

# Overview on the Science-Based Targets initiative (SBTi)

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# THE SCIENCE BASED TARGETS INITIATIVE (SBTi)



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



As of 18 May 2023

Partner Organizations:



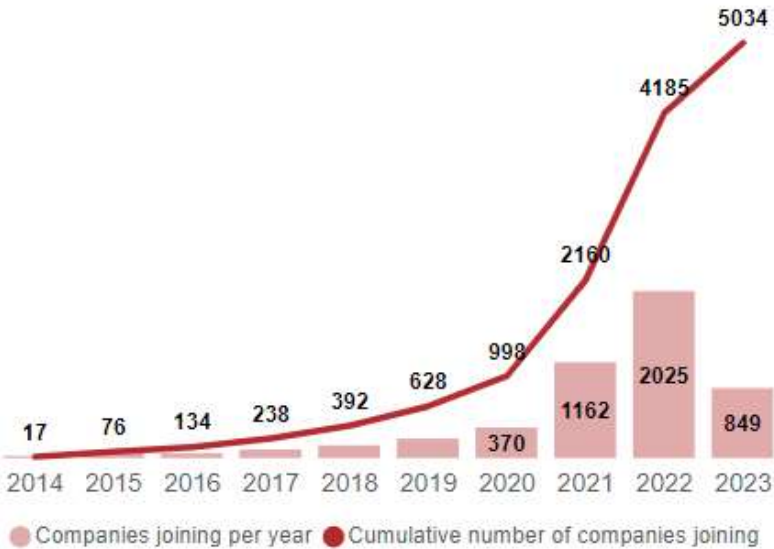
United Nations  
Global Compact



WORLD  
RESOURCES  
INSTITUTE



In collaboration with



[www.sciencebasedtargets.org](http://www.sciencebasedtargets.org) | [@sciencetargets](https://twitter.com/sciencetargets)

# SBTi BUSINESS CASE: BENEFITS FOR COMPANIES

ALIGNING TO CLIMATE SCIENCE IS GOOD FOR BUSINESS



## BUSINESS CASE

ADDRESS STAKEHOLDER EXPECTATIONS  
i.e: long term sustainability of business model

INCREASE COMPETITIVENESS  
i.e: minimize energy and emissions-related costs

ANTICIPATE REGULATORY, POLICY AND MARKET DEVELOPMENT  
i.e: mitigate transition risks

SEIZE OPPORTUNITIES BEHIND THE LOW - CARBON TRANSITION  
i.e: low - carbon products/services

# The Transition Planning Journey

The key challenge faced by organizations lies in planning the transition i.e., moving from environmental disclosure & target setting towards impacting the atmosphere.

## The transition roadmap and elements



CDP's system will move the emphasis of our work up this spectrum for climate and then move the journey forward for nature.

# SBTI AND SBTS ARE THE GO-TO FOR IDENTIFYING MARKERS OF BEST PRACTICE



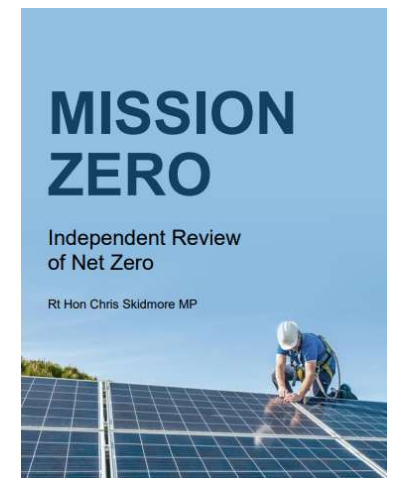
UN High Level Expert Group Report



“Our recommendations ***build on credible existing initiatives like Race to Zero and the Science Based Targets initiative.*** We have set tight definitions for what it means to be net zero and net zero-aligned. We make it clear that non-state actors require not only long-term pledges but also short-term science-based targets as well as detailed transition plans showing immediate emissions reductions and capital expenditures aligned with these targets and their net zero pathway.”

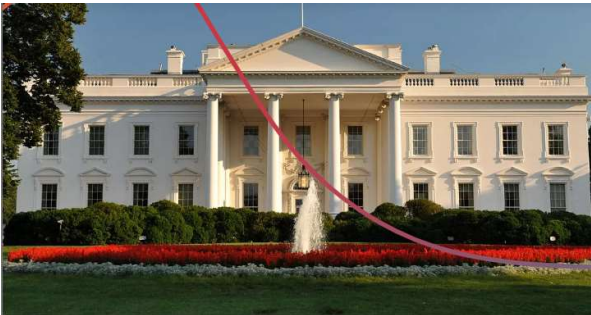
Independent Review on Net Zero chaired by Rt Hon Chris Skidmore

The review itself recommends that the UK Government consider the adoption of a 'Net Zero Charter Mark' for businesses and states that ‘...*to be granted the Net Zero Charter Mark, they have to be compliant with or ahead of key standards – such as publishing their climate-related financial disclosures, publishing a transition plan with key milestones and progressing against those, and using reliable metrics and data – such as science-based targets*’



# PROGRESS IN GOVERNMENTAL PUSH

## Public procurement in the US and global Net-Zero Government Initiative



US Government - the world's largest purchaser - takes a bold step to align supply chain with SBTi

[Source](#)



COMPANIES · GOVERNMENT

Norway to Require State-Owned Companies to Set Science-Based Climate Targets

Emily Shain | October 25, 2022

[Source](#)

NOVEMBER 17, 2022

### CEQ Launches Global Net-Zero Government Initiative, Announces 18 Countries Joining U.S. to Slash Emissions from Government Operations

CEQ · NEWS & UPDATES · PRESS RELEASES

At the 2022 United Nations Climate Change Conference of the Parties (COP27), the United States launched the Net-Zero Government Initiative, inviting governments to lead by example and achieve net-zero emissions from national government operations by no later than 2050. During a COP27 event with partner nations, Council on Environmental Quality Chair Brenda Mallory and U.S. Special Presidential Envoy for Climate John Kerry announced that 18 countries have joined the United States in this new Initiative.

Countries joining the United States in committing to net-zero government emissions include: Australia, Austria, Belgium, Canada, Cyprus, Finland, France, Germany, Ireland, Israel, Japan, Korea, Lithuania, Netherlands, New Zealand, Singapore, Switzerland, and the United Kingdom.

[Source](#)

### New York City Pension Funds Adopt Implementation Plan to Achieve Net Zero Investment Portfolio By 2040

April 5, 2023

The New York City Employees' and Teachers' Retirement Systems Voted to Approve Emissions Disclosure (Scopes 1, 2 & 3), Interim Reduction Targets, Corporate and Investment Manager Engagement Strategies, Climate Solutions Investments, And Continued Phase Out of Fossil Fuels

[Source](#)



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



**CDP**<sup>™</sup>

**DISCLOSURE INSIGHT ACTION**

# SBTi TARGET SETTING STEPS



# HOW TO GET STARTED

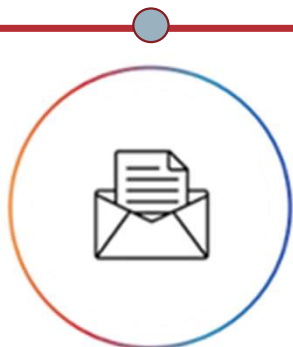
## JOINING THE SBTi



DAY 1

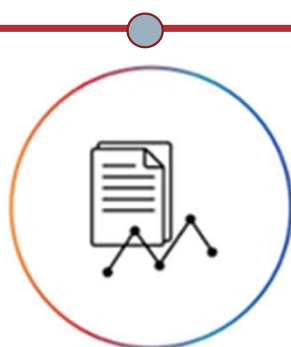
24 MONTHS

AFTER  
APPROVAL



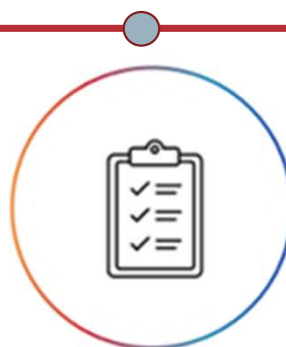
COMMIT

Company submits a letter establishing its intent to set a science-based target



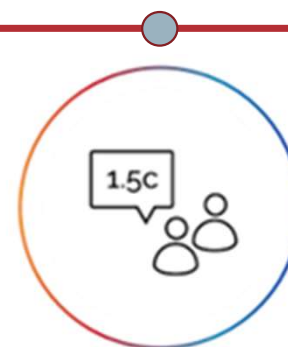
DEVELOP

Company works on an emissions reduction target in line with the SBTi criteria



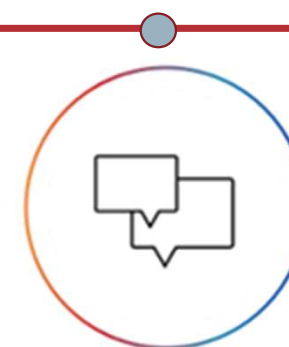
SUBMIT

Company presents the target to the **SBTi for official validation**



COMMUNICATE

Company announces the target and inform stakeholders



DISCLOSE

Company report its wide emissions and progress against targets on an annual basis

\*Process for large companies. SBTi offers a streamlined route for SMEs.



# COMMITTING TO SBTi

## STEP ONE: SIGN COMMITMENT LETTER



→ Submit a signed copy of the SBTi commitment letter, thereby signalling intention to submit a near-term target for validation within 24 months

→ Companies can choose to also commit to setting a Net-Zero target

In addition, to align with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature - to reach net-zero global emissions by 2050 at the latest in order to limit global warming to 1.5°C - my company is committing to:

☐ **Set net-zero targets, including a long-term science-based target:** My company commits to set long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050 in line with the [SBTi Net-Zero Standard](#) and submit it for SBTi validation within a maximum of 24 months. By committing to set a net-zero target, I also acknowledge that my company will join the Race to Zero campaign.<sup>3,4,5</sup>

→ Companies which make a Net-Zero commitment automatically enter the UNFCCC Race to Zero (RTZ)



# SME TARGET-SETTING ROUTE

- The SBTi has developed an exclusive route for SMEs
- SMEs are defined as a non-subsidary, independent company with **fewer than 500 employees**
- This route enables SMEs to bypass the regular target validation process and to **immediately** set a science-based target for **scope 1 and 2**;
- SMEs must choose one of the **predefined options** available in the SME Target Setting Form;
- SBTi **does not validate** SME's scope 3 targets;
- SMEs must communicate their targets and **publicly disclose their emissions** inventory and progress against targets on an annual basis.

[FAQs for SMEs](#)



## Predefined options in the SME Target Setting Form

"Our company commits to reduce absolute scope 1 and scope 2 GHG emissions \_\_\_\_% by 2030 from a 20\_\_ base year, and to measure and reduce its scope 3 emissions." \*

- ☐ 50% from a 2018 base year
- ☐ 46% from a 2019 base year
- ☐ 42% from a 2020 base year
- ☐ 42% from a 2021 base year
- ☐ 42% from a 2022 base year

The image shows a screenshot of the SBTi Target Validation Application for Small and Medium-Sized Enterprises (SMEs) form. The top section features a header image of wind turbines at sunset with the SBTi logo and the text "SCIENCE BASED TARGETS" and "DEFINING AMBITIOUS CORPORATE CLIMATE ACTION". Below the header, the title "SBTi Target Validation Application for Small and Medium-Sized Enterprises (SMEs)" is displayed, followed by the subtitle "Near-term and net-zero SME validation process". The main content area is titled "WELCOME PAGE" and includes a welcome message: "Welcome to the SBTi target validation application for Small and Medium-Sized Enterprises (SMEs).". It then states: "This form allows organizations to:" followed by a bulleted list of steps: "Confirm their eligibility for this streamlined process.", "Select their desired approved target-setting option(s) in line with SBTi requirements.", "Provide payment information.", and "Submit completed package to the SBTi for final screening and review before approval.". The bottom section is titled "Introduction" and states: "The Science Based Targets (SBTi) is a collaboration between CDP, the United Nations Global Compact (UN Global Compact), World Resources Institute (WRI), and the World".

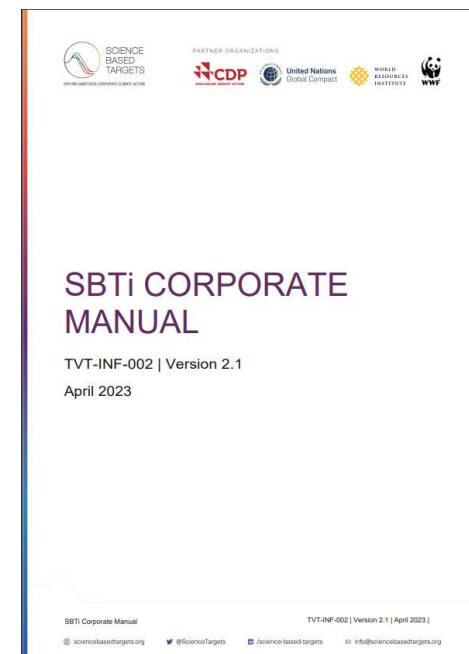
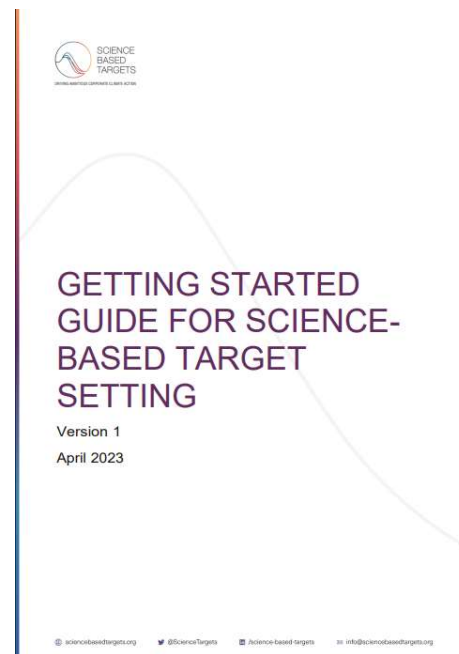
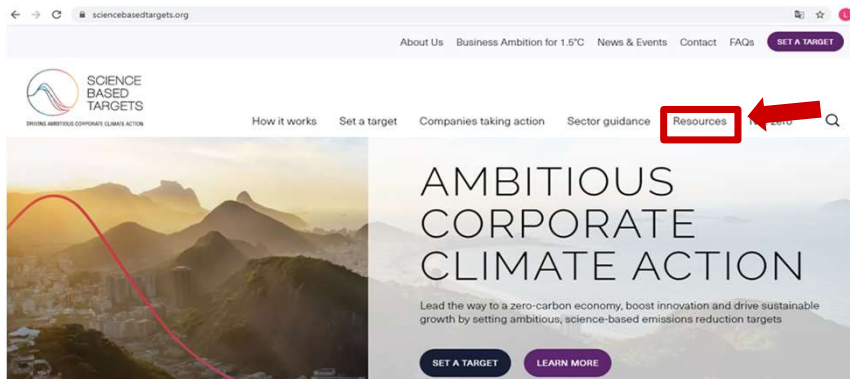
SME Target Setting Form available [here](#).

# HOW TO SET A TARGET

## STEP 2: DEVELOP THE TARGET | KEY RESOURCES



1. Access the initiative's website:  
[www.sciencebasedtargets.org](http://www.sciencebasedtargets.org)
2. On the main menu, click on  
*"Resources"*



See summary of recently updated resources on [this blog post](#)

# HOW TO SET A TARGET

## DEVELOP THE TARGET | SCOPE 1 & 2 TARGET SETTING APPROACHES

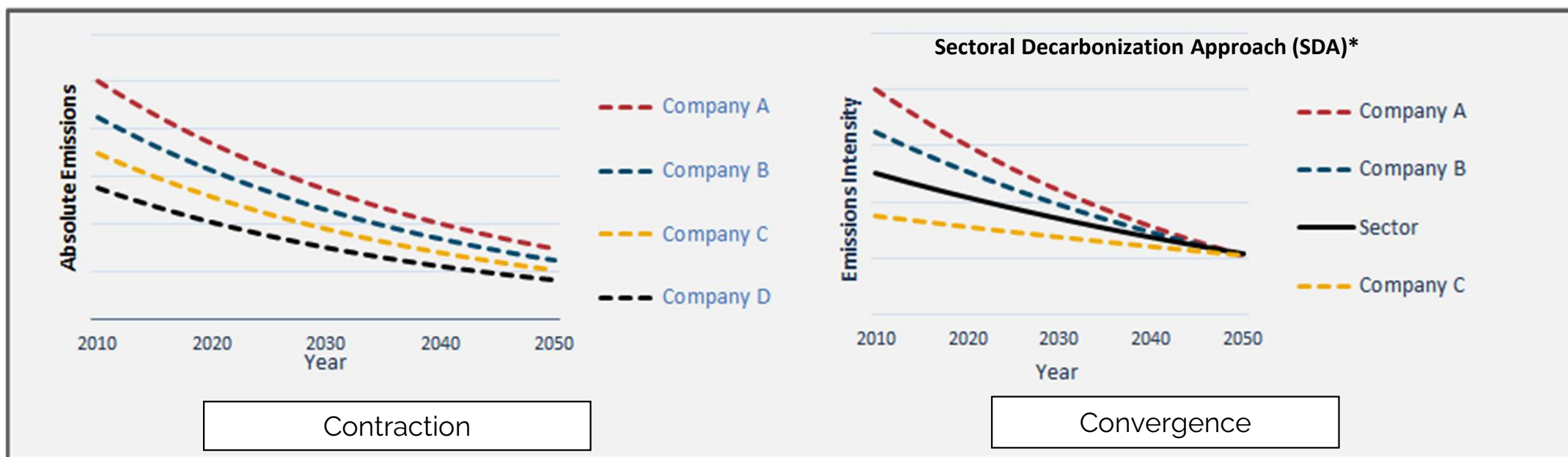


### Absolute-based approach

- All sectors (except power gen)
- Equal % of reduction
- IPCC carbon budgets scenarios

### Sector-based approach

- Homogeneous sectors
- Different % of reduction
- Sectoral carbon budgets (e.g. IEA)



\*Developed by the SBTi

# HOW TO SET NEAR-TERM TARGETS

## STEP 2: DEVELOP THE TARGET | CRITERIA OVERVIEW (V5)



- **Level of ambition (Scope 1+2):** At a minimum – consistent with the level of decarbonization required to keep temperature increase to 1.5°C.



- **Progress:** Both the target timeframe ambition (base year to target year) and the forward-looking ambition (most recent year to target year) must meet the ambition criteria.



- **Boundary:** All company-wide Scope 1 and 2 GHG emissions (> 95%);

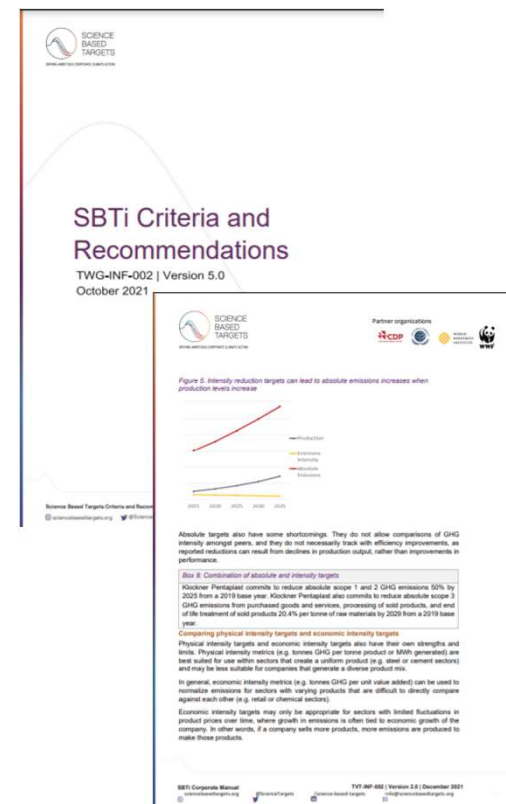
- **Timeframe:** 5-10 years into the future;



- **Reporting:** Disclose GHG emissions inventory on an annual basis.



- **Scope 3:** A Scope 3 screening is required. An ambitious Scope 3 target is required when Scope 3 emissions cover < 40% of total emissions.



This slide represents a summary and not a comprehensive overview. Please refer to the [SBTi website](https://sciencebasedtargets.org/) for the full criteria and recommendations



# SBTi SCOPE 3 NEAR-TERM TARGET OVERVIEW



Acknowledging challenges of data availability and lack of direct influence, the SBTi allows for greater flexibility on scope 3 target setting when compared with scopes 1 & 2:



- **Scope 3:** A Scope 3 screening is required and an ambitious, measurable Scope 3 target is required when Scope 3 emissions cover more than 40% of total emissions



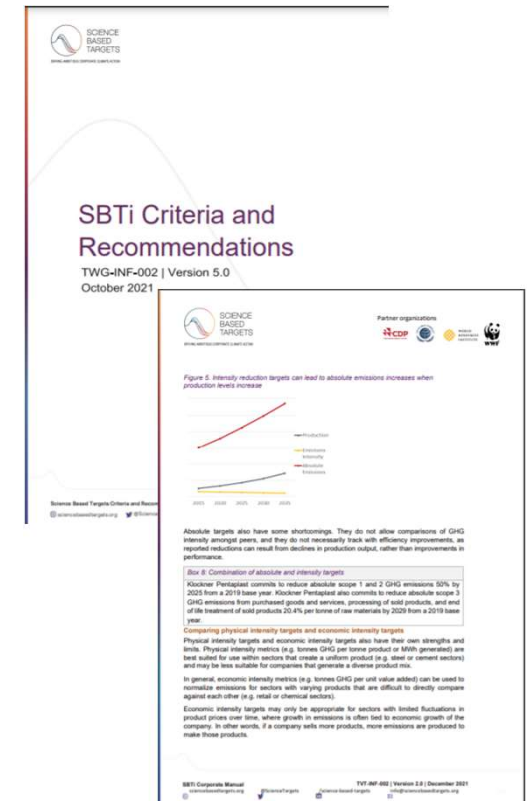
- **Boundary:** Companies must set one or more targets that collectively cover at least 2/3 of scope 3 emissions.



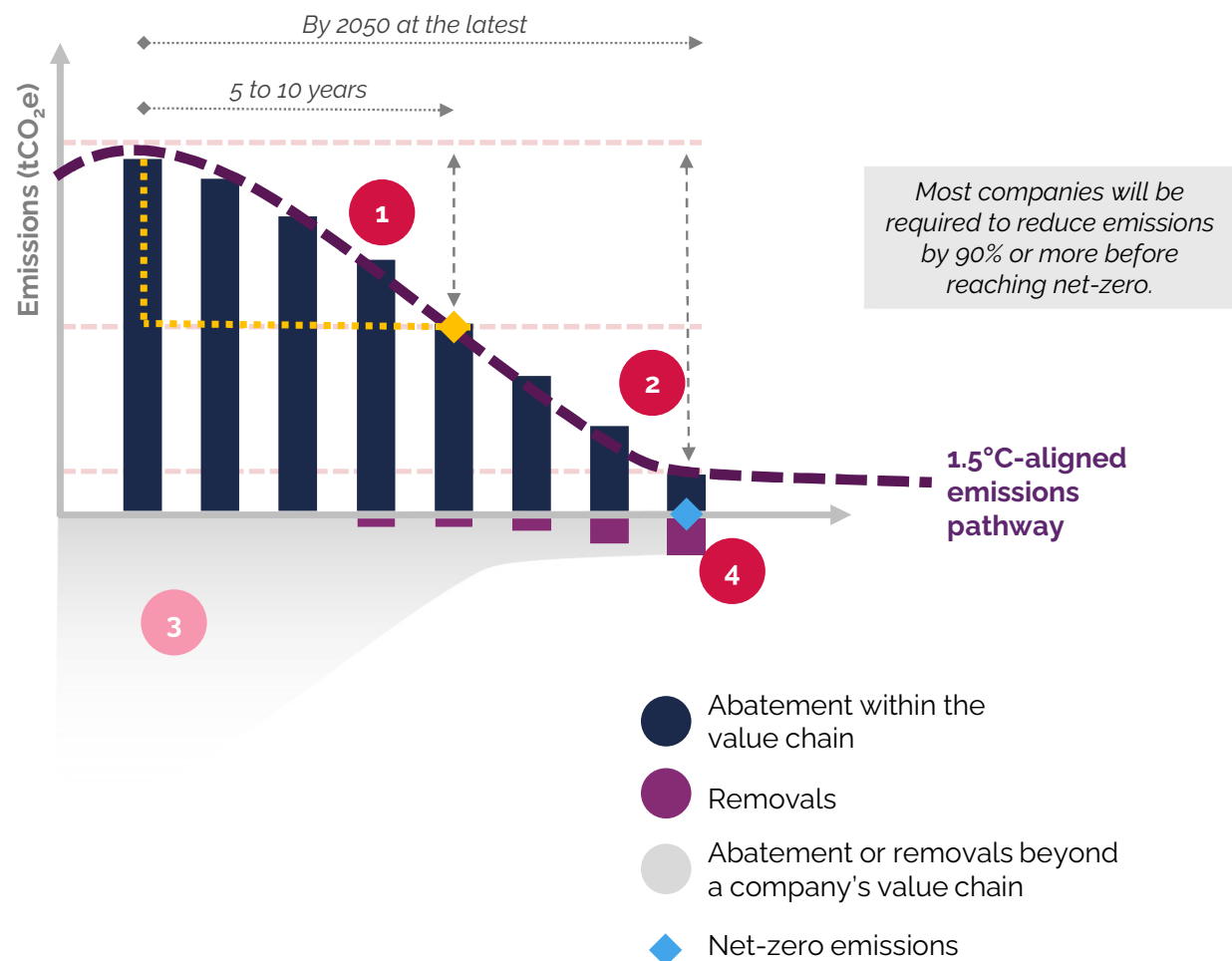
- **Timeline:** 5-10 years into the future; from date target is submitted to SBTi for official validation



- **Ambition:**
  - Minimum level of ambition: well-below 2°C
  - Various target-setting methods for scope 3
  - Multiple methods can be used and combined.



# KEY ELEMENTS THAT MAKE UP THE NET ZERO TARGETS



- 1 To set near-term science-based targets:**  
5-10 year emission reduction targets in line with 1.5°C pathways
- 2 To set long-term science-based targets:**  
Target to reduce emissions to a residual level in line with 1.5°C scenarios by no later than 2050
- Beyond value chain mitigation:**  
In the transition to net-zero, companies should take action to mitigate emissions beyond their value chains. For example, purchasing high-quality, jurisdictional REDD+ credits or investing in direct air capture (DAC) and geologic storage
- 3**
- Neutralization of residual emissions:**  
GHGs released into the atmosphere when the company has achieved their long-term SBT must be counterbalanced through the permanent removal and storage of carbon from the atmosphere
- 4**

● Required ● Recommended



# KEY CRITERIA FOR SETTING NEAR-AND LONG-TERM SBTS



			Scope 1 and 2			Scope 3			
Near-term science-based targets	Target boundary		95% coverage of scopes 1 & 2			If scope 3 >40% of total emissions: boundary to cover minimum 67% of scope 3			
	Target year		5-10 years from date of submission (except maritime)			5 - 10 years from date of submission			
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and min. ambition	<ul style="list-style-type: none"> <li>Minimum of 4.2% linear annual reduction (LAR) dependant on base year.</li> <li>Exception: FLAG pathway is 3.03% LAR</li> </ul>	<ul style="list-style-type: none"> <li>Depends on sector and company inputs</li> </ul>	<ul style="list-style-type: none"> <li>80% RE by 2025</li> <li>100% RE by 2030</li> </ul>	<ul style="list-style-type: none"> <li>2.5% LAR</li> </ul>	<ul style="list-style-type: none"> <li>Depends on sector and company inputs (SDA)</li> </ul>	<ul style="list-style-type: none"> <li>e.g. 80% of suppliers by emissions by 2025</li> </ul>	<ul style="list-style-type: none"> <li>7% year-on-year (both options)</li> </ul>
Long-term and net-zero science-based targets	Target boundary		95% coverage of scopes 1 & 2			90% coverage of scope 3			
	Target year		2050 or sooner (2040 for the power sector and maritime)			2050 or sooner			
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and minimum ambition	<ul style="list-style-type: none"> <li>90% reduction (cross-sector pathway)</li> <li>72% reduction for FLAG</li> <li>Other sector pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>Sector /commodity pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>100% RE</li> </ul>	<ul style="list-style-type: none"> <li>90% reduction (cross-sector pathway)</li> <li>72% reduction for FLAG</li> <li>Other sector pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>Sector/ commodity pathways vary</li> </ul>	<ul style="list-style-type: none"> <li>Methods are not eligible for long-term SBTs</li> </ul>	<ul style="list-style-type: none"> <li>97% reduction (both options)</li> </ul>

Table from the [Getting Started Guide](#)

Not eligible

1.5°C ambition

Well below 2°C ambition

# SBTi SECTOR DEVELOPMENT WORK



## Aviation

- ▼ SDA being updated to 1.5°C
- ▼ [SBTi's Aviation webpage](#)



## FLAG (Forest, Land Use, and Agriculture)

- ▼ SDA (finalized and required\*)
- ▼ [SBTi's FLAG webpage](#)



## Buildings

- ▼ SDA under development for buildings' in-use and embodied emissions
- ▼ [SBTi's Buildings webpage](#)



## Maritime

- ▼ SDA available for 1.5°C alignment
- ▼ [Guidance and tool](#) available



## Cement

- ▼ SDA available for 1.5°C alignment
- ▼ [SBTi's Cement webpage](#)



## Power Generation

- ▼ SDA available for 1.5°C alignment
- ▼ [SBTi's Power Sector webpage](#)



## Chemicals

- ▼ Sub-sector SDA pathways and guidance being developed for high-impact chemicals
- ▼ [SBTi's Chemicals webpage](#)



## Steel

- ▼ SDA being updated to 1.5°C
- ▼ [SBTi's Steel webpage](#)



## Financial Institutions

- Framework available for banks, investors, insurance companies, pension funds and others to set 1.5C-aligned near-term targets covering lending and investment activities
- ▼ [SBTi's Financial Institutions webpage](#)



## Transport & Transport OEMs

- SDA needs to be updated to 1.5°C but project timeline is not yet defined
- ▼ [SBTi's Transport webpage](#)

*In addition to specific Sector Decarbonization Approaches (SDAs), the SBTi offers sector specific guidance for Aluminum, Apparel & Footwear, and Information & Communication Technology*

# HOW TO SET A TARGET

## STEP 2: DEVELOP THE TARGET | SBTi TOOL



### Science-based Target Setting Tool

Version: Version 1.2.1

Support: [info@sciencebasedtargets.org](mailto:info@sciencebasedtargets.org)

#### Section 1. Input data

Target setting method	<div><div></div><div>Select method</div></div>
SDA scenario	<div><div>Sectoral Decarbonization Approach</div><div>Absolute Contraction Approach</div><div>Select SDA scenario</div></div>
SDA sector	<div><div></div><div></div><div></div></div>
Base year	<div><div></div><div>Dropdown</div></div>
Target year	<div><div></div><div>Dropdown</div></div>
Projected output measure	<div><div></div></div>
Base year output	<div><div></div></div>
Target year output	<div><div></div></div>
Scope 1 emissions	<div><div></div><div>tCO<sub>2</sub>e</div></div>
Scope 2 emissions	<div><div></div><div>tCO<sub>2</sub>e</div></div>

Available SDA sectors in the tool: Power, Services - Buildings, Residential - Buildings, and Cement

# HOW TO SET A TARGET

## STEP 2: DEVELOP THE TARGET | SBTi & OTHER TOOLS



Type of tool	Purpose	Where
SBTi Target Setting Tool	Summary of accepted SBTi target setting methods including SDA and Scope 3 methods	Resources section on SBTi website
SBTi Transportation Tool	Transportation related organizations such as OEMs – <b>Currently being updated</b>	Resource section on SBTi website and Transportation Sector page
SBTi Maritime Tool SBTi Aviation Tool	Specific for Maritime and Aviation industries	Available for download on respective webpages on SBTi website
SBTi Net Zero Tool	To demonstrate how companies can set Net Zero targets (long term), to be updated for including near term targets	Net Zero and Resources pages of the SBTi website
SBTi FLAG Tool	To enable companies in the forest, land and agriculture sector to develop appropriate science-based emissions reductions targets.	Resource section on SBTi website and FLAG Sector page
SBTi Financial Institutions Tool	For Temperature Scoring and Portfolio Coverage	Resources section and Financial Institutions guidance page
GHG Protocol Scope 3 Evaluator Tool	To perform Scope 3 screening if a company doesn't have specific data	Resources section on SBTi website and GHGP website

# HOW TO SET A TARGET

## STEP 3: SUBMIT AND BOOK A VALIDATION SLOT



### The SBTi target-validation booking system:

- ▼ For both near-term and net-zero corporate targets, FLAG targets as well as FI near-term target submissions
- ▼ Via the system, companies upload completed target submission forms;
- ▼ Book a date in queue for target validation;
- ▼ Provide billing information
- ▼ Save a draft and return later

A screenshot of the SBTi Target Validation Booking System web interface. The top header features a banner image of wind turbines at sunset with the 'SCIENCE BASED TARGETS' logo and the tagline 'DRIVING AMBITIOUS CORPORATE CLIMATE ACTION'. Below the banner, the page title is 'SBTi Target Validation Booking System' with a subtitle 'Near-term and net-zero company and financial institution validations'. A language dropdown menu is set to 'English (US)'. The main content area is titled 'Validation service selection' and contains a question: 'What kind of target(s) are you submitting for validation? \*'. Below this question are eight radio button options for selecting the type of target(s) to be validated.

English (US) ▾

### SBTi Target Validation Booking System

Near-term and net-zero company and financial institution validations

Welcome to the SBTi target validation booking system

This form allows eligible organizations to:

- Upload their submission
- Confirm their submission
- Provide payment information
- Reserve a date for their validation

## Validation service selection

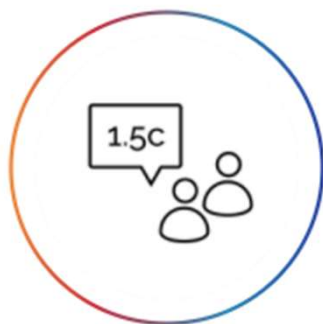
What kind of target(s) are you submitting for validation? \*

- ☐ New Near-Term targets
- ☐ Updated existing Near-Term targets
- ☐ New Near-Term targets AND Net-Zero targets
- ☐ Updated existing Near-Term targets AND Net-Zero targets (this option should be selected by companies seeking net-zero validation that have to update near-term targets to align with net-zero prerequisites)
- ☐ Only Net-Zero targets (this option is only available for companies that already have SBTi approved near-term targets in place that meet all prerequisites for net-zero validation OR are setting net-zero targets within a 5-10 year timeframe)
- ☐ Near-Term targets AND FLAG targets
- ☐ Near-Term targets AND Net-Zero targets AND FLAG targets
- ☐ Financial Institutions: Setting new or updated existing near-term targets



# HOW TO SET A TARGET

## STEPS 4 AND 5: COMMUNICATE AND DISCLOSE



COMMUNICATE



DISCLOSE



Once approved, companies **must** communicate their targets.

Committed and approved companies are listed on the We Mean Business website; on SBTi Target Dashboard, target status and approved target descriptions are specified as well.

Companies **must** publicly disclose their emissions inventory and progress against their targets on an annual basis.

Recommendations include annual reports, sustainability reports, the company's website, and/or disclosure through CDP's annual questionnaire.

[See SBTi Communications Guidelines](#)

# HOW TO SET A TARGET

## STEPS 4 AND 5: COMMUNICATE AND DISCLOSE



### Highlights:

- ▼ Detail on target elements to disclose
- ▼ More clarity on target progress reporting
- ▼ Changes that affect targets
- ▼ Worked examples
- ▼ Climate transition plan reporting

Note on MRV: SBTi Progress Framework is currently being developed; survey and roundtables have been conducted. Follow more updates [on this page](#)



<b>STEP 5: DISCLOSE YOUR PROGRESS</b> .....	
Decide where to disclose .....	
Follow guiding reporting principles .....	
Reporting guidance .....	
Worked example of how companies can report target progress .....	
1. Target description .....	
2. Target progress .....	
3. Substantial emission variations and changes in target.....	
4. Actions towards meeting SBTs .....	
5. GHG emissions inventory .....	

Read more in the SBTi [Corporate Manual](#)



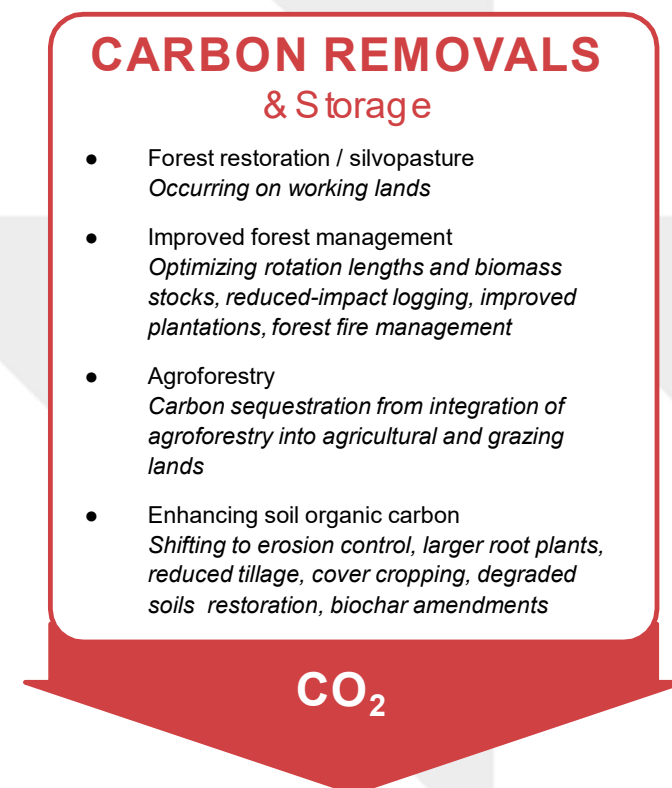
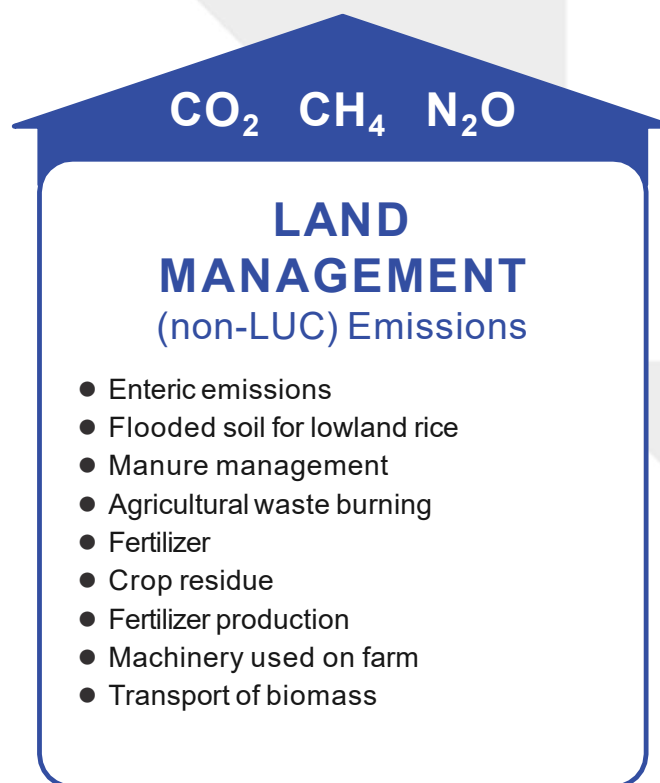
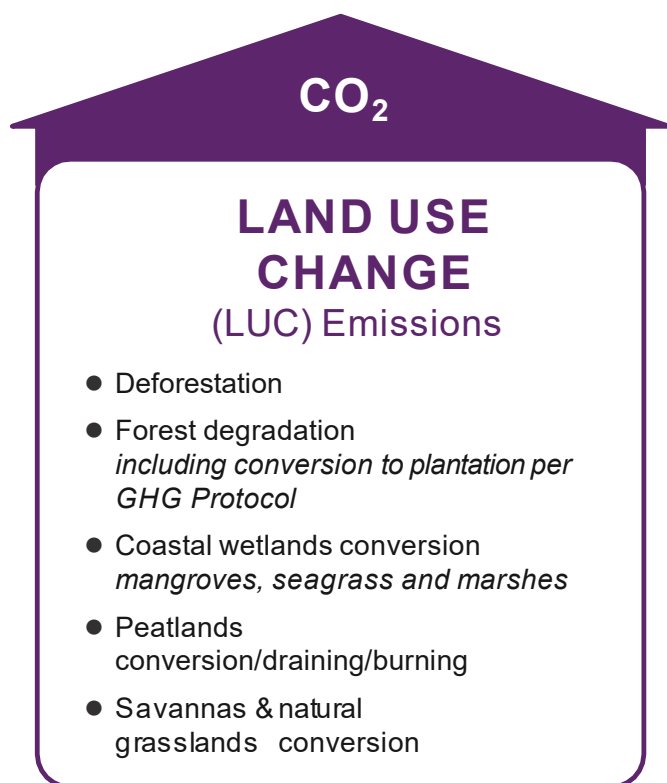
# FLAG TARGET SETTING TIMELINES AND PROCESS



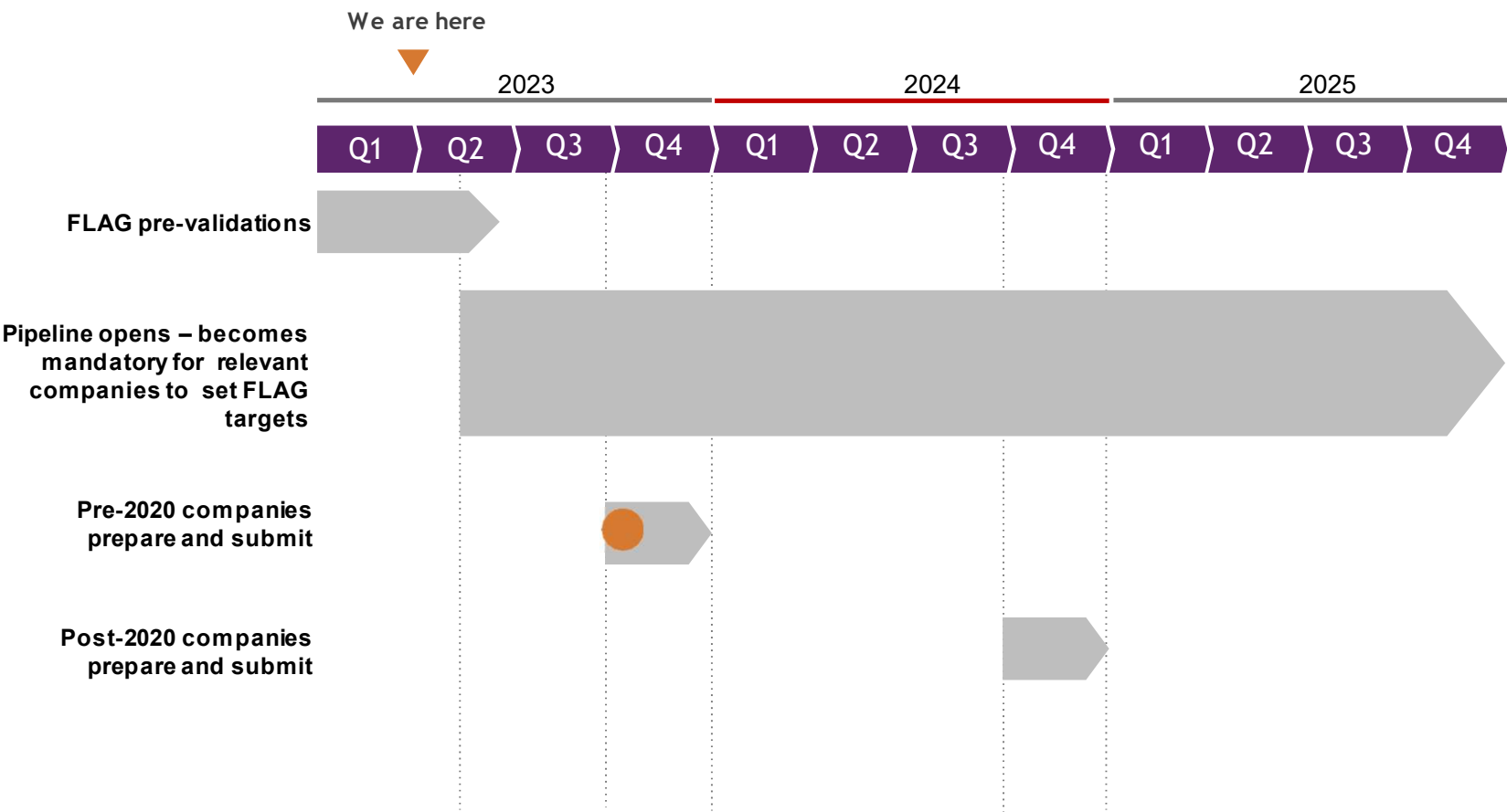
SCIENCE  
BASED  
TARGETS

# NEW DEVELOPMENT: FLAG TARGETS

Forests, Land and Agriculture (FLAG) emissions and removals categories consistent with GHG Protocol Land & Removals Guidance



# SBTi FLAG VALIDATIONS TIMELINE



Final version of GHG Protocol Land Sector Guidance to be released in late 2023. Before this, companies can set FLAG targets based on the [draft guidance](#)

**WHO must set a FLAG science-based target?**

A) The following SBTi sectors must set a FLAG target:

- Forest & Paper Products – Forestry, Timber, Pulp & Paper, Rubber
- Food Production – Agricultural Production
- Food Production – Animal Source
- Food & Beverage Processing
- Food & Staples Retailing
- Tobacco

B) Companies in other SBTi sectors must set a FLAG target if they have FLAG-related emissions totaling 20% or more of the company's overall emissions across scopes 1, 2 and 3.

This criteria do not apply to companies with fewer than 500 employees. Instead, Small and Medium-Sized Enterprise (SMEs) must submit their targets through the dedicated route for [SMEs](#).

## Companies with existing SBTs

Approved on or before  
December 31, 2019

Must submit a FLAG target  
before December 31, 2023.

Approved on or after  
January 1, 2020

Must submit a FLAG target  
before December 31, 2024.

Companies anticipating  
target recalculation for any  
reason from April 2023  
onward are required to  
include FLAG targets.

# SBTi TARGET STRUCTURE & OPTIONS

## STRUCTURE

FLAG targets are **in addition to** energy/industry targets.



### Energy/Industry Target

- Uses existing SBTi methods.
- Covers all non-land emissions.



### FLAG Target

- Uses new SBTi FLAG Guidance.
- Covers all land-related emissions.

## OPTIONS

Two pathways have been defined for FLAG.

### FLAG Sector Pathway for Demand-Side Actors



Forestry



Agriculture



Livestock



Demand

### Commodity Intensity Pathway for Supply-Side Actors

#### 11 Commodities

Beef	Timber	Maize
Dairy	Rice	Wheat
Pork	Soy	Leather
Poultry	Palm Oil	

×

#### 26 Regions



# FLAG DATA REQUESTS

## Target Submission Form

Data reporting

Data requests

Target setting differences

Additional data requests

ALL companies report FLAG data separately

Gross FLAG emissions data

Companies setting a FLAG target

Set a separate FLAG target  
*including FLAG emissions and removals*  
&  
a no-deforestation commitment

Companies NOT setting a FLAG target

Include all FLAG emissions in the non-FLAG target  
*without removals*

- FLAG data per commodity, and per region
- Disaggregated emissions and removals data per commodity

# TARGET FORMULATION



Energy/industrial near-term target(s)

*[Company] commits to reduce **scope 1 and 2 GHG emissions** 42% by 2030 from a 2020 base year. [Company] also commits to reduce **scope 3 GHG emissions** 25% within the same timeframe.*

FLAG near-term target(s)

*[Company] further commits to reduce **scope 1 and 3 FLAG GHG emissions** 30.3% within the same timeframe\*. Finally, [company] commits to **no deforestation** across its primary deforestation-linked commodities with a target date of FY2025.*

*\*Target includes FLAG emissions and removals.*

**Net-zero submission** (must have approved near-term science-based targets to be eligible for net-zero validation)

Energy/industrial long-term target(s)

*[Company] commits to reduce **scope 1, 2 and 3 GHG emissions** 90% by 2050 from a 2020 base year.*

FLAG long-term target(s)

*[Company] also commits to reduce **scope 1 and 3 FLAG GHG emissions** 72% within the same timeframe\*.*

*\*Target includes FLAG emissions and removals.*

# THE UPDATED TARGET VALIDATION FORM



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[See blog post on new validation forms and other updates](#)

## 2.5. Forest, Land and Agriculture (FLAG) questions

2.5 GHG INVENTORY FLAG QUESTIONS	SUBMISSION FORM GUIDANCE
<p><b>2.5.1. Does your inventory (scope 1 or 3) include direct emissions from Land Use change (dLUC)?</b></p> <p>See Table 5 of the FLAG Guidance on GHG emissions &amp; removals covered in the FLAG Pathways.</p>	<p><input type="checkbox"/> Yes. Please describe*: _____</p> <p><input type="checkbox"/> No. If not, explain: _____</p> <p>*Please specify the amount of gross emissions associated with land use change (LUC) and a description of those emissions occurring within your company's value chain.</p> <p>The SBTi does require that direct Land Use Change (dLUC) be quantified and included in the GHG inventory and target boundary, consistent with GHG Protocol guidance (FLAG-C5). dLUC may be estimated from changes in carbon stocks (i.e., in biomass, dead organic matter and soil carbon pools) over an assessment period (i.e., 20 years or harvest cycle/ rotation period if greater than 20 years) associated with previous/converted land (e.g., grassland; forest land, pasture) and the land use after conversion (e.g., soya, palm oil, etc.) (IPCC, 2006).</p> <p>For consistency with the GHG Protocol Land Sector and Removals Guidance, companies must allocate emissions from land use change over 20 years, or an appropriate longer period, (using linear discounting) following the land use change event.</p>
<p><b>2.5.2. Does your inventory include indirect emissions from Land Use change (iLUC)?</b></p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The SBTi recommends but does not require companies to include iLUC in target calculations.</p>
<p><b>2.5.3. Does your inventory (Scope 1 or 3) include land management emissions?</b></p> <p>See Table 5 of the FLAG Guidance on GHG emissions &amp; removals covered in the FLAG Pathways. Note that companies should include all emissions associated with land management in their inventories, following GHG Protocol Land Sector and Removals Guidance.</p>	<p><input type="checkbox"/> Yes. Please describe*: _____</p> <p><input type="checkbox"/> No. If not, explain: _____</p> <p>Please specify the amount of gross emissions associated with land management and provide a list of land management emissions included in your company's GHG inventory.</p> <p>Companies are required to account for land management emissions (alongside LUC CO2 emissions) and include them in their target boundary (FLAG-C5).</p> <p>Land management emissions include all land-related emissions excluding those related to land use change. They constitute all net biogenic CO2 emissions related to land management impacts within a given land use, as well as other anthropogenic GHGs from management of agriculture systems: organic and inorganic inputs or outputs from agriculture that release significant amounts of N2O and CH4 to the atmosphere (see FLAG Guidance Table 5).</p>
<p><b>2.5.4. Does your inventory include biogenic removals?</b></p> <p>See Table 5 of the FLAG Guidance on GHG emissions &amp; removals covered in the FLAG Pathways.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please specify the amount of gross removals associated and a description of removals included in your company's GHG inventory: _____</p> <p>SBTi FLAG addresses removals in coordination with the GHG Protocol Land Sector and Removals Guidance with particular attention to in-scope removals for land intensive sectors, and does not include removals that are not part of a FLAG target or</p>



## VARIOUS VALIDATION OPTIONS, DOCUMENTS AND TOOLS REQUIRED



WHICH TARGETS ARE YOU SETTING?	PRICING INFORMATION	DOCUMENTS TO SUBMIT	TOOLS TO SUBMIT
Near-term target update + FLAG target	$\$4,750 + \$7,500 = \$12,250$	<ul style="list-style-type: none"> <li><a href="#">Near-Term Target Update Submission Form</a></li> <li><a href="#">FLAG Annex</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">SBTi Target-Setting Tool</a></li> <li><a href="#">SBTi FLAG Target-Setting Tool</a></li> </ul>
Near-term target update + Net-zero + FLAG targets	$\$12,750 + \$7,500 = \$20,250$	<ul style="list-style-type: none"> <li><a href="#">Near-Term Target Update Submission Form</a></li> <li><a href="#">FLAG Annex</a></li> <li><a href="#">Net-Zero Submission Form Part I</a></li> <li><a href="#">Net-Zero Submission Form Part II</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">SBTi Target-Setting Tool</a></li> <li><a href="#">SBTi FLAG Target-Setting Tool</a></li> <li><a href="#">SBTi Net-Zero Tool</a></li> </ul>
Near-term + FLAG targets	$\$9,500 + \$7,500 = \$17,000$	<ul style="list-style-type: none"> <li><a href="#">Near-Term Target Submission Form</a></li> <li><a href="#">FLAG Annex</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">SBTi Target-Setting Tool</a></li> <li><a href="#">SBTi FLAG Target-Setting Tool</a></li> </ul>
Near-term + Net-zero + FLAG targets	$\$14,500 + \$7,500 = \$22,000$	<ul style="list-style-type: none"> <li><a href="#">Near-Term Target Submission Form</a></li> <li><a href="#">FLAG Annex</a></li> <li><a href="#">Net-Zero Submission Form Part I</a></li> <li><a href="#">Net-Zero Submission Form Part II</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">SBTi Target-Setting Tool</a></li> <li><a href="#">SBTi FLAG Target-Setting Tool</a></li> <li><a href="#">SBTi Net-Zero Tool</a></li> </ul>

# USEFUL RESOURCES

- Consult the SBTi [resources webpage](#) for up-to-date tools and guidance materials
- [Getting Started Guide](#) – concise guide for navigating first steps
- [April Resource update](#) – check which guidance documents have recently been refreshed
- Weekly-updated list of [companies taking action](#)
- Sign up to [SBTi mailing list](#) for the latest events and news
- Got a question? Check out SBTi's [FAQ page](#)



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



DISCLOSURE INSIGHT ACTION



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