



Setting 1.5°C Aligned Targets

Introduction

This guide outlines the steps involved in setting emissions reduction targets in line with the global ambition to keep climate change below 1.5°C. Establishing targets aligned with a 1.5°C future demonstrates a company's commitment to reducing its contribution to climate change and provides a structured framework for its climate action. This is crucial for facilitating the necessary transition.

Organisations should commit to achieving net-zero emissions by 2030, 2040 or 2050 at the latest, and to halving emissions by 2030. However, this commitment must be accompanied by detailed short-term and long-term targets to guide the organisation on the correct path. Organisations should consider publicly announcing their commitment and joining the UN-backed Race to Zero campaign through the SME Climate Hub, SBTi or other partner initiatives. It is essential to understand the contributions that various parts of the organisation and the value chain will make towards reaching these targets, and to ensure targets are integrated throughout the organisation.

To establish emissions reduction targets, follow the six steps outlined below. It is important to involve individuals from different areas of your organisation in the process, so that all relevant input is considered and potential trade-offs and costs are discussed. Additionally, it is recommended to define specific key performance indicators in crucial areas, such as transitioning to renewable energy and engaging suppliers, to deliver on the overarching targets.

Key Actions

Get Senior Management On Board

Setting targets is a common practice that helps keep issues on senior management's radar and influences business decisions. Achieving targets requires changes across the organisation, making management's support crucial.

Choose Your Target Type

There are three main target types:

- Absolute targets - reach XX tCO₂e by year YY
- Intensity targets - reach XX tCO₂e per unit by year YY
- Net zero targets - reach net zero by year YY

Reducing absolute emissions and achieving net zero is most important, but intensity targets can be appropriate for organisations that are solely focused on climate solutions, or those with fewer than 50 employees.

¹State reached by an organisation that has reduced its value chain emissions (scope 1, scope 2 and scope 3 emissions) following science-based pathways, with any remaining residual greenhouse gas (GHG) emissions being fully neutralised by permanent or like-for-like removals exclusively claimed by that organisation. The term "residual" refers to residual emissions that remain technically infeasible to be eliminated. Such residual emissions shall not exceed 10% of baseline emissions. Definition based on ITU L.147134 which is based on [b-RtZ Criteria 3.0]⁸ and [b-SBTi Net Zero]⁴⁶.

Get the Details Right

Long-term targets should cover all emissions from your organisation's value chain, including all greenhouse gases, every part of the organisation, and emissions categories across all scopes, even land-based ones. Interim targets might only cover a smaller subset if baseline data isn't available or reliable. You can also set subsidiary targets for specific greenhouse gases (like methane), certain parts of the organisation, and particular emission categories. This helps break down the main target and encourages action.

Select Target Base Year

It is highly recommended to use a fixed target base year—a year to which future emissions will be compared. The target base year should be one with reliable baseline data available to ensure meaningful comparisons. If an organisation changes significantly year-to-year, the baseline may need to be recalculated. If an organisation's emissions vary cyclically over several years, a multi-year baseline may be appropriate.

Set Your Level of Ambition

Organisations need to set short-term and long-term targets to establish their roadmap for halving emissions by 2030 and reaching net zero. The UN-backed Race to Zero Campaign and the SME Climate Hub require a net zero target by 2050 and an interim target to halve emissions by 2030. Climate action should be included in business planning, and so it's useful to set interim targets for every 3–5 years. Longer-term targets help when planning for large capital investments but they can also be affected by uncertain future developments.

Track and Communicate Progress

Once emissions reduction targets are set, communicate them internally and externally, and begin tracking progress. Annually review plans for actions to reduce emissions in light of progress made, new climate science, and global goals. In all communications, present your data and your progress transparently. If you have reported emissions in previous years, make clear how emissions have changed compared to those years, noting the reasons for changes and deviations from set targets, as well as the corrective actions being taken. If you are not achieving at least a 7% year-on-year reduction, it is particularly important to highlight hard-to-abate emissions, identify key blockers that need removal, and suggest collaborative actions required.

² See Chapter 5 of GHG Protocol Corporate Standard for guidance on this.