Science-based targets (SBTs)
Systematic approach for companies and financial institutions (FI) to calculate how much and how quickly they must reduce their greenhouse gas (GHG) emissions in the near- and long-term to limit global temperature rise to 1.5°C, in line with climate science.

The SBTi’s Corporate Net-Zero Standard
The world’s first framework for corporates to set SBTs consistent with reaching net-zero by 2050 (Net-Zero Standard for FIs under development).

SBTI STEP-BY-STEP PROCESS
1. **Commit**
   - Submit a letter establishing your intent to set an SBT
2. **Develop**
   - Model your emissions reduction target in line with the SBTi criteria
3. **Submit**
   - Send your target to the SBTi for official validation
4. **Communicate**
   - Announce your target and inform your stakeholders
5. **Disclose**
   - Report annually company-wide emissions and progress against targets

BUSINESS DRIVERS TO SET TARGETS AND SEEK SBTI APPROVAL
- **Address stakeholder expectation**
  - E.g.: increased sustainability of business model
- **Increase competitiveness**
  - E.g.: minimize energy and emissions-related costs
- **Anticipate regulatory, policy and market development**
  - E.g.: mitigate transition risks
- **Seize opportunities behind the low-carbon transition**
  - E.g.: develop low-carbon products/services

CDP Climate Change questionnaire
C4.1a: absolute target
C4.1b: intensity target
C-FS4.1d: portfolio targets for Financial Institutions
C4.2a: renewable energy target
C4.2b: supplier & customer engagement target
C4.2c: net-zero target

Produced by the CDP Reporter Services program
Become a member to receive further insights and support to your journey towards environmental leadership.
The Net-Zero Standard

KEY ELEMENTS OF THE NET-ZERO STANDARD

1. Setting near-term SBTs to abate emissions within value chain by half by 2030
2. Setting a long-term SBT to abate emissions within value chain by 90% or more by 2050
3. Ideally, taking action to reduce emissions beyond value chain (SBTi Beyond Value Chain Mitigation FAQ)
4. Once long-term SBTs are achieved, neutralizing residual emissions through permanent removal and storage of carbon from atmosphere

CONSIDERATIONS FOR SETTING TARGETS*

*Full list of criteria:
- For near-term targets
- For long-term targets

**Boundary**
Coverage of your emissions inventory

**Ambition**
Ambition level in terms of limiting temperature rise

**Method**
Eligible methods to set your targets

<table>
<thead>
<tr>
<th>NEAR-TERM SBT (5-10 years)</th>
<th>LONG-TERM SBT (2050 at the latest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1+2: at least 95%</td>
<td>Scope 1+2: at least 95%</td>
</tr>
<tr>
<td>Scope 3: at least 67%</td>
<td>Scope 3: at least 90%</td>
</tr>
<tr>
<td>Scope 1+2: 1.5°C</td>
<td>Scope 1+2: 1.5°C</td>
</tr>
<tr>
<td>Scope 3: Well-below 2°C</td>
<td>Scope 1+2+3: 1.5°C</td>
</tr>
</tbody>
</table>

Absolute contraction
Physical intensity convergence
Renewable electricity

*Economic intensity
*Physical intensity contraction
*Supplier or customer engagement (only near-term targets)

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Start on the right foot to set your targets

**Are you a parent company (non-subsidiary)?**
- No
- Yes

- No: The SBTi recommends that companies submit targets only at parent- or group-level.
- Yes: Submit targets through the dedicated route for SMEs using the Target Setting Form.

**Are you an independent non-subsidiary with <500 employees?**
- No
- Yes

- No: Submit targets through the dedicated route for SMEs using the Target Setting Form.
- Yes: Follow the SBTi Guidance for Financial Institutions.

**Are you a Financial Institution?**
- No
- Yes

- No: Submit targets through the dedicated route for SMEs using the Target Setting Form.
- Yes: Follow the SBTi Guidance for Financial Institutions.

**Have you set a near-term SBT?**
- No
- Yes

- No: Submit targets through the dedicated route for SMEs using the Target Setting Form.
- Yes: Check the Net-Zero Getting Started Guide to see if your current near-term SBTs are aligned with criteria (following the Net-Zero Standard). If you wish to commit to net-zero and your current near-term SBT does not meet the Net-Zero criteria, complete the SBTi Near-Term Target Update Form.

**Does your company have significant Forestry, Land and Agriculture (FLAG) emissions?**
- No
- Yes

- No: Submit targets through the dedicated route for SMEs using the Target Setting Form.
- Yes: Emissions from FLAG follow a separate emissions mitigation pathway that includes both reductions and removals. They must be disaggregated within the GHG inventory to set separate FLAG-specific SBTs. See GHG Protocol Carbon Removals and Land Sector Initiative and SBTi FLAG guidance.

**Does your inventory include offsets, avoided emissions, bioenergy or optional scope 3 categories?**
- No
- Yes

- No: Submit targets through the dedicated route for SMEs using the Target Setting Form.
- Yes: Offsets, avoided emissions, bioenergy and optional scope 3 categories should be reported separately from the annual GHG inventory and do not count towards emission reductions.

**Do you have a full GHG emissions inventory across scope 1, 2 and 3 emissions?**
- No
- Yes

- No: Submit targets through the dedicated route for SMEs using the Target Setting Form.
- Yes: Complete a company-wide inventory of:
  - scope 1 and 2 emissions, as defined by the GHG Protocol Corporate Standard and Scope 2 Guidance.
  - scope 3 emissions screening for all emissions sources as set out as the minimum boundary of each scope 3 category per the GHG Protocol Scope 3 Guidance, Scope 3 Evaluator, and CDP Supply Chain Program as resources.

- All relevant scope 3 sources must be calculated before submitting targets to the SBTI.

**Model near-term SBTs**
- Refer to the SBTi Corporate Manual and SBTi Criteria. For a comprehensive process overview, see also the SBTi How-to Guide.

**Model long-term Net-Zero SBTs**
- Refer to the Net-Zero Getting Started Guide.