PROCEDURE FOR VALIDATION OF SBTi TARGETS

Version 1.2

October 2024

ABOUT SBTi SERVICES

SBTi Services Limited is a wholly owned subsidiary of the Science Based Targets initiative, a corporate climate action organization and standard-setter that enables companies and financial institutions worldwide to play their part in combating the climate crisis. SBTi Services is a distinct legal entity and operates independently from the standard-setter, the Science Based Targets initiative.

SBTi Services checks and validates climate targets, validating the decarbonization goals of corporations, financial institutions and SMEs worldwide. By validating their climate targets, businesses demonstrate an understanding of their minimum decarbonization requirements by which customers and investors can measure them.

To be validated, companies must create greenhouse gas inventories and apply the Science Based Targets initiative's thorough methodologies for calculating decarbonization targets and submit these to SBTi Services for validation. Validators at SBTi Services check companies' and financial institutions' climate targets with standards developed by the Science Based Targets initiative.

SBTi Services is a trading subsidiary company, with any profits generated from commercial activities passed to its parent the Science Based Targets initiative, a charity registered in England and Wales.

DISCLAIMER

The procedures outlined in this document are intended to provide guidance on the processes and standards applied by SBTi Services Limited ("SBTi Services") in the provision of its target validation services. These procedures are subject to regular review and may be updated or modified without prior notice to ensure compliance with evolving industry standards, regulations, internal policies or feedback provided by the SBTi Services Personnel during regular reviews of the validation process.

While SBTi Services strives to maintain the highest level of accuracy and transparency in all operational procedures, this document does not constitute a binding contract or legal agreement. The information provided herein is for informational purposes only and does not guarantee any specific outcomes or results.

SBTi Services disclaims all liability for actions taken or decisions made based on the information provided in this document. All users of this document are encouraged to consult with relevant experts or legal counsel to ensure a complete understanding of the procedures and their applicability to specific circumstances.

This document and its contents are the intellectual property of SBTi Services Limited and are protected by applicable copyright laws. Unauthorized reproduction, distribution, modification, or sharing of this document in whole or in part is strictly prohibited without prior written consent from SBTi Services Limited. Any unauthorized use may result in legal action. All rights reserved.

VERSION HISTORY

Version	Change/update description	Release date	Effective dates
1.0	Combined the Science Based Targets initiative Corporate Manual v2.1 and the Target Validation Protocol for Near-term Targets v3.1 to provide comprehensive step-by-step guidance for companies that would like to commit to Science Based Targets initiative, develop and submit targets and track progress against targets. This includes: ● Updates with new Science Based Targets initiative SME criteria. ● Further explanation on the rationale and approach taken for base-year adjustment of targets with a base-year later than 2020.	December 20, 2023	From June 20, 2024
1.1	The following sections have been removed and added to the Corporate Net-Zero Standard version 1.2: ● Further requirements and best practice in GHG accounting ● Target classification definition ● Target classification rules ● Disclose your progress ● Decide where to disclose ● Follow the reporting guiding principles ● Reporting guidelines A clarification on optional scope 3 targets was added to Table 1. A rename of the section First Round Queries to Queries.	March 29, 2024	From June 20, 2024

1.2	No technical content change, rebranded to SBTi Services and references to Science Based Targets initiative versus SBTi Services updated as appropriate.	October 2024	From October 2024

CONTENTS

1. OBJECTIVE AND SCOPE OF SBTi SERVICES VALIDATION

The objective of SBTi Services validation is to ensure consistent, stringent, assessment of corporate and financial institution targets in line with the Science Based Targets initiative's Standards and guidance.

2. SUMMARY OF ROLES AND RESPONSIBILITIES

SBTi Services

The SBTi Services is responsible for reviewing, querying, and assessing validations according to this Procedure. SBTi Services includes the Target Validation Team, Target Operations Team and Validation Credibility Assurance.

SBTi Services liaises with the Science Based Targets initative's Compliance Department, where needed, to ensure that:

● The interdependencies between Science Based Targets initiative Standards and SBTi Services validation is conducted formally and thoroughly;
● Applicable documentation for the validation process is clear, public and that the latest versions are shared with all parties involved, before they become applicable
● Processes and procedures are in place for assessing complaints and appeals, including relevant policy adherence and that these are handled accordingly.

3. OVERVIEW OF THE TARGET-SETTING PROCESS AND SBTi SERVICES VALIDATION PROCEDURE

Who can set science-based targets?

The Science Based Targets intiative promotes corporate climate action and encourages organizations from all sectors to demonstrate leadership by setting science-based emissions reduction targets. This includes financial institutions, joint ventures, cooperatives and state-owned enterprises. The Science Based Targets initiative is especially keen to welcome organizations in the highest-emitting sectors, who play a crucial role in ensuring the transition to a net-zero economy. The exception is oil and gas companies as their targets cannot yet be officially validated.

SBTi Services does not currently assess targets for cities, local governments, public sector institutions, educational institutions or non-profit organizations. However, these stakeholders are encouraged to consider near-term and net-zero SBT setting methods when developing targets independently. Science Based Targets initiative financial sector

In October 2020, the Science Based Targets initiative formally launched its target setting framework for Financial Institutions (FIs). A specific set of criteria and guidance for FIs has been developed and must be followed by all relevant FIs.

The Science Based Targets initiative defines a FI as an entity that generates 5% or more of its revenue from investment, lending, or insurance activities. This includes but is not limited to banks, asset managers and private equity firms, asset owners and insurance companies, and mortgage real estate investment trusts (REITs).

Small and medium-sized enterprises (SMEs)

In recognition of the important role SMEs must play in global climate action as well as the limited resources available to companies of this size, there is a separate expedited route for these companies. This simplified approach for SMEs balances the need for them to take account of emissions across their value chains without imposing too great a burden.

For the definition of a SME, please refer to the Small and Medium Sized Enterprises (SMEs) FAQs document. SMEs can immediately set a near-term SBT for their scope 1 and 2 emissions by choosing from predefined target options. SMEs can also set net-zero targets using this streamlined route. Unlike larger companies, SMEs are not required to set near-term targets for their scope 3 emissions at this time. However, SMEs must commit to measure and reduce their scope 3 emissions and scope 3 targets are required for a net-zero target.

Small and medium-sized enterprises can use a tailored validation route that is better suited to smaller businesses and allows them to set targets more efficiently.

Registration

Beginning October 29, 2024, all companies are required to register with SBTi Services via the Validation Portal as the first step towards validation. The registration will focus on details such as company size, structure, and business activities, so that SBTi Services can classify companies into their organization type - Corporate, SME, or FI. Upon registration approval, companies will receive full access to continue to the next stage of participation appropriate for this organization type (ie: commitment, corporate validation, SME validation, FI validation).

Registered companies will not be published, and are not required to continue to commitment or validation stages. Full details are available within the Registrations Manual.

Commitment

How to commit

After passing Registration, companies classified as Corporate or Financial Institution may commit to submitting a near-term or net-zero science-based emissions reduction target in line with Science Based Targets initiative's target-setting criteria within 24 months with the latest version of Science Based Targets initiative Standards and guidance. This takes place in the Validation Portal, via a simple agreement completed by an authorized company executive. If the company already has an emissions reduction target or net-zero target, the

commitments confirms its interest in having its existing targets validated against a set of near-term/net-zero criteria developed by the Science Based Targets initiative or developing new targets that will align with these near-term/net-zero criteria.

Submitting a commitment to target setting before submitted targets for validation is an optional step. Companies are urged to aim for the highest level of ambition in their target setting, and are encouraged to commit to net-zero and automatically join the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero.

The list of committed companies is updated on the Science Based Targets initiative website every week. Companies that have committed will receive guidance on how to communicate their near-term and/or net-zero commitment. SBTi Services reserves the right to perform due diligence before accepting new near-term and/or net-zero commitments according to the Science Based Targets initiative requirements.

SMEs are not permitted to make commitments, instead they can use the SME science-based target setting form specifically designed and solely designated for SMEs that is better suited to smaller businesses and allows them to set targets more efficiently.

The Science Based Targets initiative encourages companies to start the target development process and submit targets for validation as early as possible after making a commitment. Companies have 24 months from their commitment to submit targets to the SBTi Services for validation. Refer to the SBTi Services Commitment Compliance Policy for more information.

Developing a target

Targets must be submitted in line with the latest versions of the Science Based Targets initiative standards and guidance that the Science Based Targets initiative considers critical for qualifying a target as ''science-based''. The Science Based Targets initiative has developed a suite of tools and guidance to help companies understand how to meet the requirements.

Please note that if a company has made a formal commitment to setting science-based targets, those targets must be submitted within 24 months of commitment publication date.

Review the target-setting resources

Please refer to the criteria and recommendations of the Science Based Targets initiative Corporate Near-term criteria and of the Corporate Net-Zero Standard.

Companies developing targets should carefully consult relevant Science Based Targets initiative and SBTi Services resources to ensure they have the latest information on recommendation and requirements. To stay up to date on the latest resources companies are encouraged to visit the website regularly and explore the FAQ page for answers to commonly asked questions. If questions persist, companies should use the contact page on the website to ask directly for clarifications.

Criteria and recommendations

Targets must meet all the Science Based Targets initiative criteria and guidance to be approved. The Science Based Targets initiative Standards department will communicate when criteria are to be updated and also the grace period for when substantive content changes are made.

From March 13 2024, organizations must submit near-term targets using Science Based Targets initiative Corporate Near-term Criteria V5.2 or net-zero targets using Science Based Targets initiative Corporate Net-zero Standard V1.2. And from March 13 2024, Science Based Targets initiative Near-Term Criteria V5.1 and SBTi Corporate Net-Zero Standard V1.1 are no longer eligible.

Companies must also align SBTs with requirements established through sector development work approved by the Science Based Targets initiative. Companies should see the sector guidance section of the Science Based Targets initiative website and the Sector-Specific Criteria Assessment Tables for information on sector-specific requirements and resources.

Submit target for validation

Validation of a company's target ensures that it meets a set of rigorous criteria defined by the Science Based Targets initiative. It is the company's responsibility to make the case that the target is science-based and clearly provide appropriate information. The section below provides an overview of the validation process.

Figure 1. Visual process of validation stages

1 — Initial screening
To determine if all necessary information is provided and/or to assess if a target meets the basic criteria.

2 — Lead reviewer desk review
Lead reviewer performs the desk review to assess the targets against Science Based Targets initiative Criteria and sends queries if needed.

3 — Appointed approver review
Appointed approver reviews the assessment done by the lead reviewer.

4 — Target validation team discussion
Target validation team discusses the target and the desk review completed by the lead reviewer in a weekly meeting.

5 — Communicating decisions and feedback
For each assessment, one target validation report and a decision letter will be delivered within 30 working days.

Target submission form

Companies that wish to submit targets to be evaluated should download the latest Target Submission Form and fill it out as clearly, completely and accurately as possible. Companies should consult the guidance available before completing the form, including the target language guidance. Additional documents should be attached only if they are directly related to the information requested. Companies should reference the specific page numbers, figures or text that is being referred to in accompanying documents. Missing, unclear or erroneous information will result in the validation process being delayed.

It is the company's responsibility to ensure the integrity of the information provided. Targets modeled with an old version of tool(s)/method(s) will be accepted in a target submission only within six months after the issuance date of the most recent tool(s)/method(s), unless otherwise noted. After that period, the targets must be recalculated using the new tool/method for submission.

Once the form is completed, companies should submit the form together with any supporting documents via the Validation Portal. Login to your account to send the Target Submission Form and any other relevant documents to the SBTi Services for validation purposes, plus view progress as your company progresses through the validation steps.

How information is treated

SBTi Services safeguards the confidentiality of all information provided by companies to assess targets. This means that information provided will be used in accordance with the

target validation service contract that companies are asked to sign before target assessments commence.

The target validation service

The results of the validation will be ready within 30 or 60 business days from the date the contract has been fully executed by both parties and provided that any queries for further information or clarification sent by the validation team are resolved within 2 business days.

Preliminary validations, offered as a separate service before July 2020, have been combined with the official validation process to create a single validation option.

The target update service is a combination and improvement upon the previous ''resubmission'' and ''voluntary ambition update'' services. For the pricing of these services, please refer to the [Science Based Targets initiative website](#).

The target update service is a streamlined process developed for companies who wish to align their targets with any new guidance or to update/edit previously approved targets in other ways.

Technical screening

Upon receiving the company's submission, a technical screening is completed which is not included within the 30 or 60-business day turnaround. The technical screening is a high-level assessment of the submission form to verify its completeness and the company's eligibility to be validated.

i) If the company does not pass the technical screening, a formal desk review will not be undertaken by the Target Validation Team. A decision email indicating the reasons for non-conformance and recommendations for resubmission is then issued and sent to the company. Companies can make the recommended changes and immediately resubmit to the SBTi Services for another screening.

ii) If the company does pass the technical screening, the submission proceeds to the next stage for a desk review by the Target Validation Team. The company will be directed to sign the Terms and Conditions and informed of the next steps for invoicing related to the validation service. The target validation service is conducted within 30 to 60 business days, with the start date beginning once the company passes the technical screening.

Target Validation Team assignment

A validation team consisting of a lead reviewer (LR) and an appointed approver (AA) is assigned for each target submission. The LR performs the desk review of the submission, prepares the deliverables, organizes a feedback call if necessary, and acts as the point of contact between the company and SBTi Services throughout the validation process. The AA acts as a peer reviewer on the completed desk review mitigating potential conflict of interest. This is determined through the conflict of interest process available on the SBTi website.

Desk review

Once the validation team (LR and AA) have been assigned, the Target Submission Form(s) and supporting documentation are assessed against Science Based Targets initiative standards and relevant guidance. The Lead Reviewer (LR) conducts a desk review of not only the submitted information but also publicly available documents such as but not limited to the company's sustainability report, annual report, financial report, etc.

During the desk review, the LR thoroughly assesses the accuracy, relevance, completeness, consistency, and transparency of the information provided by the company in the submission form and any accompanying documentation. If clarifications or additional information is required from the company, the LR will send a query to the company at the desk review stage. Common query topics include clarifying GHG accounting processes underlying assumptions or calculations, and ensuring the correct interpretation of data provided by the company.

Once the desk review is completed, the LR drafts the deliverables and the results of the assessment for the appointed approver process.

Criteria Assessment Indicator conformance

As part of the desk review, the Lead Reviewer (LR) will analyze the submission form answers and objective evidence provided against the Criteria Assessment Indicators.

The Criteria Assessment Indicators (CAI) are provided as verifiable control points which will be used to evaluate submitted information during the target validation process. Conformity with the CAI gives confidence that the company is in compliance with the Science Based Targets initiative Standard(s) under which they are submitting targets. The CAI represent a

clarification and formalization of the existing process followed by the Target Validation Team to assess alignment of all corporate and financial institution submissions with Science Based Targets initiative Criteria, Science Based Targets initiative Sector Guidance and GHG Protocol Corporate Standard, Scope 2 Guidance, and Corporate Value Chain Standard. The publication of the CAI seeks to provide clarity for stakeholders and does not signify any additional requirements for companies setting science-based targets, beyond what has been required of all companies submitting under Science Based Targets initiative Criteria version 5.0 and beyond.

Queries

Queries may be sent to the company at the desk review stage or any other stage in the process. If it is deemed necessary, the Lead Reviewer (LR) may request a call to clarify certain aspects of a company's submission.

Extended timeline

A company must respond to all queries in full or further information requests from the Lead Reviewer within two business days to receive a validation decision within the contracted due date. If a response is not received within the two business days, the Target Validation Team cannot guarantee the validation decision or deliverables will be finalized within the contracted timeline. It is the company's responsibility to provide all the information required to complete the desk review according to Science Based Targets initiative standards and guidance. If a company needs to update or change data that deviates from the original target submission information during the validation process this may delay a decision beyond the contracted timeline. If the information provided is deemed insufficient by SBTi Services after at least two query attempts, SBTi Services may consider the submission to be non-compliant. During the desk review, the target language is also assessed to ensure compliance with Science Based Targets initiative guidelines. If a company uses target wording that deviates from Science Based Targets initiative guidelines, this may also delay a decision beyond the contracted timeline.

SBTi Services recommends that the company contact is in office or is available to field queries throughout the duration of the target review process to limit delays in response. An alternative company contact should be provided, should the primary contact be out of office to holidays or illness.

Appointed approver review

A short desk review, analysis of the Lead Reviewer (LR) notes and queries, and review of assessment results is completed by the Appointed Approver (AA) to ensure accuracy and conformance with the Science Based Targets initiative standards and guidance. If the AA agrees with the recommendations, the LR will progress the target to the Target Validation Team review meeting. If the AA disagrees with the recommendation of the LR, the disagreement is brought to the Target Validation Team review meeting for further discussion.

Target Validation Team review

Upon completion of the desk review and peer review process, the target is brought to a weekly Target Validation Team review meeting for final decision. The decision of the Target Validation Team review must be unanimous and if a unanimous decision cannot be reached, the target must be presented to the Interim Validation Committee.

Communicating decisions and feedback

After a final decision has been reached, the Lead Reviewer completes and sends the deliverables to company provided contacts. The company receives a target validation report and can request a feedback call if the decision is a rejection to discuss feedback and next steps.

4. ASSESSMENT OF SCIENCE BASED TARGETS INITIATIVE CRITERIA

The Science Based Targets initiative Criteria outline the minimum qualitative and quantitative criteria for near-term and/or net-zero targets to be recognized by the Science Based Targets initiative. The validation team reviews the Target Submission Form and associated documents to ensure that all criteria are met for any target submission to be approved. By implementing the Criteria Assessment Indicators, this provides more detailed information to companies on the procedure followed by the reviewer to assess each criterion and clear evidence to demonstrate how the requirement is met. The validation

team adheres to the Criteria Assessment Indicators consistently for all companies' target validations and all decisions are justified using these requirements.[1]

Criteria Assessment Indicators

The Criteria Assessment Indicators (CAI) are provided as verifiable control points which will be used to evaluate submitted information during the target validation process. Conformity with the CAI gives confidence that the company is in compliance with the Science Based Targets initiative Standard(s) under which they are submitting targets. The CAI represent a clarification and formalization of the existing process followed by the Target Validation Team to assess alignment of all corporate and financial institution submissions with Science Based Targets initiative Criteria, Science Based Targets initiative Sector Guidance and GHG Protocol Corporate Standard, Scope 2 Guidance, and Corporate Value Chain Standard. The publication of the CAI seeks to provide clarity for stakeholders and does not signify any additional requirements for companies setting science-based targets, beyond what has been required of all companies submitting under Science Based Targets initiative Criteria version 5.0 and beyond.

The [Criteria Assessment Indicators](#) uses precise language to indicate requirements, recommendations, and allowable options that companies may choose to follow.

- The terms "shall" or "must" are used throughout this document to indicate what is required for targets to be in conformance with the Science Based Targets initiative Criteria for Near-term Targets and with the Science Based Targets initiative Corporate Net-Zero Standard criteria.
- The term "should" is used to indicate a recommendation, but not a requirement.
- The term "may" is used to indicate an option that is permissible or allowable.

The terms "required" or "must" are used to refer to requirements. "Can" and "is encouraged" may be used to provide recommendations on implementing a requirement or "cannot" may be used to indicate when an action is not possible.

---

[1] If a novel case appears in a target validation that is not explicitly covered in this guide, the Target Validation Team may consult with the Technical Department, and if necessary, bring the issue to the relevant leadership body for final decision-making. In such cases, there might be significant delay for the Target Validation Team to deliver the final target decisions, and it cannot be guaranteed that targets that do not adhere to the Criteria Assessment Indicators will be approved after the additional consultations with SBTi. If necessary, relevant sections of the Criteria Assessment Indicators will be updated to reflect the additional information/decisions made

The CAI is intended for corporates and financial institutions submitting targets to SBTi Services. Companies should utilize the CAI document while completing the target submission form(s) to ensure that any proposed targets meet all relevant criteria. The 'description' column provides a detailed explanation of the CAI, which can be understood as the various checks conducted to ensure conformity with the Science Based Targets initiative Criteria. The 'minimum documentation required' column outlines the information needed to assess conformity with each criteria assessment indicator, and stipulates where (if relevant) in the submission form to provide this information or if supplemental documentation is required.

The Target Validation Team will review all submissions to ensure that all CAI are met for any target submission to be approved. The Target Validation Team reserves the right to request additional information during the validation process, where further explanation or evidence is needed to clarify alignment with any criteria assessment indicators.

Assessing target ambition

Please refer to Table 3 in the Corporate Net-zero Standard V1.2 for a summary of eligible methods. Sector-specific target setting methods and associated ambitions can be found in the relevant sector guidance document(s).

Target wording requirements

The Science Based Targets initiative has specific guidance for target wording to increase comparability and transparency among approved targets. Companies are required to follow specific guidelines for target wording and SBTi Services reserves the right to not approve targets that deviate from this guidance. What may appear to be minor nuances may significantly alter the target's intention. Table 1 provides required target template wording for each type of target. Table 2 provides mandatory target templates for sector-specific targets.

Table 1. Required target language templates

Target type	Required target language	
	Scopes 1 and 2	Scope 3

Precision of percent reductions	For clarity and transparency, percentage emissions reductions shall be expressed to one decimal point, with the exception being if the first decimal point is 0 for all target ambitions. Then, for example 42.0% should instead be written as 42%.	
Financial years	If a company chooses to use a financial year, a financial year must be used for both the base year and target year. Fiscal years shall follow the date range that a company uses for reporting purposes.	
Absolute targets	[Company name] commits to reduce absolute scope 1 and 2 GHG emissions [percent reduction]% by [target year] from a [base year] base year.	[Company name] commits to reduce absolute scope 3 GHG emissions from [name scope 3 categories] [percent reduction]% by [target year] from a [base year] base year.[2]
Intensity targets	[Company name] commits to reduce scope 1 and 2 GHG emissions [percent reduction]% per [unit] by [target year] from a [base year] base year.[3]	[Company name] commits to reduce scope 3 GHG emissions from [name scope 3 categories] [percent reduction]% per [unit] by [target year] from a [base year] base year.
Base year and target year are the same	Not applicable	If a company has the same base year and target year for scope 1 and 2 and scope 3, it is preferable to not repeat the specific years for the scope 3 language. Instead, companies should use the language "within the same timeframe" for the scope 3 target timeframe portion of the target language.

---

[2] Unless all categories of reported emissions are covered or overall scope 3 target coverage exceeds 95%, target language must refer to specific scope 3 categories covered, e.g., purchased goods and services, or use of sold products. The exception to this is if the company is covering a portion of all categories reported. The target must not refer to specific regions and businesses or specific activities e.g., purchasing of building materials.

[3] Intensity targets for scope 1 and scope 2 emissions are only eligible when they are modeled using an approved 1.5°C sector pathway applicable to companies' business activities.

Combined scope 1, 2, and 3 targets[4]	[Company name] commits to reduce absolute scope 1, 2 and 3 GHG emissions [percent reduction]% by [target year] from a [base year] base year.
	The Science Based Targets initiative recommends that for combined scope 1, 2 and 3 targets when the scope 1+2 and scope 3 ambition differs, not only the combined scope 1+2+3 target is published, but also the disaggregate scope 1+2 and scope 3 target language for transparency.
	For example:
	[Company name] commits to reduce absolute scope 1,2 and 3 GHG emissions [percent reduction] % by [target year] from a [base year] base year. Within this target, [Company name] commits to reduce absolute scope 1 and 2 GHG [percent reduction] % by [target year] from a [base year] base year and reduce absolute scope 3 GHG [percent reduction] % by [target year] from a [base year] base year.
Intensity target covering a subset of scope 1 and 2 emissions and an absolute target covering the remaining emissions	[Company name] commits to reduce scope 1 and 2 emissions [percent reduction]% per [unit]% by [target year] from a [base year] base year. [Company name] commits to reduce all other scope 1 and 2 emissions [% reduction] by [target year] from a [base year] base year.
Net-zero targets	Net-zero target wording is made up of three components: (i) Overarching net-zero target, (ii) near-term science-based target and (iii) long-term science-based target. Companies can express their overarching net-zero target as follows:
	[Company name] commits to reach net-zero GHG emissions across the value chain by [insert latest long-term SBT target date] from a [insert base year] base year.[5]
	Alongside the overarching net-zero target wording, companies must also report on their near-term and long-term science-based targets adhering to the relevant wording conventions for the target type and scope coverage.

---

[4] Even if a combined scope 1, 2 and 3 target is used, the ambition of the scope 1 and 2 target is assessed separately from the scope 3 target. To calculate the ambition of combined targets, the ambition of each sub-target must be weighted according to the emissions covered by the sub-target, and then summed.
[5] Please note that the base year may be excluded from the overarching wording only if the scope 1 and 2 base year is different from the scope 3 base year.

Maintenance Net-zero targets	Companies who set a long-term target which needs to be maintained whilst another long-term target is completed to reach a state of net-zero are encouraged to set the following target language: [Company name] commits to maintain a minimum of [percent reduction]% absolute scope 1 and 2 GHG emissions from [near-term target year] through [net zero year] from a [base year] base year.	
Renewable electricity procurement targets	For companies who have not yet achieved 100% renewable electricity: [Company name] commits to increase active annual sourcing of renewable electricity from [percent]% in [base year] to [percent]% by 2030. **OR** If 100% RE is reached before 2030: [Company name] commits to increase active annual sourcing of renewable electricity from [percent]% in [base year] to [percent]% by [target year] and to continue active annual sourcing of 100% renewable electricity through 2030. For companies already sourcing 100% renewable electricity: [Company name] commits to continue active annual sourcing of 100% renewable electricity through [target year].	Not applicable
Engagement targets	Not applicable	[Company name] commits that [percent]% of its suppliers/customers [by spend/ revenue/ emissions] covering [name scope 3 categories], will have science-based targets by [target year].

Emissions beyond the minimum boundary[6]	Not applicable	[Company name] commits to reduce scope 3 GHG emissions beyond the minimum boundary from [name scope 3 categories] [percent reduction]% by [target year] from a [base year] base year. Companies may request to include targets to reduce optional scope 3 emissions in the target language. For companies that wish to include a supplemental/optional target on optional scope 3 emissions, the below needs to be followed: ● The optional scope 3 target will assessed separately by the SBTi Services review team compared to the mandatory scope 3 target(s). ● Should the target be approved, the target language covering the optional scope 3 target should be separated in a standalone sentence from the rest of the target language. ● In the GHG inventory submitted to SBTi Services, the mandatory scope 3 emissions representative of the minimum boundary shall be included in the inventory table. For a definition of optional emissions for each scope 3 category, please see Table 5.4 on page 34 and section 5.5 "Descriptions of scope 3 categories" of

---

[6] Targets covering emissions beyond the minimum boundary will not count towards target coverage for emissions which are within the minimum boundary. For more information on the minimum boundary, see Table [5.4] Description and boundaries of scope 3 categories in the GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

		the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
		Targets covering emissions beyond the minimum boundary need to be separated from the rest of the target language. For example: [Company name] commits to reduce absolute scope 3 GHG emissions from use of sold products [percent reduction]% by [target year] from a [base year] base year. [Company name] also commits to reduce use of sold products GHG emissions beyond the minimum boundary [percent reduction]% by [target year] from a [base year] base year.
Use of bioenergy	If a company is using bioenergy or plans to do so in future years, the following footnote is required to be included in target language: "*The target boundary includes land-related emissions and removals from bioenergy feedstocks."	
Companies that sell, transmit, or distribute fossil fuel products	Not applicable	These companies shall set emission reduction scope 3 targets for the "use of sold products" category. See SBTi Criteria 22 for near-term targets for more information. [Company name] commits to reduce absolute scope 3 GHG emissions from use of sold products for [insert (sold AND/OR distributed) fossil fuels] [percent reduction]% by [target year] from a [base year] base year
Maintenance of zero emissions	If a company has zero scope 1 emissions, they may commit to maintain this. In certain geographies, it is possible to have	Not applicable

	zero scope 2 emissions without active renewable energy procurement. In both cases, they must use the following target language: [Company name] commits to maintain zero absolute scope [1 or 2] GHG emissions from [base year] through [target year].	
Renewable heat/steam procurement targets	Companies may set a scope 2 target over purchased heat or steam. The target language is the same as for renewable electricity procurement targets, replacing 'electricity' with 'heat' or steam'	Not applicable
Economic intensity targets (previously referred to as 'GEVA' targets)	The currency index should be used in the target language. For example, use 'USD', not '$'. [Company name] commits to reduce [name scopes] GHG emissions [percent reduction]% per [currency index] value added by [target year] from a [base year] base year.	
Equivalency of absolute and intensity approaches	If a company chooses to disclose the (intensity/absolute) equivalent of their (absolute/intensity) target, they must still measure their reduction according to the (absolute/intensity) target approach used to model the target. If a company wants to state the equivalent intensity metric reductions of targets modeled against an absolute reduction approach[7], the target must be stated as follows: [Company name] commits to reduce absolute [enter scopes] GHG emissions [percent reduction]% from a [base year] base year, equivalent to a(n) [percent reduction]% reduction per [unit] by [target year]. If a company wants to state the equivalent absolute reductions of targets modeled against a sectoral decarbonization approach, the target must be stated as follows:	

---

[7] Any targets over scope 1 and 2 emissions for companies in sectors without a sector-specific decarbonization approach are modeled using the absolute contraction approach.

	[Company name] commits to reduce [enter scopes] GHG emissions [percent reduction]% per [unit] by [target year] from a [base year] base year, equivalent to a(n) [percent reduction]% absolute reduction.

Table 2. Sector-specific target language templates

Target type	Required target language
Absolute target using the FLAG pathway	[Company name] commits to reduce [enter scopes] FLAG GHG emissions [% reduction] by [target year] from a [base year] base year.* The following footnote is required to be included in target language: *Target includes FLAG emissions and removals.
Buildings sector target	[Company name] commits to reduce [enter scopes] GHG emissions [percentage reduction]% per square meter by [target year] from a [base year] base year.
Cement intensity target	[Company name] commits to reduce [enter scopes] GHG emissions [% reduction] per ton of cementitious product by [target year] from a [base year] base year.[8]
Maritime sector target	[Company name] commits to reduce well-to-wake GHG emissions [percentage] per [tonne nautical mile or GT nautical mile] from [vessel type] operations by [target year] from a [base year] base year
Power sector target	[Company name] commits to reduce [enter scopes] emissions from [source: e.g., power generation/all sold electricity] [percentage] per MWh by [target year] from a [base year] base year.
Steel intensity target	[Company name] commits to reduce [enter scopes] GHG emissions [% reduction] per ton of steel by [target year] from a [base year] base year

---

[8] Targets that include clinker production emissions, the word ''gross'' shall be included to make it clear that emissions from waste-derived fuels are included.

5. ANNOUNCE THE TARGET

Should a target be approved, once the company has received the final deliverables, the next step is communicating the outcome of the target review process.

Companies should direct all queries relating to target publication to the Science Based Targets initiative Communications Team that is copied in the decision email. Communications guidelines are available to all approved companies, which includes messaging to use and how the Science Based Targets initiative logo may be used.

SBTi Services indicates a publication date when sending the deliverables, usually one month from the date the decision is sent. SBTi Services can accept requests to embargo the release/announcement date of an approved target, but it must be announced within six months of the date the approval was sent to the company. In cases where a company requests not to publish a target within six months, their targets will no longer be valid, and the company will need to resubmit targets for validation to be recognized.

SBTi Services recommends that companies secure final approval of the proposed near-term and/or net-zero SBT ahead of the validation process. SBTi Services cannot extend the six-month announcement period, should a company need additional time for clearance of an approved near-term and/or net-zero SBT by a Board or a similar decision-making body.

All approved companies are listed on the Science Based Targets initiative webpage as well as on partner websites including at We Mean Business. SBTi Services reserves the right to remove a company from its list of companies with approved targets as well as from partner websites at its discretion, for reasons including non-compliance with the Science Based Targets initiative criteria, reputational concerns or failure to update SBTi Services on business changes (e.g., no longer existing as an entity due to merger or dissolution).

6. DISCLOSE YOUR PROGRESS
Follow guiding reporting principles

Following approval of science-based targets, companies must publicly disclose GHG emissions and progress against targets annually. Please refer to Annex D of the Corporate Net-Zero Standard V1.2 for details on where and how to disclose target progress.

7. TARGET RECALCULATION PROTOCOL

Companies may review and revise approved targets to keep them up to date and aligned with the most recent climate science and best practices. The target update service is a streamlined process developed for companies who wish to align their targets with our new minimum ambition level of 1.5°C or to update or edit previously approved targets in other ways. The service offers the same comprehensive review performed in the near-term and net-zero submission services and will also include a comprehensive target validation report including recommendations to address non-conformity, if applicable, and an official letter if targets are approved.

Updating previously approved targets

Mandatory target recalculation process - updating previously submitted targets to fulfill C26 of the Corporate Near-term Criteria and C32 of the Corporate Net-zero Standard.

When submitting under the mandatory update process, the following rules apply:

> ● All previously submitted targets must be assessed against current Science Based Targets initiative corporate near-term criteria at the time of submission. Net-zero targets must be assessed against current Science Based Targets initiative corporate net-zero standard criteria at the time of submission.
> ● Any targets not in line with current Science Based Targets initiative corporate near-term criteria and/or current Science Based Targets initiative corporate net-zero criteria will be removed from Science Based Targets initiative website and communications; companies are able to edit previously submitted targets to ensure they are aligned with current Science Based Targets initiative corporate near-term criteria and/or current Science Based Targets initiative corporate net-zero criteria.

Triggered target recalculation: Updating previously submitted targets to fulfill C27 of Corporate Near-term Criteria and C33 of the Corporate Net-zero Standard.

When submitting under the triggered recalculation process, the following rules apply:

> ● Only the affected previously submitted target(s) must be assessed against current Science Based Targets initiative corporate near-term criteria and/or current net-zero standard criteria at the time of resubmission.

- Active targets that are not affected by changes will not need to be brought in line with current Science Based Targets initiative corporate near-term criteria and/or current Science Based Targets initiative corporate net-zero criteria.

Submitting new targets

Submitting new target(s) to SBTi Services when a company already has approved near-term and/or net-zero SBTs. Likely reasons for a target update process include:

- Designing new targets to increase the ambition of previously submitted target(s).
- Arriving at the target year of one or more targets, regardless of whether the target was achieved.
- Submitting new targets to meet current Science Based Targets initiative criteria outside of the mandatory recalculation process.
- Achieving a target ahead of time (before target year).

When submitting under the target update process, the following rules apply:

- Only the newly submitted target(s) must be assessed against current Science Based Targets initiative criteria at the time of resubmission.
- Active targets that are not affected by new targets will not need to be brought in line with current Science Based Targets initiative criteria.

For all options companies must submit an updated Target Submission Form and submit via the target update service to allow SBTi Services to assess the nature and the impact of the relevant changes. It is highly recommended for companies to provide a detailed explanation of the causes and implications of the changes in relation to the methods, emissions factors, assumptions, company structure, inventory and/or targets in the newly submitted Target Submission Form.

SBTi
SERVICES