

May 2024

Addressing the challenges and opportunities of Science Based Targets for high growth businesses

How to understand and integrate Science Based Targets (SBT) as a high growth business, set an action plan and embed sustainability solutions into day-to-day planning & decision making across the organisation.

Executive Summary

Who is this paper for?



Sustainability managers



Chief Operating Officers



Chief Commercial Officers
and CEOs / CFOs.



Key takeaways

1 There is an absence of a robust and evidenced-based approach to supporting high-growth phase and scale-up businesses to understand how to establish a low-carbon and natural-resource efficient business from the outset.

2 High growth / scale-up businesses have the opportunity to ensure climate-smart decision-making is integrated into the core of the business early, rather than retrofitting later. In the absence of an established framework, we propose 5 key approaches to ensure you are embedding it into your business.

3 **This 5-step process** is rooted in the need for action, whilst you improve your data quality, proposing that businesses focus on:

- ① **Pragmatism rather than perfection**
- ② **Understand what good looks like**
- ③ **Build an action plan and establish policies**
- ④ **Communicate your ambition**
- ⑤ **Monitor and iterate**



Background

Challenges of existing frameworks

An article published in [GreenBiz](#) in late 2022 led with the line ‘Why climate tech startups need a new carbon-reporting framework’.

Yes only 18 months have since passed, but given the level of debate surrounding all things business and sustainability related; [CSRD \(Corporate Sustainability Reporting Directive\)](#), [double materiality](#), [SBTi \(Science Based Targets Initiative\)](#) and a myriad of other acronyms (do you know your [DPPs \(Digital Product Passport\)](#) from your [EPRs \(Extended Producer Responsibility\)](#), [CSDDD \(Corporate Sustainability Due Diligence Directive\)](#), to your [GCCs \(Green Claims Code\)](#)?) a big gap remains. There remains an absence of any robust and evidenced based approach to supporting high growth / scale-up companies (alonside start-ups) to understand how to establish a low-carbon and natural-resource efficient business from the outset.



With so much choice on the market, and new innovations and progress being made on greenhouse gas (GHG) reduction on a daily basis, ensuring that businesses understand what is possible is key.

Businesses want to be nudged in the right direction in terms of the business decisions and investments they make in an easy way that doesn't require a doctorate to navigate.

Making the right decisions early

We have been through the process at [Unibloom](#) ourselves and as a young business it was very difficult to set the right targets by looking backwards.



We were much more interested in understanding what great looks like for a business like ours right off the bat, and therefore what decisions we need to make now to set ourselves up as a low-carbon and resource-efficient business, rather than having to change further down the line. We have also worked with and interviewed, both large Nasdaq-listed, and fast-growing companies, who all spoke of the same challenges- “How to balance business growth with climate reduction”.

We need businesses as they grow, no matter the size, to understand how they can set themselves up for success, ensuring customers can feel confident in their climate credentials. Climate change concern amongst citizens continues to grow with a [2022 national study in the UK](#), for example, showing that ‘three in four adults (74%) feel very or somewhat concerned about climate change.’ Alongside citizen expectations, many of these businesses are also going to be seeking to work with larger businesses that have set SBT’s themselves and therefore need to work with suppliers that will support them reach their targets.

Section 1 - How to drive action now as a high-growth business

1

Pragmatism rather than perfection

2

Understand what good looks like

3

Build an action plan & establish policies.

4

Communicate your ambition

5

Monitor and iterate





1 Pragmatism rather than perfection

Understand where you are now - it's true that looking back may well not help you navigate the future if you are in a high-growth phase but there are a number of tools out there that provide a useful, digestible snapshot of your current emissions. For example - [The Business Carbon Calculator through the SME Climate Hub](#).

Use this emissions baseline to map against your predicted business growth over the next 3-5 years, focusing particularly on key growth areas that are outside of your existing business footprint and produce a forecasted emissions baseline built from this future growth. **This will give a best-guess estimate, as well as identifying your hotspots.**



2 Understand what good looks like

What does industry-leading look like? As discussed, this is the toughest part because information is not readily available and is where we need far more transparency. However, this is likely to involve a combination of reviewing public databases, reviewing peers' public disclosures (even if these are from larger businesses), as well as other industry-specific standards. This will not be a perfect science but will provide some high-level guidance on how you measure up in terms of your existing footprint and can form the basis for your target setting.

Useful links:

- An example of publicly available emissions factors can be found through [DEFRA](#).
- The [SBTI dashboard](#) provides a list of the over 5,000 businesses with approved targets.
- The [WEF net-zero value chain hub](#) has a variety of tools to develop an action plan on scope 3 emissions.

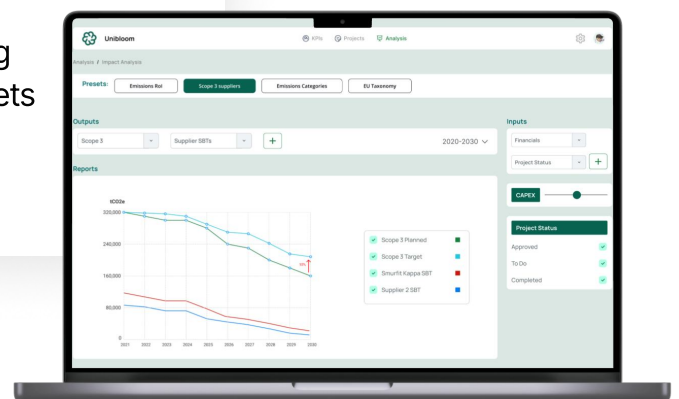


3 Build an action plan and establish policies.

Think beyond scope 1 and 2 - The majority of the guidance available suggests focusing on your scope 1 and 2 at the outset, given this is where you have the greatest power to influence. This is absolutely essential to build an effective strategy, however, if you are thinking about climate-sound business decision-making, your scope 3 is almost certainly going to be a large percentage of your overall emissions. When making significant procurement and investment decisions, having access to a decision-making framework which takes emissions data into account, as would be standard practice for value for money or risk, is essential. Ensure that this framework is embedded into your new initiative planning process and procurement policies. Focus on your hotspots and build an action plan that includes procurement policies.

Test your action plan to ensure you are optimising resource-usage. **Circular business models (CBMs)** ([based on three principles - eliminating waste, keeping products in circulation as long as possible and regenerating nature](#)) are about rethinking how you do business to ensure that you are keeping products in circulation as long as possible. This is inherently an innovation job and is where the agility of scale-up businesses can really come into their own to lead the change. More information on how to measure circularity can be found through the [WBCSD Circular Transition Indicators site](#).

One example for scope 3 which is often overlooked, **would be to target at least 80% of your suppliers to have signed up to**, or committed to signing up to SBTis, to be clear they are on the journey with you. You can also support, particularly smaller suppliers, by sharing your framework and targets to set targets together and support them to develop their approach.





4 Communicate your ambition

The urge will be to hold off until you have got perfect data and can validate the target you put out into the world can be achieved. But the data will never be perfect and you will always be making trade offs. Holding off until everything is perfect when the science continues to improve, more information becomes available, the external environment changes, means you may never communicate. **This greenhushing can be dangerous as the gap is filled with other voices and alternative narratives.**

Of course this needs to be balanced with the absolute need to tackle the scourge of greenwashing. You should not be making false or overly ambitious claims and **any claims need to be robustly supported by the evidence** (read more on the [Green Claims directive](#) and [Green Claims Code](#)). Communicating publicly where you are up to, challenges faced and learnings, as well as bringing your consumers and suppliers on the journey with you, will hold the business to account and drive transparency. It also provides a platform for you to have conversations with suppliers and employees, alongside consumers, supporting idea generation and building trust in the long term.



5 Monitor and iterate

Transparency is key. Setting up a consistent monitoring process to understand what is actually happening is essential. Having a business-wide process to cross-functionally assess and analyse progress on a consistent rhythm will ensure that opportunities for efficiencies are front of mind and will drive shared ownership of sustainability goals.

This also helps collaboration with your value chain; working with suppliers and customers to explore innovation and ways to achieve targets that you might not have previously thought of.

This requires a lot of simulation and idea generation from cross functional teams and partners. It isn't a one-off exercise but is something that should be ongoing and iterated across decision-making. The added benefit is that everyone feels part of the process, driving engagement and loyalty, given the genuine credibility and authenticity from the business.

Section 2 - How to address gaps in the current system

The limitations of the current system in supporting climate-sound decision making

The key challenge for businesses comes from the fact that existing frameworks rightly work from historical data from your company to initially set a baseline year, which the business then targets absolute reductions from. For example, **Company X has a baseline year of 2019** at which point their collective scope 1 and 2 emissions **were 500 tonnes of CO₂e** and their scope 3 **was likewise 500 tonnes of CO₂e**. Company X will then go ahead and set short term (up to 2030) targets, for example **a 60% reduction** in scope 1 and 2 emissions. They will also set a longer term target, **aiming for net zero by 2050**, aligning their emissions reduction targets with the goals set out in the Paris Agreement in 2015 of 'keeping global warming below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius'. This focus on absolute emission reduction targets makes sense for established businesses who are seeking to reduce future emissions against a historical baseline, whilst also simultaneously decoupling growth with resource usage. However, for a high-growth business, this emphasis on looking back to design the future doesn't work. This creates two separate but intertwined issues:



How do I get the data and inspiration I need to set my business up in an industry-leading, low carbon and resource-efficient way (alongside nature, biodiversity, land, waste and water usage targets) at the outset?

And how does a high growth or scale-up business set effective targets (targets that are usable and relevant to the business that also drives transparency) and how to do it in line with the GHG Protocol?

Implications for businesses

Ensuring that businesses are set up for the competitive demands of the market right now and fit for the future involves embedding sustainability into business planning. Many will be looking to become suppliers for larger companies who are putting expectations on their suppliers to have SBTi commitments in place within the next few years (69% of FTSE100 companies by the end of 2022 had made an SBTi commitment).

There are a number of materials available through the SME Climate Hub which is a fantastic resource for SMEs to begin reporting. However, existing platforms are focused almost exclusively on advice and support to help with reporting but guidance for climate-sound decision-making for high-growth businesses remains a clear gap. This gap is leading to a number of key challenges:

High growth / scale-up companies **don't know what good looks like currently**, and are therefore unable to gather the insights they need to make decisions on suppliers at that critical initial decision stage. This extends to all facets of the business, even down to software providers. For example, when I'm deciding to go with Monday.com or Jira for my project management, which one will impact my scope 3 emissions the most?

There are limited mechanisms in place **to incentivise businesses to make climate-sound business decisions**. This would also create market pressure for others that are providing solutions to these businesses to ratchet up their commitments given the competitive advantages from doing so.

Businesses are keeping quiet. We have heard consistently from businesses that don't want to be on the record for a commitment that they see is based on too many unvalidated assumptions, given fears of greenwashing. This results in businesses that are making impactful decisions still not feeling comfortable going out publicly with commitments and can result in 'green-hushing.'

Business architecture ends up being built on decisions that aren't informed by sustainable decision making. The focus on target setting and backwards-looking reporting isn't arming decision makers with the key information they need to integrate climate-sound decision-making into their overall business strategy, alongside procurement, innovation, marketing and sales strategies, and subsequently their investment and resource allocations.

What is climate-sound decision-making?

We use this phrase to describe the ability for decision makers to have access to the data and insights to take climate impact into account when making a decision on investments, partners and suppliers.

Building climate-smart decision making into the system

The GreenBiz article that this paper opened with concluded by stating:

'For growth-stage companies, net-zero carbon from inception can serve as a strategic differentiator that appeals to corporates seeking to meet SBTi or Paris Agreement targets. Smaller organizations that excel in sustainability will become vital and recognized sources of added value, not to mention innovative models for less agile companies.'



This continues to be true and despite the narrative that has been bubbling up in recent years of corporates turning their back on sustainability commitments to focus on cost reduction and re-prioritising shareholder return, this is just a blip in the journey. A journey which will ensure that the businesses that adapt to the needs of a low-carbon and resource-efficient economy the quickest, will be the winners.

The invitation for high growth and scale-up businesses is to set the path for others and embed climate-sound decisions in the architecture of the business at the outset. **Digital tools that go beyond carbon accounting are essential, given the level of complexity in balancing business growth, investments and climate reduction.** Without this, data becomes wrapped up in layers and layers of spreadsheets, without being usable and results in indecision. The benefits are not just on achieving targets but having the tools to collaborate cross-functionally around emissions reduction, knowing that sustainability action energises teams and drives innovation.

This would ideally go hand-in-hand with a publicly available framework that provides benchmarks and guidance on what good looks like for a sector right now, that is relevant and accessible no matter which industry you're in. This would set thresholds for businesses to achieve and progress through to demonstrate leadership and provide the incentive for businesses to gain the recognition of taking a leadership role.



What is the Greenhouse gas protocol?

The Greenhouse Gas Protocol is a comprehensive, global, standardized framework for measuring and managing emissions from private and public sector operations, value chains, products, cities and policies to enable greenhouse gas reductions across an organisation.

What are scope 1, 2 and 3?

Greenhouse gas emissions are split out into 'scopes' to provide a way of categorising emissions from a business and the influence a business has to deliver change against them:

Scope 1

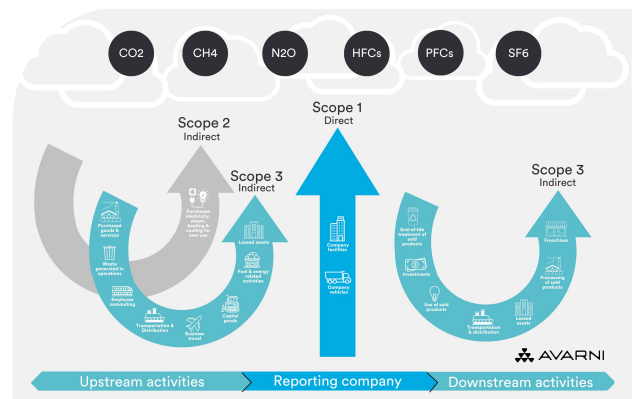
Direct emissions from the operations of a company, for example combustion of fuels at a factory

Scope 2

Indirect emissions from the use of energy that the business purchases. They're indirect because the company is purchasing the energy from another source.

Scope 3

Indirect emissions from the purchase of goods or services across the value chain of the business, both upstream and downstream and includes what happens at the end of life of products. This is often where the majority of emissions for a business come from but is also where the company has the least ability to influence.



What is the SBTi?

The Science Based Targets Initiative is a global organisation that develops 'standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at the latest.' Having targets approved by the SBTi is widely regarded as the most credible business commitment to ensure companies are setting targets which map to what is required by science.

Book a call

To learn more and get some insights for your business, book a free session with **Unibloom's** experts: anna.sandgren@unibloom.world or calendly.com/anna-sandgren (<https://unibloom.world>)



«Unibloom’s platform identifies a significant gap that we currently face between target setting, planning for target execution and investments needed».



Ida Ljungkvist

Sustainability Director, Nordics biggest chicken producer (£980 M revenue, NASDAQ-listed)

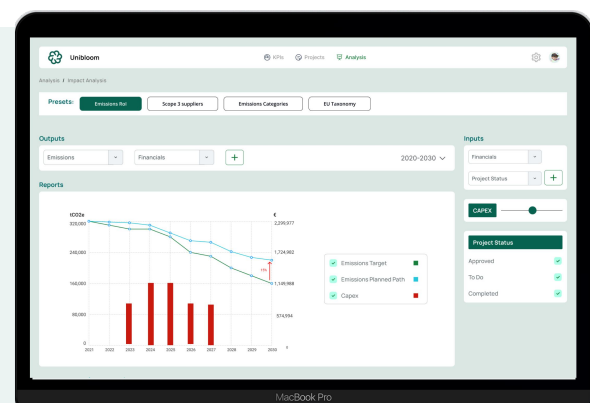
Why Unibloom

Unibloom is the first mission-driven forward-looking climate software solution bringing operations, sustainability teams & decision makers together, to predict & optimise climate projects towards highest financial & climate returns, to meet future regulations & commitments, and empower non-climate technical people to simulate scenarios & make decisions in minutes. not years!

Spread sheets, presentations & emails to chase data & convince people are error prone, slow & complex. It is hard to optimise and judge right trade-offs. Decision with gut feeling is most common today. The founders know what it takes to stop, or create, decisions towards higher impact.



Unibloom’s platform enable sustainability teams in consumer goods companies to engage & collaborate with operations in a holistic view, calculate & analyse investments & cost savings, and simulate future looking projects, in real time, for each department.



Who we are

At Unibloom, we're not just another climate tech startup in London. **We're a passionate team that's already making waves**, working with Nasdaq-listed large & medium size food & consumer goods companies in the Nordics, UK & US.

Our founders, Anna Sandgren (CEO) and Vineet Ahuja (CTO), bring a combined 30 years of expertise from industry giants like Unilever (where Anna lead BCorp brands Ben & Jerry's and Seventh Generation) and Bloomberg (where Vineet led derivatives, modelling & software development).

We are all about impact, action and deliverables; within just 9 months, Unibloom's platform helped companies shift £7.2 M in CAPEX, saved 1.5 M in OPEX & reduced 72k tCO₂e with over 150 projects and 9 different departments in one place.

At the heart of Unibloom lies a mission to empower organisations to take science-based climate action in the most financially optimal way. We're firm believers in the power of data & fast collaboration to drive meaningful change. Our innovative platform calculates the impact of corporate projects, guiding organisations towards a sustainable future-fit business model.

But what truly sets us apart? Unibloom is more than just a tool; it's a pioneering solution. We're the first to offer a science-based, predictive, and automated collaboration tool that balances emissions, resources, and financials. With a focus on cross-functional ownership, we're streamlining the transition to sustainability, making it faster, better, and cheaper.

In collaboration with:



Chris Gale

Climate Action Expert

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