

The SBTi Unveils Framework to Accelerate Buildings Sector's Alignment with Net-Zero Targets

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Today the Science Based Targets initiative (SBTi) launches a [groundbreaking science-based decarbonization framework for companies and financial institutions in the buildings value chain](#). The framework sets 1.5°C-aligned emissions reduction targets for the buildings industry to overcome current climate challenges and create a net-zero future.

The buildings sector is [responsible for over a quarter of energy-related emissions](#) and is deeply impacted by the climate crisis. Construction delays due to adverse weather are already [costing billions of dollars globally](#). The SBTi's new [Buildings Sector Science-Based Target-Setting Criteria](#) takes a 'whole building approach' - covering all energy consumption and fugitive emissions (e.g. leakage) - to enable businesses to play their part in preventing the catastrophic impacts of climate change.

Four key actions for companies and FIs in the buildings value chain when following the criteria are:

- Stop fossil fuel installations: Public commitment to halting the installation of fossil fuel-based heating, cooking, power generation and hot water equipment from 2030 at the latest.
- Reduce in-use operational emissions: In-use emissions are those associated with a building's energy use. The SBTi collaborated with the [Carbon Risk Real Estate Monitor initiative \(CRREM\)](#) to develop regional pathways for in-use emissions so that targets reflect variations in local power grids and how buildings are used.
- Reduce upfront embodied emissions: Global floor area is [expected to grow ~15% by 2030, nearly 80% of which will be in developing economies](#). The criteria requires companies to set a target to

reduce embodied emissions, i.e. those from raw materials, manufacturing, transportation and construction.

- Retrofit inefficient buildings: [80% of current buildings are expected to remain standing until 2050](#). Retrofitting needs to [more than double by 2030](#) to align with the IEA's Net Zero by 2050 Scenario. The SBTi recommends companies commit to implement energy efficiency improvements to decarbonize old buildings.

"This sector now has the tools to build towards net-zero – companies and financial institutions must take immediate action," said Alberto Carrillo Pineda, Chief Technical Officer of the SBTi.

"Decarbonizing both old and new buildings is paramount to tackling climate change. We call on these businesses to lead the net-zero transformation."

This framework was developed in consultation with an independent Expert Advisory Group (EAG) made up of companies, financial institutions, non-profit and multilateral organizations. The process included a two-month public consultation and four-month pilot test in accordance with the requirements of the [Standard Operating Procedure for Development of SBTi Standards](#). [Get a quick look at the pilot process in the feedback report here](#).