

SBTI BUILDINGS PILOT TEST PARTICIPANT TERMS OF REFERENCE

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WORLD

INTRODUCTION

The Science Based Targets initiative (SBTi) drives corporate climate action by enabling businesses and financial institutions globally to set science-based greenhouse gas (GHG) emissions reduction targets.

It was formed as a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI), the World Wildlife Fund (WWF), and the We Mean Business Coalition. The SBTi's goal is to enable companies worldwide to do what climate science requires of the global economy: to halve emissions by 2030, and achieve net-zero before 2050. The SBTi develops criteria and provides tools and guidance to enable businesses and financial institutions to set GHG emissions reduction targets in line with what science tells us is needed to keep global heating below 1.5°C.

The Terms of Reference of reference for companies participating in the pilot test for SBTi Buildings project are outlined below. This is only an overview of the terms of reference, and a final version of the document will be shared with participants once accepted to the pilot testing.

ABOUT THE SBTI BUILDINGS PROJECT

The SBTi Buildings project has three objectives:

- 1. Establish a global pathway for buildings' in-use emissions aligned with 1.5°C.
- 2. Establish a global pathway for buildings' embodied emissions aligned with 1.5°C.
- 3. Issue guidance on emissions accounting and reporting, as well as target setting and validation.

The expected impact outcome of this project is to provide the buildings sector companies with 1.5°C-aligned target-setting methods, guidance and tools.

The key output of this project is an SBTi Buildings Sector Guidance and is supported by the following deliverables:

- Granular 1.5°C aligned pathways for in-use emissions.
- Global 1.5°C aligned pathways for embodied emissions of newly constructed buildings.
- Global Buildings Sector's Embodied Emissions 1.5°C Pathway Development Description.
- SBTi Buildings Target-Setting Tool.









OBJECTIVES OF THE PILOT TEST

The objective of the pilot test is to:

- Ensure that the guidance, criteria and tool are robust, clear and practical.
- Identify possible challenges for implementing the SBTi Buildings Guidance across regions and business types.

COMPOSITION OF THE PILOT TEST SAMPLE

The pilot test sample is selected to cover a diverse range of companies in terms of:

- Regions.
 - Intended user types as described in the SBTi Buildings Guidance Draft for Pilot Testing.
 - \circ Owner-lessor
 - Owner-occupier
 - Developer
 - Tenant
 - Property Manager
 - Financial institution
- Emissions profiles.
- Business sizes.

SELECTION OF PILOT TEST COMPANIES

The SBTi will hold an open call for applications to join the SBTi Buildings Pilot Test. Companies will be invited to send an application directly or through an open call for companies.

Applications will be assessed through an evaluation of the SBTi Buildings project team.

COMMITMENT AND TIMEFRAME

Timeframe

The SBTi Buildings Pilot Test will run for 11 weeks. Commencing on 11 December 2023 with a completion date of 23 February 2024 at the latest. Buildings-related targets must be submitted by 11 February 2024 the latest.











Pilot test participants are expected to commit the resources needed to develop buildings-related targets as explained in the SBTi Buildings Guidance Draft for Pilot Testing to complete the pilot test during this timeframe.

Pilot Test Participant Commitments

By agreeing to participate in the pilot test, participants are committing to:

- Deliver buildings-related targets, target modelling data and other supporting evidence in the given timeframe.
- Answer a survey to provide final feedback.
- Engage with the SBTi to address issues through Q&A sessions and email.
- Not infringe on antitrust or competition law.
- Adhere to Chatham House Rules during workshops and calls.

SBTi Commitments

The SBTi Buildings Staff will:

- Provide the necessary resources to pilot test participants.
- Arrange a webinar to launch the pilot test.
- Arrange Q&A sessions 3 times in 2 time zones each.
 - In Q&A sessions, the SBTi technical experts will answer questions raised in the target development process.
- Adhere to Chatham House Rules during workshops and calls.

OPERATIONAL

All written and oral communication, including but not limited to meetings, emails, and discussions, shall be conducted in the English language.

GOVERNANCE

Pilot test participants will provide feedback but will not have decision making power. This research is solely for investigative purposes. Any potential strategic decisions or changes to SBTi standards will be subject to thorough consideration, consultation and approval through the SBTi governance structures. The SBTi's technical governance structure is detailed on the <u>SBTi website</u>.





ACKNOWLEDGEMENT AND REMUNERATION

Pilot test participation is voluntary. Pilot test participants do not receive any financial remuneration.

The pilot test is independent of the SBTi target validation process. All companies (regardless of participation in the pilot test) can use the final framework for official target validations.

The SBTi will publicly acknowledge road-test participants as contributors to the SBTi Buildings Guidance. However, this is no requirement nor is it a requirement to publicly state their participation or commit to the SBTi. Participants will have the option to declare their preferred level of confidentiality prior to the pilot-test commencing.

ANNEX I: ADDITIONAL INFORMATION

https://sciencebasedtargets.org/sectors/buildings

