



**INTENSITY-BASED
GHG EMISSIONS
TARGETS
GUIDE**



INTRODUCTION

Greenhouse gas (GHG) emissions intensity refers to the amount of GHG emissions produced per unit of measurement most relevant to your business, most commonly turnover or per employee.

Setting ambitious targets to reduce energy consumption and GHG emissions intensity is an essential step for organisations aiming to improve their sustainability and environmental performance, demonstrating that an organisation is proactively mitigating the impacts of its emissions on climate change.

Intensity-based emissions targets are dynamic and adaptable. They account for variations in business activity which can significantly affect emissions. These targets provide a framework that evolves with the company's changing circumstances, eliminating the need to constantly reset objectives.

EXAMPLES OF INTENSITY METRICS

The intensity metric chosen will depend on your business and the nature of your outputs. Here are examples of commonly used intensity-based target metrics:

- **EMISSIONS PER UNIT OF REVENUE** - For example, tonnes of CO₂e per million GBP in revenue (TCO₂e/£million). This is often used by service-based industries.
- **EMISSIONS PER EMPLOYEE** - Tonnes of CO₂e per full-time employee (most commonly used in offices or labour-intensive industries).
- **EMISSIONS PER UNIT OF PRODUCT** - For example, tonnes of CO₂e per ton of steel produced (this is often used by goods manufacturers).
- **EMISSIONS PER UNIT OF ENERGY CONSUMED** - Kilograms of CO₂e per kilowatt-hour (kgCO₂e/kWh).

WHY SET INTENSITY TARGETS?

FLEXIBILITY AND ADAPTABILITY

Intensity-based targets adapt to changing business circumstances and revenue growth. For example, if your organisation was to undergo a significant size transformation such as a merger/ acquisition, your absolute emissions volume would be significantly impacted. However intensity-based targets account for and adapt to such changes.



TRANSPARENCY AND REPORTING

Intensity-based targets provide a clear and understandable metric for reporting progress whilst considering other business factors, making it easier for your organisation to communicate sustainability efforts effectively.


SUPPLY CHAIN COMPLEXITY

For many businesses, a significant portion of their emissions comes from scope 3 emissions, which includes their supply chain. Intensity-based targets allow businesses to measure emissions efficiency across the entire value chain, fostering collaboration and sustainability improvements with suppliers and partners.

SETTING AN INTENSITY-BASED TARGET

FuturePlus offers a comprehensive guide to help businesses set effective carbon emissions targets [here](#).

While absolute emissions targets and emissions intensity targets differ, the planning process and methodologies for target-setting remain consistent. In fact, businesses often set both types of targets simultaneously to achieve their sustainability goals.

 ***Emissions intensity target setting can be complex and we recommend seeking expert advice before setting your targets. Our PlusCarbon team is here to help! Contact us at: pluscarbon@future-plus.co.uk.***

UK REGULATORY REQUIREMENTS

UK companies which are classified as 'large' or are listed publicly, are required to report their GHG emissions, energy usage, and an emissions intensity ratio (e.g., emissions per unit of economic output) as part of their annual Directors' Report, under the Streamlined Energy and Carbon Reporting (SECR) framework.

This regulation does not mandate businesses to specify intensity reduction targets, it encourages them to track and manage their energy efficiency and emissions. Additionally the UK government is consulting on expanding reporting standards which could influence the adoption of intensity-based metrics in reporting frameworks.



While the government focus has been on absolute emissions and net-zero strategies, intensity-based targets are often included in companies' voluntary efforts to meet regulatory expectations and investor demands, and are strongly encouraged by FuturePlus.

 **You should be ensure that any targets set reflect current regulations and/or international standards. Our PlusCarbon team is here to help! Contact us at: pluscarbon@future-plus.co.uk.**

KEY CONSIDERATIONS

While intensity-based targets offer many advantages, they do not directly track reductions in absolute emissions. This can mask an overall increase in emissions as a business grows. For instance, a company may achieve a reduction in emissions intensity, but if production volumes rise significantly, its total carbon footprint could still expand.

This limitation does not undermine the value of intensity-based targets; rather, it highlights the importance of setting absolute targets alongside them to ensure comprehensive emissions management.

NEED MORE HELP?

For more information and support, please feel free to contact us at: info@future-plus.co.uk.

