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## Technical note on science-based targets

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CDP Climate Change Questionnaire



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## Version

Version	Revision date	Revision summary
1.0	February, 2017	First published version
2.0	March 15, 2018	Updated with most recent SBTi-related information and 2018 CDP climate change questionnaire information/timeline.
3.0	February 28, 2019	Updated with most recent SBTi-related information and 2019 CDP climate change questionnaire information/timeline.
4.0	March 31, 2020	Updated with most recent SBTi-related information and 2020 CDP climate change questionnaire and scoring methodology information/timeline.
4.1	April 14, 2020	SBTi submission deadline updated and links to the 2020 CDP climate change scoring methodology added.
5.0	April 9, 2021	Updated with most recent SBTi-related information and 2021 CDP climate change questionnaire and scoring methodology information/timeline.
5.1	May 27, 2021	Updated with most recent 2021 scoring criteria
6.0	March 18, 2022	Updated with most recent SBTi-related information and 2022 CDP climate change questionnaire information/timeline.
<b>7.0</b>	March 23, 2023	Updated with most recent SBTi-related information and 2023 CDP climate change questionnaire information.

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# 1. Introduction

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## 1.1 About this document

This technical note provides guidance on science-based targets in CDP's climate change questionnaire. This document is supplemental to the [CDP climate change reporting guidance](#), [CDP climate change scoring methodology](#), and the [most up to date resources](#) available from the Science Based Targets Initiative, including the process to [set science-based targets](#), which should also be reviewed before responding. If companies have any questions, comments or suggestions about the content of this document they can contact their CDP account manager or e-mail [info@sciencebasedtargets.org](mailto:info@sciencebasedtargets.org).

## 1.2 The need for science-based targets

Science-based targets (SBTs) provide companies with a clearly defined pathway that specifies how much and how quickly they need to reduce their greenhouse gas emissions. The Paris Agreement in 2015 saw nearly 200 of the world's governments commit to prevent dangerous climate change by limiting global warming to 1.5°C above pre-industrial levels. This signaled an acceleration in the transition to a low-carbon economy. Many companies are already demonstrating they have the skills, expertise and ingenuity to make this a reality – but need ambitious emissions reduction targets that ensure the transformational action they take is aligned with what current climate science says is needed for the transition to a net-zero economy.

## 1.3 Science-based targets in CDP's climate change questionnaire

CDP recognizes that science-based targets represent best practices in target setting and is incentivizing and rewarding their adoption through scoring. Companies demonstrating climate action and leadership in this regard are recognized for their efforts. The [Science Based Targets initiative](#), of which CDP is a partner, champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to a low-carbon economy. CDP is committed to contributing to the SBTi's vision that science-based target setting will become standard business practice. The CDP questionnaire is a critical component of two strategic pillars of the initiative – institutionalizing the adoption of science-based emission reduction targets, and creating a critical mass of companies with SBTs.

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## 2. Reporting SBTs to CDP

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This section addresses best practices for reporting SBTs to CDP.

### **Which approved SBTs should companies or financial institutions include in their CDP disclosures?**

Companies or financial institutions with approved SBTs can publicly report their emissions inventory and progress against their targets to CDP to fulfill the annual reporting criterion for approved SBTs. If a company does so, it should report all approved SBTs in its CDP disclosure to fulfill the reporting criterion.

### **How should companies report near-term and long-term SBTs?**

To ensure companies receive leadership points for reported near-term SBTs, all identifying target details should match the SBTs approved by the SBTi: scope(s) and category(ies) covered, base year, target year, target value, target type (absolute, intensity, renewable electricity, supplier engagement).

According to the target type, SBT(s) should be reported in the corresponding section of the Questionnaire.

- Absolute emissions SBT(s) in Question C4.1a
- Emissions intensity SBT(s) in Question C4.1b
- Renewable energy SBT(s) in Question C4.2a
- Supplier engagement SBT(s) in Question C4.2b
- Customer engagement SBT(s) in Question C4.2b

Companies should report the base year covered emissions or base year intensity figure corresponding only to the emissions covered by the target approved by the SBTi. Likewise, companies should report the emissions in the reporting year or intensity figure in the reporting year corresponding only to the emissions covered by the target approved by the SBTi.

### **I am a company with an approved Scope 3 SBT. Do I need to report this target in my CDP disclosure?**

Yes – to fulfill the reporting criterion for SBTi-approved targets through CDP disclosure, companies should report all approved targets in their CDP disclosures. The SBTi validation service does not currently classify the ambition of Scope 3 targets, so in most cases companies should select “Other, please specify” in the Target ambition field. However, if your company is a member of the Business Ambition for 1.5°C campaign and has selected Option 1, its commitment includes setting 1.5°C-aligned Scope 3 targets. The campaign currently considers Scope 3 targets to be 1.5°C-aligned when the targets result in a linear annual reduction of at least 4.2% over the target timeframe. In these cases, please select “1.5°C aligned” in the Target ambition field for the relevant target(s).

### **Does recalculation of a target base year inventory affect how companies should report?**

SBTs should be recalculated and resubmitted to the SBTi for validation, to reflect significant changes that could compromise relevance and consistency of the existing target. This applies when the change falls into any of the cases that would trigger a target recalculation according to the [SBTi Criteria and Recommendations](#) (See latest version of SBTi criteria). In these cases, companies should resubmit and revalidate their target. Furthermore, SBTs must be reviewed, and if necessary, recalculated and revalidated, at a minimum every 5 years, to ensure consistency with the most recent climate science and best practices.

CDP reserves the right to perform due diligence to ensure that reported targets correspond to approved SBTs at the moment of the CDP disclosure. This may include verifying that the base year covered emissions or emissions intensity matches the base year emissions data submitted to the

SBTi during target validation. Companies should ensure that any targets reported to CDP match the publicly reported and SBTi-approved targets.

When a company has gone through a recalculation of a target base year inventory of an existing SBT due to a change that triggers a target recalculation according to the SBTi Criteria and Recommendations, and a new target has been validated by the SBTi, we recommend the following for reporting in the CDP Questionnaire:

- Indicate the target status in reporting year as “Revised”.
- Note reasons for discrepancies between the base year covered emissions or emissions intensity and the base year emissions data submitted to the SBTi during target validation in target details, including base year covered emissions or emissions intensity, in the “Please explain target coverage and identify any exclusion” field for the affected target(s).
- We encourage companies to restate the emissions data for past reporting years supplied to CDP in question C0.2, indicate the number of past reporting years of emissions data the company will be providing, and also indicate the restated reporting years of emissions data in questions C6.1 and C6.3.

When a company recalculated the target base year inventory of an existing SBT due to other reasons (e.g. not significant adjustment to the base year inventory), the company may follow the same recommendations.

### **Can I report a combined scope science-based target as the disaggregated portions of the target, or report more than one science-based targets as a combined scope target?**

Companies should report SBTs at the level of disaggregation communicated in the approved target language on the SBTi website.

- **Multiple targets:** Companies with multiple SBTs should report each SBT separately. For example, a company with an SBT covering Scope 1 + 2 and an SBT covering Scope 3 should report two targets in their CDP disclosure and should not combine the two into a single target.
- **Combined scope targets:** Companies with combined scope targets should report with the same level of disaggregation as the approved target. Additionally, companies with approved SBTs covering Scope 1 + 2 + 3 should report the Scope 1 + 2 portion and the Scope 3 portion *in addition to the combined target*.
- **Further disaggregation:** Companies may additionally report targets at an even greater level of disaggregation (e.g., report an SBT covering Scope 1 + 2 and optionally report the Scope 1 portion and Scope 2 portion).

### **How should companies report net-zero targets approved by the SBTi?**

Net-zero targets may be reported in C4.2c. To ensure companies receive leadership points for reported net-zero targets, all identifying target details should match the net-zero targets approved by the SBTi: target coverage, target year, and absolute/intensity emissions targets linked to the reported net-zero target (corresponding to targets reported in C4.1a and C4.1b). If you intend to report a net-zero target in C4.2c, you should report both the near-term and long-term emissions reduction target(s) associated with your net-zero target either in C4.1a or in C4.1b, and link them to your net zero target in column 3 of C4.2c. At least one of these emissions targets should have the same target year as the net-zero target.

Companies are encouraged to make a commitment to set a Net-Zero target via the SBTi, thereby joining the [Business Ambition for 1.5°C](#) and [Race to Zero](#) Campaigns. Companies can find out more about how to make this commitment on the [SBTi website](#).

### **How should financial institutions report near-term portfolio targets approved by the SBTi?**

Portfolio targets may be reported in C-FS4.1d. To ensure financial institutions receive management level points for reported portfolio targets, all identifying target details should match the portfolio target approved by the SBTi. See the latest [SBTi guidance for the financial sector](#) for further details of what is required for setting a target on investment and lending activities.

## How should companies report targets approved by the SBTi that cover land-related CO<sub>2</sub> emissions, including Forestry, Land and Agriculture (FLAG) targets and non-FLAG targets with bioenergy?

Absolute and intensity targets covering land-related CO<sub>2</sub> emissions may be reported in C4.1a and C4.1b, respectively. Indicate in column “Does this target cover any land-related CO<sub>2</sub> emissions?” the description applicable to the affected target.

- **Yes, it covers land-related emissions only (e.g. FLAG SBT)** – Select this option if your target only covers GHG emissions related to land and agriculture and excludes emissions and removals associated with bioenergy, in line with SBTi guidance. Companies that have followed the SBTi Forests, Land and Agriculture (FLAG) guidance to set their target should select this option. This option will primarily be applicable to companies in the Agricultural Commodities, Food, Beverage & Tobacco, and Paper & Forestry CDP sectors.
- **Yes, it covers land-related and non-land related emissions (e.g. SBT approved before the release of FLAG target-setting guidance)** – Select this option if your target covers both GHG emissions related to land and agriculture and non-land related emissions from energy/industry. This option will be primarily applicable to companies in the Agricultural Commodities, Food, Beverage & Tobacco and Paper and Forestry CDP sectors whose target was approved by the SBTi before the release of the SBTi FLAG target-setting guidance.
- **Yes, it covers land-related CO<sub>2</sub> emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)** – Select this option if your target covers CO<sub>2</sub> emissions from the combustion, processing and distribution phase of bioenergy and/or land use emissions and removals associated with bioenergy feedstocks, in addition to non-land related emissions from energy/industry. This option could apply to companies in any CDP sector with a target that includes emissions from bioenergy.
- **No, it does not cover any land-related emissions (e.g. non-FLAG SBT)** – Select this option if your target only covers non-land related emissions from energy/industry.

If you select any “Yes...” option, specify the types of land-related emissions covered by the target in the “Please explain target coverage and identify any exclusions” column.

## 3. How science-based targets are scored in the 2023 climate change questionnaire

### 3.1 Near-term and long-term science-based targets

Near-term and long-term science-based targets will be scored in questions C4.1a and C4.1b for 1) Disclosure and Awareness level points 2) Management points and 3) Leadership points. All companies, regardless of sector, are eligible to earn full points in each level of scoring.

#### 3.1.1 Disclosure and Awareness level points

Disclosure points are awarded per completed cell in proportion to the number of rows disclosed with a maximum of 14 points available.

Awareness points can be obtained by answering the column "Is this a science-based target?" in C4.1a and C4.1b. Companies may report multiple targets in the tables in C4.1a and C4.1b, and select different dropdown options for each target. Please note that the sum of all responses to "Is this a science-based target?" can only receive a maximum of 1 Awareness point in total.

Dropdown options	Awareness points
Yes, and this target has been approved by the Science Based Targets initiative	1
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative	1
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years	1
Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years	0
No, but we are reporting another target that is science-based	1
No, but we anticipate setting one in the next two years	0.5
No, and we do not anticipate setting one in the next two years	0

Guidance on selecting the appropriate dropdown option is described below. This technical note provides more details than the CDP climate change reporting guidance. Companies with activities in the oil and gas sector for which there is no available sector methodology to determine whether a target is science-based should select the most appropriate 'No...' option in this column. For more information on sector-specific requirements, consult the latest version of the SBTi criteria.



- ▼ Yes, and this target has been approved by the Science Based Targets initiative

  - Companies are very strongly encouraged to have their targets *officially* validated by the Science Based Targets initiative (SBTi). CDP considers targets approved by the initiative to reflect best practices in science-based target setting. Select this option only if the target has been officially approved by the SBTi by the [CDP scoring deadline](#). This includes current company targets that were approved for previous CDP climate change questionnaires.
- ▼ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science-based target initiative

  - If your company has set a target and has self-assessed it to be science-based, and it has been submitted to the SBTi for validation and is currently being reviewed by the SBTi, you should select this option. You should use the “Please explain target coverage and identify any exclusions” column to explain why you believe your target to be science-based.
- ▼ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

  - Not all companies have had their target assessed by the SBTi. If your company has set a target and has self-assessed it to be science-based but has not yet submitted it to the SBTi for validation, you should select this option. You should use the “Please explain target coverage and identify any exclusions” column to explain why you believe your target to be science-based. If you are currently in the process of revising your target to meet SBTi criteria, indicate this by selecting “No, but we anticipate setting one in the next 2 years.”
  - Companies that have science-based Scope 1 and 2 targets but do not have an approved Scope 3 target can earn awareness points. These include companies that are part of sectors the SBTi is currently unable to validate due to the lack of sector-specific Scope 3 guidance (i.e. oil and gas companies). Please note that the SBTi cannot assess companies who have activities in their value chain related to fossil fuels (involved in sale or distribution) if these activities represent more than 50% of their revenue, until the GHG reduction requirements for these companies are clarified under the SBTi's ongoing [oil & gas sector development](#). These companies should report their Scope 1 and 2 targets on separate rows from their Scope 3 targets and select this dropdown option for Scopes 1 and 2.
- ▼ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

  - Not all companies intend to have their target assessed by the SBTi. If your company has set a target and has self-assessed it to be science-based but has not yet committed to submit it to the SBTi for validation, you should select this option. You should use the “Please explain target coverage and identify any exclusions” column to explain why you believe your target to be science-based.
  - If you are a supplier to a company with a supplier engagement target, as part of which you have set a target in line with SBTi resources but are not planning to seek SBTi approval, select this option.
- ▼ No, but we are reporting another target that is science-based

  - Another target (absolute or intensity-based) disclosed in C4.1a or C4.1b is science-based (at least one of the first two options above should be selected for another target).
- ▼ No, but we anticipate setting one in the next 2 years

  - Though not required, it is highly recommended that the company publicly communicate their commitment by submitting the [SBTi commitment letter](#). Companies have two years from the date they sign a commitment letter to submit their target to the SBTi for approval.

▼ No, and we do not anticipate setting one in the next 2 years

- The company has no plans to set a science-based target in the next 2 years.

### 3.1.2 Management level points

Management level points can be obtained through either two routes:

- SBTi Route:** if the target has been **officially validated** by the SBTi before the [CDP Scoring deadline](#), the target will be eligible for points via this route.
- CDP route:** Management points can be obtained with information disclosed in questions C4.1a and C4.1b in the climate change questionnaire. Please consult the [2023 Climate Change Scoring Methodology](#) for more information.

### 3.1.3 Leadership level points

Science-based targets can also earn up to 3 Leadership level points, equivalent to 6% of a company's final Leadership level score, through either of the two routes below.

- SBTi Route:** If the target has been **officially validated** by the SBTi before the [CDP Scoring deadline](#), the target will be eligible for points along this route. The additional criteria required to be met in order to obtain the full 3 Leadership points on the SBTi route can be found in the [CDP 2023 Climate Change Scoring Methodology](#). Please note criteria for Financial services, Oil & Gas, and Electric utilities, Coal, Capital Goods, Transport OEMS and Transport OEMS-EPM may differ from the General criteria. Targets that received Leadership points in the 2022 scoring cycle may also be eligible for points if they meet the additional Leadership criteria newly introduced in 2023. **Targets disclosed in 2022 must be redisclosed in 2023 and these targets must be consistently reported across the two years.**
- CDP Route:** Leadership points can be obtained with information disclosed in **question C4.1a only**. These targets are not necessarily considered science based. Please consult the [CDP 2023 Climate Change Scoring Methodology](#) for more information. Please note criteria for Financial services, Oil & Gas, Electric utilities, Coal, Capital Goods, Transport OEMS and Transport OEMS-EPM may differ from the General scoring criteria. Absolute targets will be assessed cumulatively for Leadership points.

The table below outlines the differences between these routes for the General scoring methodology. For more information on the SBTi criteria, in particular on their accompanying recommendations, please refer to the [SBTi criteria and recommendations](#). *This is version 5.0 of the SBTi criteria which is in effect and mandatory for new target validation submissions as of July 15th, 2022.*

Topic	SBTi criteria (Version 5.0) <i>If the target is officially approved by the SBTi, 3 leadership points are awarded.</i>	CDP criteria <i>If all the below are met, 2.75 leadership points are awarded. If all except the criteria marked with an * are met, 1.75 leadership points are awarded.</i>
Boundary	<ul style="list-style-type: none"> <li>• <b>C1 — Organizational boundary:</b> It is recommended that companies submit targets only at the parent- or group-level, not at the subsidiary level. Parent companies must include the emissions of all subsidiaries in their target submission, in accordance with boundary criteria above.</li> <li>• <b>C2 — Greenhouse gases:</b> The targets must cover all relevant GHGs as required per the <a href="#">GHG Protocol Corporate Standard</a>.</li> <li>• <b>C3 — Scope 1 and scope 2:</b> The targets must cover company-wide scope 1 and scope 2 emissions, as defined by the GHG Protocol Corporate Standard.</li> <li>• <b>C5 — Scope 1 and 2 significance thresholds:</b> Companies may exclude up to 5% of scope 1 and scope 2 emissions combined in the boundary of the inventory and target.</li> <li>• <b>C10 — Bioenergy accounting:</b> CO<sub>2</sub> emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals associated with bioenergy feedstocks, shall be reported alongside a company's GHG inventory. Furthermore, CO<sub>2</sub> emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals associated with bioenergy feedstocks shall be included in the target boundary when setting a science-based target (in scopes 1, 2, and/or 3, as relevant) and when reporting progress against that target.</li> </ul>	<ul style="list-style-type: none"> <li>• Targets must cover both Scope 1 and 2 emissions.</li> <li>• The “Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)” is 95% or higher of both Scope 1+2 emissions</li> <li>• 'Company-wide' is selected in column 'Target coverage'</li> </ul>

Topic	SBTi criteria (Version 5.0) <i>If the target is officially approved by the SBTi, 3 leadership points are awarded.</i>	CDP criteria <i>If all the below are met, 2.75 leadership points are awarded. If all except the criteria marked with an * are met, 1.75 leadership points are awarded.</i>
Timeframe	<ul style="list-style-type: none"> <li>• <b>C13 — Base and target years:</b> Targets must cover a minimum of 5 years and a maximum of 10 years from the date the target is submitted to the SBTi for validation. The choice of base year must be no earlier than 2015.</li> <li>• <b>C14 — Progress to date:</b> The minimum forward-looking ambition of targets is consistent with reaching net-zero by 2050, assuming a linear absolute reduction, linear intensity reduction, or intensity convergence between the most recent year and 2050 (not increasing absolute emissions or intensity).</li> </ul>	<ul style="list-style-type: none"> <li>• Has a time frame where 'Target year' is between 5 and 10 more than the 'Year target was set' inclusive.</li> </ul>
Ambition	<ul style="list-style-type: none"> <li>• <b>C15 — Level of ambition for scope 1 and 2 targets:</b> At a minimum, scope 1 and scope 2 targets must be consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures.</li> <li>• <b>C16 — Absolute targets:</b> Absolute reductions must be at least as ambitious as the minimum of the approved range of emissions scenarios consistent with the 1.5°C goal.</li> <li>• <b>C17 — Intensity targets:</b> Intensity targets for scope 1 and scope 2 emissions are only eligible when they are modelled using an approved 1.5°C sector pathway applicable to companies' business activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The targets meet a 4.2% absolute emissions linear reduction between 'Base year and 'Target year'.</li> <li>• Please see Appendix in section 6 for more information on linear reductions.</li> </ul>
Scope 3	<ul style="list-style-type: none"> <li>• <b>C4 — Requirement to have a scope 3 target:</b> If a company's relevant scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions, a scope 3 target is required. All companies involved in the sale or distribution of natural gas and/or other fossil fuels shall set scope 3 targets for the use of sold products,</li> </ul>	<ul style="list-style-type: none"> <li>• If Scope 3 emissions contribute to greater than 40% of overall reported emissions a target, covering at least 67% of reported emissions in relevant Scope 3 categories is reported*</li> <li>• The target coverage is company-wide*</li> <li>• Full Disclosure points have been awarded in question C6.5*</li> </ul>

Topic	SBTi criteria (Version 5.0) <i>If the target is officially approved by the SBTi, 3 leadership points are awarded.</i>	CDP criteria <i>If all the below are met, 2.75 leadership points are awarded. If all except the criteria marked with an * are met, 1.75 leadership points are awarded.</i>
	<p>irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions of the company.</p> <ul style="list-style-type: none"> <li>• <u>C6 — Scope 3 emissions coverage for near-term targets:</u> Companies must set one or more emission reduction targets and/or supplier or customer engagement targets that collectively cover(s) at least two-thirds (67%) of total scope 3 emissions considering the minimum boundary of each scope 3 category in conformance with the <a href="#">GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard</a>.</li> <li>• <u>C13 — Base and target years:</u> Targets must cover a minimum of 5 years and a maximum of 10 years from the date the target is submitted to the SBTi for validation. The choice of base year must be no earlier than 2015.</li> <li>• <u>C18 — Level of ambition for scope 3 emissions reductions targets:</u> At a minimum, near-term scope 3 targets (covering the entire value chain or individual scope 3 categories) must be aligned with methods consistent with the level of decarbonization required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures.</li> <li>• <u>C19 — Supplier or customer engagement targets:</u> Near-term targets to drive the adoption of science-based emission reduction targets by their suppliers and/or customers are in conformance with SBTi criteria when the conditions of boundary, formulation, timeframe, and level of ambition are met.</li> <li>• <u>C22 — Fossil fuel sales or distribution:</u> All companies</li> </ul>	<p>OR</p> <ul style="list-style-type: none"> <li>• If Scope 3 emissions contribute to less than 40% of total reported emissions. Full management points awarded in question C6.5*</li> </ul>

Topic	SBTi criteria (Version 5.0) <i>If the target is officially approved by the SBTi, 3 leadership points are awarded.</i>	CDP criteria <i>If all the below are met, 2.75 leadership points are awarded. If all except the criteria marked with an * are met, 1.75 leadership points are awarded.</i>
	involved in the sale or distribution of natural gas and/or other fossil fuels products shall set near-term and long-term scope 3 targets that are at a minimum consistent with the level of decarbonization required to keep global temperature increase to 1.5°C, irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions of the company.	
Reporting	<ul style="list-style-type: none"> <li>• <u>C25 — Frequency</u>: The company shall publicly report its company-wide GHG emissions inventory and progress against published targets on an annual basis.</li> </ul>	<ul style="list-style-type: none"> <li>• The target shall be disclosed in the CDP questionnaire.</li> </ul>

### 3.1.4 Advantages of obtaining target leadership points through the SBTi route

Companies are very strongly encouraged to have their targets officially validated by the Science Based targets initiative to obtain their target Leadership points. Science-based targets are aligned with climate science and backed by four well-known NGOs: CDP, World Resources Institute (WRI), World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC). In addition, the SBTi communications team ensures that the company gets the recognition it deserves for demonstrating proactive planning and leadership.

### 3.1.5 Sectors that are currently unable to be officially approved by the SBTi

The Science Based Targets initiative cannot officially approve targets submitted by companies in certain sectors in which further methodological development is required to validate the level of ambition of a target against a 1.5°C decarbonization trajectory. These sectors have significant Scope 3 emissions; however, there is currently no sector-specific guidance for these emissions. This includes oil & gas companies (with exploration/production activities), in addition to companies who derive more than 50% of their revenue from activities in their value chain related to fossil fuels (involved in sale or distribution).

Companies in these sectors are welcome to commit to setting a target and align their Scope 1 and 2 targets with SBT methods until guidance is available. Companies in these sectors are also encouraged to refer to the [SBTi sector webpages](#) to learn about ongoing sectoral development work and to contact the initiative to learn about opportunities to engage in these methodology development efforts.

**In terms of CDP scoring, note that these (and all) companies may still earn Disclosure, Awareness, Management and Leadership points via the CDP route (see section 3.1, 3.2 and 3.3 of this Technical Note).**



## 3.2 Net-zero science-based targets

Net-zero science-based targets will be scored in question C4.2c for 1) Disclosure and Awareness level points 2) Management points and 3) Leadership points. All companies, regardless of sector, are eligible to earn full points in each level of scoring.

### 3.2.1 Disclosure and Awareness level points

Both Disclosure and Awareness levels are scored proportionally, excluding optional columns. Disclosure level is scored per completed cell and Awareness level is scored per completed row.

### 3.2.2 Management level points

Full Awareness points need to have been awarded to be eligible for points at management level. Additionally, the net-zero target needs to be linked to an absolute or intensity target that has received full management and leadership points in question C4.1a or C4.1b. In order to obtain full points the target must also have a company-wide coverage and the target year for achieving net zero must be 2050 or earlier.

### 3.2.3 Leadership level points

To be eligible for full Leadership points, full Management points must have been awarded. Then 1 point will be awarded for any of the following selections:

- 'Yes, and this target has been approved by the Science Based Targets initiative'
- 'Yes we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years'
- 'Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative'

Additional information on scoring criteria can be found in question C4.2c in the [CDP 2023 Climate Change Scoring Methodology](#)

## 3.3 SBT portfolio targets

SBT portfolio targets will be scored in question C-FS4.1d. This question is for Financial services companies only and is scored for 1) Disclosure level points 2) Awareness level points 3) Management level points and 4) Leadership level points.

### 3.3.1 Disclosure level points

Disclosure level points are awarded per completed cell in proportion to the number of rows disclosed. With a maximum of 12 points available.

### 3.3.2 Awareness level points

To be eligible for Awareness level points at least 8 Disclosure points must have been awarded and the year target was met is not before the base year of the target. A point will be awarded if one of the following options are selected:

- 'Yes, and this target has been approved by the Science-Based Targets initiative'
- 'Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years'
- 'Yes, we consider this a science-based target, and the target is currently being reviewed by the Science-based target initiative'
- 'No, but we are reporting another target that is science-based'
- 'No, but we anticipate setting one in the next 2 years'

The additional criteria needed to obtain full points can be found in the [CDP 2023 Climate Change Scoring Methodology](#).

### 3.3.2 Management level points

Partial management level points can be obtained for the following selections:

- 'Yes, and this target has been approved by the Science-Based Targets initiative'
- 'Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years'
- 'Yes, we consider this a science-based target, and the target is currently being reviewed by the Science-based target initiative'

For further details on eligibility and scoring criteria please refer to question C-FS4.1d in the [CDP 2023 Climate Change Scoring Methodology](#).

### 3.3.3 Leadership level points

To be eligible for leadership level points full management points must be awarded and for each activity provided in question C-FS0.7 a corresponding row is completed in C-FS4.1d. **A point will be awarded for the target if the target ambition is 1.5°C aligned.**



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## 4 Answers to frequently asked questions

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### **Where can I find additional resources related to the SBTi, setting science-based targets and GHG accounting?**

Please refer to the [most up to date resources](#) available from the Science Based Targets Initiative. Key relevant resources are:

- The [step by step process for setting a target](#)
- SBTi Corporate Manual
- SBTi Corporate Net-Zero Standard
- [Financial Sector Science-Based Targets Guidance](#)
- Specific [sector resources](#)

### **Where can I find resources related to science-based targets scoring in CDP's 2022 Climate Change Questionnaire?**

See questions C4.1a, C4.1b and C4.2c in the resources below:

[CDP's climate change questionnaire and reporting guidance](#)  
[CDP's climate change scoring methodology](#)

### **Why is CDP using information outside of the questionnaire (i.e., taking into consideration companies that have passed the SBTi target validation) for scoring?**

CDP considers the Science Based Targets initiative as the authority on setting and assessing targets in line with climate science. Scoring of CDP's climate change questionnaire will account for companies who have had targets approved by the initiative before [the CDP scoring deadline](#). Targets that have not been validated by the SBTi will still be evaluated via the CDP scoring route and can still qualify for target Leadership points (see [CDP's climate change scoring methodology](#) for more details).

### **Why do the criteria to earn Leadership points through the SBTi and the CDP route differ?**

CDP aims to minimize the reporting burden on companies, in part by reducing changes to the questionnaire from year to year. At the same time, CDP must collect enough information to assess the appropriateness of thousands of company targets. The questions in the CDP climate change questionnaire balance the dynamics of these two contrasting principles. As a result, CDP is unable to collect the type and amount of information necessary to determine if a target is science-based. This reflects a difference in the applications of best practices rather than the principles behind the best practices themselves.

### **Why don't intensity targets qualify for CDP leadership through the information provided in the CDP questionnaire?**

Intensity targets approved by the SBTi will be eligible for Leadership points (see [CDP's climate change scoring methodology](#) for more details). Due to the complexities of assessing the ambition and appropriateness of intensity targets, intensity targets which have not been validated by the SBTi will not be eligible for CDP Leadership points.

### **Are Scope 3 targets assessed for Leadership points via the CDP route?**

Yes, please refer to the [CDP 2022 climate change scoring methodology](#) for C4.1a and C4.1b for more details.

### **I am a company with significant revenue from fossil fuel activities. Can my targets be validated as science-based? Am I eligible for Leadership points in the targets section of CDP's climate change questionnaire?**

There are currently no sector-specific approved pathways to determine if the Scope 3 targets of these sectors are science based. Oil & gas companies with exploration and production activities cannot be officially approved by the SBTi (please see the [SBTi fossil fuel policy](#)). In C4.1a/C4.1b,

they should select the most appropriate ‘No...’ option in the “Is this a science-based target?” column. Companies in these sectors and all other sectors can still qualify for Leadership points via the CDP route by having science-based Scope 1 and 2 targets (see section 3.1 of this technical note).

**Are targets that qualify for leadership through the CDP questionnaire but haven’t passed the SBTi official validation considered science-based targets?**

CDP only considers companies whose targets have been formally assessed through the SBTi official target validation as science-based.

**Are combined scopes acceptable to obtain leadership points? For example, a combined Scope target where there is a 30% absolute emissions reduction applied to Scopes 1+2 combined from 2010 to 2030, the 30% reduction can come from Scope 1 and/or 2 and there is no individual target for each scope.**

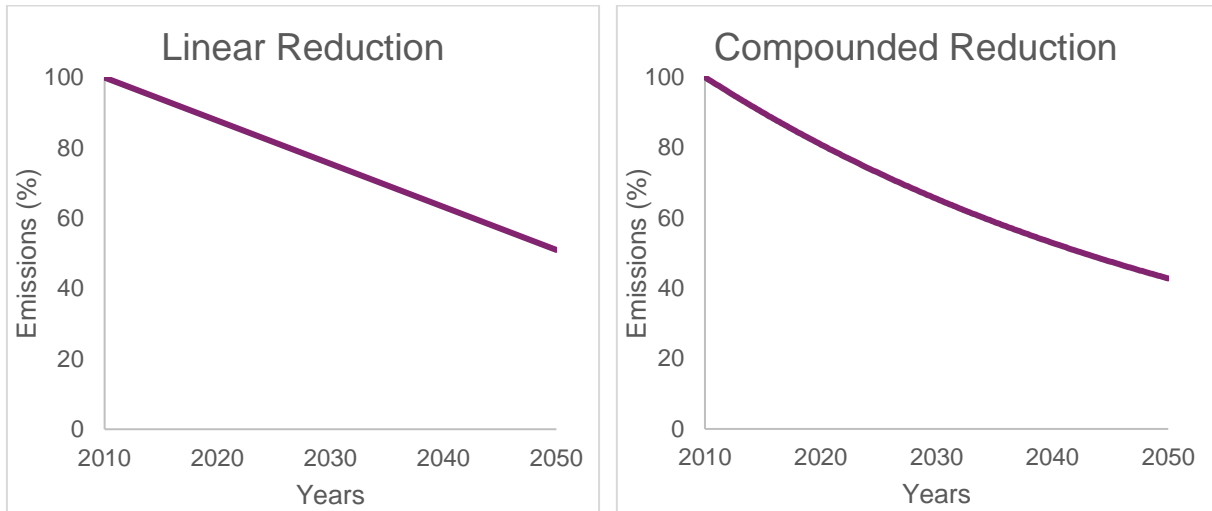
Combined Scope target (e.g., Scopes 1 + 2, Scopes 1, 2, + 3) are acceptable for both routes. For the CDP questionnaire route, the 4.2%, 2.1% or 1.23% absolute linear reduction must apply to each Scope if the targets communicate the Scopes separately. For combined targets, the 4.2%, 2.1% or 1.23% absolute linear reduction applies to both Scopes combined.

**Why does the CDP route ambition criterion require at least a 4.2% absolute emissions linear reduction to achieve full Leadership points?**

The CDP route at Leadership requires a linear absolute emissions reduction of 4.2% to align with SBTi guidelines on ‘1.5°C’ alignment. There are partial points available for a 2.1% reduction and 1.23% reduction in line with a ‘Well below 2°C’ and ‘2°C’ alignments respectively.

## 5 Appendix

### 5.1 Linear vs. Compounded Reductions



The SBTi assumes a linear emission reduction trajectory from the base to the target year when assessing companies against Absolute Contraction Approach. The methods employed to determine the minimum ambition thresholds are detailed in the SBTi's [Foundations of Science-based Target Setting](#). In order to determine a science-based reduction rate, a scenario envelope is constructed and the full range of slopes for a representative target-setting timespan, specified as 2020-2035, is considered valid. The minimum annual linear reduction rates aligned with 1.5°C is 4.2%.

When the SBTi uses the Absolute Contraction Approach to assess the target's level of ambition, it is sufficient if:

$$\frac{\text{Company \% reduction}}{(\text{target year} - \text{base year})} \geq 4.2\%$$

Note that the SBTi has specific requirements for certain sectors in terms of ambition. More detailed information can be found in the [sector-specific guidance](#) on the SBTi website.