



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## TAKING THE TEMPERATURE: UNLOCKING BREAKTHROUGH CLIMATE ACTION IN THE G20

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More and more companies and countries are talking the talk when it comes to climate action, but words will not prevent further damage to the climate - we must walk the walk. We are facing the very real possibility that global temperatures will soon rise over the 1.5°C limit that science has determined will cause climate catastrophe. There is no time to lose.

This new research shows that more than 4,200 G20 companies have set climate targets, but just 20% are science-based. It is promising that there is a strong global appetite for decarbonization. But setting self-defined emissions reductions targets won't cut it - company targets must be rooted in science.

It is crucial that all industries and sectors step up urgent climate action and respond to what the science is clearly telling us: if we are to ensure the future of humanity on this planet, we must all enable the halving of global emissions within this decade and net-zero before 2050.

In the "G13" (non-G7 members of the G20) - 1216 companies have disclosed climate targets, with just 6% being science-based. Indonesia, Russia and Saudi Arabia - some of the world's heaviest emitters - have zero companies with approved science-based targets.



BY HEIDI HUUSKO  
**Member of the SBTi Executive  
Leadership team and Senior  
Manager at UN Global Compact**

This factsheet follows on from our initial Taking the Temperature report ahead of the G7 Summit in June, and no G7 Index has reduced its temperature rating in that time. In fact, within all G7 Indexes, only 10% of companies are responsible for at least 48% of total index emissions.

G7 countries have a responsibility to lead the global economy through this transformation by incentivizing corporations to rapidly slash emissions at the pace and scale required by science.

The G20 Summit in October and COP26 in November represent crucial milestones on the road towards 1.5°C, and are unmissable opportunities for governments to secure a net-zero future for humanity and ensure that the goals of the Paris Agreement remain in reach.

There is a mountain to climb. We must reach new heights of climate ambition and ultimately reach the net-zero peak. To do this, we need the courage to act now. Companies have the power to drive real and lasting change for humankind through science-based targets.



## APPETITE FOR CLIMATE TARGETS ACROSS THE G20

- Across the G7, there are 2999 companies with climate targets disclosed through CDP, but just 761 or 25% of these are science-based.
- In the “G13” (non-G7 members of the G20), these figures are reduced to 1216 companies with climate targets disclosed through CDP and just 76 (6%) that are science-based. Meaning only 25% have been validated to be in line with the level of ambition required to deliver on the Paris Agreement goals.

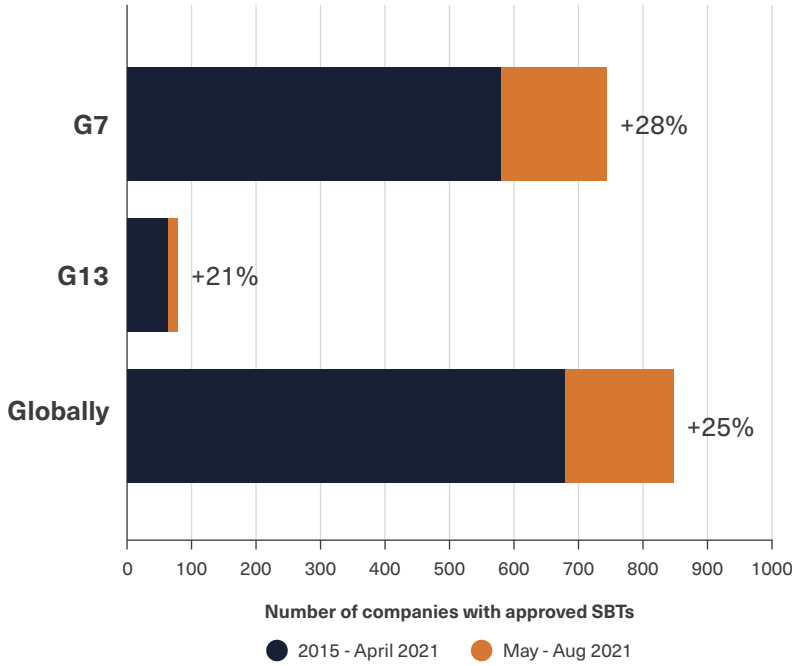


	Country	Companies with any climate targets disclosed through CDP	Companies with science-based targets	% science-based target
<b>G7 countries</b>	<b>Canada</b>	103	18	17%
	<b>Japan</b>	667	128	19%
	<b>USA</b>	843	159	19%
	<b>UK</b>	298	123	41%
	<b>France</b>	165	55	33%
	<b>Germany</b>	219	47	21%
	<b>Italy</b>	99	19	19%
	<b>Europe total*</b>	<b>1386</b>	<b>456</b>	<b>33%</b>
	<b>G7 TOTAL</b>	<b>2999</b>	<b>761</b>	<b>25%</b>
<b>“G13” countries (Non-G7 members of G20)</b>	<b>Argentina</b>	7	0	0%
	<b>Australia</b>	54	16	30%
	<b>Brazil</b>	120	4	3%
	<b>China</b>	607	21	3%
	<b>India</b>	106	25	24%
	<b>Indonesia</b>	19	0	0%
	<b>South Korea</b>	106	0	0%
	<b>Mexico</b>	74	3	4%
	<b>Russia</b>	22	0	0%
	<b>Saudi Arabia</b>	4	0	0%
	<b>South Africa</b>	48	4	8%
	<b>Turkey</b>	49	3	6%
	<b>G13 TOTAL</b>	<b>1216</b>	<b>76</b>	<b>6%</b>
<b>All G20 countries</b>	<b>OVERALL TOTAL</b>	<b>4215</b>	<b>837</b>	<b>20%</b>

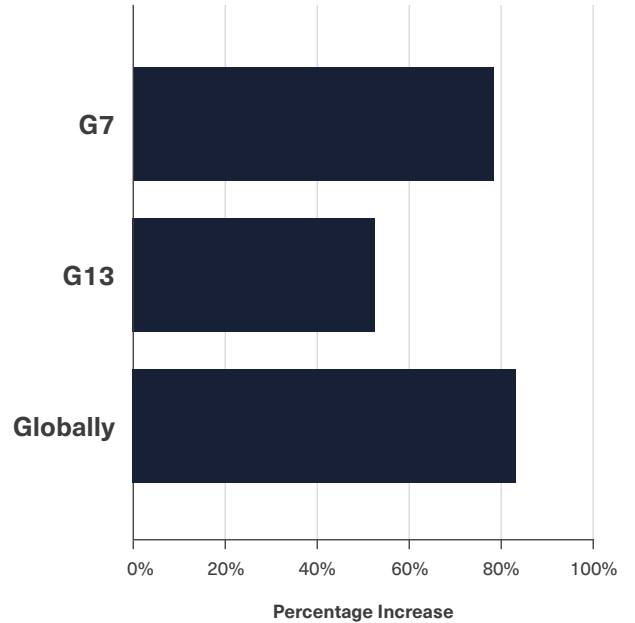
\*France, Germany, Italy and the UK

- In the G20, there was a significant 27% increase in uptake of science-based targets between June-August 2021. This compares to 20% in the same period last year - demonstrating an increasing appetite for science-based targets.
- The uptake of science-based targets in the G7 continues to increase at a faster pace than the G13, with rates at 28% and 21% respectively.
- We have also seen a notable increase in companies committing to the SBTi's campaign for the most ambitious companies - [Business Ambition for 1.5°C](#).

RATE OF SCIENCE-BASED TARGET ADOPTION



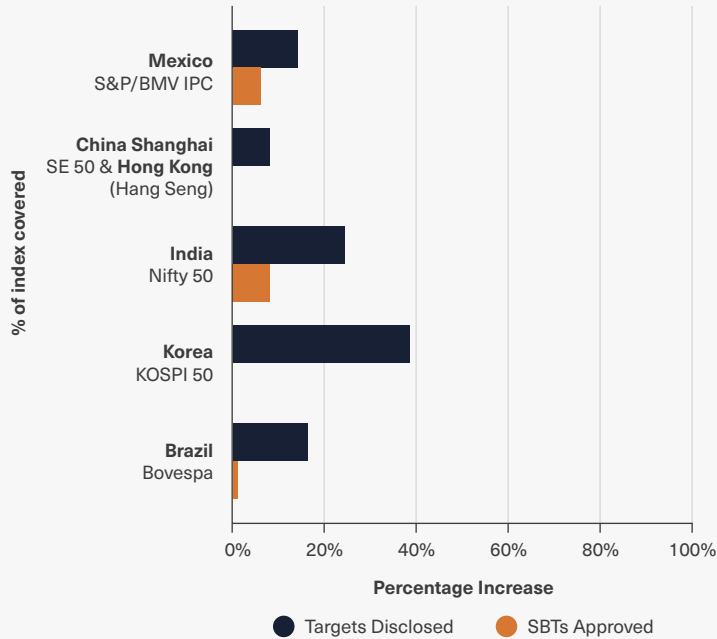
INCREASE IN BUSINESS AMBITION FOR 1.5C COMMITMENTS BETWEEN APRIL AND AUGUST 2021



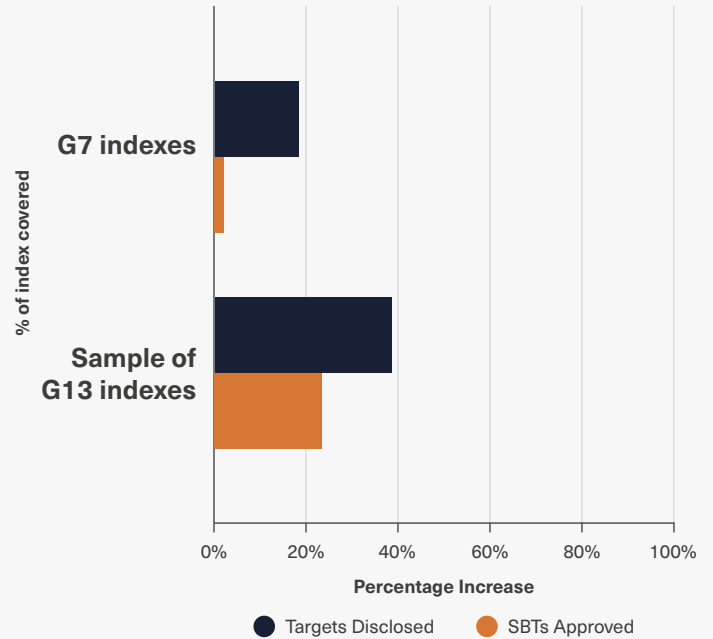
## LEADING STOCK INDEX EMISSIONS

- In a representative sample of five G13 indices, 18% have set climate targets, but just 2% of these are science-based. This demonstrates a clear appetite from G13 businesses to decarbonize. But - to have a real impact - they must increase ambition and align with climate science.
- For instance, in South Korea, the KOSPI 50 Index has a disclosure rate of 38% but no science-based targets.

### CLIMATE TARGETS IN SAMPLE OF G13 INDEXES

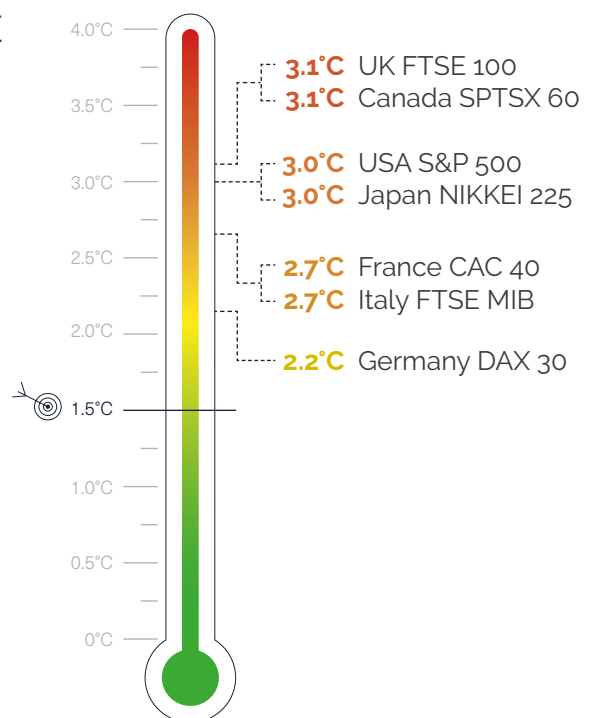


### CLIMATE TARGETS IN G7 AND G13 INDEXES



## HEAVY EMITTERS MUST ALIGN WITH SCIENCE

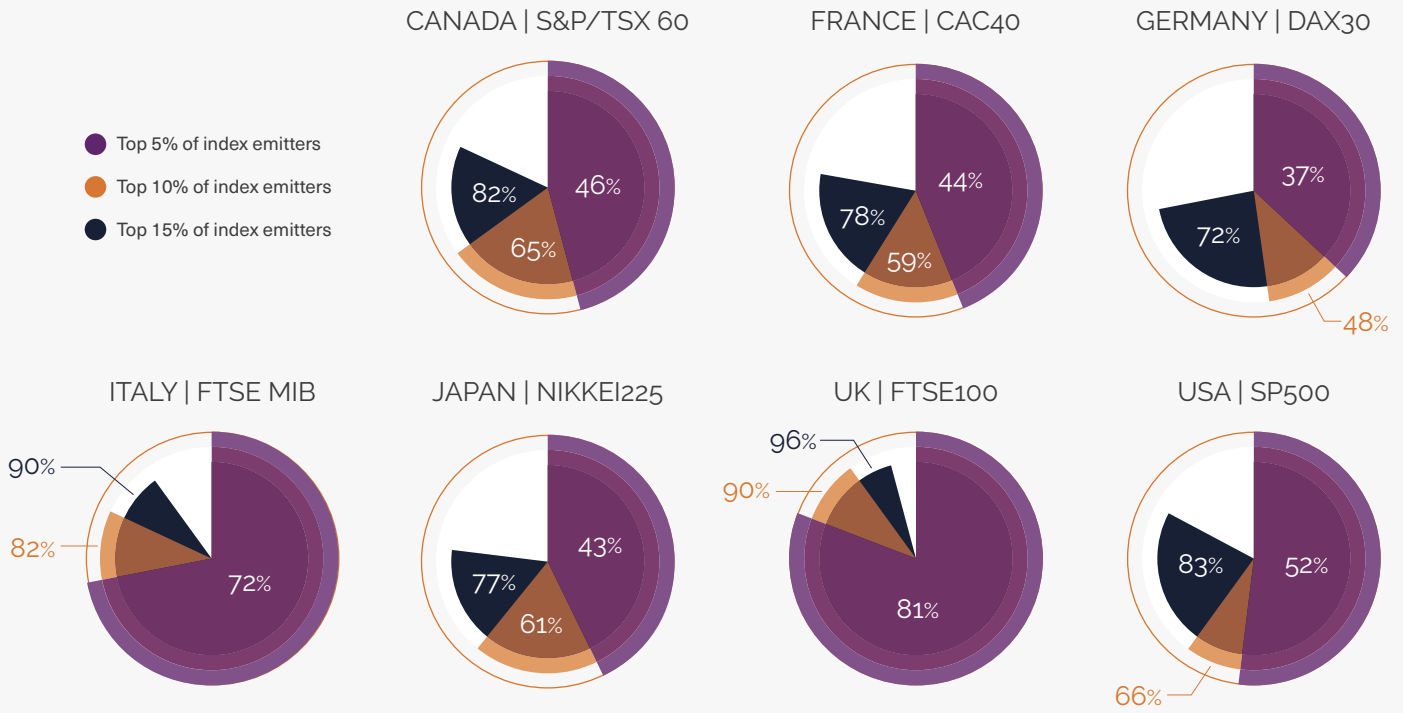
- Despite the rise in science-based targets, the greenhouse gas emissions covered by science-based targets within the G7 indexes has not seen a notable rise since April 2021, with the exception of Japan at 5%.
- This is because targets are not being submitted by the heaviest emitting companies at the pace and scale required by climate science.
- This also means that, since the launch of the first [Taking the Temperature report](#) ahead of the G7, no G7 nation temperature alignment has changed.
- Canada's SPTSX 60 and the UK's FTSE 100 have the joint-highest temperature alignment of 3.1C, Japan's NIKKEI 225 and USA's S&P 500 are joint-second at 3.0C, France's CAC 40 and Italy's FTSE MIB are both 2.7C, while Germany's DAX 30 is aligned with 2.2C.
- It is vital that the G7 walks the talk by urgently aligning the leading indices with climate science.





## G7 INDEXES: EMISSIONS COVERED BY HEAVIEST EMITTING INDEX COMPANIES

- In all G7 indices, just 10% of companies are responsible for at least 48% of total index emissions.
- The heaviest emitting companies from each of the G7 indexes are [listed in the appendix of the June 'Taking the Temperature' report](#).



## ABOUT THE DATA AND METHODOLOGY USED

- This analysis is based on data submitted by companies to CDP and the SBTi. It focuses on mid-term (targets until 2030/2035) rather than long-term target data, given the urgency to halve emissions by 2030.
- The data was correct as of 31 August 2021.
- One should differentiate science-based targets from other targets.
  - » Science-based targets (SBTs) are validated by a panel of experts following a strict set of criteria to ensure a full GHG inventory is disclosed and covered by the targets, its ambition is then translated into a temperature rating (2°C, well-below 2°C, 1.5°C) based on a number of methodologies.
  - » Other targets included in this analysis are targets that were publicly disclosed through CDP: CDP collects target data each year through its annual disclosure process. Corporates must disclose the scope breakdown coverage (scope 1, 2, or 3), boundary coverage (e.g. 70% of scope 1), and timeframe of the targets.
- Targets that are not science-based can be translated into temperature ratings via the CDP-WWF temperature rating [methodology](#). The ambition of each company can be translated into a temperature rating. An overall temperature rating can then also be calculated for a sample of companies taken together, by aggregating them to produce a weighted average.

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