Gold standard for corporate climate action puts 1.5°C at risk by allowing biggest polluters to greenwash their climate commitments

A coalition of over 20 civil society groups is calling on the SBTi to raise its standards in line with UN recommendations and to demand more ambition on Net Zero targets

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For immediate release

More than twenty NGOs have written to the Science-Based Target Initiative (SBTi) asking it to raise its standards in line with the recommendations of the UN’s High Level Expert Group. The coalition is warning that the initiative risks being out of step with the latest science, making it harder to stay within the globally agreed goal of 1.5°C. It also allows some of the biggest climate polluters, such as Brazilian meat giant JBS, to use the initiative to greenwash their climate commitments.

UN calls for more ambition

At COP27, the UN published a special report Integrity Matters: Net-zero Commitments by Businesses, Financial Institutions, Cities and Regions from the High Level Expert Group to highlight the need to strengthen climate pledges and avoid greenwashing. Welcomed by SBTi, the report sets out a powerful new standard for Net Zero targets, including clear recommendations for companies. Launching the report, the UN Secretary General, Antonio Guterres said: “The problem is that the criteria and benchmarks for these net-zero commitments have varying levels of rigour and loopholes wide enough to drive a diesel truck through.”

Why the SBTi is flawed
Over 5000 companies are taking climate action with the SBTi, but new analysis by Changing Markets shows how much off track the initiative is from the UN report’s recommendations:

- The current SBTi guidance requires companies to report only 67% of their estimated supply chain emissions. The UN High Level Expert Group recommends that companies’ targets should account 100% of all emissions (including Scope 3).
- The initiative makes it optional to set separate targets for methane, one of the most potent greenhouse gases (GHG). The UN High Level Expert Group recommends companies setting net zero targets should have specific targets for all material GHGs.
- Another major shortcoming is SBTi continues to host company targets that lead us to either “well below 2°C or 2°C” temperature increase, when the baseline for validated companies must be in line with international agreement of 1.5°C temperature increase at the least.

Nusa Urbanic, CEO at Changing Markets Foundation said:

“The SBTi is widely regarded as the gold standard for setting Net Zero targets, but as it currently stands it is out of step with the latest science and with the UN recommendations. Allowing companies to ignore methane and to only report two thirds of their emissions in a climate emergency makes no sense. This allows some of the
world’s biggest polluters to simply greenwash their climate commitments and puts any hope of staying within 1.5°C of global warming at risk.”

Cutting methane is crucial

Scientists agree that powerful methane emissions should be cut by at least 45% in this crucial decade of action to slow the rate of warming. Methane is responsible for a 30% of the rise in global temperatures and is estimated to have 80 times the warming power of carbon dioxide over 20-years. But despite its potency, methane is short lived, which means that reducing it could have a significant impact on reducing global heating.

A recent report showed that for meat and dairy companies methane can represent up to 80% of their emissions.

Danone, one of the world’s largest dairy companies, has committed to reducing its absolute methane emissions from its fresh milk supply chain by 30% by 2030. This is in line with the Global Methane Pledge, launched at COP26, and currently adopted by over 150 governments. Separate targeting of methane emissions is also in line with the UN High-Level Expert Group recommendations.

JBS uses SBTi commitment as green badge of honour

Known forest destroyer, JBS, has emissions equivalent to that of Spain and recently lost its appeal against The National Advertising Divisions (NAD) ruling to discontinue its claims to be Net Zero by 2040. This was due to a lack of evidence that JBS could in fact meet this target. JBS also faces allegations that the company failed to disclose 97% of its emissions, misleading investors and resulting in an active complaint filed by Mighty Earth with the US Securities and Exchange Commission (SEC).

JBS committed to a net zero target with SBTi in June 2021 but is yet to have any plans verified by SBTi to meet its 2040 claim. SBTi guidance states that companies have 24 months to submit plans from their initial pledge, after which time the original commitment should ‘expire’. For JBS, the deadline for verification of any plans was June 2023, however, the JBS 2040 net zero commitment has not been verified according to the SBTi list.

Gemma Hoskins Senior Director at Mighty Earth said:
“To avoid the worst effects of climate change, it is imperative that companies urgently accelerate their efforts to decarbonise. One of the world’s most polluting companies, JBS, has actually increased its emissions by up to 56% since 2016, while using its SBTi commitment as a green badge of honour, misleading investors, regulators and the public. It is clear JBS currently has no credible net zero plans and any approval by SBTi would allow JBS to greenwash the disastrous impact it’s having on the planet”

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