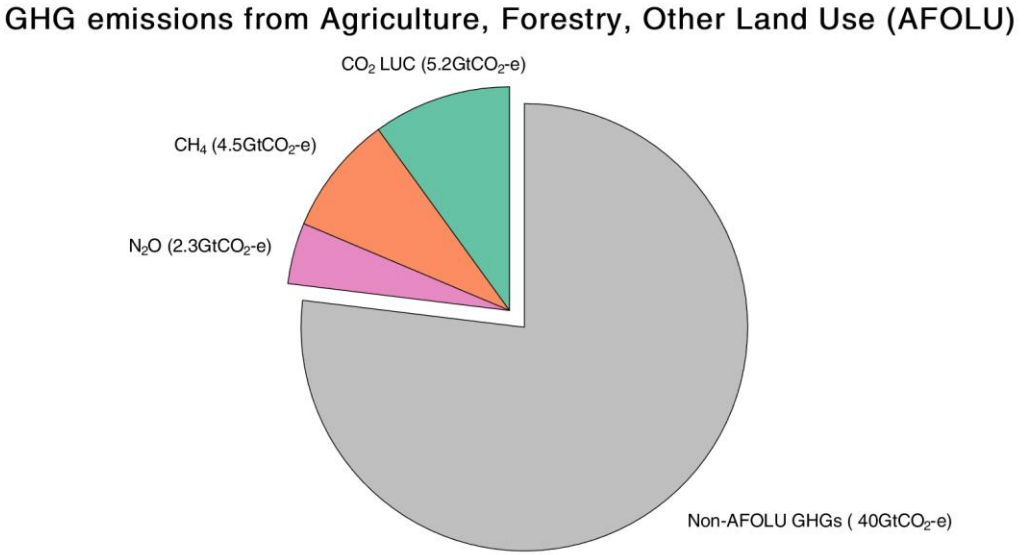
- In line with the GHG Protocol, offsets are not accepted to count as progress towards SBTs or to net emissions in the inventory.
- A broader research and development process to establish science-based guidance and criteria for Net Zero targets is exploring the role of GHG removals in companies' climate targets

Forest, Land & Agriculture Sector Development

Introduction I AFOLU emissions

- **Agriculture, Forestry and Other Land Uses** (AFOLU) emissions represent **~23%** of global annual GHG emissions

- AFOLU = Land Use, Land Use Change, and Forestry (LULUCF) + GHGs from agricultural practices



Source: SRCCL IPCC (2019)

Introduction I AFOLU emissions

Key sources of AFOLU emissions:

Deforestation (and other land use change) CO_2

Forest and grassland fires

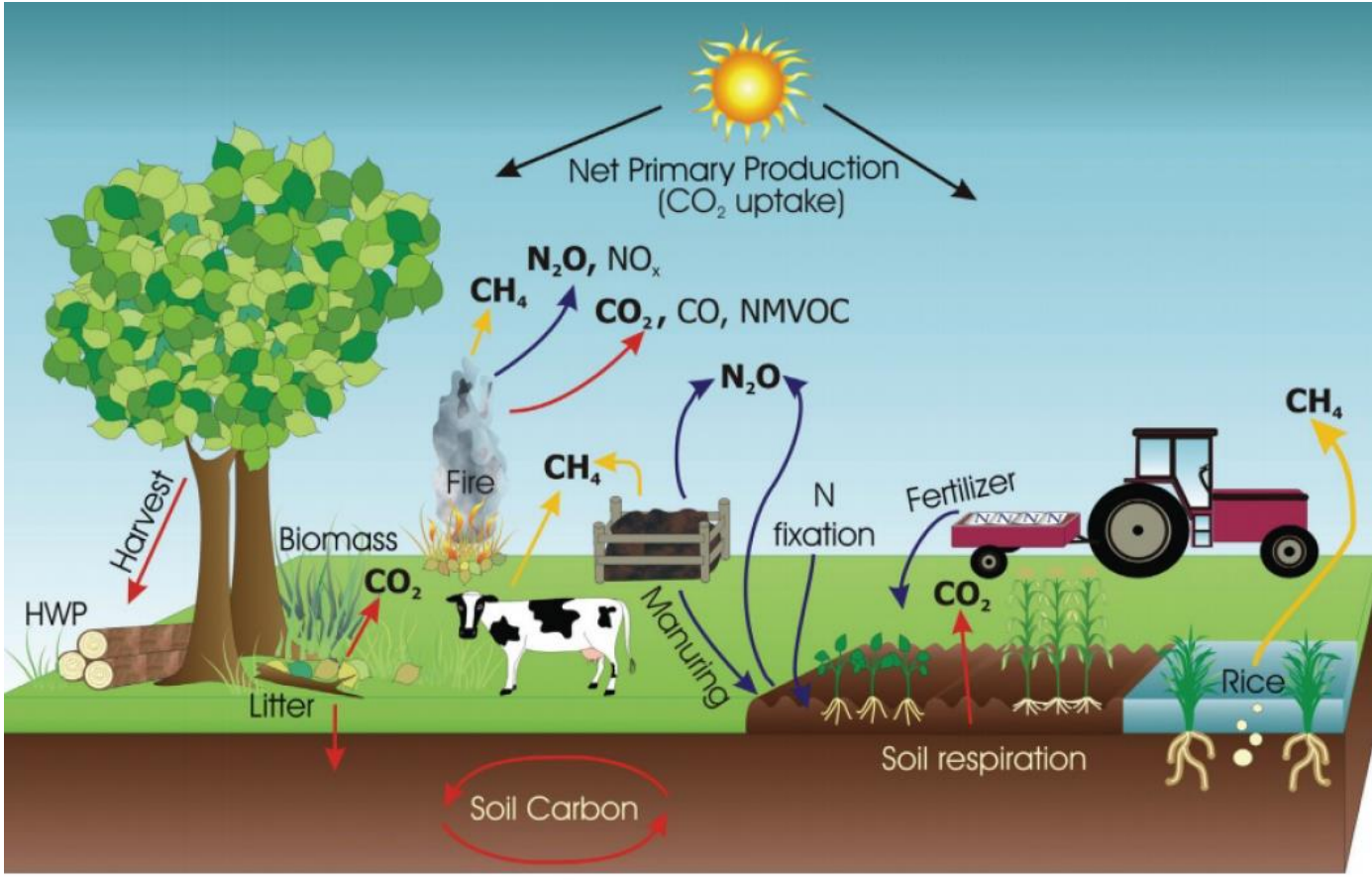
Enteric fermentation (cows) CH_4

Rice production

Fertilizers N_2O

Manure CH_4

Management N_2O



Source: IPCC (2006)

FLAG project I Need and urgency

- While 2,200 of the largest companies in the world report their GHG emissions to investors and other stakeholders, **few account for the emissions from deforestation/land use change** or include them in their GHG reduction targets.

- However, many **companies** engaging in action on deforestation and other emissions reductions **would like to count those efforts toward their GHG efforts**.

- Other opportunities for land sector emissions reductions – **forest and soil management**, **agriculture practices**, food waste, and dietary shifts, need inclusion and guidance.

- There is a need to **align activities** included in corporate **baselines** (on which targets are set) with **mitigation actions**.

FLAG project | Overview

These gaps will be addressed by **two complementary projects:**

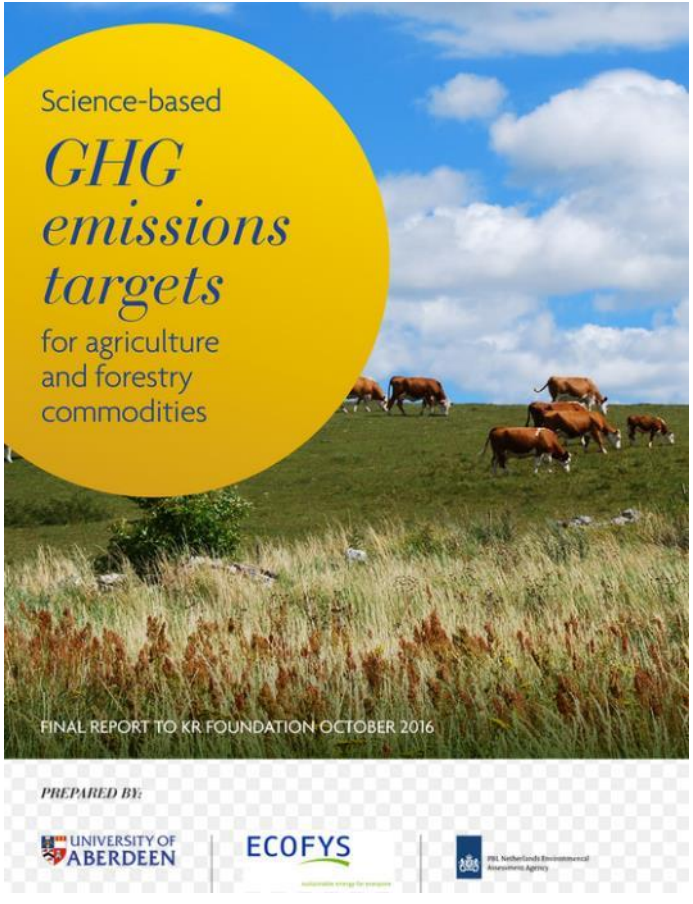
FLAG Project	GHG Protocol Update
❖ Led by **WWF** ❖ *Scope*: develop **methods and guidance** to enable the food, agriculture, and forest sectors to set **SBTs that include deforestation** and possibly other land emissions impacts (WB2D and 1.5) ❖ Technical Team: Chris Weber (Science); Martha Stevenson (Forests); Monica McBride (Food) ❖ PM & Consultative Group: US Climate Team	❖ Led by **WRI** ❖ *Scope:* develop an updated and improved **Greenhouse Gas (GHG) Protocol** with 3 new standards: 1. Carbon removals & sequestration 2. Land sector emissions and removals 3. Bioenergy ❖ Secretariat: WRI & WBCSD ❖ Advisory Committee and 3 Working Groups ❖ Contact: David Rich & Matt Ramlow at WRI

Funded by the Gordon & Betty Moore Foundation

FLAG project I SBTi and AFOLU background

- In 2017, **Ecofys and PBL Netherlands** published a report and commodity-specific tool to set SBTs for the highest emitting agriculture and forestry commodities

- However, it wasn't approved by the SBTi because of substantial issues, particularly:
  - *__Deforestation/LUC emissions are excluded__
  - *Commodity Approach and Truncated model
  - *All forests treated as plantations



FLAG project I Scoping phase (1)

- Review pathways in Integrated Assessment Models (IAMs) for WB2D and 1.5 scenarios and underlying assumptions and determine whether bespoke modeling is needed.

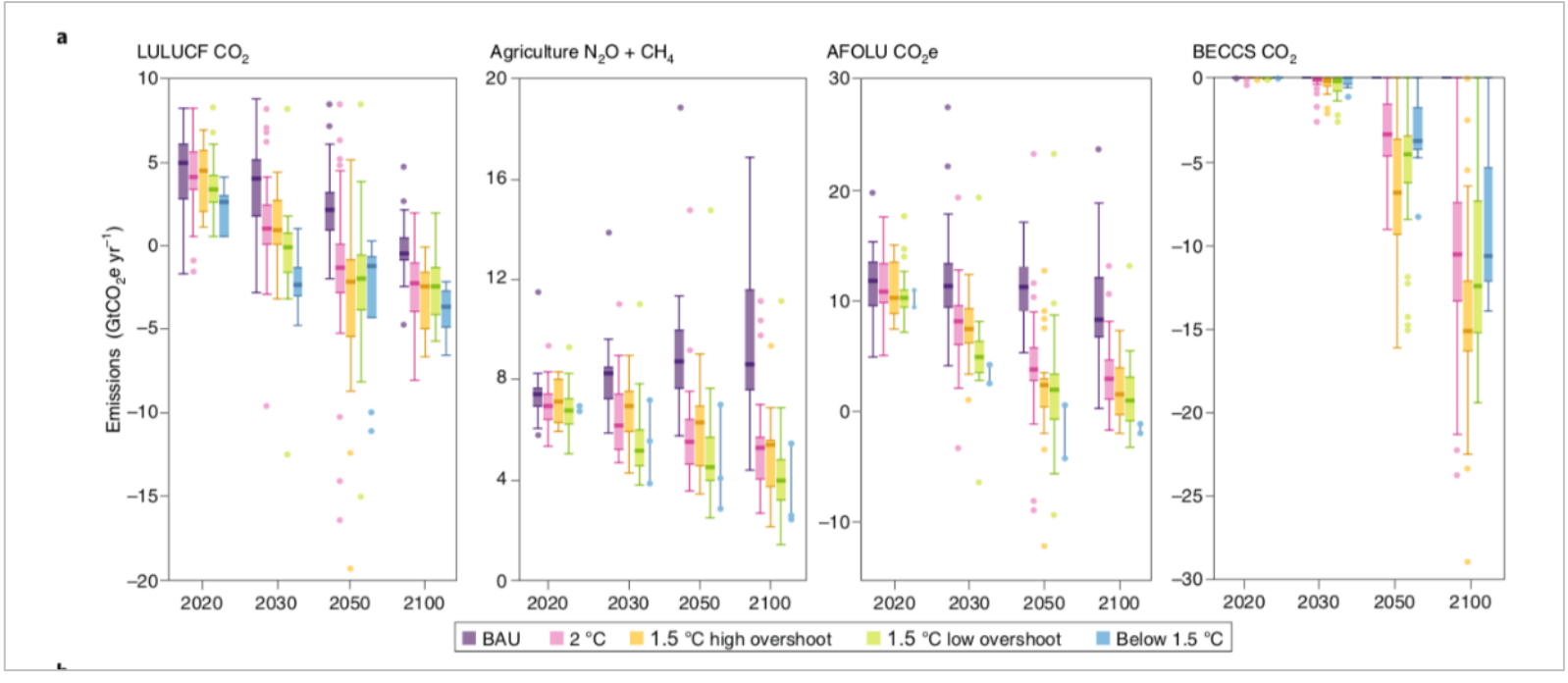
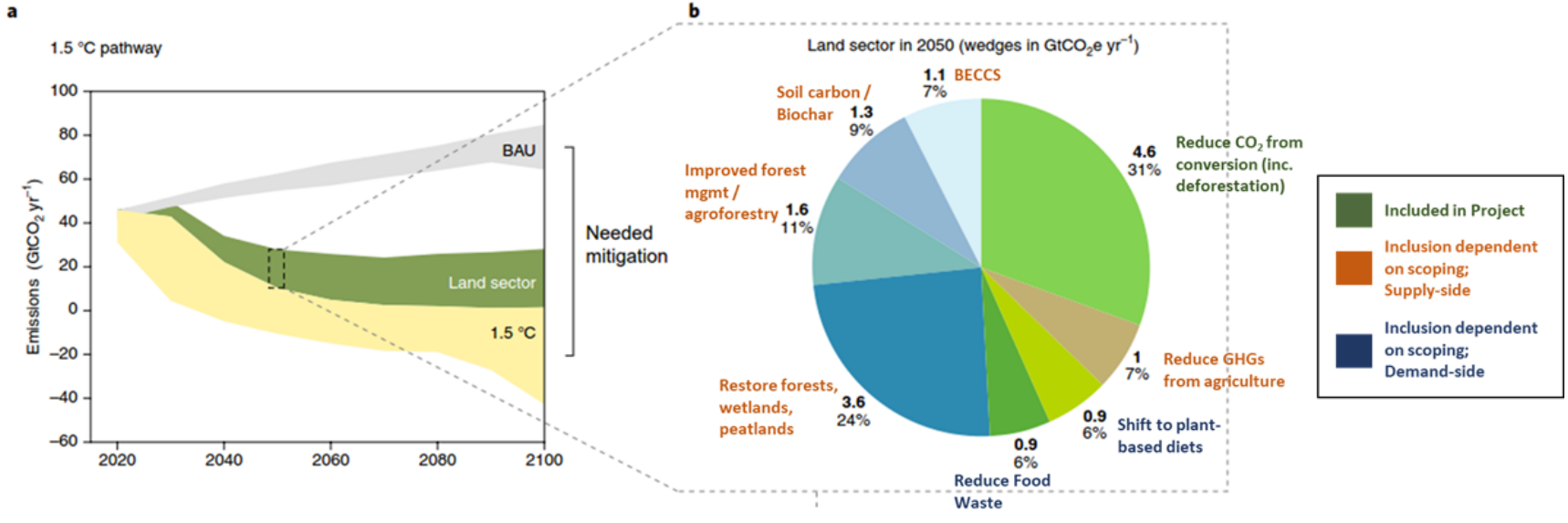


Figure reflects climate scenarios of AFOLU sector emissions (Roe et al. 2019)

FLAG project I Scoping phase (2)

- Building on Ecofys/PBL work, scope out commodity vs sector approach for pathway development and pros and cons of each
- The priority is to include deforestation (12%), but we will evaluate the feasibility of including:
  - other supply-side impacts in AFOLU for CO2, N20, CH4 (e.g., forest degradation, conversion non-forest, agricultural emissions, etc.) and
  - demand-side actions (e.g. food waste, dietary shift)

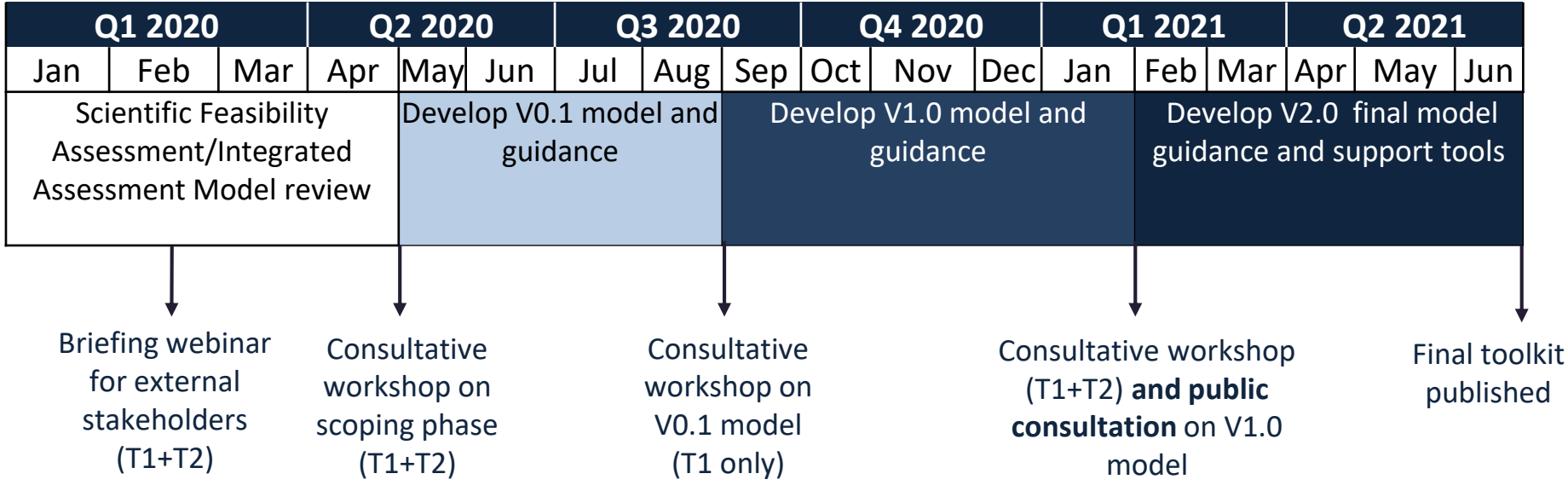


Land Sector "Roadmap" wedges based on systematic literature review (Roe et al 2019)

FLAG project I External stakeholder consultative process

How can external stakeholders be involved in the process?

- *Tier 1 consultative group (T1)*: limited number of companies who have technical expertise and data availability on AFOLU emissions + WRI & CDP representative
- *Tier 2 consultative group (T2):* broader group of companies interested in providing feedback.
- *Public consultation Q1 2021*



FLAG project I Getting Started

- Target Pathways:
  - *Roe, et al. 2019, "Contribution of the land sector to a 1.5 °C world" Nature Climate Change*
  - Other efforts underway, TBD

- Corporate Accounting:
  - GHG Protocol. Corporate Standard, Scope 3 Standard, Product Standard, Agriculture Guidance, LULUCF project guidelines, Brazil forestry tool
  - IPCC. Guidelines for National GHG Inventories. 2006 Guidelines, Good Practice Guidance for LULUCF, 2019 Refinement
  - ISO. ISO 14064-1:2018
  - Quantis. Accounting for Natural Climate Solutions Guidance
  - Gold Standard, Value Change Initiative. Value Chain (Scope 3) Interventions & Soil Organic Carbon Guidance

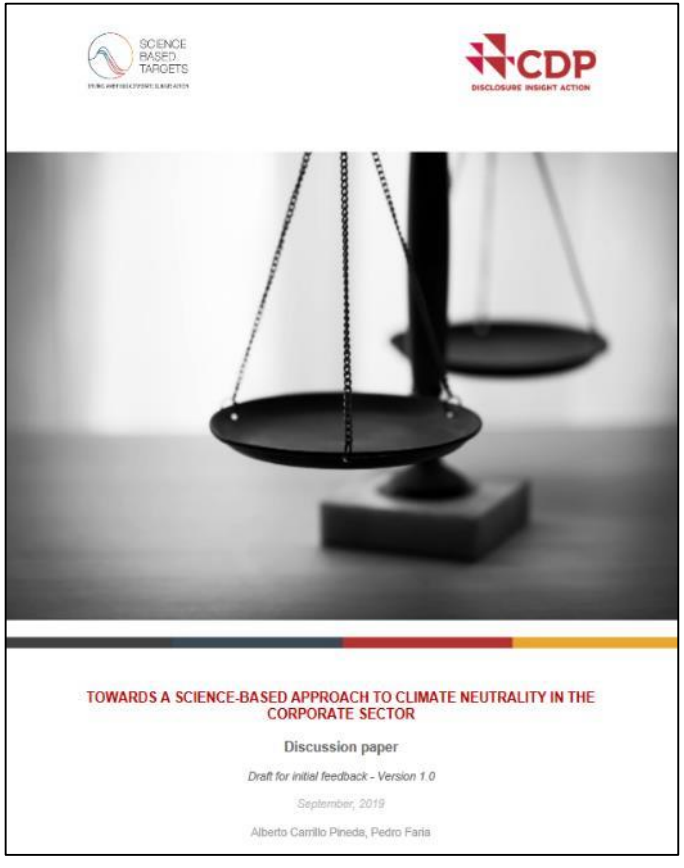
- Corporate Response Options:
  - Deforestation: Supply chain assessment using Accountability Framework Initiative guidance
  - Land Sector: IPCC Special Report on Climate Change and Land: Chapter 6 on response options


Questions?
Contact: FLAG-SBTi@wwfus.org


WWF

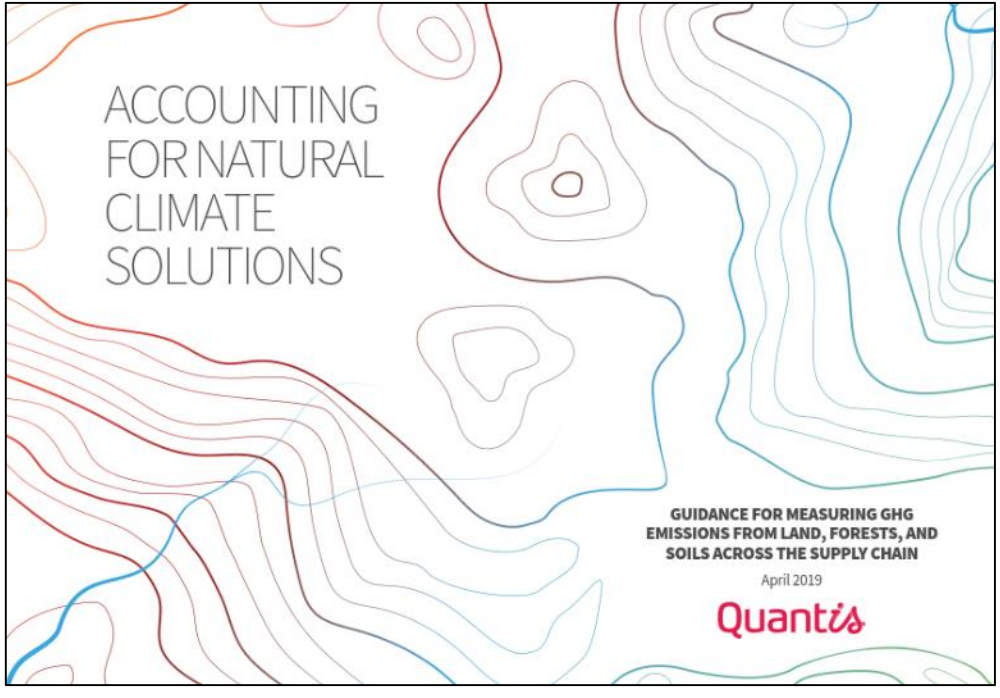
Introduction I SBTi net-zero discussion

- Carbon neutrality/net-zero claims are becoming increasingly common in the corporate sector but little consistency exists
- SBTi has developed a set of principles for a science-based approach to **carbon neutrality**
- Paper was open for public feedback

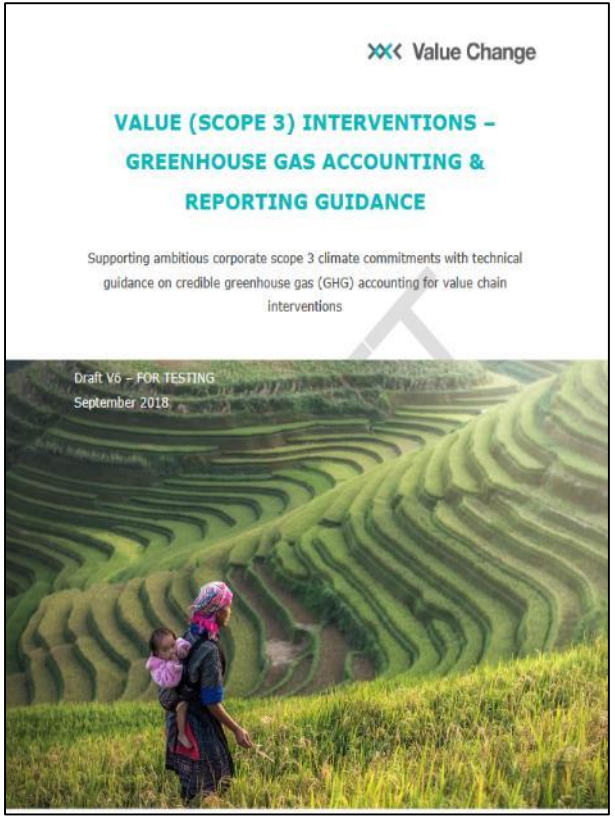


SBTi - Discussion Paper on Climate Neutrality in the Corporate Sector

FLAG project I Other existing guidance



[Quantis – Accounting for Natural Climate Solutions guidance]



[Gold Standard – Value Chain Interventions Guidance]