

Dassault Systèmes & Science-Based Targets

Supplier Briefing

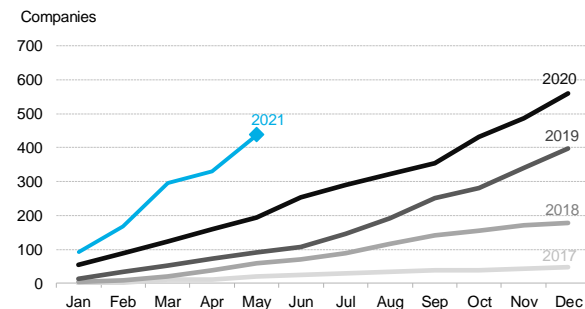


What is the Science-Based Targets Initiative (SBTi)?

SBTi is a joint initiative by CDP, the UN Global Compact (UNGC), the World Resources Institute (WRI) and WWF to mobilize companies to set greenhouse gas emission reduction targets to limit warming to less than 1.5°C / 2°C compared to preindustrial temperatures.

- Companies committed to the [Science Based Targets initiative](#) are demonstrating that creating a climate-secure world goes hand-in-hand with successful business operations.
- Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C

- Annual SBT commitments:



Source: BloombergNEF



Why is SBTi a topic for 3DS?

Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

- **Internal drivers**

Our purpose is to provide business and people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life. Sustainability is core to Dassault Systèmes' strategy.

3DS is committed to promote and build a low carbon economy, and wants to demonstrate its leadership on addressing climate change.

As a software company dedicated to enabling customers from all sectors of the economy to innovate sustainably, we are committed to managing our own environmental footprint fully.

- **External stresses**

Rising cost of inaction & natural disasters (estimated 5.5% of GDP by 2050) : risk on human life, risk of recession, risk of business continuity risk and financial risk.

Our climate ambition

Emissions reductions targets

2021 ----- 2025 ----- 2027

- Emissions reduction targets approved in June by **SBTi**



- **TARGET: 5 ton CO2/FTE** carbon intensity goal (-38% vs. 2018)
- **SBTi target on Suppliers : 52%** of suppliers by emissions covering purchased goods and services and capital goods will have science-based targets by 2025

- **SBTi target on scopes 1&2: -34%** (vs. 2019) reduction in emissions from our own operations **In line with 1.5°C pathway**
- **SBTi target on Scope 3: -23%** (vs. 2019) reduction in emissions from our business travels & employee commuting **In line with current best practice**

Suppliers play a key role in 3DS sustainability journey.

Carbon Neutrality

2040

Residual emissions to be neutralized via **carbon removals**, with a preference for innovative technological solutions enabled by our **3DEXPERIENCE** platform

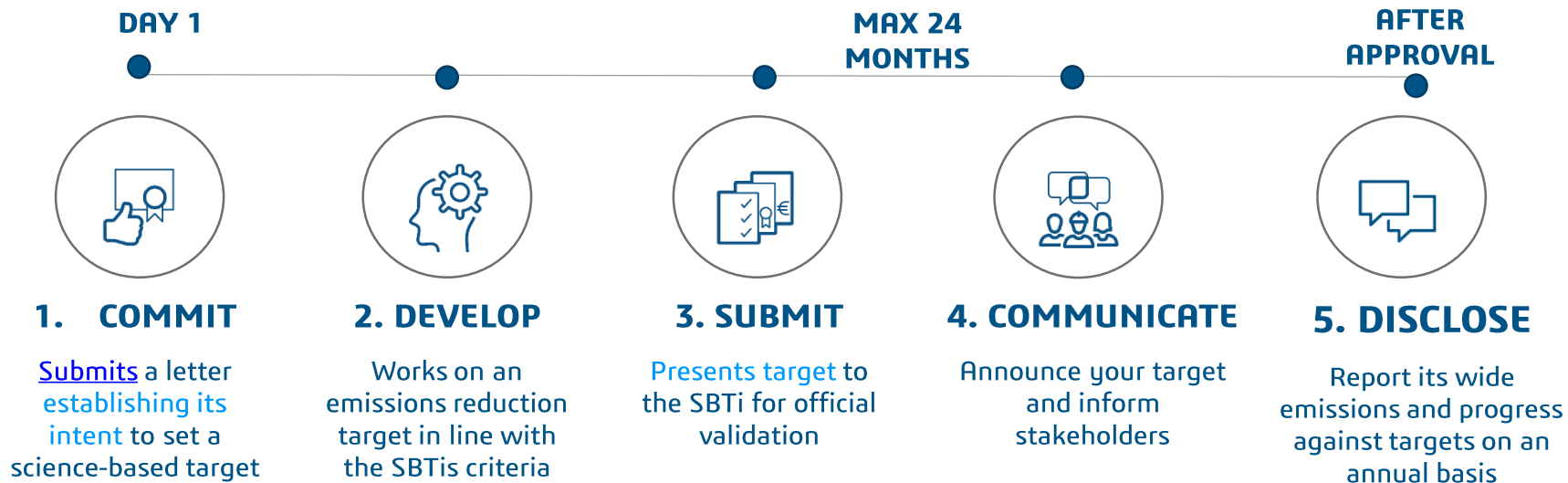
What are the benefits of science-based targets?

“Science-based target setting makes business sense – it future-proofs growth, saves money, provides resilience against regulation, boosts investor confidence, spurs innovation and competitiveness – while also demonstrating concrete sustainability commitments to increasingly-conscious consumers.” SBTi website

- **Brand reputation:** Consumers are increasingly aware of the effects their choices have on the environment and are looking for more ethical consumption and sustainable brands.
- **Investor trust:** Customers are not the only ones paying attention to sustainability topics. Investors use sustainability as a benchmark for business resilience and credibility, to align their investments.
 - 52% of company executives have seen investor confidence boosted by Science based targets.
- **Regulation compliance:** Governments continue to work on implementing the Paris agreement, and over a third of executives surveyed by SBTi reported that setting science based targets gave them increased resilience against upcoming regulation.
- Setting a science-based target is the most credible commitment your organisation can take to measure and reduce its emissions.

You can find more benefits of setting science-based targets by clicking [here!](#)

SBTi setting process. How to join ?



If you are a SME, you can apply via a different [target setting letter](#).

The SBTi has a streamlined route for SMEs because smaller companies often lack the resources and capabilities needed to set scope 3 targets and monitor progress against them. The SBTi's simplified approach for SMEs balances the need for them to take account of emissions across their value chains without imposing too great a burden on them.

Want to know more ? You can visit the [SBTi website](#) or this [E-learning course](#) about SBTi.

APPENDIX:

SCOPES

SCOPE 1

Direct emissions from controlled or owned resources.

1

- Natural gas
- Refrigerant
- Company vehicles
- ...

SCOPE 2

Indirect emissions from the generation of purchased energy.

2

- Electricity
- Urban Steam
- Heating and cooling for own use
- ...

SCOPE 3

All indirects emissions..

3

- **Upstream activities:**
 - Purchased good and services
 - Capital goods
 - Waste generated in operations
 - Business travels
 - Employee commuting
 - ...
- **Downstream activities:**
 - Use of sold product
 - ...

GHG Protocol methodology