



Joint Committee  
on Climate Change

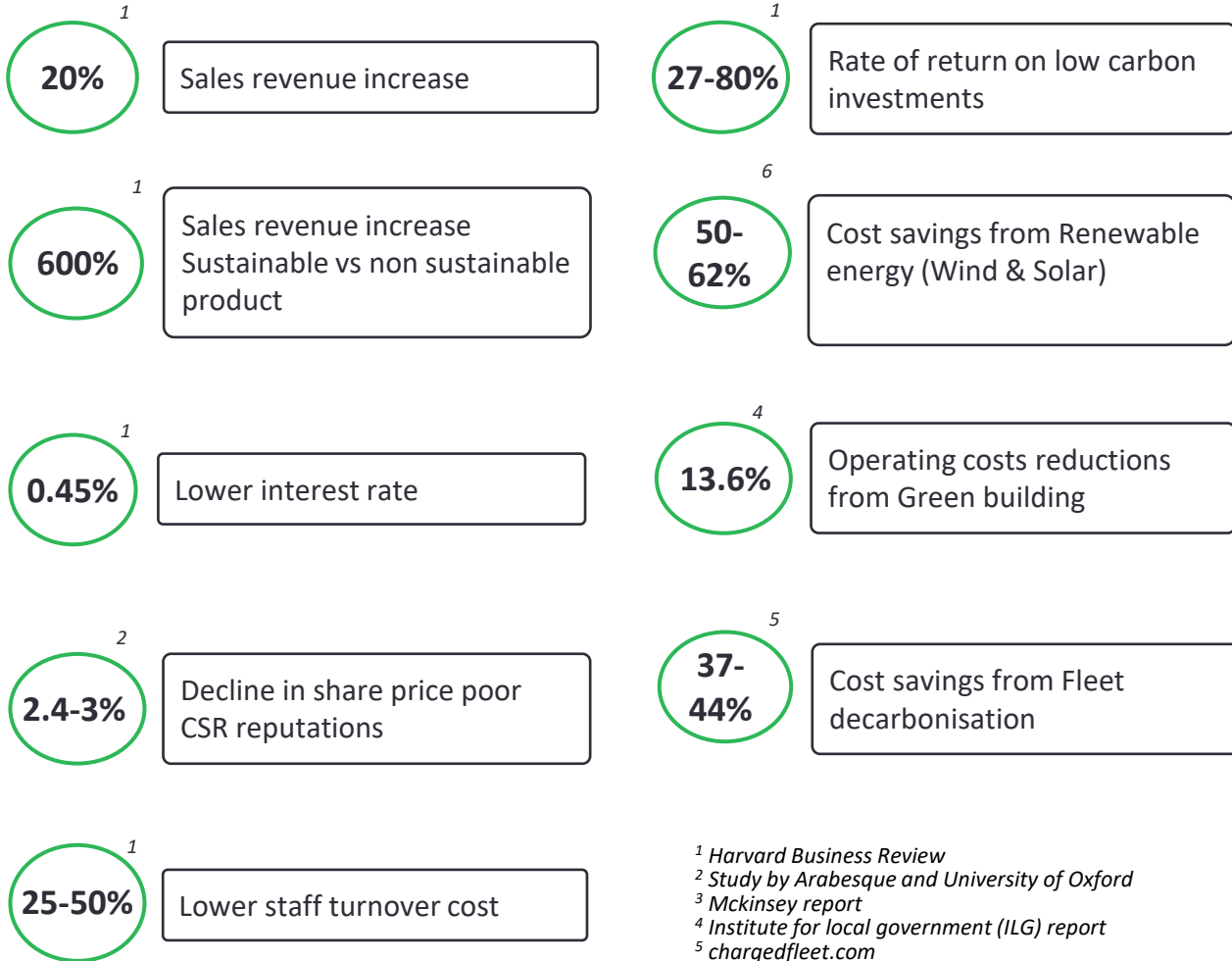
# JC3 Journey to Zero Conference 2023

**Masterclass 3: Pioneering Sustainability:  
Formulating and Achieving Science-based Targets  
For Impact**

24 October 2023

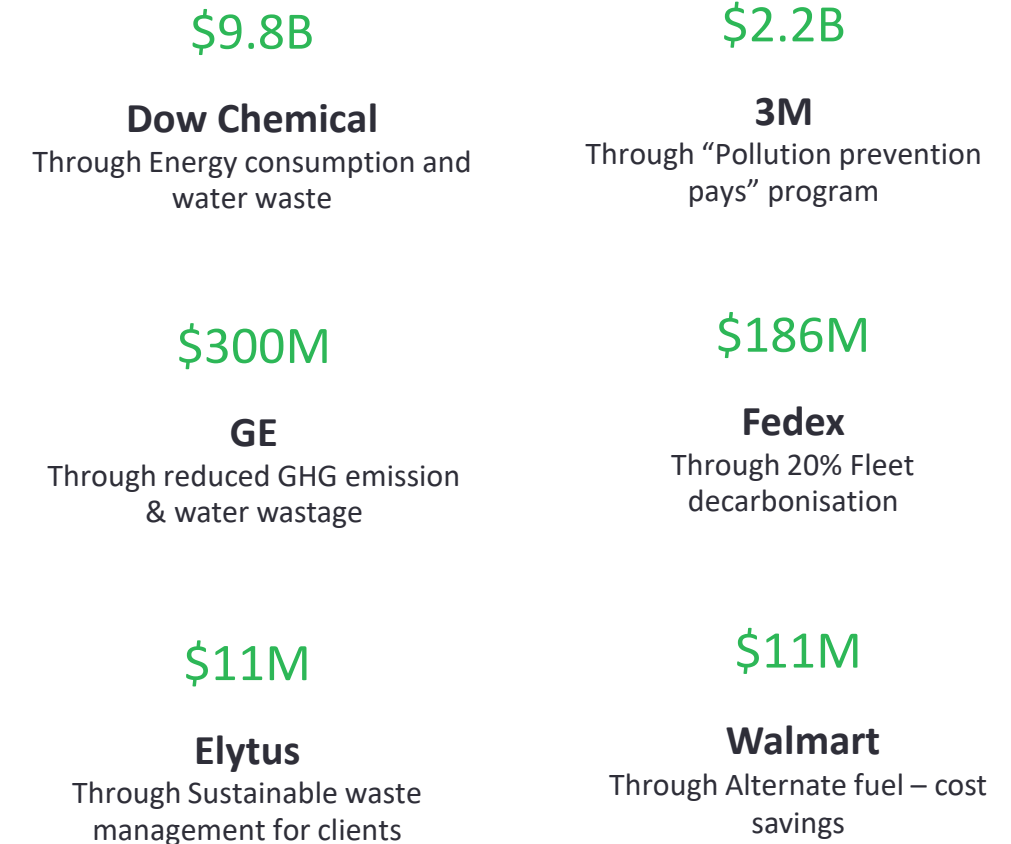
# Organisations working towards emission reduction are also reaping the associated financial benefits from the decarbonization initiatives

## Benefits



<sup>1</sup> Harvard Business Review  
<sup>2</sup> Study by Arabesque and University of Oxford  
<sup>3</sup> Mckinsey report  
<sup>4</sup> Institute for local government (ILG) report  
<sup>5</sup> chargedfleet.com  
<sup>6</sup> ourworldindata.org

## Realised Savings from emission reduction



The above information is gathered from EY's research from various open sources

# Introduction to Science Based Targets (SBTi)



## What is an SBTi?

- Gross reduction target aligned with what climate science says is necessary to keep warming below 2 degrees (or 1.5 degrees)
- Includes company's direct emissions (Scope 1 and 2) and value chain emissions (Scope 3)

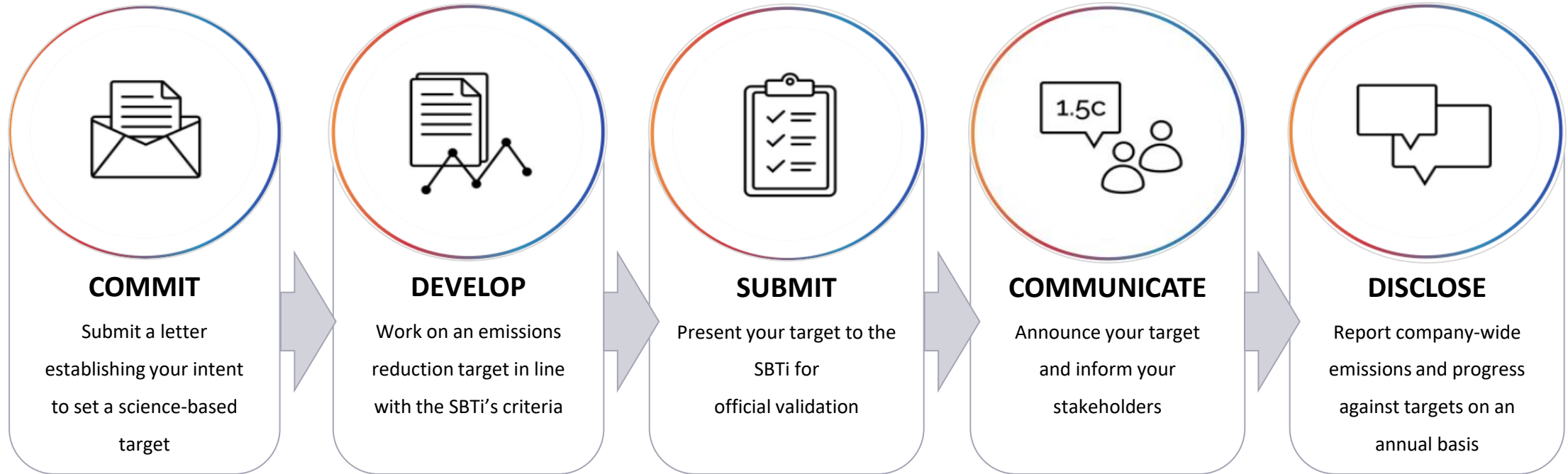
## What it does

- Increase ambition towards combatting Climate Change
- ***Science-based targets guide companies and financial institutions as to how much and how quickly they need to reduce their GHG Emissions to mitigate the impacts of Climate Change\****
- Defines and promotes best practice in emissions reductions and net-zero targets using climate science
- Provides technical assistance and expert resources to companies with SBTi targets
- Independent assessment and validation of targets

## Who governs them?

- The Science Based Targets Initiative (SBTi) provides tools and guidance as well as validation services

# Committing to SBTi



<b>Timeline</b>	<p>Once committed, your company has <b>24 months to submit their targets</b> to the SBTi</p>	<p>Companies need to get their target developed, validated, and published within 24 months</p>	<p>SBTi recommends submitting your <b>first submission no later than 16 months</b> after commitment</p>	<p>Your <b>target must be made public within six months of approval</b>, or it will require revalidation to ensure it is in line with the latest science-based criteria</p>	
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Note: \* Companies who submit together its near-term and net-zero targets, the results are delivered within 60 business days of contract signature

Source: [How to set a science-based target - a step by step guide - Science Based Targets; SBTi-Corporate-Manual.pdf \(sciencebasedtargets.org\)](https://sciencebasedtargets.org/how-to-set-a-science-based-target-a-step-by-step-guide-science-based-targets-sbti-corporate-manual.pdf)

# Overview of general requirements under SBTi

Criteria	Description
Organisational boundary	Companies are recommended to submit targets only at the parent- or group-level, not at the subsidiary level.
Scope 1 and 2 target	Targets must cover company-wide Scope 1 and Scope 2 emissions
Scope 3 target	If a company's relevant and mandatory Scope 3 emissions <b>are 40% or more</b> of total Scope 1, 2, and 3 emissions, a Scope 3 target is required
Base and target years	Base year must be no earlier than 2015. Target must cover a minimum of 5 years and a maximum of 10 years from the date the target is submitted for validation
Most recent year	For submissions in 2023, a recent year inventory must be provided that is no earlier than 2021 i.e., allowable most recent years are 2021 and 2022
Level of ambition for Scope 1 and 2	At a minimum, Scope 1 and 2 targets must be consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures
Level of ambition for Scope 3	At a minimum, near term Scope 3 targets must be consistent with the level of decarbonization required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures
Science based abatement	Scope 1, 2 and 3 emissions have been reduced to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways
Reaching Net Zero - 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
Carbon credits	The use of carbon credits may not be counted as emission reductions towards the progress of companies' near-term science-based targets. May only be considered for neutralizing residual emissions

# Overview of organisations in Malaysia that committed to SBTi (1/2)



Company	Targets		
	Near Term	Long Term	Net-Zero
<b>Consumer/ Industrial Products and Services</b>			
Cheung Woh Technologies (M) Sdn. Bhd.	1.5°C	-	-
❖ MSM Malaysia Holdings Berhad	Committed	-	Committed
Ramatex	1.5°C	-	-
❖ Sunway Berhad	Committed	-	Committed
❖ Tai Wah Garment Industry Sdn. Bhd.	1.5°C	-	-
Terengganu Silica Consortium Sdn. Bhd.	Well-below 2°C		
TF Value-Mart Sdn. Bhd.	Committed	-	-
<b>Software and Computer Services</b>			
Pantas Software Sdn. Bhd.	1.5°C	1.5°C	1.5°C

Legend:

Organisations whose target status is 'committed' have made a public commitment to set a science-based target aligned with the SBTi's target-setting criteria within 24 months

Organisations whose target status is 'targets set' have had their targets independently validated by the SBTi

❖ Organisations are members of the Business Ambition for 1.5 campaign - an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with the Race to Zero

# Overview of organisations in Malaysia that committed to SBTi (2/2)

Company	Targets	
	Near Term	Net-Zero
<b>Telecommunication</b>		
❖ Axiata Group Berhad	Committed	Committed
<b>Financial Institution</b>		
❖ Bursa Malaysia Berhad	Committed	Committed
<b>Transportation and Logistics</b>		
Cityzone Express Sdn. Bhd.	Committed	Committed
Pos Malaysia Berhad	Committed	Committed
<b>Energy</b>		
❖ Ditrollic Energy Holdings Sdn. Bhd.	1.5°C	Committed
❖ Sarawak Energy Berhad	Committed	-

Company	Targets	
	Near Term	Net-Zero
<b>Plantation</b>		
❖ FGV Holdings Berhad	Committed	Committed
❖ IOI Corporation Berhad	Committed	Committed
❖ Sime Darby Plantation Berhad	Committed	Committed
<b>Construction, Property, and Real Estate</b>		
❖ Gamuda Berhad	Committed	Committed
❖ Malaysian Resources Corporation Berhad	Committed	Committed
❖ Sunway REIT	Committed	Committed
<b>Consultancy</b>		
❖ Minconsult Sdn. Bhd.	Committed	Committed

Legend:

Organisations whose target status is 'committed' have made a public commitment to set a science-based target aligned with the SBTi's target-setting criteria within 24 months

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# Overview of SBTi guidelines to be adopted and referenced to get started



Note: It is not mandatory to set net-zero targets. However, an organisation requires approved near-term targets to have a net-zero target validated by SBTi

Source: [PowerPoint Presentation \(sciencebasedtargets.org\)](#) [SBTi-criteria.pdf \(sciencebasedtargets.org\)](#) [Net-Zero-Standard-Criteria.pdf \(sciencebasedtargets.org\)](#)





An aerial photograph of a city skyline, featuring several prominent skyscrapers, including the Petronas Twin Towers. The image is overlaid with a semi-transparent green filter. In the foreground, a multi-lane highway with traffic is visible, along with some greenery and lower-rise buildings.

Thank you!