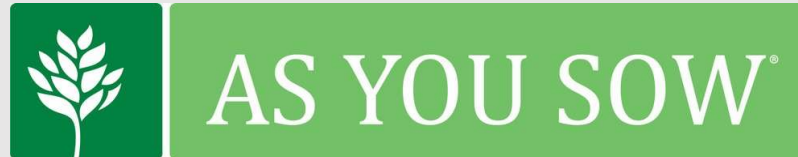


Welcome to the Net Zero Webinar

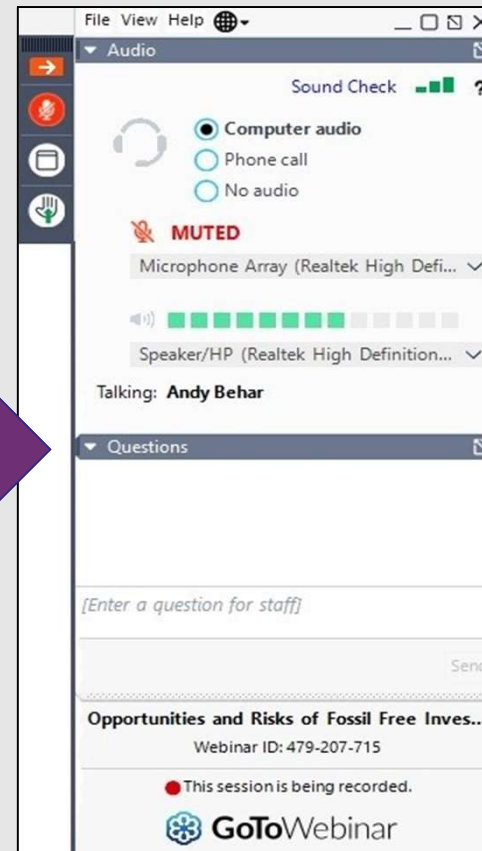


Mission: to promote environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies

- **Founded in 1992** on the belief that corporations *must* be an active part of the solutions to society's environmental and human rights issues;
- **30-year track record** of promoting values-aligned investing and securing positive, lasting corporation change;
- We communicate directly with corporate executives to collaboratively develop and implement business models that reduce risk, benefit brand reputation, and **protect long-term shareholder value** while simultaneously bringing about **positive change for the environment and human rights.**

Use the Q&A window to send your questions

Q&A Window



LEGAL DISCLAIMER

The information provided on this website and all reports is provided “AS IS” without warranty of any kind. *As You Sow* makes no representations and provides no warranties regarding any information or opinions provided herein, including, but not limited to, the advisability of investing in any particular company or investment fund or other vehicle. While we have obtained information believed to be objectively reliable, neither *As You Sow* nor any of its employees, officers, directors, trustees, or agents, shall be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any information contained herein, including, but not limited to, lost profits or punitive or consequential damages. Past performance is not indicative of future returns.

As You Sow does not provide investment, financial planning, legal, or tax advice. We are neither licensed nor qualified to provide any such advice. The content of our programming, publications, and presentations is provided free of charge to the public for informational and educational purposes only, and is neither appropriate nor intended to be used for the purposes of making any decisions on investing, purchases, sales, trades, or any other investment transactions.

Our events, websites, and promotional materials may contain external links to other resources, and may contain comments or statements by individuals who do not represent *As You Sow*. *As You Sow* has no control over, and assumes no responsibility for, the content, privacy policies, or practices of any third party websites or services that you may access as a result of our programming. *As You Sow* shall not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods, or services available on or through any such websites or services.



AS YOU SOW

Panelists



Moderator
Danielle Fugere
President & Chief Counsel
As You Sow

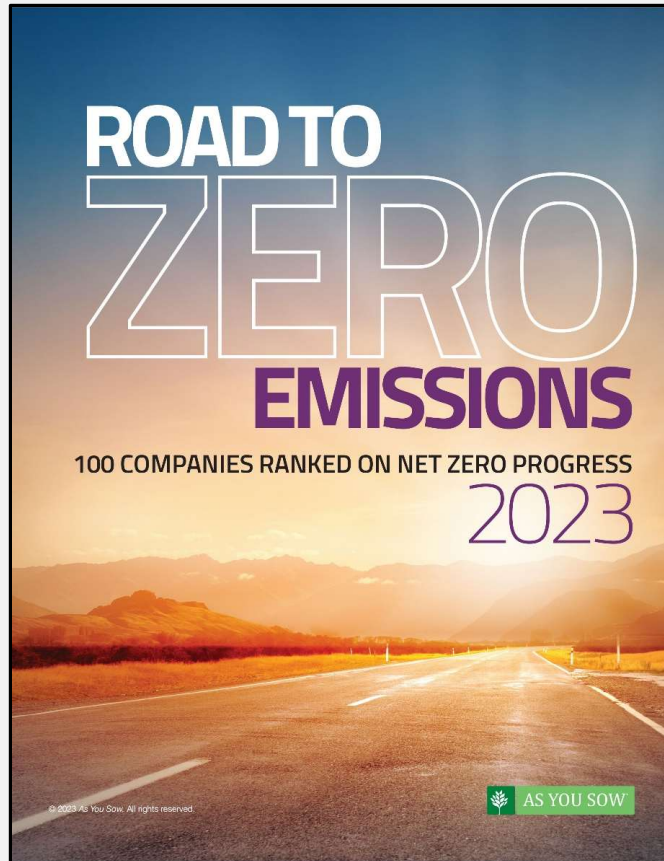


Panelist
David Shugar
Climate & Energy Program Manager
As You Sow



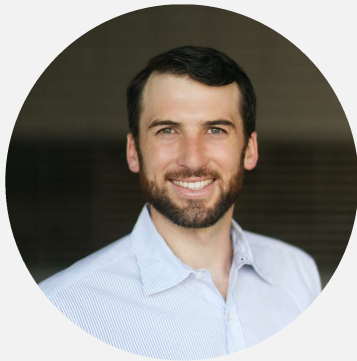
Panelist
Diana Farmer
North America Regional Lead
The Science Based Targets
initiative (SBTi)



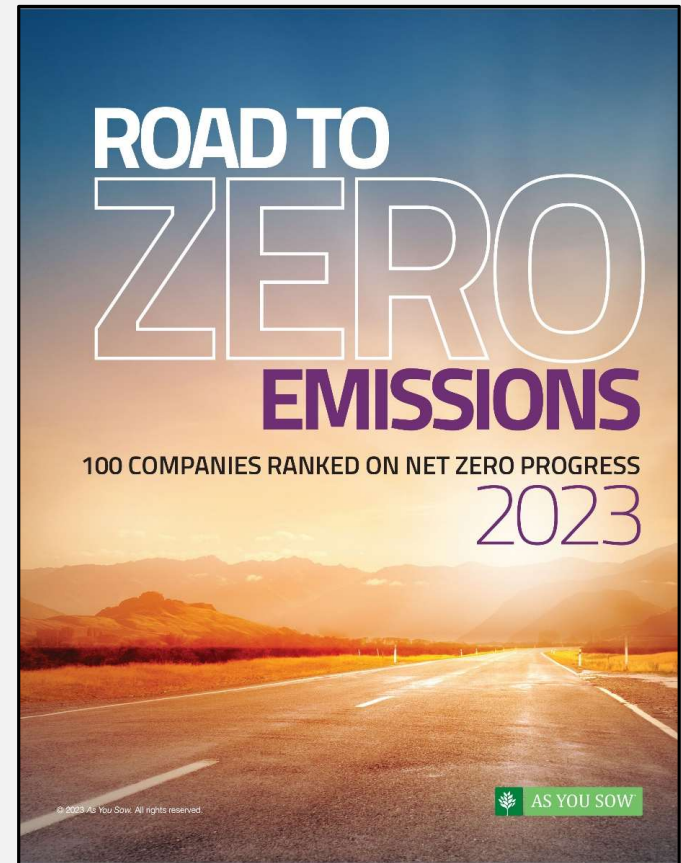


Introductory Remarks

David Shugar



Panelist
David Shugar
Climate & Energy Program Manager
As You Sow

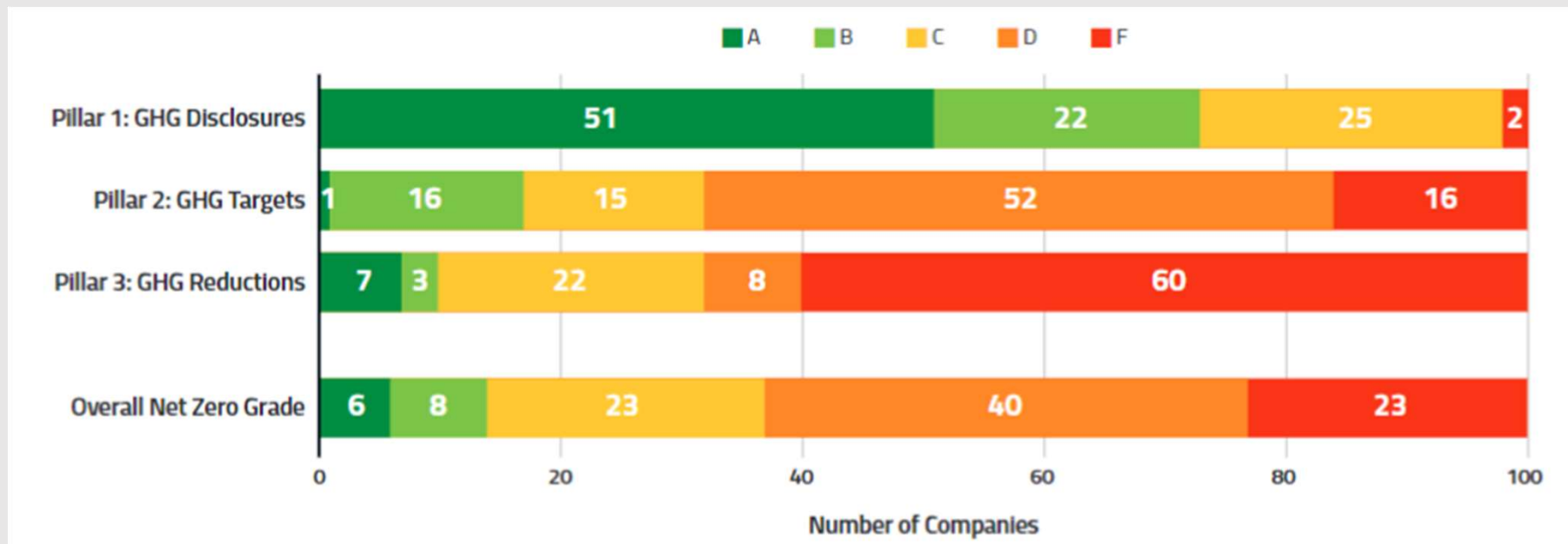


Three Pillars of Net Zero Progress



- Pillar 1 assesses disclosure of GHG emissions and carbon offset information.
- Pillar 2 evaluates interim GHG emissions reduction targets covering Scopes 1-3 and net zero goals by 2050 or sooner.
- Pillar 3 measures average year-over-year absolute emissions and emissions intensity reductions.

Overall Grades 2023



Companies Receiving A's

TRANE
TECHNOLOGIES™



ORACLE

Google



COLGATE-PALMOLIVE



AS YOU SOW

Progress from 2022 to 2023

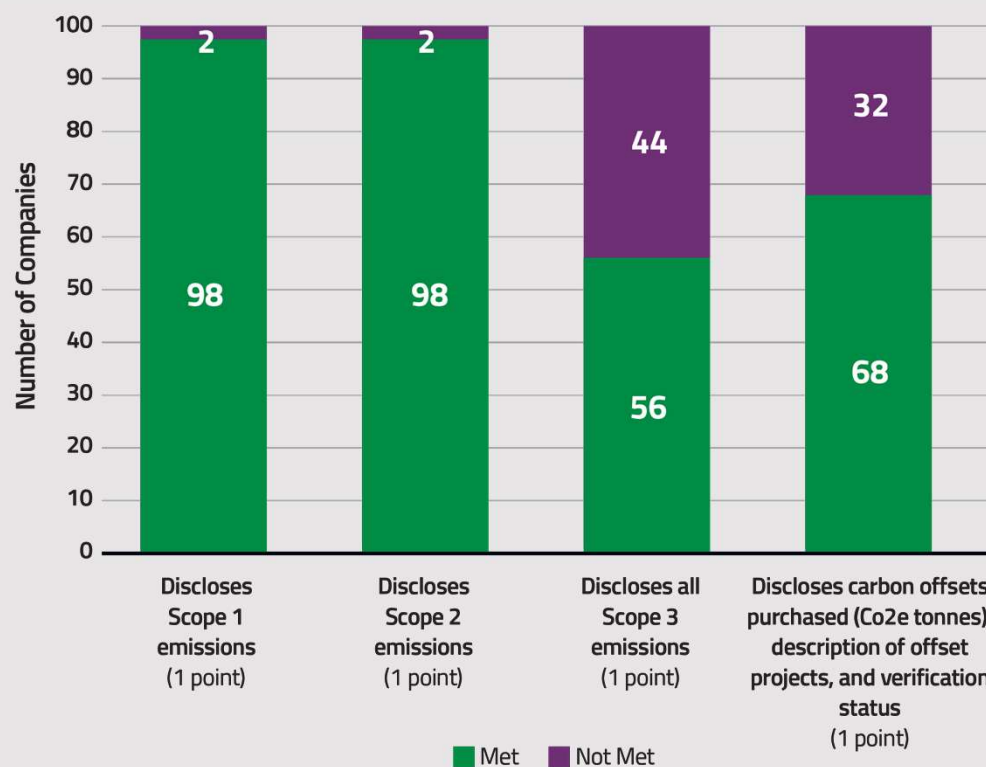
- Overall grades are improving:
 - **37%** of companies received grades of A's, B's, or C's in 2023, versus **16%** in 2022
- Pillar 1 Disclosure grades showed the most area of improvement
 - **73%** of companies received A's or B's for Pillar 1 in 2023, versus **45%** in 2022
- Most improved companies include Visa, Equinix, and Apple, which all had improvements on Pillar 1: Disclosures and Pillar 3: GHG reductions

| Company Name | Overall Progress |
|--------------|----------------------|
| Visa Inc | Improvement: F to B |
| Equinix Inc | Improvement: D to B- |
| Apple Inc | Improvement: B- to A |



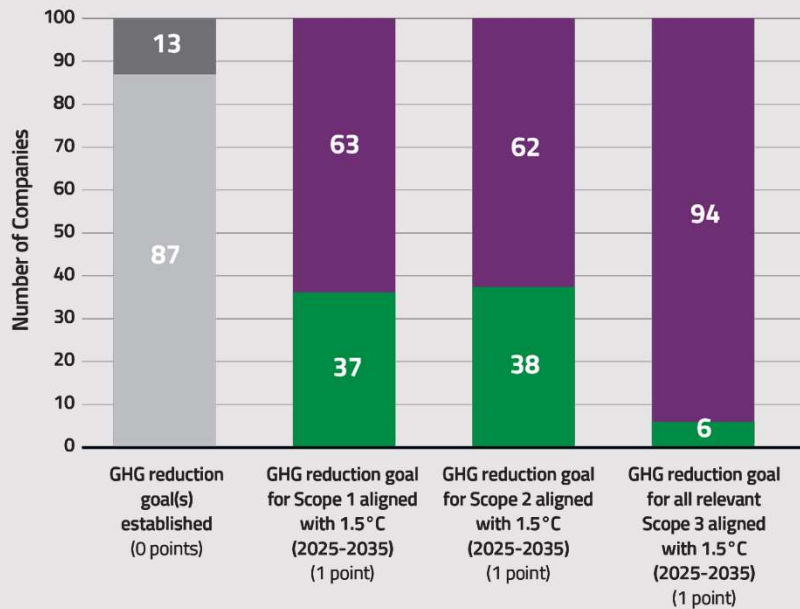
Pillar 1: GHG Disclosures

- **98%** of companies discloses Scope 1 and Scope 2 emissions
- **56%** of companies fully disclose Scope 3 emissions
 - *Up from **36%** in 2022*
- **Takeaway:**
 - There is steady progress on disclosing value-chain, Scope 3 emissions
 - Investor pressure and new regulatory rules have contributed to this increase in climate disclosures, but there are still gaps to fill

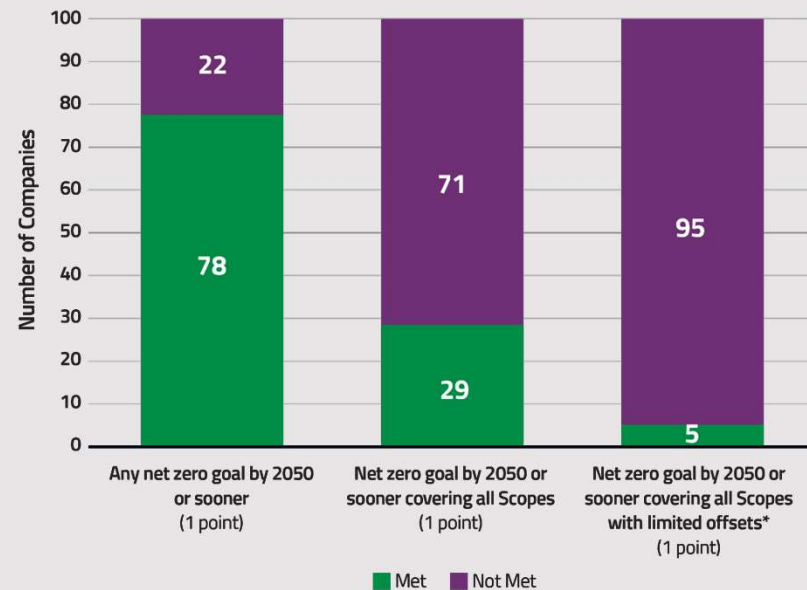


Pillar 2: Targets

Short & Medium Term 1.5°C Goals

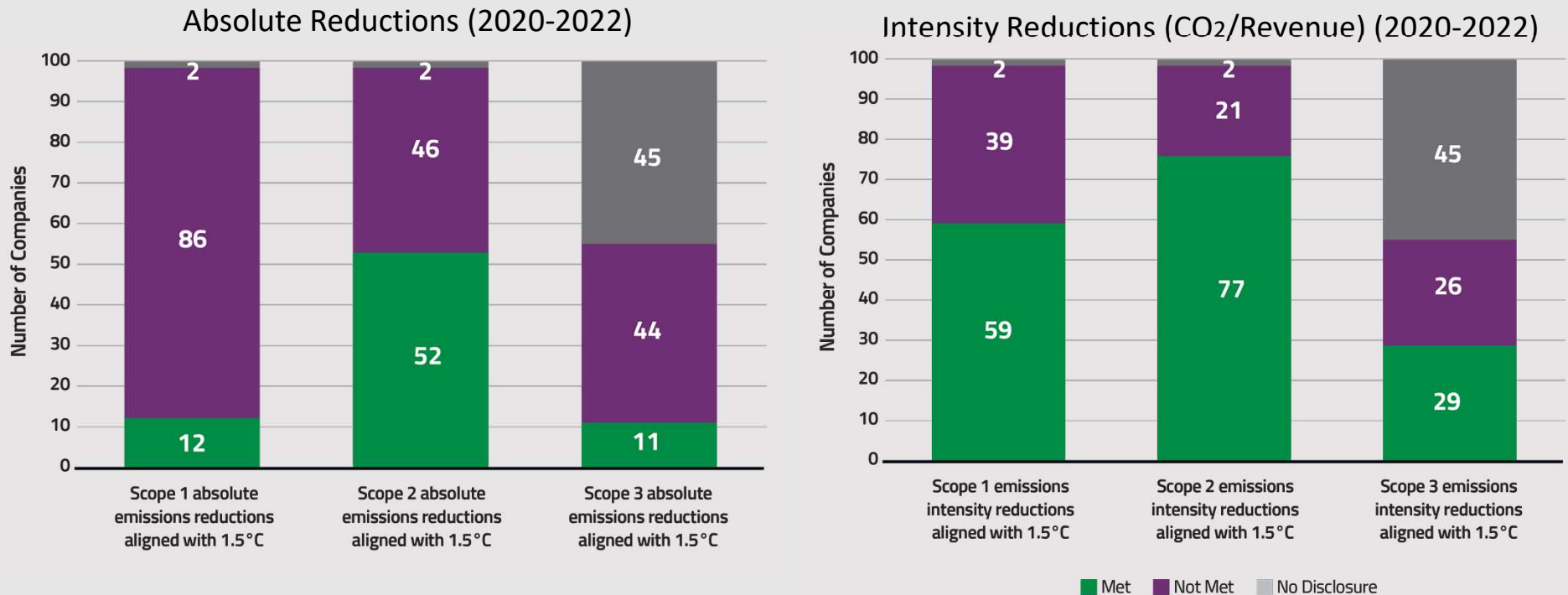


Net Zero Goals by 2050 or Sooner



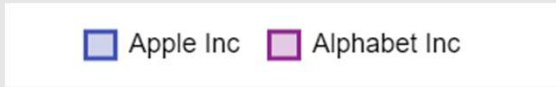
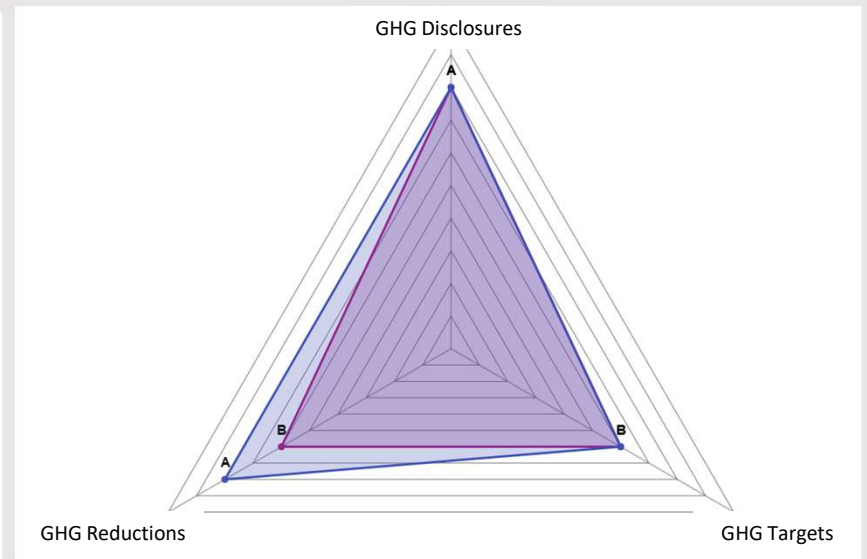
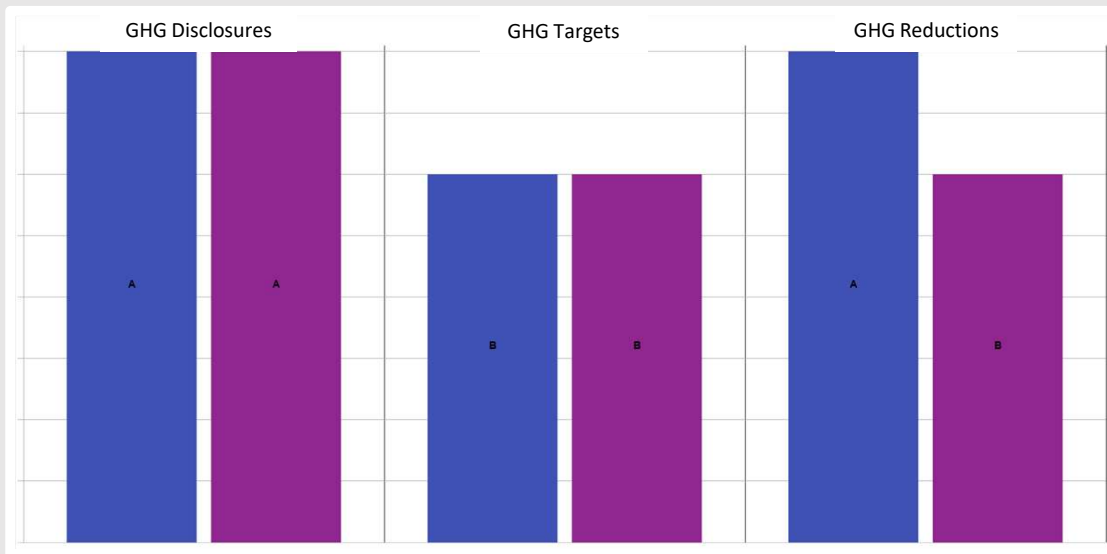
- 87% of companies have established GHG reduction goals, **but few are 1.5°C aligned for Scopes 1 through 3.**
- 78% of companies have net zero ambitions, only one company **received an “A” under this pillar.**
- **Takeaway:** Not all net zero goal are created equal; goals must be carefully assessed.

Pillar 3: Reductions



- Overall, we are seeing successful reductions in Scopes 1 and 2, but **Scope 3 reductions are lagging**
- Disclosures are necessary to measure reduction progress.
- **Takeaway:** Investors beware, Scope 1 & 2 emissions are rarely the full emissions reduction story.

Data Visualization



Conclusion

- More companies are disclosing relevant Scope 3 emissions, but there are still large gaps.
- Generally, companies assessed year-over-year show signs of improvement across the three pillars
- The lack of 1.5°C-aligned year-over-year emissions reductions across companies' full scope of emissions remains a concern.





The Science Based Targets initiative

Trends in Science-Based Target-Setting and Performance

Diana Farmer
North America Regional Lead

November 2023



PARTNER ORGANIZATIONS



United Nations
Global Compact



WORLD
RESOURCES
INSTITUTE



IN COLLABORATION WITH

WE MEAN
BUSINESS
COALITION



Introduction to the SBTi

A global body enabling businesses to set ambitious emissions reduction targets



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Founding Partners:



United Nations
Global Compact



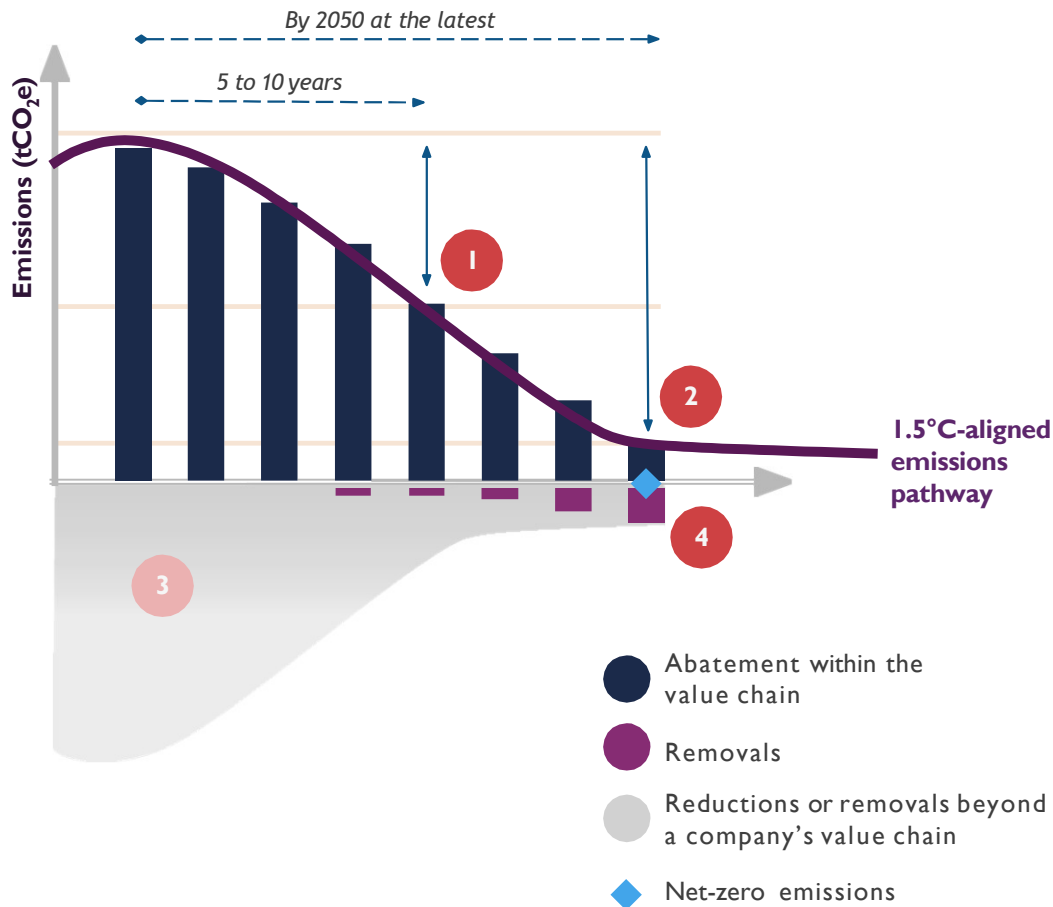
WORLD
RESOURCES
INSTITUTE



In collaboration with



Four key elements of the Net-Zero Standard



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

Four considerations for setting near- and long-term SBTs

 Near-term science-based target



Timeframe

What is the maximum timeframe to meet your targets?

5-10 years (from date of submission)



Ambition

What is the ambition level in terms of limiting temperature rise?

Scope 1 and 2: **1.5°C**
Scope 3: **Well-below 2°C**



Boundary

How much coverage or your emissions inventory is required?

Scope 1 and 2: **95%**
Scope 3: If >40% of total emissions, **67% coverage**



Methods

What are the eligible methods to set your targets?

1. **Absolute reduction**
2. **Sector-specific intensity convergence**
3. **Renewable electricity**
4. **Supplier or customer engagement**
5. **Scope 3 economic intensity reduction**
6. **Scope 3 physical intensity reduction**

 Long-term science-based target

2050 latest

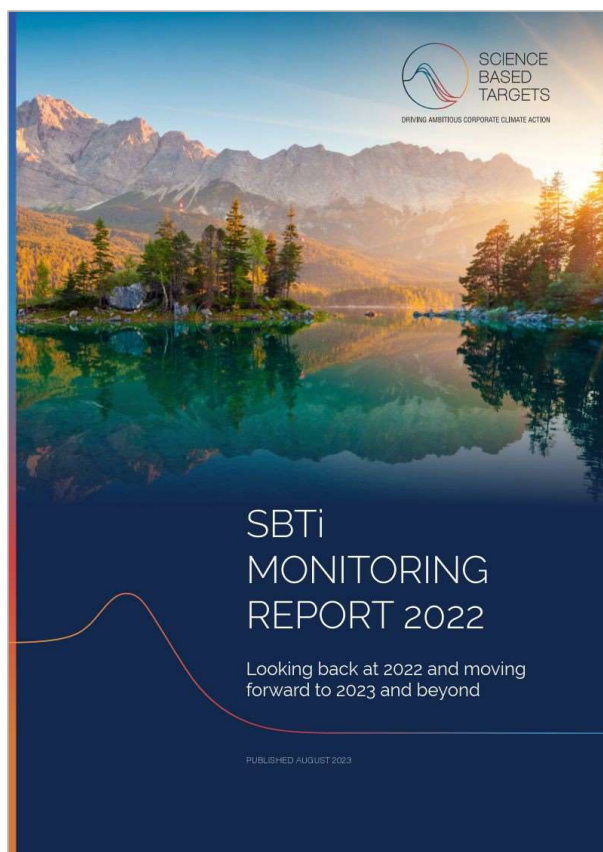
Scope 1, 2, and 3: **1.5°C**

Scope 1 and 2: **95%**
Scope 3: **90%**

1. **Absolute reduction**
2. **Sector-specific intensity convergence**
3. **Renewable electricity**
4. **Scope 3 economic intensity reduction**
5. **Scope 3 physical intensity reduction**

Target-setting trends

Steady increase in ambition

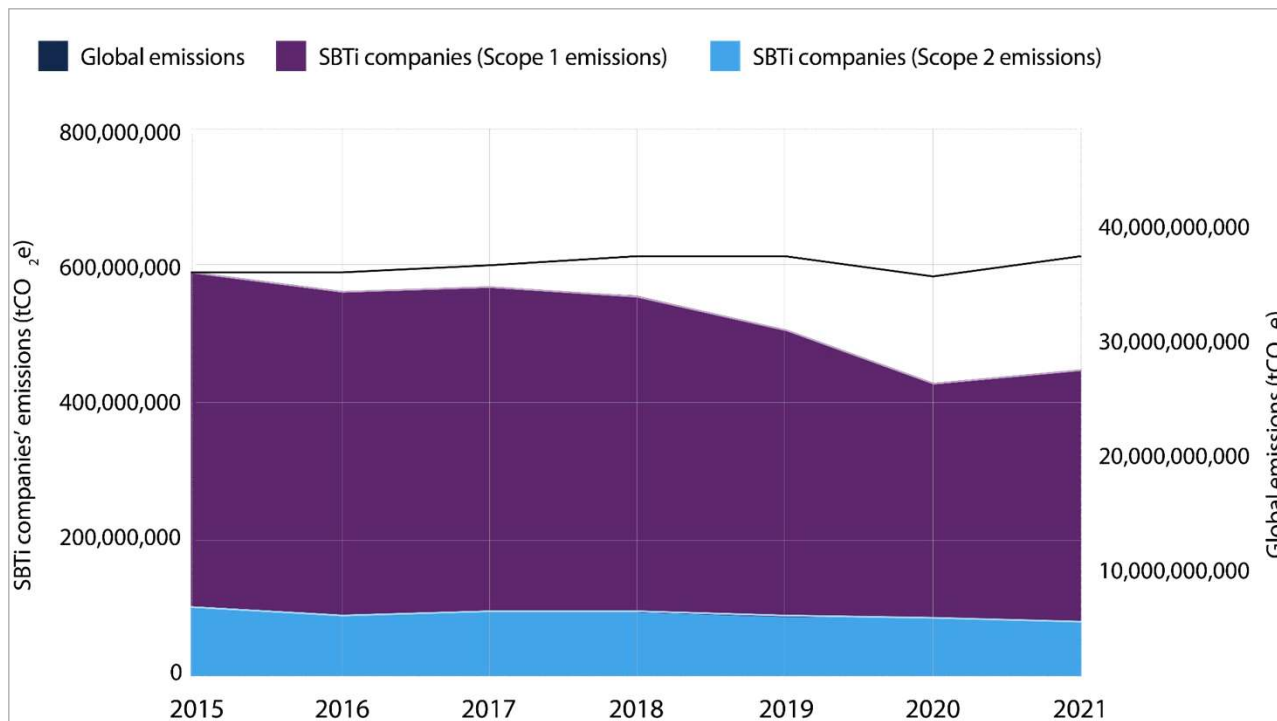


Read the [2022 SBTi Monitoring Report](#)



As of December, 2022

Performance on emissions reductions



5.9%

The typical company reduced their emissions at a linear annual rate of **5.9%** between the year of setting targets and 2021

Organizations reporting progress against targets

76%

of companies with
science-based targets
publicly reported progress
against those targets

53%

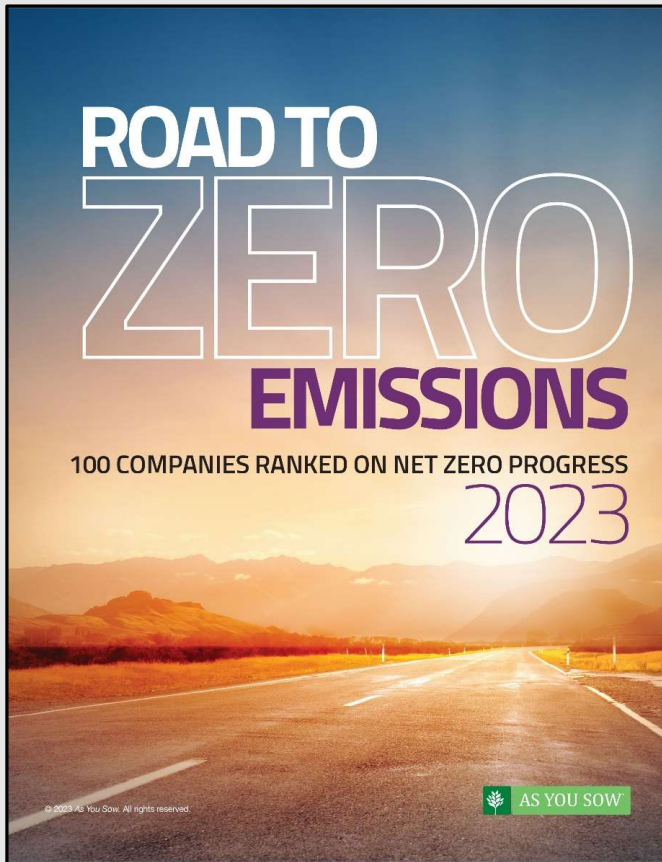
of companies **fully**
reported on progress
against all their near- and
long-term targets



SCIENCE
BASED
TARGETS

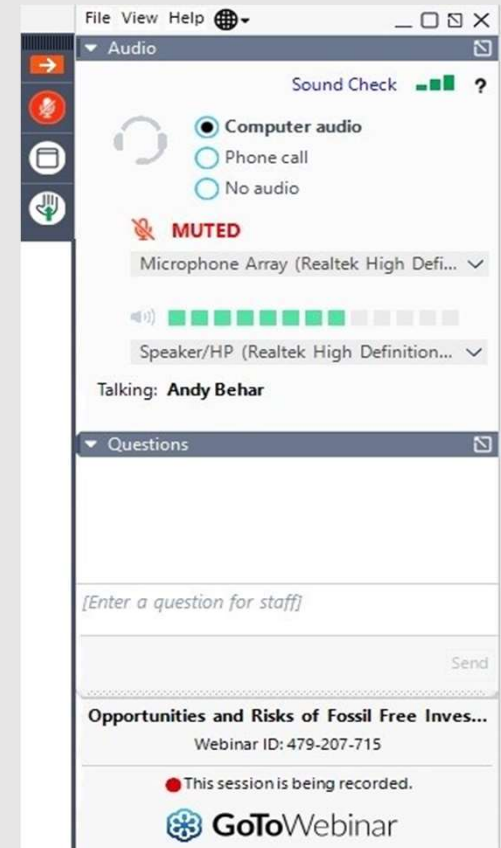
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THANK YOU



Q&A

- Please use the Q&A window to send your questions



Thank you for joining us!

Download the report:

<https://www.asyousow.org/report-page/2023/road-to-zero-emissions>

For Report Questions:

David Shugar
(650) 773-4680

david@asyousow.org

Media/Press Contact:

Sophia Wilson
(341) 600-1832

swilson@asyousow.org

