



Climate **Business** Network

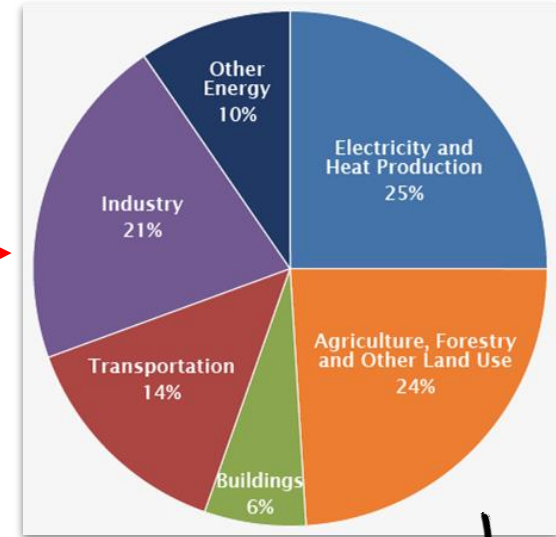
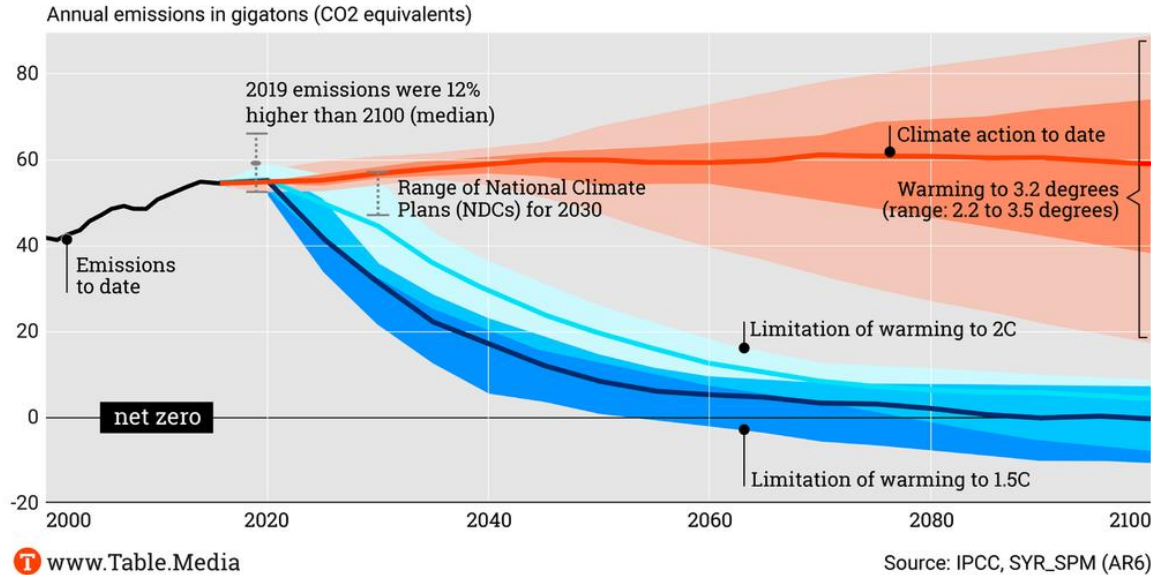
Implementation of Science-Based Targets in Europe and How
Companies Contribute to Net-Zero Goals



The Global Problem Statement:

This is how fast emissions would have to fall

Greenhouse gas emissions and expected global warming by 2100



All of these emissions come from businesses.

The European Green Deal:

The **European Green Deal** is the European Commission's strategy to make the EU the first climate-neutral continent by 2050. It is a far-reaching proposal to **make their climate, energy, transport, and taxation policies fit for reducing greenhouse gases emissions** and transform the EU's economy, industries, and society to be more sustainable while fostering economic growth.



1. European Climate Law - 2021

Ensures long-term policy stability and accountability for achieving net-zero.

- Makes the EU's 2050 climate neutrality goal legally binding.
- Sets an interim emissions reduction target of at least 55% by 2030 (compared to 1990 levels).
- Requires EU institutions and member states to align policies with net-zero goals.

2. EU Emissions Trading System (ETS)

Forces industries to decarbonize by making pollution costly and incentivizing cleaner alternatives.

- Strengthens the EU's carbon pricing mechanism, which puts a price on CO₂ emissions for power plants, industries, and aviation.
- Reduces the number of available carbon allowances, making polluting more expensive over time.
- Expands to include maritime shipping emissions.

3. Carbon Border Adjustment Mechanism (CBAM)

Encourages global manufacturers to adopt cleaner production methods AND protects EU decarbonizing industries from unfair competition.

- Introduces the world's first carbon border tax to prevent carbon leakage (i.e., shifting emissions to countries with weaker regulations).
- Applies to imports of carbon-intensive goods like steel, cement, aluminum, and electricity.
- Fully implemented by 2026.

4. Renewable Energy Directive (RED III)

Accelerates the transition to clean energy and reduces reliance on fossil fuels.

- Sets a 42.5% renewable energy target by 2030 (previously 32%).
- Simplifies permitting procedures for wind, solar, and hydrogen projects.
- Encourages cross-border energy projects to enhance grid integration.

5. Corporate Sustainability Reporting Directive (CSRD)

Pushes companies to set science-based targets and improve transparency on net-zero progress.

- Requires 50,000+ large companies (and SMEs listed on stock markets) to disclose their climate risks and emissions.
- Aligns corporate reporting with the EU Taxonomy for Sustainable Activities.
- Companies must report on Scope 1, 2, and 3 emissions.

6. EU Sustainable Finance Taxonomy

Directs trillions of euros into climate-friendly projects.

- Defines what qualifies as a green investment to prevent greenwashing.
- Guides financial institutions in allocating capital to sustainable activities.
- Covers sectors like energy, transport, and construction.

7. Fit-for-55 Package

Comprehensive Climate Policy Overhaul that forces automakers, energy providers, and industries to invest in low-carbon solutions.

- Updates laws to cut EU emissions by 55% by 2030.
- Includes: Ban on new petrol & diesel car sales by 2035. Stricter energy efficiency standards for buildings. Higher renewable energy targets.

8. Net-Zero Industry Act - 2023

Boosts EU competitiveness in green tech and creates green jobs.

- Supports clean technology manufacturing in the EU.
- Aims to reduce dependence on China for solar panels, batteries, and hydrogen tech.
- Simplifies permitting for wind, solar, and heat pumps.

Companies That Must Set Emission Reduction Targets:



1. Large & Listed Companies:

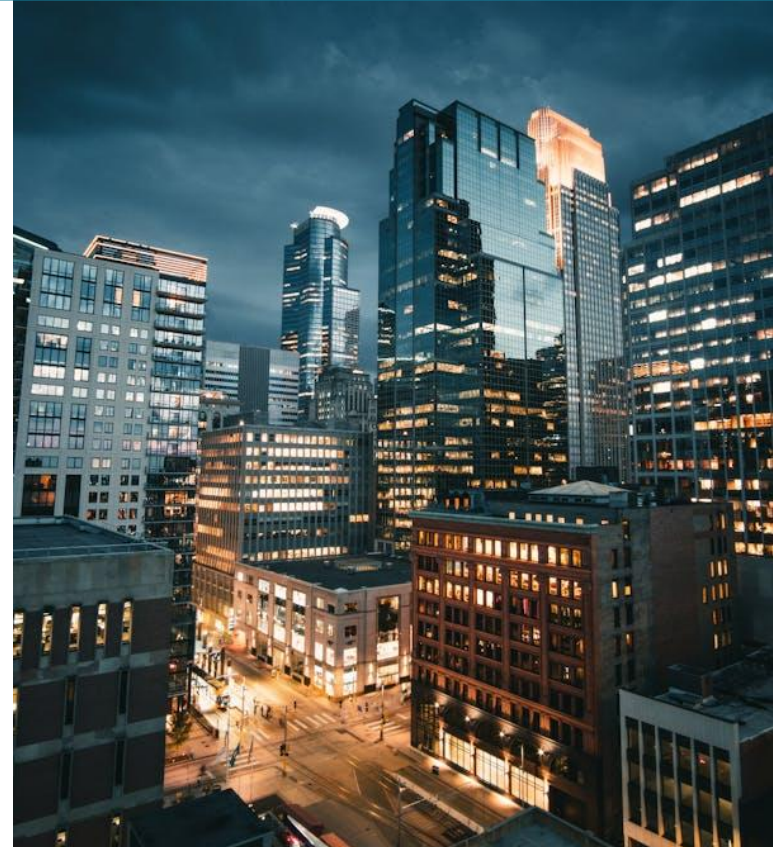
Mandatory Sustainability Reporting (CSRD & ESRS)

- **Large EU companies** that have €40M+ in turnover, €20M+ in total assets or 250+ employees
- **All listed companies** including SMEs (except micro-enterprises)
- **Non-EU companies** with €150M+ turnover in the EU

1. High-Emitting Companies:

EU Emissions Trading System (ETS & CBAM)

- Companies in **carbon-intensive sectors** such as power generation, steel, cement, chemicals, aviation & shipping.
- Importers of **carbon-intensive goods** under **CBAM (Carbon Border Adjustment Mechanism)**.



The result of this growing legislative pressure means more than 90% of global GDP now covered by net-zero targets.

How Companies Contribute to Net Zero Goals:



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How Companies Contribute to Net Zero Goals:



1. Reducing Greenhouse Gas (GHG) Emissions

- Companies are adopting energy efficiency measures, switching to renewable energy sources, and investing in low-carbon technologies.
- Collaborating through supply chain decarbonization strategies help reduce Scope 3 emissions.

2. Innovating for Sustainability

- Investment in carbon capture and storage (CCS) technologies and sustainable product development supports long-term carbon neutrality.
- Circular economy models: design phase (use less & use alternatives), functional phase (use longer), end-of-life phase (use again) all help contribute to emission reductions.

3. Transparency and Accountability

- Many European businesses are publicly reporting progress through CDP (formerly the Carbon Disclosure Project) and adhering to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Third-party auditing and independent verification of emissions data to enhance credibility.

4. Collaboration and Advocacy

- Businesses are working with governments, NGOs, and industry coalitions to drive climate action.
- Participation in initiatives like the Race to Zero campaign and the We Mean Business coalition



WWF's Beyond Net-Zero Guidance:



BNZ is available in 5 languages: English, Mandarin, Hindi, French and Spanish.

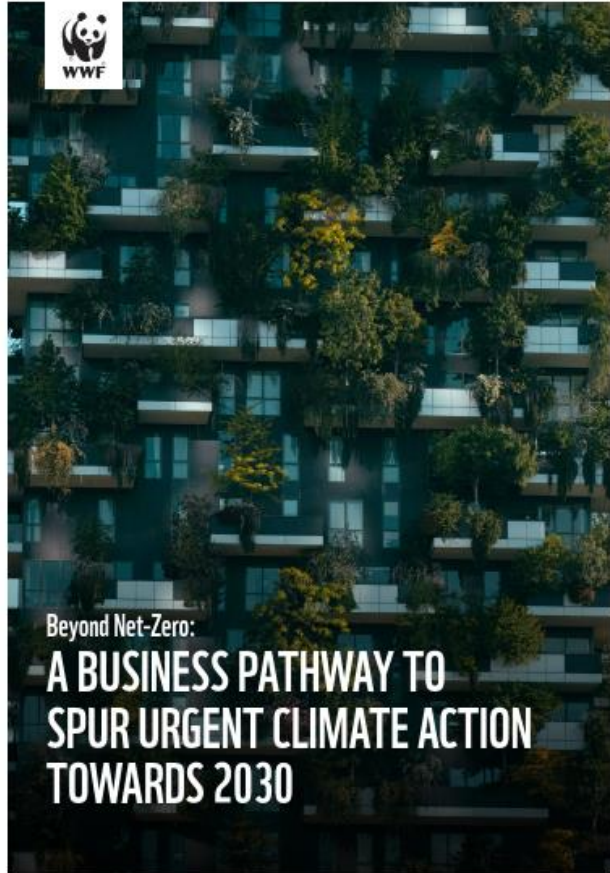
The seven actions that are expected from a corporate climate leader are:

1	2	3	4	5	6	7
Account & disclose	Set	Reduce	Finance	Engage	Collaborate	Enable and inspire
consistently and transparently according to best available practices and against all commitments.	climate targets in line with 1.5°C according to the Science Based Targets initiative near-term and net-zero criteria.	value chain emissions (scope 1-3) in line with the 1.5°C trajectory by halving emissions by 2030 and reaching net-zero by 2050 at the latest.	and support climate and nature solutions across and beyond the value chain.	responsibly and actively in climate policy in line with 1.5°C and ensure internal and external corporate policy alignment.	with value chain partners, peers, employees and other key stakeholders to overcome critical barriers to scaling climate action.	customers through sustainable products and services, education and campaigns, and transparent and accessible information.

WWF's Beyond Net-Zero Guidance:



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LEADERSHIP ACTION 2 SET 1.5°C ALIGNED REDUCTION TARGETS

There is a positive trend in the number of companies setting GHG reduction targets in line with what science tells us is necessary. Leading companies should set targets in line with the criteria of the Science Based Targets initiative,^{4,10} and should fully align their targets with a 1.5°C trajectory for all emission scopes, covering as many emissions as possible.

ACTION:

- Set climate targets in line with 1.5°C according to the Science Based Targets initiative near-term and net-zero criteria.

BEST PRACTICES:

- 1 Set near-term (5-10 years) and net-zero targets (2040/2050) to spur short-term action and long-term innovative processes in line with the Science Based Targets initiative (SBTi) and the 1.5°C pathway, i.e., halving emissions by 2030 and reaching net-zero by 2050 at the latest.
- 2 For companies with significant scope 3 emissions, set a target in line with the SBTi covering more than the mandated scope 3 emission coverage of 67% near-term and 90% long-term. Ideally, all scope 1-3 emissions are covered by science-based targets.
- 3 Set a shorter timeframe for reaching a long-term net-zero target, e.g., by 2040.

SUGGESTED METRICS FOR TRACKING PROGRESS AND IMPACT:

- Near-term targets (5-10 years) approved and published by the Science Based Targets initiative.
- Net-zero targets approved and published by the Science Based Targets initiative.

Companies should set absolute emission reduction targets in line with the 1.5°C pathway for their scope 1, 2 and 3 emissions. To be in line with a 1.5°C pathway according to the [Intergovernmental Panel on Climate Change \(IPCC\)](#), companies should halve GHG emissions by 2030, halve them again by 2040 and reach a net-zero state by 2050 (with few residual emissions or even absolute zero for some sectors).^{11, 12}

Leading companies should set near-term (5-10 years) and long-term (2040/2050) targets in line with the criteria of the Science Based Targets initiative.^{13,14} Immediate action is needed to tackle climate change and reduce the need for more expensive mitigation and adaptation measures in the future, as well as to avoid reaching a tipping point. In the long run, to achieve global net-zero by 2050 will require significant changes in the way businesses operate. This demands long-term vision, strategies and innovation to ensure that these changes happen at the pace and scale required.

For scope 3 emissions reductions, the Science Based Targets initiative requires companies to cover at least 67% of their value chain emissions for near-term targets and 90% for a longer-term net-zero target.¹⁵ An ambitious target covering 67% of scope 3 emissions is already challenging for many companies, especially if this target is in line with a 1.5°C pathway. However, solutions must be found for the entirety of a company's value chain.

A long-term target and strategy can support decisions and innovation covering all aspects and all emissions of the business. Leading companies should therefore strive to include as many emissions as possible – preferably 100% of scope 1, 2 and 3 emissions – for both their near- and long-term targets. Companies can show additional leadership by setting a shorter timeframe for a corporate net-zero target, e.g., reaching net-zero by 2040 in line with the criteria of the SBTi.

How Does the EGD Intersect with the SBTi?



The **European Green Deal** provides **regulatory pressure**, while the **SBTi** offers a **structured methodology** for businesses to reduce emissions in line with science-based pathways.

1. Shared Climate Goals:

The **EU's targets align with SBTi's climate science-based framework**, encouraging companies operating in Europe to set SBTi-approved emissions reduction targets.

2. Influence on Corporate Climate Action:

Companies operating in the EU may use **SBTi targets** to ensure **compliance with EU Green Deal regulations**. Investors and policymakers increasingly expect businesses to **align with both** SBTi and EU climate goals.

3. Role in Green Finance & Investments:

Investors **favor companies with SBTi-approved targets** because they align with the EU's **sustainable finance policies**. SBTi can help **standardize** corporate climate goals to meet the EU's **green investment criteria**.

4. Carbon Pricing & Corporate Emission Reductions:

Companies that set **SBTi-approved targets** are better prepared for the **EU's stricter carbon regulations**. The EU's **carbon pricing mechanisms** create an **economic incentive** for businesses to meet SBTi-aligned targets.

How Companies Contribute to Net Zero Goals:

WWF works with some of the biggest and most ambitious companies in the world, united by their commitment to setting and striving for exceptional standards in corporate sustainability. We currently have **34 member companies** within the CBN, with a combined annual revenue of **\$1.8 trillion dollars**.

They represent some of the biggest and most complex companies operating in the world today. These companies are based in Sweden, Germany, Italy, Denmark, Japan, the UK, and the United States.



How We Work With Companies:



If Scope 3 emissions represent > 40% of a company's overall emissions, the SBTi requires they set a target to cover this area of impact.

How Companies Contribute to Net Zero Goals:



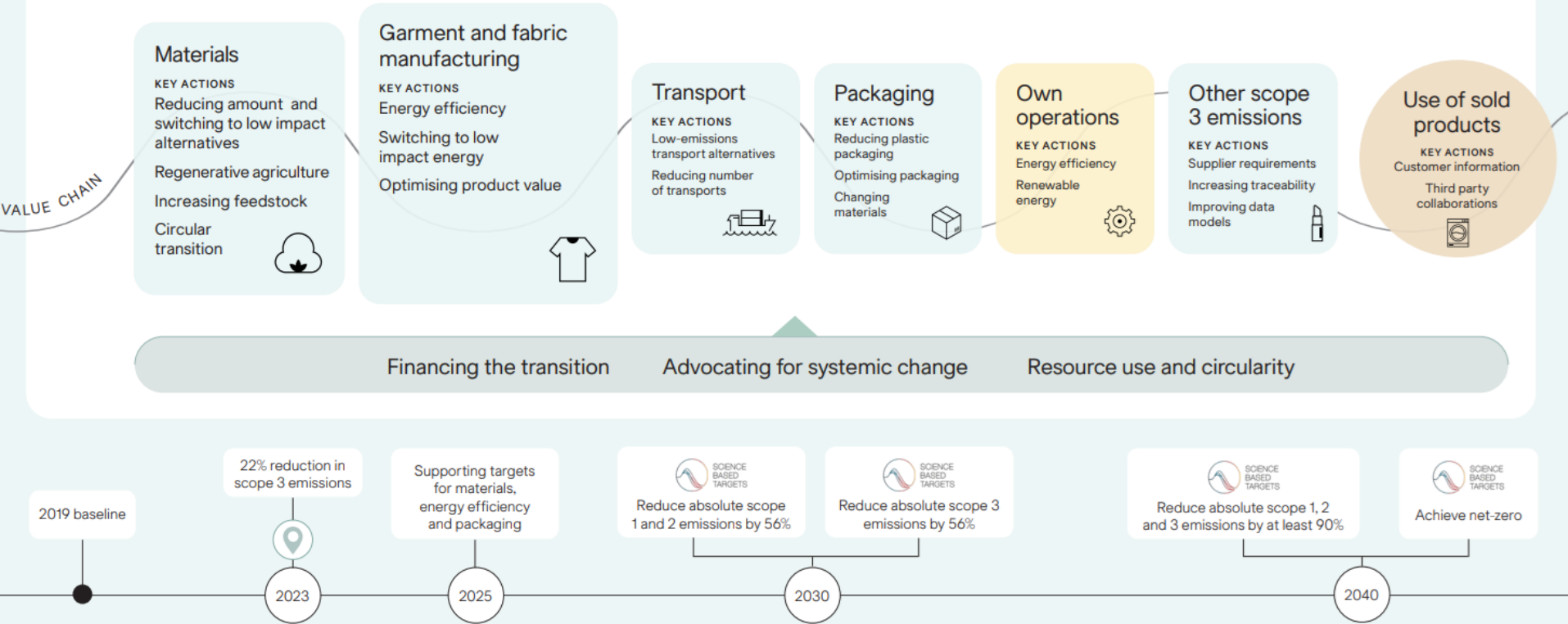
Company	SBTI Near	SBTI Long	Net Zero	Year	Scope 1	Scope 2	Scope 3	Total	Metric
H&M	1.5C	1.5C	2040	2021	37,390	12,680	7,742,000	7,792,070	tCO2e
IKEA Group	1.5C	-	Committed	2022	13,899	46,803	7,093,000	7,153,702	tCO2e
LEGO Group	1.5C	-	Committed	2021	27,926	809	1,501,661	1,530,396	tCO2e
Jokey	Committed	-	-	2022	4,095	61,232	596,645	661,972	tCO2e
Schüco	1.5C	-	Committed	2020	3,989	9,794	1,779,546	1,793,329	tCO2e
Beiersdorf	1.5C	1.5C	2045	2022	90,349	1,322	1,023,679	1,115,350	tCO2e
Sofidel	WB2C	-	Committed	2020	586,530	375,836	153,616	1,115,982	tCO2e
SONY	1.5C	1.5C	2040	2022	211,000	984,000	16,160,000	17,355,000	tCO2e
Lidl	1.5C	-	-	2022	270,000	120,000	5,000,000	5,390,000	tCO2e
Airbnb	1.5C	-	-	2021	807	0	256,674	257,481	tCO2e
Coca-Cola Company (North America)	2C	-	Committed	2021	793,000	803,000	50,420,000	52,016,000	tCO2e
International Paper	WB2C	-	-	2022	6,261,000	3,305,000	2,383,000	11,949,000	tCO2e
HP Inc.	1.5C	-	Committed	2022	46,800	196,300	26,748,000	26,991,100	tCO2e
Johnson & Johnson	1.5C	-	Commitment removed	2022	384,622	298,566	9,036,449	9,719,637	tCO2e
Keurig Dr Pepper	WB2C	-	-	2022	298,188	57,680	1,087,257	1,443,125	tCO2e
Kimberly Clarke	WB2C	-	-	2022	1,658,500	1,658,500	11,172,000	14,489,000	tCO2e
Lowe's	Committed	-	Committed	2022	437,000	1,025,000	163,679,000	165,141,000	tCO2e
McCormick	1.5C	1.5C	2050	2022	35,903	40,520	2,805,360	2,881,783	tCO2e
McDonald's	1.5C	1.5C	2050	2022	113,286	469,236	7,989,587	8,572,109	tCO2e
P&G	1.5C	-	Commitment Removed	2022	2,160	156	190,840,000	190,842,316	tCO2e
Ralph Lauren	1.5C	-	Committed	2022	11,582	69,291	1,192,249	1,273,122	tCO2e
Royal Caribbean	-	-	-	2022	4,979,842	10,100	-	4,989,942	tCO2e
Target	2C	-	Committed	2022	734,799	1,011,943	1,746,742	3,493,484	tCO2e
Trane Technologies	1.5C	1.5C	2050	2022	237,639	124,057	303,159,898	303,521,594	tCO2e
Visa	1.5C	-	Committed	2019	5,980	53,820	403,900	463,700	tCO2e
Walmart	1.5C	-	Commitment Removed	2022	7,370,161	6,617,509	584,000,000	597,987,670	tCO2e
YUM! Brands	1.5C	-	Commitment Removed	2022	42,919	100,477	21,477,513	21,620,909	tCO2e
Nike	1.5C	-	-	2021	42,720	76,420	10,823,560	10,942,700	tCO2e
Starbucks	1.5C	-	-	2021	372,020	474,774	13,859,078	14,705,871	tCO2e
Meta Platforms	1.5C	-	Committed	2022	66,934	273	8,466,264	8,533,471	tCO2e
Kenvue	1.5C	-	Committed	2022	22,000	64,600	-	-	tCO2e
InterContinental Hotel Group (IHG)	1.5C	-	-	2023	486,094	2,176,340	3,706,846	6,369,280	tCO2e
Aldi Sud	1.5C	1.5C	2050	2022	436,421	3,451	331,742	771,614	tCO2e
CVS Health	1.5C	1.5C	2050	2022	269,225	718,743	9,785,797	10,773,765	tCO2e
Total	Last updated 31/01/25				26,354,780	20,986,039	1,469,497,820	1,516,838,639	

With the CBN's current members listed, we can claim a combined footprint of roughly **1.5 gigatons CO2e**.

For reference:
Turkiye's 2023 carbon footprint was estimated to be **432 million tonnes CO2e**.

An overview of H&M Group's Climate Transition Plan

We have set ambitious climate targets that contribute to the global goal to keep temperature rise within 1.5°C and are verified by the Science Based Targets initiative. Our **finance solutions, advocacy work** and **transition to becoming a circular business**, support our actions across our supply chain.

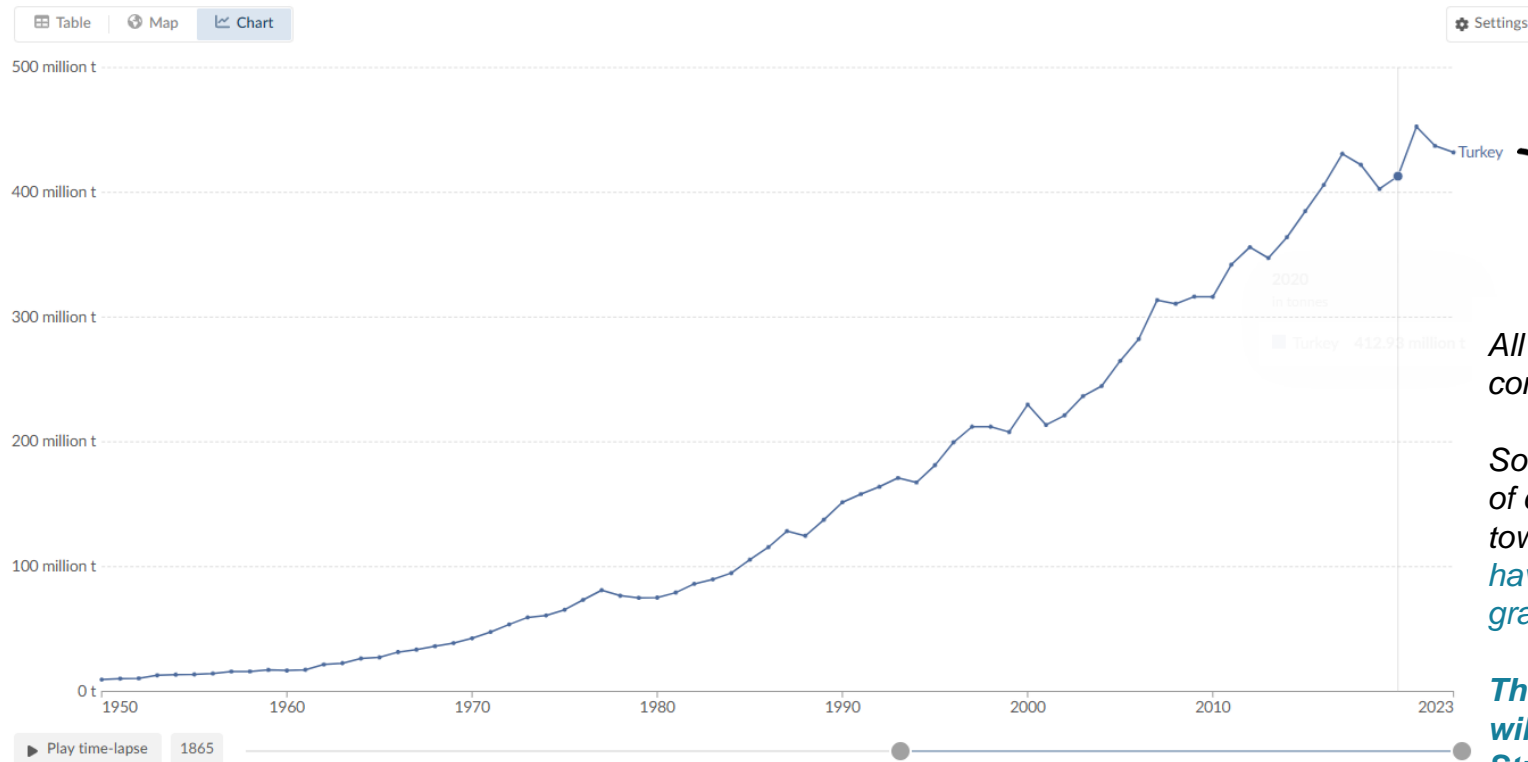


802 Turkish Companies are included in their pledge.

Back to Our Problem Statement:

Annual CO₂ emissions

Carbon dioxide (CO₂) emissions from fossil fuels and industry. Land-use change is not included.



*All of these emissions
come from businesses.*

*So if we see a large group
of companies moving
towards net-zero, it will
have an impact on this
graph.*

*Those net-zero targets
will feed into the National
Strategy of Turkiye*

Thank You



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