

THE SBTi BUILDINGS GUIDANCE

Webinar with FiGBC

19 January 2024

Partner organizations



United Nations
Global Compact



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AGENDA

1. Introduction to the SBTi
2. The SBTi Buildings project
 - Overview
 - Draft for pilot testing: Key criteria and considerations
3. Next steps

INTRODUCTION TO THE SBTi

WHAT IS THE SCIENCE BASED TARGETS INITIATIVE?



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Science Based Targets initiative (SBTi) drives **ambitious corporate climate action** by enabling businesses and financial institutions globally to set **science-based greenhouse gas emissions reduction targets**.

Founding Partners



United Nations
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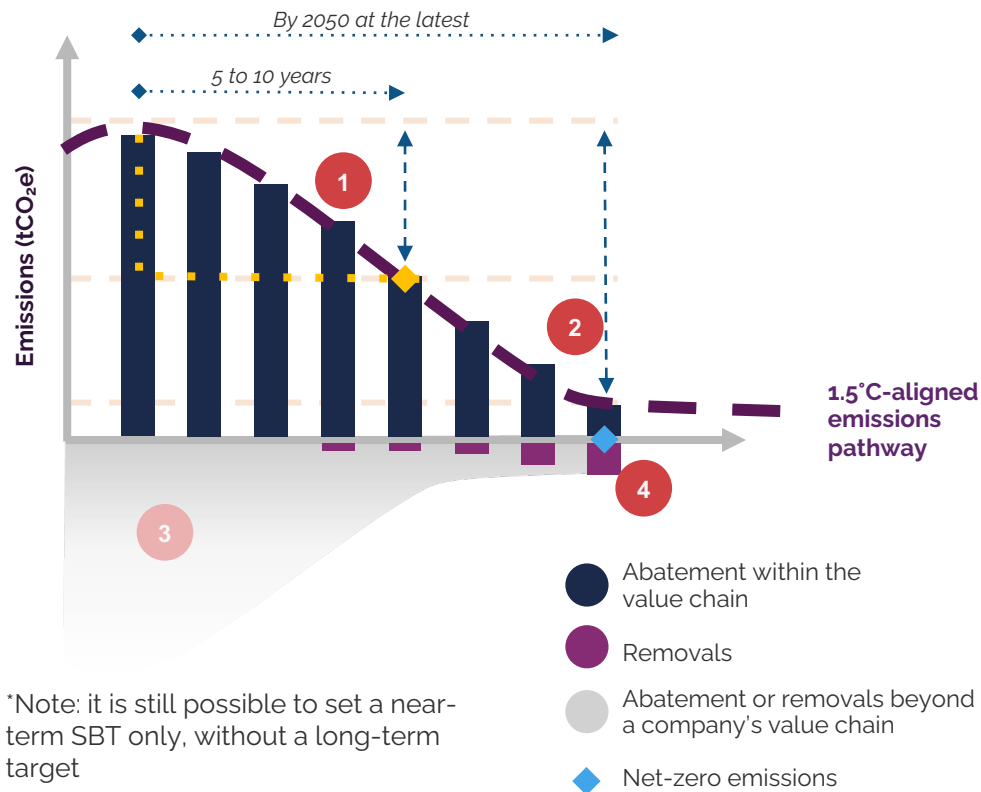
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THE NET-ZERO STANDARD FRAMEWORK



*Note: it is still possible to set a near-term SBT only, without a long-term target

1 To set near-term science-based targets:
5-10 year emission reduction targets in line with 1.5°C pathways*.

2 To set long-term science-based targets:
Target to reduce emissions to a residual level in line with 1.5°C scenarios by no later than 2050 .

Beyond value chain mitigation:
In the transition to net-zero, companies should take action to mitigate emissions beyond their value chains. For example, purchasing high-quality, jurisdictional REDD+ credits or investing in direct air capture (DAC) and geologic storage.

4 Neutralization of residual emissions:
GHGs released into the atmosphere when the company has achieved their long-term SBT must be counterbalanced through the permanent removal and storage of carbon from the atmosphere.



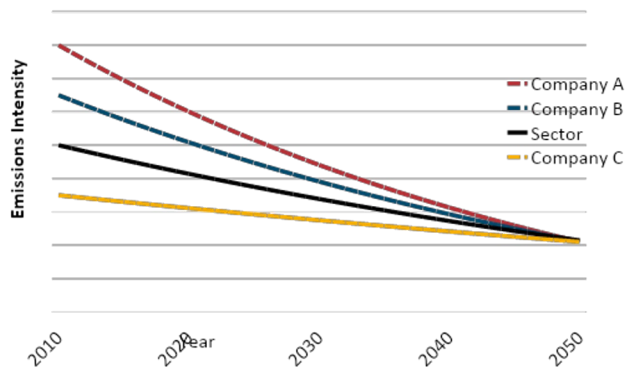
Required



Recommended

TARGET-SETTING APPROACHES

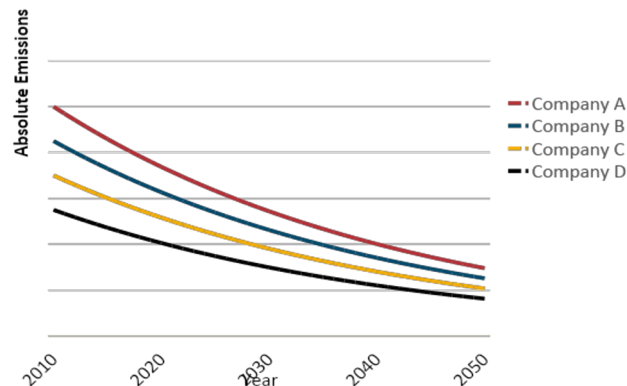
Carbon **intensity** convergence / Sectoral Decarbonisation Approach (SDA)



Homogeneous sectors:

- Power
- Cement
- Iron & Steel
- Transport (some sectors)
- **Buildings**

Carbon emissions **contraction**



Heterogeneous sectors:

- Other industry

An absolute contraction target for 1.5°C requires a minimum 4.2% linear annual reduction or a 42% reduction over 2020-2030, whichever is higher.



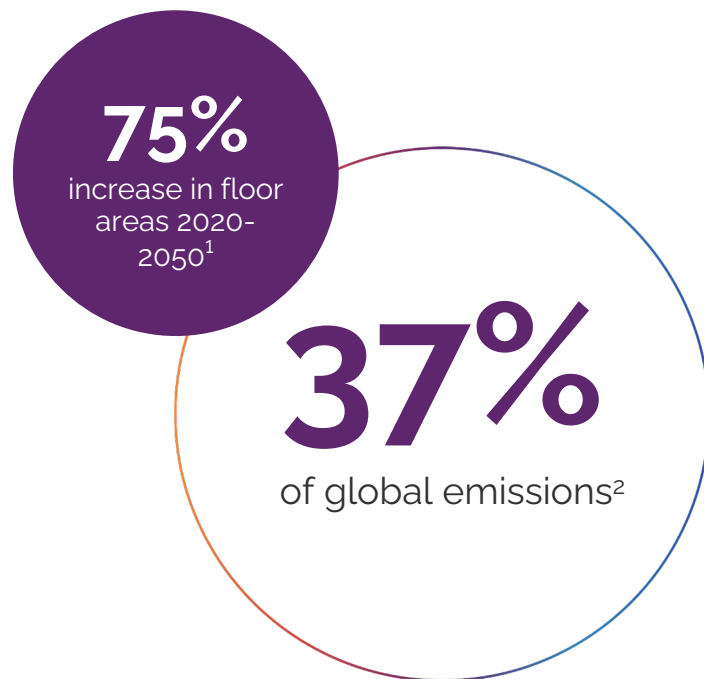
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THE SBTi BUILDINGS PROJECT

DECARBONIZING BUILDINGS IS CRUCIAL

- Today, the built environment is a **major contributor of emissions** globally.
- Simultaneously, **global floor area** is projected to increase significantly by 2050.
- Climate change affects the industry, **causing physical damage and risks** already.
- **Immediate climate action is needed** to accelerate the transformation to the net-zero economy.



¹ Source: [IEA, 2022](#).

² Source: [GABC, 2022](#)

WHAT DOES THE GUIDANCE INTEND TO DO?

- **Science-based targets (SBTs)** indicate how much and by when an individual company should **reduce emissions** from its operations and value chain to be in line with the carbon budget.
- SBTs are **different to asset-level standards, certification schemes or assessments** - these are a complementary tool for designing and managing buildings in a sustainable way.




OBJECTIVES OF THE SBTI BUILDINGS PROJECT

1.5°C
in-use
emissions
pathways

Objective 1:

Granular 1.5°C aligned pathways for in-use emissions of global buildings sector developed together with CRREM.

Pathways published in January 2023. 

1.5°C
embodied
emissions
pathways

Objective 2:

Global 1.5°C aligned pathways for embodied emissions of new construct buildings.

Emissions
accounting &
target-setting
guidance

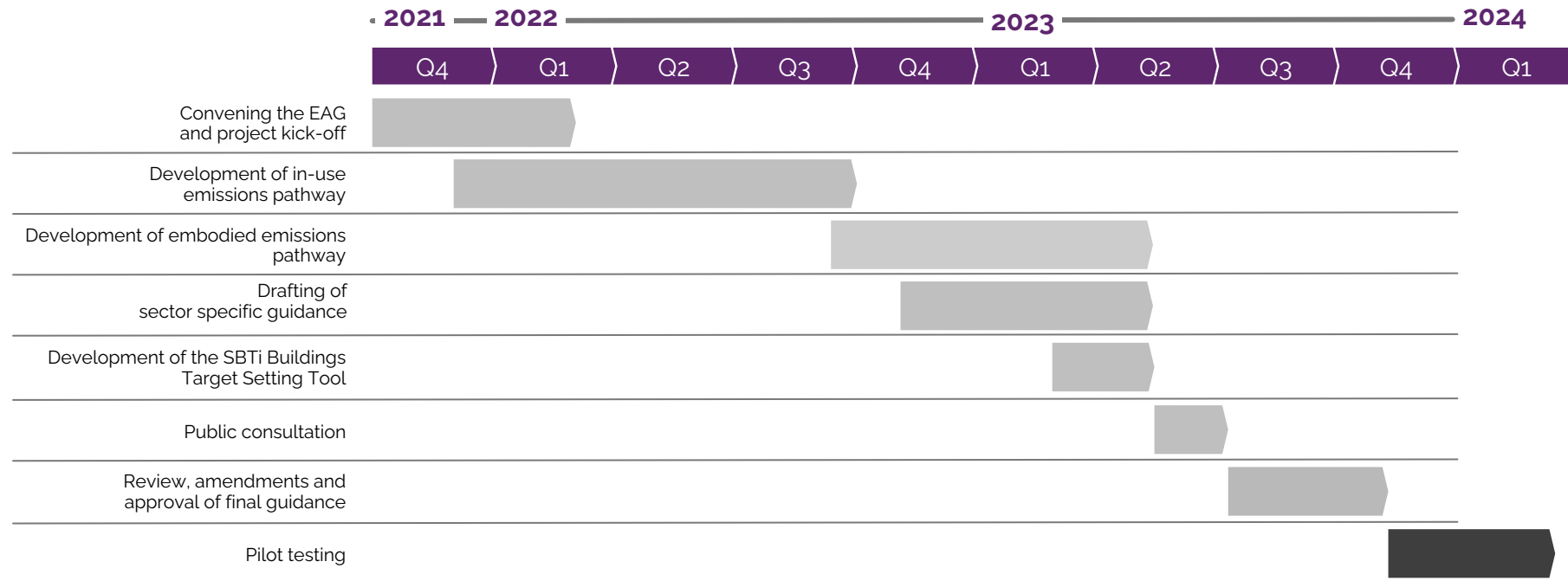
Objective 3:

Issue **guidance** for emissions accounting, reporting, and target-setting for all stakeholders within the sector.

Intended users include i.e. developers, building owners and occupiers, architects, engineers, builders, and financial institutions.

A buildings-specific target-setting **tool** to calculate targets using the new buildings pathways.

PROJECT TIMELINE



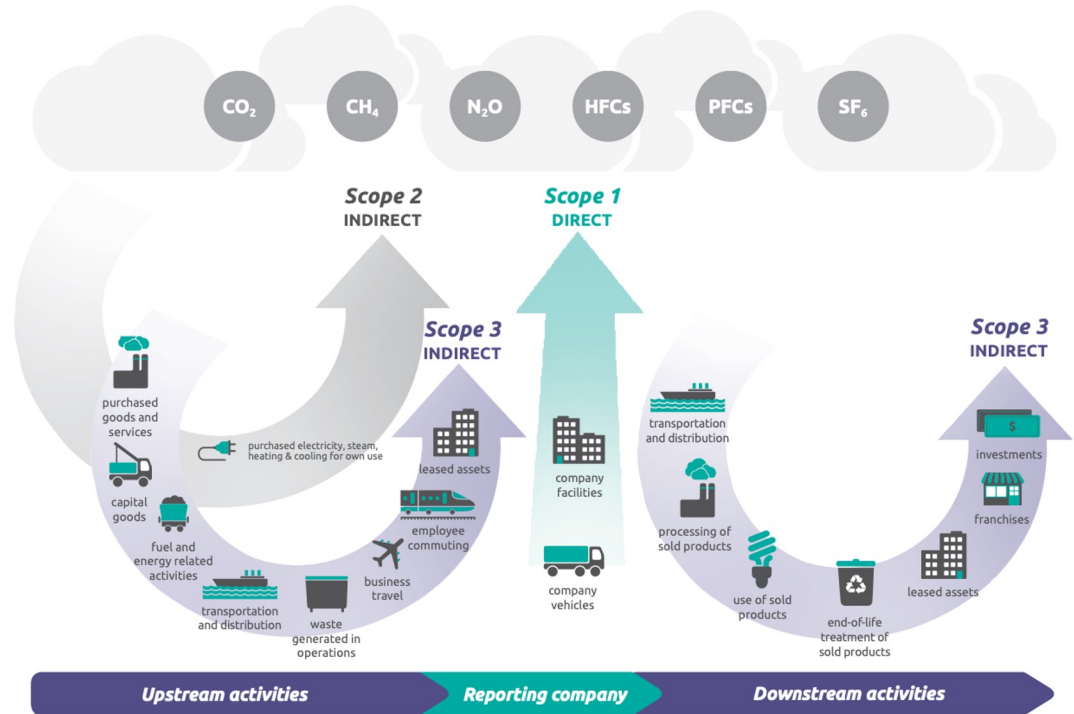
GUIDANCE FOR GHG ACCOUNTING AND TARGET-SETTING

1. Accounting and reporting:

- Additional accounting guidance and requirements.

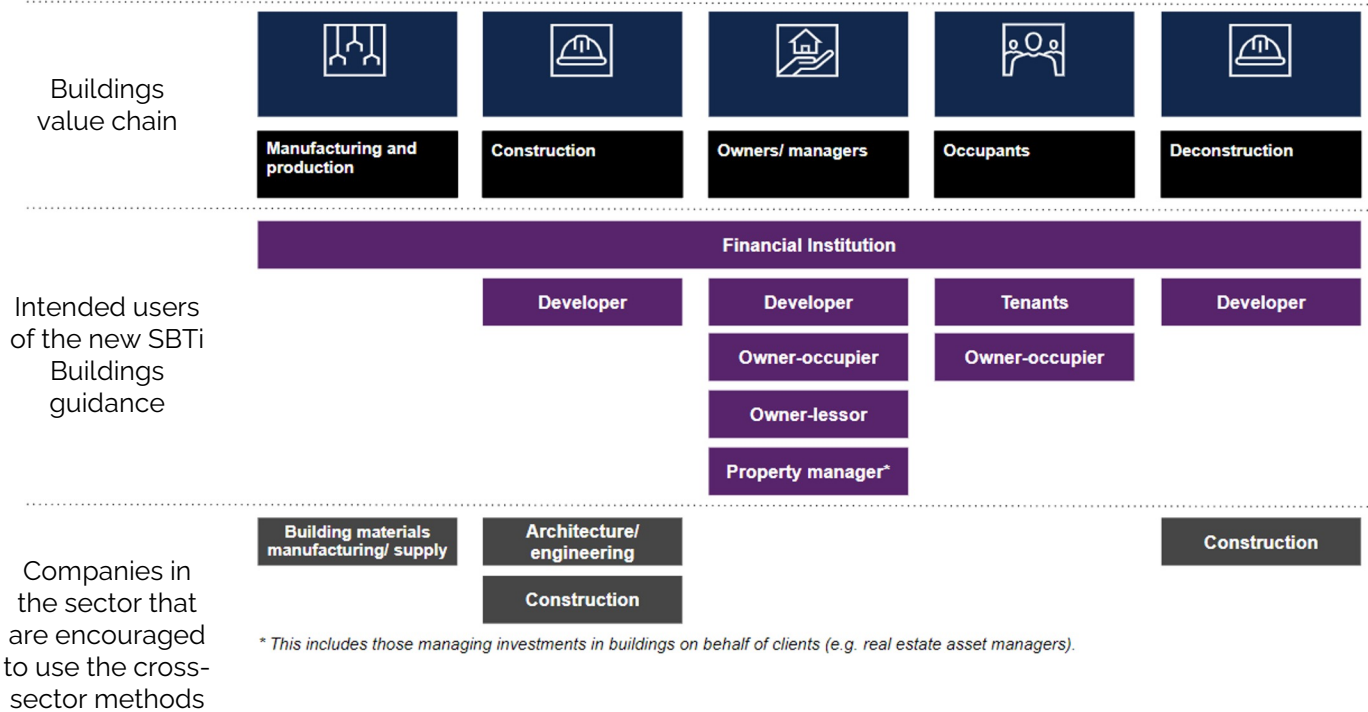
2. Target-setting:

- Detailed guidance on setting science-based targets for buildings-related emissions.
- Defining target boundary and available target-setting methods.



DRAFT FOR PILOT TESTING: KEY CRITERIA AND RECOMMENDATIONS

BUILDINGS VALUE CHAIN: BROAD ARRAY OF ACTORS



WHOLE BUILDING APPROACH

Companies are required to report all building-related in-use operational emissions together despite the scope. This is called the '**whole building approach**'.



Traditional corporate GHG accounting:

Emissions of owner-controlled (scope 1 and 2) and tenant-controlled spaces are separated (scope 3).

Whole building approach: in-use operational emissions are expressed in kg CO₂e/m² for the whole building.

NOTE: Whole building approach is not to be confused with "whole life carbon", where all life cycle stages are considered together at the level of individual buildings.

ACCOUNTING APPROACH FOR SCOPE 2

Companies and financial institutions may use either **location- or market-based** scope 2 accounting for their targets.

However, companies are required to **disclose their buildings-related emissions using location-based accounting approach.**





PORTFOLIOS WITH HIGH TURNOVER

Companies and financial institutions whose business model is reliant on a high turnover of assets are allowed to set **fixed intensity targets** aligned to sectoral decarbonization pathways.

MAINTENANCE TARGETS FOR HIGHLY PERFORMING PORTFOLIOS

Companies and financial institutions whose **in-use operational intensities** are at 2050 levels set maintenance targets and commit to maintain intensities at the 2050 levels.





NO NEW FOSSIL FUEL EQUIPMENT

Additional measure to safeguard against unintended consequences and to avoid harmful long-term investments.

Commitment to **no new fossil fuel equipment in buildings portfolios** within 5 years from target submission or by 2030, whichever is sooner.



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NEXT STEPS

PILOT TESTING

- The SBTi is releasing the SBTi Buildings Guidance and Target-Setting Tool as drafts for pilot testing to be **tested with companies and financial institutions**.
- The **objectives** of the pilot test are to:
 - Inform the development of robust, clear and applicable guidance and criteria.
 - Identify any possible challenges in implementing the guidance.
- Pilot testing takes place between **November 2023 – February 2024**.





THE TIME TO ACT IS TODAY!

- The SBTi buildings project is pilot tested with companies right now and the exact publication of the final resources will be announced after the pilot test.
- Companies and financial institutions can already set targets using the cross-sector methods.
- Should you have any questions, contact us at buildings@sciencebasedtargets.org.

Kiitos!



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