

WESTMINSTER ENERGY FORUM

Impacts of Science-based Targets

Evaluating the Status and Effectiveness of
Corporates' Climate Commitments

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Science-Based Targets have become one of the dominant architectures of corporate climate governance

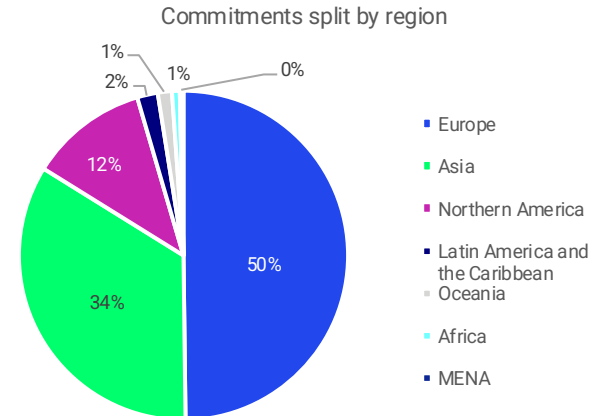
Purpose

Provide a mechanism to translate the global carbon budget into actionable, specific, and measurable targets for individual companies.



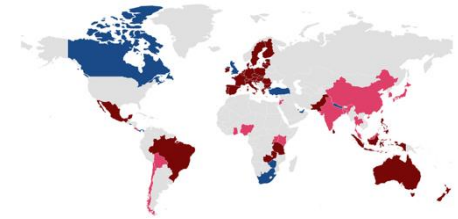
Status

- **13,400+** companies
- **~40%** global market cap
- **25% increase** ('24-'25)



The evolution from targets to transition frameworks

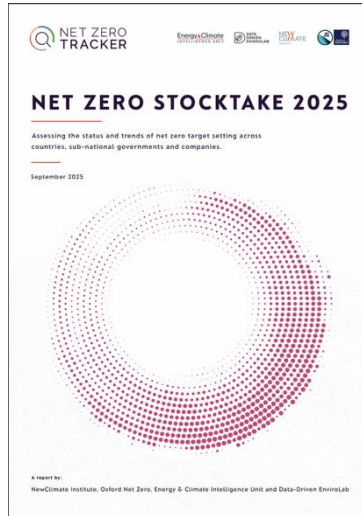
- **42 jurisdictions** have or are progressing mandatory transition plan rules, or have voluntary transition plan guidance in place.



Are commitments and plans effective?



Corporate commitments rarely supported by credible, financed, and actionable transition plans



7% of companies meeting procedural and substantive target integrity criteria



11% of companies disclose having any CAPEX aligned with their climate transition plans

The implementation challenge

- Financial benefits not quantified
- Perceived costs are too high
- Challenges decarbonising Scope 3
- Governance and incentives remain weak
- Need for business model innovation
- Need for technical innovation
- Biggest challenges require broader industry action



<50%

businesses feel they have **sufficient board-level engagement and budget** to deliver a Net Zero transition plan

2/3

businesses with Net Zero targets are **not yet exploring business model innovation** as part of climate action plans

26%

UK businesses perceive their **customers** to be **'highly engaged'** in Net Zero initiatives

Where are we now?

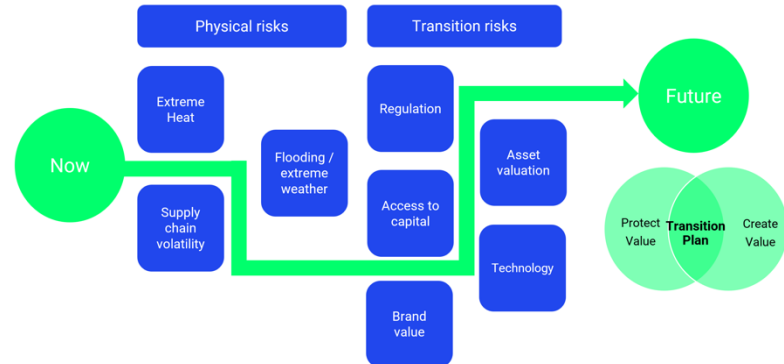
Political shifts, global conflicts, tariffs, and rapid AI growth are impacting businesses priorities.



Today, the focus is on:

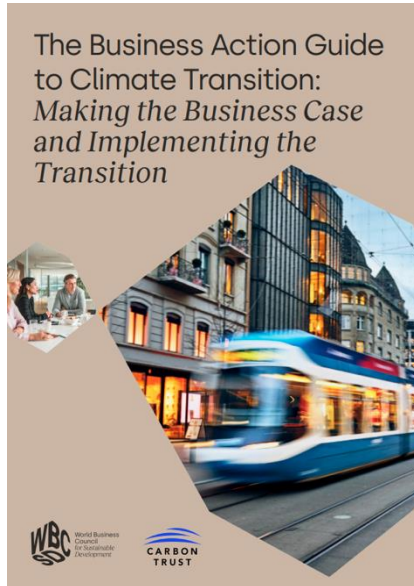
- Managing trade-offs
- Building resilience
- Making the business case

Climate-related risks remain an important driver:



The business action guide to climate transition

Carbon Trust worked with the World Business Council for Sustainable Development (WBCSD) and 21 member companies to develop a Business Action Guide to support companies making progress on their climate transition.



The challenge of moving from ambitious targets to meaningful action is apparent. Leadership buy-in, friction with other teams, and ROI challenges can all slow progress and lead to deadlock.

The Carbon Trust collaborated with WBCSD and 21 member companies to develop a **Business Action Guide** to address those gaps.

It was focused on unlocking two key levers to support this process:

1. **Building the business case for the transition**
2. **Implementing the transition**

The guidance contains practical and implementable actions and methodologies to use internally in pushing forward this two key areas.



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Thank you

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