

# Dassault Systèmes & Science-Based Targets

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A Supplier Briefing



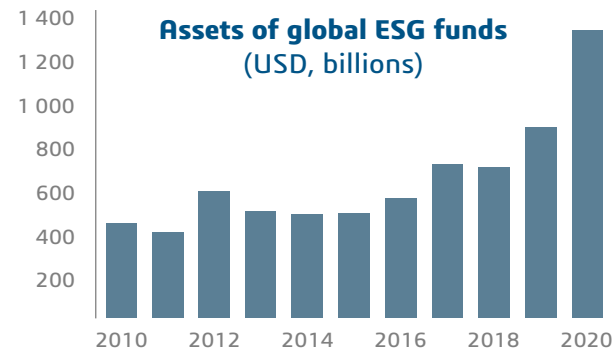
# Why is the Science-Based Target Initiative (SBTi) a topic for 3DS?

## Internal drivers

- Purpose: provide business and people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life
- 3DS announced its intention to join the Science Based Target Initiative (SBTi) and to reach 5 tCO<sub>2</sub>e by 2025\*
- Involvement in numerous footprint-centered initiatives (GeSI, BSR, etc.)

## External stresses

- Strong increase in the share of sustainable investments
- Rising cost of inaction & natural disasters (estimated 5.5% of GDP by 2050)
  - Risk on human life
  - Risk of recession
  - Business continuity risk
  - Financial risk
- Announcement by the EU of a new climate objective (GHG reduction of at least 50% by 2030 compared to 1990)
  - Financial risk (possible carbon tax from USD 15-20 in 2020 to USD 60-80 in 2030 / 2035 per tCO<sub>2</sub>e)



Source: European Central Bank

# OUR CLIMATE AMBITION

## EMISSIONS REDUCTION TARGETS

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

- Emissions reduction targets approved in June by the **Science-Based Targets Initiative (SBTi)**
- **TARGET: 5 ton CO<sub>2</sub>/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**



# Carbon Neutrality 2040

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

\*Scopes explanation is available in the appendix.

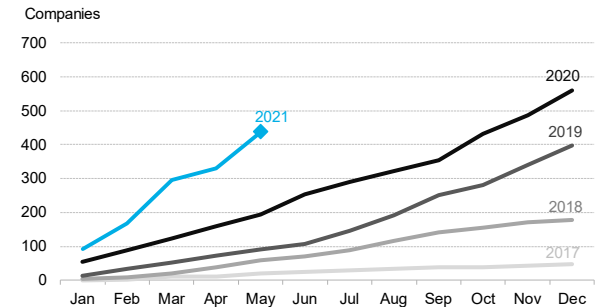
# What is the Science-Based Targets Initiative?

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

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

# How to join?

## What are the steps to join the Science-Based Targets initiative?

1. **Commit:** [submit a letter](#) establishing your intent to set a science-based target
2. **Develop:** work on an emissions reduction target in line with the SBTi's criteria
3. **Submit:** present your target to the SBTi for official validation
4. **Communicate:** announce your target and inform your stakeholders
5. **Disclose:** report company-wide emissions and track target progress annually

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

The SBTi introduced this expedited option 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
- Use of sold product
- ...

### Downstream activities:

- Use of sold product
- Product's end of life treatment
- ...

## GHG Protocol methodology