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## Science Based Targets initiative COMMITMENT LETTER

*Version 1 - November 2021*

- Organizations joining the Science Based Targets initiative (SBTi) must follow the [SBTi step-by-step process](#) and align with SBTi criteria and recommendations.
- Please consult the [SBTi FAQ](#) for additional information on the process and expectations.
- SMEs<sup>1</sup> are welcome to join the SBTi by submitting a completed [SME Science-Based Target Setting Form](#) instead of this document.

### Introduction

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies and financial institutions across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.

The initiative champions science-based target setting as a powerful way of boosting companies' and financial institutions' competitive advantage in the transformation to the low-carbon economy. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

### Step-by-step process to set a science-based target

Setting a science-based target is a five-step process:

#### Step 1. Register online and submit the commitment letter

Signing this commitment letter indicates that your organization will work to set a science-based emission reduction target aligned with the SBTi's target-setting criteria. After [registering online](#) and submitting your commitment letter to [commitments@sciencebasedtargets.org](mailto:commitments@sciencebasedtargets.org), your organization will be recognized as "committed" at [sciencebasedtargets.org](http://sciencebasedtargets.org) as well as on our partner websites at We Mean Business, and the UN Global Compact.

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<sup>1</sup> For the purpose of the SBTi and its target validation process, SMEs are defined as a non-subsidiary, independent company which employs fewer than 500 employees.

Companies and financial institutions are urged to aim for the highest level of ambition in their target setting and also commit to set a long-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050. Companies that commit to set these long-term science-based targets to reach net-zero and align their business with a 1.5°C future will also be recognized as part of the [Business Ambition for 1.5°C](#) and the [Race to Zero](#) campaigns.<sup>2</sup> The SBTi has developed a net-zero standard for corporates and the SBTi net-zero standard for financial institutions is planned to be developed in 2022.

## Step 2. Develop a target

Once your organization has signed the commitment letter you will have a maximum of 24 months to:

- 1) Develop a science-based target aligned with the SBTi criteria;
- 2) Submit the target to the SBTi for validation;
- 3) Publish your approved target on the SBTi website.

We encourage companies and financial institutions to begin this process and submit targets for validation as early as possible. If an organization fails to complete all the above steps within 24 months, their name will be removed from the SBTi Companies Taking Action webpage and all other websites, as per our [Protocol to Manage Expired Commitments](#). Under special circumstances, the SBTi may grant organizations additional time to publish their targets.

Please note that under the [new SBTi strategy](#), published on July 15, 2021, the initiative is increasing the minimum ambition of its near-term targets, which as of July 15, 2022 will become 1.5°C for scope 1 and 2 targets and well-below 2°C for scope 3 targets. In addition, the timeframe of targets will be 5 to 10 years and no longer 5 to 15 years. These updates are published in the [V5 of the SBTi Criteria and Recommendations](#). Thus, organizations that want to set near-term targets aligned with [V4.2 of the SBTi Criteria and Recommendations](#) must submit targets for validation by July 14, 2022.

The SBTi offers [resources](#), [case studies](#) and [webinars](#) to help companies develop their science-based targets.

## Step 3. Submit your target for official validation

To have your science-based target officially approved and published, your organization must complete the Target Submission Form and submit it for validation via email to [targets@sciencebasedtargets.org](mailto:targets@sciencebasedtargets.org). The SBTi target validation team will validate the target against the SBTi criteria and the [Target Validation Protocol](#), and inform you whether the target has been approved or whether further work is needed.

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<sup>2</sup> No oil and gas companies, airports or companies with >50% coal or at risk of non-parent approach are able to join the Race to Zero at this point in time. For any queries, please contact Race to Zero at [racetozero@unfccc.int](mailto:racetozero@unfccc.int).



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#### **Step 4. Announce the target**

On confirmation that your target meets the SBTi criteria, your organization's target will be published on the SBTi website and may be showcased in other communications. The SBTi may contact your nominated communications contact about further opportunities to profile your organization's climate leadership.

#### **Step 5. Disclose your progress**

Following approval, you should disclose your organizations' emissions annually and monitor progress on reaching your target. Recommendations for reporting include [disclosure through CDP](#), annual reports, sustainability reports and your company's website.

Please proceed to page 5 of this document to complete the Commitment Letter. Financial institutions and food, agriculture and forest sectors must consult pages 3, and 4 respectively before proceeding to complete page 5.

#### **Financial Institutions**

Due to its unique nature, the financial sector has a separate process established by the SBTi. The sector's largest impact comes from its investment and lending activities (known as scope 3, category 15 emissions) and therefore it is imperative that targets for this sector encompass such activities.

The SBTi defines a financial institution as an organization whose business involves the arrangement and execution of financial and monetary transactions, including deposits, loans, investments and currency exchange. More specifically, the SBTi deems an organization a financial institution if 5 percent or more of its revenue or assets comes from the activities described above.

On October 1, 2020, the SBTi released a framework that allows financial institutions - including banks, investors, insurance companies and others - to set science-based targets to align their lending and investment activities with the Paris Agreement. Visit the [SBTi finance homepage](#) for more information.

Based on current methods and coverage, the primary financial sector audience includes universal banks, asset managers, asset owners (pension funds, closed-end funds, insurance companies), private equity firms, and mortgage real estate investment trusts (REITs). The framework is also relevant for other financial institutions that have holdings in the following asset classes where methods are currently available: real estate, mortgages, electricity generation project finance, corporate and consumer loans, bonds, and equity. SBTi plans to develop additional methods and criteria for sovereign debt and securities underwriting in 2022.

Asset classes beyond this list are currently out of the SBTi's scope. Bilateral and multilateral development financial institutions (e.g. the World Bank) are not the primary audience of this framework. Equity REITs, namely real estate companies that own or manage income-generating properties and



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lease them to tenants, are not a target audience of this project and shall pursue the regular target validation route for companies.

Financial institutions are invited to commit to set science-based targets by signing this commitment letter, and to set targets by completing the following steps within a maximum of 24 months:

1. Develop a science-based target aligned with the SBTi criteria for financial institutions;
2. Submit the target to the SBTi for validation;
3. Publish your approved target on the SBTi website.

Financial institutions that committed to the SBTi before October 1, 2020 are required to complete the steps above by October 1, 2022.

If a company falls under the definition above but does not consider their investment activities significant/relevant for the purposes of science-based target setting, the company should reach out to the team at [info@sciencebasedtargets.org](mailto:info@sciencebasedtargets.org).

### **Forest, Land and Agriculture sectors**

Companies in land-intensive sectors have a critical role to play in the transformation to a zero carbon economy. This is why the SBTi is developing science-based methods to help businesses in these sectors reduce their impact and seize mitigation opportunities.

The [SBTi Forest, Land and Agriculture project \(SBTi FLAG\)](#) is developing methods and guidance to enable businesses in FLAG sectors to set science-based targets that fully incorporate deforestation and land-related emissions.

Companies with land-intensive operations can commit to the SBTi through signing this letter and setting targets with existing methods. However, FLAG companies will be required to update their GHG inventories in line with the upcoming [GHG Protocol Guidance on Carbon Removals and Land Use](#). Where this GHG inventory update triggers a target recalculation as described in the SBTi Criteria and Recommendations, companies are required to recalculate their targets in line with the SBTi FLAG guidance. Both FLAG and GHG Protocol updates will be available later in 2022 and the SBTi will share further information for these updates in due course.

The SBTi encourages companies in these sectors that are in the process of setting targets to continue doing so and to estimate land use and land-use change emissions and include those in their targets. This will increase the credibility of the companies' climate commitments and help the company anticipate future changes to the GHG Protocol as well as the SBTi criteria.



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## Science Based Targets initiative COMMITMENT LETTER

Our organization wishes to join the growing group of leading corporations that are setting emissions reduction targets in line with what climate science says is necessary. By doing so, we recognize the crucial role the business community can play in minimizing the risk climate change poses to the future of our planet.

Thereby, I am pleased to confirm that **JM Baxi Ports and Logistics Limited** is committing to set science-based emissions reduction targets (near-term targets), in line with the SBTi Criteria and Recommendations, submit them to the SBTi for validation and publish our approved targets, all within a maximum of 24 months.

We acknowledge that our commitment will be recognized on [sciencebasedtargets.org](https://sciencebasedtargets.org) as well as on our partner websites at We Mean Business and UN Global Compact.

In addition, to align with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature - to reach net-zero global emissions by 2050 at the latest in order to limit global warming to 1.5°C - my company is committing to:

**Set net-zero targets, including a long-term science-based target:** My company commits to set a long-term science-based target to reach net-zero value chain GHGs emissions by no later than 2050 in line with the [SBTi Net-Zero Standard](#), submit it for SBTi validation and publish it, all within a maximum of 24 months. By committing to set a net-zero target, I also acknowledge that my company will be part of the Business Ambition for 1.5°C campaign. My company will also join the Race to Zero campaign.<sup>3,4,5</sup>

Science-based targets (SBTs) are near-term targets that meet the criteria and recommendations of the SBTi.

Science-based net-zero targets are longer-term targets - by 2050 at the latest. The SBTi defines the state of net-zero emissions for companies as reaching a state of no impact on the climate resulting from the organization's GHG emissions.

Reaching a status of science-based net-zero emissions implies the following two conditions:

- Achieving a scale of value chain emissions reductions consistent with the depth of abatement at the point of reaching global net-zero in pathways that limit warming to 1.5°C with no or low overshoot.

<sup>3</sup> All companies except oil and gas companies, airports and companies with >50% coal or at risk of non-parent approach will be able to join Race to Zero at this point in time. If companies have questions, please reach out to Race to Zero at [racetozero@unfccc.int](mailto:racetozero@unfccc.int) or refer to the [Business Ambition for 1.5°C Guidance and FAQs document](#).

<sup>4</sup> Companies must have valid near-term science-based targets (SBTs) that meet SBTi Criteria to be eligible for a net-zero target, unless the long-term SBT target year is 10 years or fewer from the date of submission.

<sup>5</sup> Companies that are already part of the initiative can raise their ambition by also committing to set a net-zero target.



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- Neutralizing the impact of any source of any residual emissions by permanently removing an equivalent volume of atmospheric CO<sub>2</sub>.<sup>6</sup>

Visit the [SBTi Net-Zero webpage](#) for more information, including the Net-Zero Criteria and Recommendations. For financial institutions, the approach to net-zero emissions targets across the value chain will be further developed.

Sign the commitment

Please sign this document and return a signed copy to the SBTi Operations Team at: [commitments@sciencebasedtargets.org](mailto:commitments@sciencebasedtargets.org). The SBTi reserves the right to carry out due diligence reviews before accepting and publishing commitments.

This SBTi commitment letter can be signed by any organization representative, but the contact details of a managerial level point of contact in the organization is required in the information table below.

Once this commitment letter is processed and you have received formal confirmation over email, your organization will be recognized as "Committed" on the SBTi website and the partner websites of UN Global Compact and We Mean Business. Organizations committing to set a net-zero target will also be added to the UNFCCC Race to Zero website provided the organizations are eligible to join at this time.

Company name: JM Baxi Ports and Logistics Limited

  
Signature

Mumbai  
Place

18/04/2022  
Date

<sup>6</sup> Residual emissions are emissions sources that remain unabated by the time net-zero is reached at the global or sector level in 1.5°C mitigation pathways with low or no overshoot ([Foundations for Science-based Net-Zero Target Setting](#), pp. 7, 32-34). For most companies this requires emission reductions of at least 90%, which implies neutralisation of no more than 10% of base year emissions when reaching net-zero.



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