



**INDIA
GHG
PROGRAM**

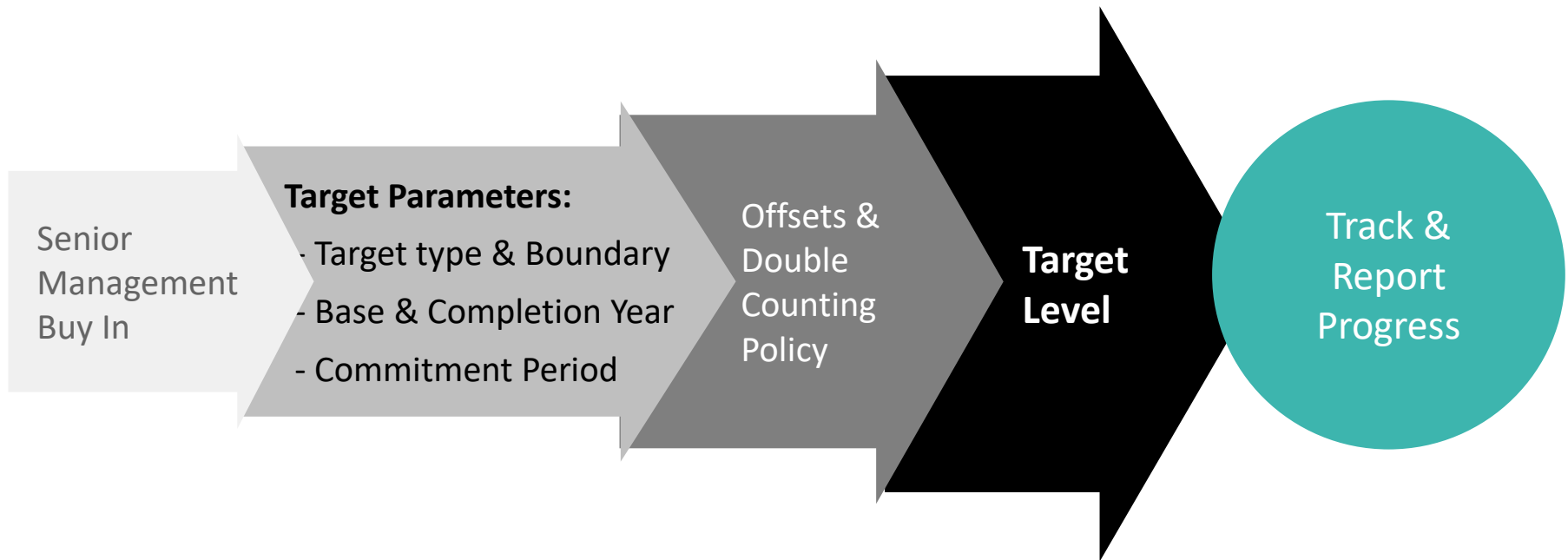
Promoting profitable, sustainable
and competitive businesses.

Goal/Target Setting and Benchmarking

Why set a GHG target?

- Minimizing and Managing GHG Risks
- Achieving cost savings
- Stimulating Innovation
- Preparing for future regulations
- Demonstrating Leadership and brand reputation
- Meet Stakeholder expectations
- Participate in Voluntary programs

Key Steps in Target Setting



Target Setting Process

Senior Management Buy In

- Facilitates change in behavior and decision making
- Can create internal accountability and incentive systems
- Ensures provision of adequate resources

Select Target Type

- Intensity Target
- Absolute Target

Select Target Boundary

- Which GHGs are covered?
- Which geographical locations
- Which sources
- Which businesses

Select Target Base Year

- Same as GHG inventory Base Year?
- Fixed Base Year
- Rolling Base Year

Target Setting Process

Select Target Completion Year & Commitment Period

- Completion Year – Short, Long or Medium Term
- Commitment Period – Single Year or Multi Year

Decide policy on Offsets & Double Counting

- Conditions for Offset use
- Offset credibility
- Double counting policy

Decide on Target Level

- Based on business realities
- Based on reduction opportunities
- Benchmarking with peers

Track & Report Progress

- Performance Checks
- Report on target
- Report on performance against target

Absolute

- **Reduce Scope 2 by 20% from 2012 levels in 2017**
- **Reduce Scope 30% by 2020 compared to 2010 levels**

Advantages:

- Environmentally Robust
- Transparent

Disadvantages:

- Complexity in base year recalculations
- No indication of efficiency performance

Intensity

- **Reduce Scope 1 per ton of clinker by 20% by 2012 compared to 2005**
- **Reduce Scope 3 emissions per employee by 10% year on year**

Advantages:

- Reflects performance improvements
- Comparisons across sector peers
- Recalculation usually not required

Disadvantages:

- Absolute may increase
- Multiple business
- Adjustment of monetary values

Target Boundary

- Which GHGs – CO₂ and/or non-CO₂
- Which geographical operations – completeness vs reliability
- Different Types of Businesses – Company wide targets/business unit wise/core businesses

Target Boundary

✓ GHGs ✓ Locations ✓ Businesses

Target Boundary	Advantages	Disadvantages
Only Scope 1	<ul style="list-style-type: none"> • Data Quality management easier • More control on reduction options • No double counting or ownership issues 	<ul style="list-style-type: none"> • Less comprehensive management • Less accountability or transparency
Direct + indirect emissions (Scope 1 + 2 +3)	<ul style="list-style-type: none"> • Comprehensive management of emissions • Offers greater flexibility • Simple to communicate 	<ul style="list-style-type: none"> • Indirect Emissions harder to measure • Difficulty in tracking double counting & ownership of reductions

Key Drivers Affecting the Business

- Relationship between GHG & other metrics e.g. production, employees, installed capacity, etc

Reduction Opportunities

- Reduction opportunities available
- Relationship between reduction measures and emission projections

Company Growth Plans

- Revenue/Sales targets; Expansions/Acquisitions
- Investment Strategy

Regulatory Landscape

- Upcoming regulations e.g carbon taxes, markets, product standards

Benchmarking

- With sector peers

Forecasting Method

Backcasting Method

Science Based Targets

METHODS

TARGET RELATED

- Chosen Boundary
- Selected Base Year, Completion Year, Commitment Period
- Offset & Double Counting Policy
- Target Level

TARGET PROGRESS

- Always report absolute emissions according to sources
- In cases of intensity reporting, always report absolute as well as specific business metric
- Report internal reductions and offsets separately and not just net emissions
- Report quantity, origin and nature of offsets used
- Report on sale of reductions externally
- Report overall progress in relation to target



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Thank you

