



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# SBTi CORPORATE NET-ZERO STANDARD CRITERIA

Version 1.2

March 2024

## ABOUT SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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The SBTi reserves the right to revise this document according to a set revision schedule or as advisable to reflect the most recent emissions scenarios, regulatory, legal or scientific developments, and GHG accounting best practices.

“Science Based Targets initiative” and “SBTi” refer to the Science Based Targets initiative, a private company registered in England number 14960097 and registered as a UK Charity number 1205768.

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## VERSION HISTORY

Version	Update description	Release date	Effective dates
<b>1.0 SBTi Corporate Net-Zero Standard Criteria</b>		28 October 2021	28 October 2021 to 10 April 2023
<b>1.1 SBTi Corporate Net-Zero Standard Criteria</b>	Non-substantive revision. For a detailed list of revisions made in V1.1, please refer to Annex I of the <a href="#">Main Changes document</a> for V1.2 of the Corporate Net-Zero Standard.	11 April 2023	From 11 April 2023 to 12 March 2024
<b>1.2 SBTi Corporate Net-Zero Standard Criteria</b>	Non-substantive revision. Relevant elements of the Target Validation Protocol and Corporate Manual (both retired) have been consolidated into this version of the Corporate Net-Zero Standard criteria. For a detailed list of revisions made in V1.2 of the SBTi Corporate Net-Zero Criteria, please refer to Table 1 of the <a href="#">Main Changes document</a> for V1.2 of the Corporate Net-Zero Standard.	13 March 2024	From 13 March 2024

# CONTENTS

<b>DISCLAIMER.....</b>	<b>3</b>
<b>CONTENTS.....</b>	<b>5</b>
<b>INTRODUCTION.....</b>	<b>6</b>
Terminology.....	6
Effective dates of updated criteria.....	7
<b>CRITERIA AND RECOMMENDATIONS FOR NEAR-TERM AND NET-ZERO TARGETS....</b>	<b>7</b>
General criteria.....	7
Target boundary.....	7
Organizational boundary.....	7
GHG coverage.....	7
Scope coverage.....	7
Emissions coverage.....	8
Method validity (near and long-term targets).....	8
Emissions accounting requirements.....	9
Net-zero target formulation.....	10
Net-zero definition.....	10
Structure.....	10
Timeframe.....	10
Ambition.....	11
Scope 1 and 2 (near- and long-term targets).....	11
Scope 3 (near- and long-term targets).....	11
Combined targets (near- and long-term targets).....	12
Renewable electricity targets (near- and long-term targets).....	12
Beyond value chain mitigation.....	13
Neutralization.....	13
Target formulation.....	14
Reporting, recalculation and target validity.....	14
Reporting.....	14
Recalculation and target validity.....	14
Sector-specific guidance.....	15
Fossil fuel sales, distribution, and other business.....	15
<b>SECTOR-SPECIFIC REQUIREMENTS.....</b>	<b>16</b>

# INTRODUCTION

The SBTi Corporate Net-Zero Standard Criteria was developed through extensive stakeholder consultation, in collaboration with the Net-Zero Expert Advisory Group. It includes all criteria that must be met for net-zero target(s) to be validated by the Science Based Targets initiative (SBTi) as well as recommendations which are important for transparency and best practice. It is important to note that criteria and recommendations are subject to change and may be updated.

Although this document contains all criteria for setting near-term science-based targets, companies should refer to the [Corporate Near-Term Criteria V5.2](#) if they wish to set science-based near-term targets only.

These criteria apply to companies not classified as financial institutions or small and medium-sized enterprises (SMEs). Financial institutions must set targets using the [Financial Sector Science-based Targets Guidance](#). SMEs may use the [SME validation route](#) or the regular validation route to set targets.

Companies must also follow the [GHG Protocol Corporate Standard](#), [Scope 2 Guidance](#), and [Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).

The SBTi Corporate Net-Zero Standard Criteria V1.2 should be read in conjunction with the [Corporate Net-Zero Standard V1.2](#), which includes informative guidance on near-term and net-zero targets, the [Procedure for Validation of SBTi Targets](#), which describes the underlying process followed to assess targets, the [Criteria Assessment Indicators](#) for near-term and net-zero targets that detail the indicators used to determine conformance and non-conformance with criteria, and the [SBTi Glossary](#), which lists the terms, definitions, and acronyms used in this document.

## Terminology

This document explains the criteria, which are requirements that companies must follow, and recommendations, which companies should follow, to align with the Corporate Net-Zero Standard. Unless otherwise stated (including specific sections), all criteria apply to scopes 1, 2, and 3.

This document 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 Corporate Net-Zero Standard.
- 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 in the guidance 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.

**The letter “C” preceding a number indicates a criterion and the letter “R” preceding a number indicates a recommendation.**

## Effective dates of updated criteria

The Corporate Net-Zero Standard Criteria version 1.2 will be in effect as of 13 March, 2024. Revised criteria and recommendations are marked with an asterisk (\*).

# CRITERIA AND RECOMMENDATIONS FOR NEAR-TERM AND NET-ZERO TARGETS

## General criteria

### Target boundary

#### Organizational boundary

**\*C1 – Organizational boundary:** Companies should submit targets only at the parent- or group level, not the subsidiary level. Parent companies shall include the emissions of all subsidiaries in their target submission, in accordance with the boundary criteria.<sup>1</sup> In cases where both parent companies and subsidiaries submit targets, the parent company's target must also include the emissions of the subsidiary if it falls within the parent company's emissions boundary given the chosen inventory consolidation approach.<sup>2, 3</sup>

**\*R1 – Setting organizational boundaries:** The SBTi strongly recommends that a company's organizational boundary, as defined by the GHG Protocol Corporate Standard, is consistent with the organizational boundary used in the company's financial accounting and reporting procedures. Companies should use the same organizational boundary year-on-year. If a company's organizational boundary changes, they should refer to C33 of this standard.

#### GHG coverage

**\*C2 – Greenhouse gasses:** The targets shall cover all relevant emissions of the seven GHGs required by the GHG Protocol Corporate Standard.<sup>4</sup>

#### Scope coverage

**\*C3 – Scope 1 and scope 2:** The targets shall cover company-wide scope 1 and scope 2 emissions, as defined by the GHG Protocol Corporate Standard.<sup>5</sup>

**\*C4 – Scope 3:** If a company's relevant scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions, they shall be included in near-term science-based targets. All companies involved in the sale or distribution of natural gas and/or other fossil fuels shall set separate scope 3 targets for the use of sold products, irrespective of the share of these emissions

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<sup>1</sup> \* As outlined in C2 to C7.

<sup>2</sup> \* Brands, licensees, and/or specific regions or business divisions of a company will not be accepted as separate targets, unless they fall outside of a parent company's chosen consolidation approach.

<sup>3</sup> \* Companies must integrate emissions from their structural changes into their GHG inventory within a reasonable timeframe.

<sup>4</sup> The seven GHGs are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

<sup>5</sup> \* GHG accounting that is not proven to adhere to the GHG Protocol accounting standard and the SBTi criteria assessment indicators will not be accepted by the SBTi.

compared to total scope 1, 2, and 3 emissions of the company. All companies shall include emissions from all relevant scope 3 categories in long-term science-based targets.

### Emissions coverage

**\*C5 – Scope 1, 2, and 3 allowable exclusions:** Companies shall not exclude more than 5% of total combined scope 1 and scope 2 emissions from either the boundary of the GHG inventory or the target boundary.<sup>6, 7</sup> Companies shall not exclude more than 5% of emissions from their total scope 3 GHG inventory.<sup>8</sup> Scope 3 target boundary requirements are outlined in C6 and C7.

**\*C6 – Scope 3 emissions coverage for near-term targets:** Companies shall set one or more emission reduction near-term targets and/or supplier or customer engagement targets that collectively cover(s) at least 67% of total reported and excluded scope 3 emissions considering the minimum boundary of each scope 3 category in conformance with the [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).<sup>9</sup>

**\*C7 – Scope 3 emissions coverage for long-term targets:** The boundary of long-term science-based targets shall cover at least 90% of total scope 3 emissions considering the minimum boundary of each category in conformance with the [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#). Exclusions in the GHG inventory and target boundary shall not exceed 10% of total scope 3 emissions.

**\*R2 – Targets covering optional scope 3 emissions:** Targets to reduce scope 3 emissions that fall outside the minimum boundary of scope 3 categories are not required but are nevertheless encouraged when these emissions are significant. Companies may cover these emissions with a scope 3 target, but such targets cannot count towards the thresholds defined in C6 and C7 for scope 3 emissions (i.e., these targets are in addition to the company's required scope 3 targets). For a definition of optional emissions for each scope 3 category, please see Table 5.4 (page 34) of the [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).

### Method validity (near and long-term targets)

**C8 – Method validity:** Targets must be modeled using the latest version of methods and tools approved by the SBTi. Targets modeled using previous versions of the tools or methods may only be submitted to the SBTi for validation within 6 months of the publication of the revised method or sector-specific tools.

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<sup>6</sup> \* The total targeted scope 1 and 2 emissions shall be greater than or equal to 95% of total (reported + excluded) scope 1 and 2 emissions. This means that a company shall not exclude 5% from the inventory boundary and then also exclude a further 5% from the target boundary.

<sup>7</sup> Where a company's scope 1 or 2 emissions are deemed immaterial (i.e., under 5% of total combined scope 1 and 2 emissions), companies may set their SBT solely on the scope (either scope 1 or scope 2) that covers more than 95% of the total scope 1 and 2 emissions. The company shall continue to report on both scopes and adjust their targets as needed, according to the GHG Protocol's principle of completeness, and as per C32 and C33.

<sup>8</sup> The SBTi does not recognize emissions perceived to be "negligible" as a rationale for not reporting them. Even if emissions from certain activities or operations are perceived to be negligible, these emissions still must be quantified and reported in the reporting company's GHG inventory or disclosed as an exclusion.

<sup>9</sup> \* GHG accounting that is not proven to adhere to the GHG Protocol minimum boundaries and the SBTi criteria assessment indicators will not be accepted by the SBTi.

## Emissions accounting requirements

**C9 – Scope 2 accounting approach:** Companies shall disclose whether they are using a location- or market-based accounting approach as per the [GHG Protocol Scope 2 Guidance](#) to calculate base year emissions and to track performance against a science-based target. The GHG Protocol requires measuring and reporting scope 2 emissions using both approaches. However, a single and consistent approach must be used for setting and tracking progress toward a SBT (e.g., using location-based approach for both target setting and progress tracking).

**\*C10 – Scope 3 inventory:** Companies shall complete a scope 3 inventory covering gross scope 3 emissions for all its relevant emissions sources according to the [GHG Protocol Corporate Value Chain \(Scope 3\) Accounting and Reporting Standard](#).<sup>10, 11</sup>

**\*C11 – Bioenergy accounting:** CO<sub>2</sub> emissions from the combustion, processing and distribution phase of bioenergy – as well as the land-based emissions and removals associated with bioenergy feedstocks – shall be reported alongside a company’s GHG inventory.<sup>12</sup> Furthermore, these emissions shall be included in the target boundary when setting a science-based target (in scopes 1, 2 and/or 3, as required) and when reporting progress against that target.<sup>13</sup>

Land-based emissions accounting shall include CO<sub>2</sub> emissions from direct land use change (LUC) and non-LUC emissions, inclusive of N<sub>2</sub>O and CH<sub>4</sub> emissions from land use management. Including emissions associated with indirect LUC is optional.

Companies are expected to adhere to any additional GHG Protocol Guidance on bioenergy accounting when released to maintain conformity with C11.

**C12 – Carbon credits:** The use of carbon credits must not be counted as emission reductions toward the progress of companies’ near-term or long-term science-based targets. Carbon credits may only be considered as an option for neutralizing residual emissions (see C28) or to finance additional climate mitigation beyond their science-based emission reduction targets (see R9).

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<sup>10</sup> \* To determine relevance of scope 3 activities for inclusion in the target boundary, companies will be assessed against minimum boundary in Table 5.4 and using the criteria in Table 6.1 of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Please note that, although beyond the minimum boundary, all transport-related emissions across all sectors must be reported on a well-to-wheel (WTW) basis in companies’ GHG inventories (well-to-wake for aviation and maritime transport). All use-phase emissions from third-party distributed fossil fuels must be reported in scope 3 category 11 for all companies engaged in this type of distribution activity.

<sup>11</sup> \* Companies may use the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard for the Financial Industry to calculate financed emissions. However, emissions beyond the minimum requirements of the Greenhouse Gas Protocol for Scope 3 Category 15 Investments as per Table 5.9 (page 52) of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard shall not count towards the mandatory boundary for scope 3 targets (see C6 and C7). Companies may, however, set optional targets on these emissions (see R2).

<sup>12</sup> \* Negative emissions due to biogenic removals shall not be accounted for in a company’s target formulation or as progress towards science-based targets. In addition, removals that are not directly associated with bioenergy feedstock production are not accepted to count as progress towards science-based targets or to net emissions in a company’s GHG inventory.

<sup>13</sup> \* Please note that companies that use/produce or have bioenergy within their value chain or intend to account for bioenergy as a decarbonization lever over the lifetime of their target must include the following bioenergy footnote in their target language: “\*The target boundary includes land-related emissions and removals from bioenergy feedstocks”.

**C13 – Avoided emissions:** Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward near-term or long-term science-based emission reduction targets.

**R3 – Biofuel certification:** The SBTi recommends that companies using or producing biofuels for transport should support their bioenergy GHG accounting with recognized biofuels certification(s) to disclose that the data on land-related emissions and removals represents the relevant biofuel feedstock production.

**R4 – Bioenergy data reporting:** The SBTi recommends that companies report direct biogenic CO<sub>2</sub> emissions and removals from bioenergy separately. Emissions and CO<sub>2</sub> removals associated with bioenergy shall be reported as net emissions, according to C11, at a minimum. However, companies are encouraged to report gross emissions and gross removals from bioenergy feedstocks.

## Net-zero target formulation

### Net-zero definition

**C14 – State of net-zero emissions:** Companies shall set one or more targets to reach a state of net-zero emissions, which involves: (a) reducing scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and (b) neutralizing any residual emissions at the net-zero target date – and any GHG emissions released into the atmosphere thereafter.

### Structure

**\*C15 – Net-zero target structure:** Companies shall set both near-term and long-term science-based emission reduction targets according to the requirements outlined in this standard. If a company sets a near-term target that meets long-term target requirements, the target shall be accompanied by a long-term target that, at a minimum, maintains the same level of emissions thereafter.

### Timeframe

**\*C16 – Base year:** The base year shall be no earlier than 2015. The company shall use the same base year for its long-term science-based targets as its near-term science-based targets. Scope 1 and scope 2 targets shall use the same base year.<sup>14</sup> The SBTi does not accept multi-year average base years, unless this is specified in the sector guidance relevant to the company.

**C17 – Target year(s):** Absolute and intensity-based emission reduction near-term 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.<sup>15</sup> Long-term targets shall have a target year no later than 2050. For companies in sectors that reach net-zero before 2050 (e.g., power generation), long-term science-based targets covering relevant activities must have a target year no later than the sector's year of net-zero in eligible 1.5°C pathways.

<sup>14</sup> \* Scope 3 targets are recommended but not required to use the same base year as scope 1 and scope 2 targets. Base years across different scope 3 targets must be the same.

<sup>15</sup> \* For targets submitted for validation in the first half of 2024 (until June, 30), valid target years are 2028-2033 inclusive. For targets submitted in the second half of 2024 (from July, 1), valid target years are between 2029 and 2034 inclusive.

\*C18 – Progress to date: The minimum forward-looking ambition of near-term targets covering scope 1 and/or scope 2 emissions is consistent with reaching net-zero by 2050 at the latest, assuming a linear absolute reduction, linear intensity reduction, or intensity convergence between the most recent year and 2050 (not increasing absolute emissions or intensity).<sup>16, 17</sup>

R5 – Consistency: It is recommended that companies use the same base years for all near-term targets.

## Ambition

### Scope 1 and 2 (near- and long-term targets)

\*C19 – Level of ambition for scope 1 and 2 targets: At a minimum, scope 1 and scope 2 targets shall be consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. This applies to both near-term and long-term targets.<sup>18</sup>

C20 – Absolute targets: Absolute reduction targets for scope 1 and scope 2 are eligible when they are at least as ambitious as the minimum of the approved range of emissions scenarios consistent with the 1.5°C goal or aligned with the relevant 1.5°C sector-specific absolute pathway (long-term targets only).

\*C21 – Intensity targets: 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.

### Scope 3 (near- and long-term targets)

\*C22 – Level of ambition for scope 3 emissions reductions targets: At a minimum, near-term scope 3 targets (covering total required scope 3 emissions or individual scope 3 categories) shall 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. For long-term scope 3 targets, this minimum ambition is increased to 1.5°C.<sup>19</sup>

\*C23 – Supplier or customer engagement targets: Near-term targets to drive the adoption of science-based emission reduction targets by their corporate suppliers and/or customers shall meet the following requirements:

<sup>16</sup> \* The most recent year used for scope 1 and scope 2 emissions shall be the same year. The most recent year used for scope 3 emissions is recommended to be the same year as scope 1 and scope 2.

<sup>17</sup> \* Companies shall provide all the relevant GHG inventory data including a most recent year GHG inventory. For submissions in 2024, the most recent inventory shall be no earlier than 2022 i.e. allowable most recent years are 2022 and 2023. Companies should also note that using proxy data (i.e., applying one reporting year's data to another reporting year) is not permitted. For example, a company may not apply base year emissions to the most recent year.

<sup>18</sup> \* When a company uses fiscal years in its GHG accounting, the SBTi assesses minimum ambition based on the calendar year (CY) where the majority of the months occur. E.g. FY2022 with a date range of April 2021 - March 2022 it would be assessed as CY2021. In the case where a FY is evenly split across a CY (i.e., a FY ends on June, 30), ambition is assessed using the later year in the date range. This approach is applicable to all targets.

<sup>19</sup> \* When a company uses fiscal years in its GHG accounting, the SBTi assesses minimum ambition based on the calendar year (CY) where the majority of the months occur. E.g. FY2022 with a date range of April 2021 - March 2022 it would be assessed as CY2021. In the case where a FY is evenly split across a CY (i.e., a FY ends on June, 30), ambition is assessed using the later year in the date range. This approach is applicable to all targets.

- **Boundary:** Companies may set engagement targets across upstream or downstream scope 3 categories.
- **Formulation:** Companies shall provide information in the target language on what percentage of emissions from relevant upstream and/or downstream categories is covered by the engagement target or, if that information is not available, what percentage of annual procurement spend is covered by the target.<sup>20</sup>
- **Timeframe:** Engagement targets shall be fulfilled within a maximum of 5 years from the date the company's target is submitted to the SBTi for validation.<sup>21</sup>
- **Ambition level:** The company's suppliers/customers shall have science-based emission reduction targets in line with the latest version of the SBTi Corporate Near-term Criteria.

**C24 – Absolute targets (scope 3):** Absolute targets for scope 3 are eligible when they are at least as ambitious as the minimum of the approved range of emissions scenarios consistent with the well-below 2°C goal (near-term targets), the 1.5°C goal (long-term targets), or aligned with the relevant 1.5°C sector-specific absolute pathway (long-term targets only).

**C25 – Intensity targets (scope 3):** Intensity targets for scope 3 are eligible when they are modeled using an approved sector-specific physical intensity pathway where applicable to companies' business activities or using eligible physical intensity or economic intensity approaches. This applies to both near-term and long-term targets. Intensity targets on upstream scope 3 categories must reflect both supply-side and demand-side mitigation levers, where specified by sector-specific guidance.

**\*R6 – Supplier engagement:** Companies should recommend that their suppliers use the SBTi guidance and tools available to set science-based targets. SBTi validation of supplier science-based targets is recommended but not required.

#### Combined targets (near- and long-term targets)

**\*C26 – Combined scope targets:** Targets combining scopes (e.g., 1+2, or 1+2+3) are permitted if the SBTi can review the ambition of the individual target components and confirm each meets the relevant ambition criteria.<sup>22</sup>

#### Renewable electricity targets (near- and long-term targets)

**\*C27 – Renewable electricity (scope 2 only):** Targets to actively source renewable electricity at a rate consistent with 1.5°C scenarios are an acceptable alternative to scope 2 emission

<sup>20</sup> If measuring coverage by spend, the company shall provide an estimate of the emissions coverage associated with that spend for validation purposes to demonstrate that criterion C6 has been met, by the supplier or customer target alone, or together with other scope 3 target(s).

<sup>21</sup> For targets submitted for validation in the first half of 2024 (until June, 30), valid target years are up to 2028 inclusive. For targets submitted in the second half (from July, 1) of 2024, valid target years are up to 2029 inclusive.

<sup>22</sup> \* When submitting combined near-term targets, the scope 1+2 portion must be in line with at least a 1.5°C scenario and the scope 3 portion of the target must be in line with at least a well-below 2°C scenario for near-term targets. When submitting combined long-term targets, the scope 1+2 portion must be in line with at least a 1.5°C scenario and the scope 3 portion of the target must be in line with at least a 1.5°C scenario. For sectors where minimum target ambition is further specified for companies' scope 3 activities, C35 supersedes C26.

reduction targets over emissions from the generation of procured electricity.<sup>23</sup> The SBTi has identified 80% renewable electricity procurement by 2025 and 100% by 2030 as thresholds (portion of renewable electricity over total electricity use) for this approach, in line with the recommendations of RE100.<sup>24</sup> Companies that already source electricity at or above these thresholds shall maintain or increase their use of renewable electricity to qualify. For long-term targets, companies shall maintain 100% renewable electricity procurement beyond 2030.

\*R7 – Purchased heat and steam: When modeling targets using the Sectoral Decarbonization Approach (SDA), companies should model purchased heat and steam related emissions as if they were part of their direct emissions, i.e., scope 1.

R8 – Efficiency considerations for target modeling: If companies are using a method that does not already embed efficiency gains for the specific sector, market – and the decarbonization projected for the power sector is based on a 1.5°C scenario – these factors should be considered when modeling electricity-related scope 2 targets.

### Beyond value chain mitigation

\*R9 – Beyond value chain climate mitigation: Companies should take action or make investments outside their own value chains to mitigate GHG emissions in addition to their near-term and long-term science-based targets. For example, a company could provide annual support to projects, programs and solutions providing quantifiable benefits to climate, especially those that generate additional co-benefits for people and nature. Companies should report annually on the nature and scale of those actions.<sup>25</sup>

### Neutralization

\*C28 – Neutralization of unabated emissions to reach net-zero: Companies shall remove carbon from the atmosphere and permanently store it to counterbalance the impact of any unabated emissions that remain once companies have achieved their long-term science-based target, and for subsequent years thereafter. The neutralization of unabated emissions applies to both the emissions reduction target boundary and to any unabated emissions that have been excluded from the GHG inventory.<sup>26</sup>

R10 – Neutralization milestones: Companies should disclose information such as planned milestones and near-term investments that demonstrate the integrity of commitments to neutralize unabated emissions at net-zero.

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<sup>23</sup> \* Companies reporting scope 2 emissions using location-based methods can still set a renewable electricity target provided they have the capacity to demonstrate active sourcing of renewable electricity through market instruments.

<sup>24</sup> [RE100 guidance](#) states that setting a 100% renewable electricity target by 2030 at the latest shows a strong level of leadership.

<sup>25</sup> Please see the SBTi “[Above and Beyond: An SBTi report on the design and implementation of beyond value chain mitigation \(BVCMI\)](#)” for details.

<sup>26</sup> \* For example, a company with 100 tCO<sub>2</sub>e emissions in the base year excludes 1 tCO<sub>2</sub>e from its GHG inventory and 1 tCO<sub>2</sub>e from its target boundary, resulting in 98 tCO<sub>2</sub>e covered by its long-term SBT. After reducing emissions covered by its long-term SBT by 90%, this results in 9.8 tCO<sub>2</sub>e of residual emissions. Assuming the exclusions remain constant, the company is required to neutralize 11.8 tCO<sub>2</sub>e (1 tCO<sub>2</sub>e from inventory exclusions, 1 tCO<sub>2</sub>e from target boundary exclusions, and the remaining 9.8 tCO<sub>2</sub>e).

## Target formulation

**\*C29 – Target formulation:** Companies shall publicly set a net-zero target that clearly and transparently communicates each of the target’s relevant components including (a) net-zero target year, (b) magnitude of emissions reductions that will be achieved for near-term and long-term science-based targets, and (c) a base year.<sup>27</sup>

## Reporting, recalculation and target validity

### Reporting

**C30 – Frequency:** The company shall publicly report its company-wide GHG emissions inventory and progress against published targets on an annual basis.

**C31 – Reporting completeness:** Companies shall publicly report information pertaining to progress against validated targets, including separately reporting emissions and removals in the annual GHG inventory.

**R11 – Where to disclose:** There are no specific requirements regarding where the inventory and progress against published targets should be disclosed, as long as it is publicly available. The SBTi recommends disclosure through standardized, comparable data platforms such as CDP’s climate change annual questionnaire. Annual reports, sustainability reports and the company’s website are also acceptable platforms.

### Recalculation and target validity

**\*C32 – Mandatory target review:** Companies shall review all active targets, at a minimum, every 5 years to ensure consistency with the latest SBTi criteria.<sup>28</sup> If targets do not meet SBTi criteria, then they shall be updated and revalidated. Companies with targets approved in 2020 or earlier shall review all active targets by 2025. Companies shall follow the most recent applicable criteria at the time of resubmission.

**\*C33 – Triggered target recalculation:** Targets shall be recalculated and revalidated when significant changes occur that could compromise the existing target. The following changes shall trigger a target recalculation:

- Scope 3 emissions become 40% or more of aggregated scope 1, 2 and 3 emissions (applies only to near-term science-based targets).
- Changes in the consolidation approach chosen for the GHG inventory.
- Emissions of exclusions in the inventory or target boundary change significantly.
- Significant changes in company structure and activities (e.g., acquisition, divestiture, merger, insourcing or outsourcing, shifts in goods or service offerings).<sup>29</sup>

<sup>27</sup> \* 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.

<sup>28</sup> \* Please note that the beginning of the review period for all active targets corresponds to the date of initial validation of the oldest currently active target or the most recent target validation date of each target where all the company targets were updated.

<sup>29</sup> \* For example, a target recalculation may be triggered if a shift of goods and service offerings results in a shift of emissions between scopes of already validated targets (e.g., if a company has a scope 1+2 target separate from a scope 3 target, and emissions that were first in scope 3 are shifted to scope 1 or scope 2 because of a change in the company’s offering). A target recalculation may also be triggered if a company’s current targets use a metric that becomes irrelevant after a shift in goods or service offerings (e.g., if a car manufacturer stopped selling passenger cars and pivoted to freight trucks, their use of sold products target would no longer be appropriate to model with the sold vehicle pathway and “passenger-kilometers” would no longer be an appropriate metric).

- Adjustments to data sources or calculation methodologies resulting in significant changes to an organization's total base year emissions or the target boundary base year emissions (e.g., discovery of significant errors or a number of cumulative errors that are collectively significant).
- Other significant changes to projections/assumptions used in setting the science-based targets.<sup>30</sup>

Companies shall apply a significance threshold of 5% or less. For base year emissions, a change of 5% in an organization's total base year emissions would trigger a base year emissions recalculation. A change of 5% or more in the base year emissions covered within a target boundary would trigger a target recalculation.<sup>31</sup>

If a significant change occurs and the company's target(s) no longer meet SBTi criteria, then the target(s) shall be recalculated and revalidated. Companies shall follow the most recent applicable criteria at the time of resubmission.

**C34 – Target validity:** Companies with approved targets must announce their target publicly on the SBTi website within 6 months of the approval date. Targets unannounced after 6 months must go through the approval process again unless a different publication time frame has been agreed in writing with the SBTi.

**R12 – Validity of target projections:** The SBTi recommends companies check the validity of their target-related projections on an annual basis. The company should notify the SBTi of any significant changes and report these major changes publicly, as relevant.

### **Sector-specific guidance**

**\*C35 – Requirements from sector-specific guidance:** Companies must follow requirements for target setting and minimum ambition levels as indicated in relevant sector-specific methods and guidance – at the latest, 6 months after sector guidance publication. A list of the sector-specific guidance and requirements is available below (Table 4 of the Corporate Net-Zero Standard).<sup>32</sup>

### **Fossil fuel sales, distribution, and other business**

**\*C36 – Companies in the fossil fuel production business, or with significant revenue from fossil fuel business lines:** The SBTi will not currently validate targets for:

- Companies with any level of direct involvement in exploration, extraction, mining and/or production of oil, natural gas, coal or other fossil fuels, irrespective of percentage revenue generated by these activities.

<sup>30</sup> \* For example, for intensity targets, changes in growth projections.

<sup>31</sup> \* Please note that the significance threshold for target recalculation is relative to the scopes covered by the target. For example, if a company has a validated scope 1+2 target and their scope 1+2 base year emissions change by 5% or more, this triggers a target recalculation. Similarly, if a company has a validated scope 1+2+3 target and their scope 1+2+3 base year emissions change by 5% or more, this triggers a target recalculation.

<sup>32</sup> \* The Corporate Net-Zero Standard should be complemented with SBTi sector-specific guidance whenever the sector and/or activity covered by the sector guidance is relevant to the company seeking SBTi validation, e.g. a company with aviation, maritime, and financial services activities is encouraged to set separate sector-specific targets for each of the activities relevant to them based on SBTi sector guidance. Please note that the target boundary coverage is to be met at the company wide-level, not at target level, unless otherwise stated.

- Companies that derive 50% or more of their revenue from the sale, transmission and distribution of fossil fuels, or by providing equipment or services to fossil fuel companies.
- Companies with more than 5% revenue from fossil fuel assets (e.g., coal mine, lignite mine, etc.) for extraction activities with commercial purposes.

These companies must follow the applicable sector standards if available.

**\*C37 – Sale, transmission, distribution of oil, natural gas, coal as well as other fossil fuels:**

Companies that sell, transmit, or distribute natural gas (or other fossil fuel products) shall set separate emission reduction targets for scope 3 category 11 “use of sold products” - covering emissions from the combustion of the sold, transmitted, or distributed fossil fuels - that are at a minimum consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures, irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions of the company, company's sector classification, or whether fossil fuel sale/distribution is the company's primary business. In order to meet the 67% near-term and 90% long-term scope 3 coverage, companies may need to set additional targets covering other scope 3 categories. Customer engagement targets are not eligible for this criterion.

## SECTOR-SPECIFIC REQUIREMENTS

Sector-specific guidance and methods are currently available for many sectors. All new sector-specific guidance that becomes available will be uploaded to the [sector guidance page](#) on the SBTi website. The SBTi has sector-specific requirements related to the use of target-setting methodologies and minimum ambition levels (please see table below<sup>33</sup>).<sup>34</sup>

*\*Table 4 of the Corporate Net-Zero Standard. Eligible pathways, methods, and tools for all sectors and activities.*

Sector/activity	Eligible pathways, methods, tools	Guidance and further notes
Companies not covered by any SBTi sector guidance	<ul style="list-style-type: none"> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul>	Please note that companies in certain sectors (e.g., oil & gas) cannot currently set targets with the SBTi.
<a href="#">Aluminum</a>	<ul style="list-style-type: none"> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul>	
<a href="#">Apparel</a>	<ul style="list-style-type: none"> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets. See <a href="#">Corporate</a></li> </ul>	Optional guidance is available for companies in the apparel and

<sup>33</sup> This table can also be found in the [Corporate Net-Zero Standard V1.2](#) (Table 4).

<sup>34</sup> Please note that in case of inconsistencies between Table 4 and sector-specific guidance, the latest published information applies.

	<p><a href="#">Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</p>	footwear sector.
<p><a href="#">Air transport</a></p>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Aviation pathway with intensity convergence method (i.e., SDA) for near-, and long-term targets on well-to-wake (WTW) emissions, recommended for all companies providing air transport services. See the <a href="#">Aviation tool</a>.</li> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets on WTW. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul> <p>Please note that whichever pathway is chosen, the target boundary must cover WTW, as specified in the SBTi Aviation Guidance.</p>	<p>For <b>all</b> transport-related emissions across all sectors, companies shall set targets over these emissions on a well-to-wheel (WTW) basis in their GHG inventory (well-to-wake for aviation and maritime transport).</p> <p>Aviation target formulation and communication must explicitly state that targets are exclusive of non-CO<sub>2</sub> factors. Targets must include a footnote stating that non-CO<sub>2</sub> factors which may also contribute to aviation-induced warming are not included in this target and whether the company has publicly reported or commits to publicly report its non-CO<sub>2</sub> impacts.</p> <p>All companies using the <a href="#">Aviation tool</a> must not choose 2020, 2021 or 2022 as the base year. The years 2020-2022 are anomalous for the industry due to the COVID-19 pandemic.</p>
<p><a href="#">Buildings</a></p>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Residential buildings or service building pathway with intensity convergence method (i.e., SDA) for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Please note that these pathways address only emissions from energy use of the buildings.</li> <li>• Sector-specific absolute reduction method for long-term targets. See <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul> <p>Once the Buildings guidance becomes effective, companies in the Built Environment <b>will be required</b> to use the sector-specific intensity convergence method (i.e., SDA) for in-use operational emissions using the new SBTi-CRREM (carbon risk real estate monitor) pathways. See the <a href="#">Buildings Target-Setting Tool</a>.</p> <p>To model upfront embodied emissions,</p>	<p>Real estate investment trusts (REITs) wishing to set targets must specify if they are a mortgage-based or equity-based REIT. Equity REITs must pursue the regular target validation route for companies. Mortgage REITs must instead utilize the Financial Institutions guidance for setting science-based targets.</p> <p>The SBTi is developing guidance for companies operating in the built environment. Once the final resources are published, they will become mandatory for intended user types with a usual six month grace period. The upcoming sector-specific resources will include:</p> <ul style="list-style-type: none"> <li>• Guidance for GHG accounting and target-setting for both in-use operational and upfront embodied emissions.</li> <li>• Standalone <a href="#">buildings target-setting tool</a> with two sets of pathways: granular in-use operational emissions and upfront embodied emissions</li> </ul>

	<p>companies will be able to either use the SBTi cross-sector methods, or the intensity convergence method (i.e., SDA) or the sector-specific absolute reduction method. See the SBTi <a href="#">Buildings Target-Setting Tool</a> for sector-specific methods.</p>	<p>pathways.</p>
<a href="#">Cement</a>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Sector-specific intensity convergence method (i.e., SDA) for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Sector-specific absolute reduction method for long-term targets. See <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul>	<p>The SBTi has released <a href="#">guidance</a> to aid companies in the cement industry in setting science-based targets.</p> <p>Regardless of the pathway chosen, near-term science-based targets for cement activities shall include a scope 3 target which includes the emissions from purchased cement and clinker (under scope 3 category 1 “purchased goods and services”), irrespective of the share of these emissions compared to the total scope 1, 2 and 3 emissions of the company.</p>
<a href="#">Chemicals</a>	<p>See “all other sectors”.</p>	<p>The SBTi is developing guidance for companies in the chemicals sector.</p>
<a href="#">Financial institutions</a>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Absolute reduction method or sector-specific intensity convergence (i.e., SDA) for near-term targets on scope 1 and 2 emissions. See <a href="#">Corporate Near-term Tool</a>.</li> <li>• Sector-specific intensity convergence method (i.e., SDA) for near-term targets on scope 3 category 15 “investments’ emissions. See <a href="#">Corporate Near-term Tool</a> and other <a href="#">sector-specific tools</a>. Based on this method, only financing within the same sector is aggregated to produce a portfolio level intensity.</li> <li>• Portfolio Coverage method for near-term targets on scope 3 category 15 “investments” emissions. See <a href="#">SBTi Finance Portfolio Coverage tool</a>. Based on this method, financial institutions increase the percentage of portfolio companies that have validated science-based targets until all portfolio companies have validated science-based targets by 2040.</li> <li>• Temperature Rating method for near-term targets on scope 3 category 15 “investments” emissions. See <a href="#">SBTi Finance Temperature Scoring tool</a>. Based on this method, financial</li> </ul>	<p>The SBTi defines a financial institution 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). Real economy companies that have more than 5% of revenue from financial activities are encouraged to use SBTi to set targets on those activities in addition to their corporate targets. Currently, public financial institutions are not covered within the SBTi framework.</p> <p>Please see the <a href="#">Finance sector guidance</a> for further details.</p>

	<p>institutions increase the percentage of portfolio companies that have ambitious targets that meet certain ambition levels (but not necessarily validated by the SBTi).</p> <p>The SBTi is developing a Net-Zero Standard for financial institutions and cannot validate net-zero targets for this sector before its release.</p>	
<p><a href="#">Forest, land and agriculture (FLAG)</a></p>	<p>Companies with significant FLAG emissions <b>are required</b> to set FLAG targets (see criteria in the column to the right). FLAG targets are complementary and separate from science-based targets that cover energy/industry (non-FLAG) emissions.</p> <p>Options:</p> <ul style="list-style-type: none"> <li>• Sector-specific absolute reduction method for near-term targets. See <a href="#">FLAG tool</a>.</li> <li>• Sector-specific absolute reduction method for long-term targets covering agriculture only. See <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Commodity pathways for near-term intensity targets. See <a href="#">FLAG tool</a>. Commodity pathways are available for 10 agricultural commodities: beef, chicken, dairy, leather, maize, palm oil, pork, rice, soy, wheat. Companies with emissions associated with one or more of the available agricultural commodity pathways that account for 10% or more of a company's total (gross) FLAG emissions for each of those commodities may use the commodity pathway for that commodity (but are not required to do so).</li> </ul> <p>Companies in the forest products sector or with emissions related to timber &amp; wood fiber accounting for 10% or more of their FLAG emissions <b>are required</b> to use the commodity pathway for timber and wood fiber.</p>	<p>The following companies are required to set FLAG targets:</p> <ol style="list-style-type: none"> <li>1. Companies with FLAG emissions that total 20% or more of overall emissions across scopes; and</li> <li>2. Companies in the following sectors: <ul style="list-style-type: none"> <li>• Forest and Paper Products - Forestry, Timber, Pulp and Paper, Rubber</li> <li>• Food Production - Agricultural Production</li> <li>• Food Production - Animal Source</li> <li>• Food and Beverage Processing</li> <li>• Food and Staples Retailing</li> <li>• Tobacco</li> </ul> </li> </ol> <p>Please note that FLAG near-term targets must cover at least 95% of FLAG-related scope 1 and 2 emissions and at least 67% of FLAG-related scope 3 emissions.</p> <p>Please see the <a href="#">FLAG Guidance</a> for further details.</p> <p>Please note that there is currently no long-term pathway available for timber and wood fiber. Targets from companies operating in the forest and paper products sector shall include a footnote stating that timber and wood fiber emissions are not included in the long-term target. These companies must (re)submit their long-term FLAG target covering these emissions within six months of the release of the long-term pathway for timber and wood fiber.</p>

<p>Fossil fuel sale/ transmission/ distribution</p>	<p>Companies that sell, transmit, and/or distribute fossil fuels (and that derive less than 50% of revenue from these activities) are <b>required</b> to set targets for scope 3 category 11 “use of sold products” emissions, irrespective of the share of these emissions compared to the total scope 1, 2 and 3 emissions of the company. Separate and additional scope 3 targets may need to be set.</p>	<p>This requirement is applicable to companies that derive less than 50% of revenue from the sale, transmission and distribution of fossil fuels.</p> <p>For companies receiving 50% or more of their revenue from these activities, please refer to the Oil and Gas section.</p>
<p><a href="#">Information and communication technology (ICT) providers</a></p>	<ul style="list-style-type: none"> <li>• Cross-sector absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul>	<p>Optional guidance is available for ICT companies including mobile networks operators, fixed networks operators, and data centers operators.</p>
<p><a href="#">Iron and steel</a></p>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Sector-specific intensity convergence method (i.e., SDA) for near-, and long-term targets. See <a href="#">Steel SDA tool</a> and <a href="#">Corporate Net-Zero Tool</a> respectively.</li> <li>• Sector-specific absolute reduction method for long-term targets. See <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Cross-sector absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> </ul> <p>Please note that regardless of the pathway chosen, the iron &amp; steel core boundary must be applied to all near-term targets.</p>	<p>The SBTi has released <a href="#">guidance</a> to aid companies in the steel industry in setting science-based targets.</p> <p>Near-term iron and steelmakers science-based targets shall include a scope 3 target that covers all scope 3 category 3 “Fuel- and energy-related emissions not included in scope 1 or scope 2” emissions according to the GHG Protocol.</p>
<p><a href="#">Maritime Transport</a></p>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Maritime pathway with intensity convergence method (i.e., SDA) for near-, and long-term targets on well-to-wake (WTW) is available for all companies providing applicable maritime transport services. See <a href="#">maritime tool</a>. When using the maritime pathway, near-term targets can be no earlier than 2030 and long-term targets must be no later than 2040.</li> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets on WTW. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>. When using the cross-sector pathway, near-term targets must follow the 5-10 year timeframe, and long-term targets must</li> </ul>	<p>Companies using the maritime pathway to set near-term targets science-based targets covering emissions from own operations (e.g., vessel owners or operators) <b>are required</b> to also submit long-term science-based targets modeled with the maritime pathway along with their near-term target submission. Please note that in this case, the long-term target year is 2040.</p> <p>Companies using the maritime guidance to set near-term science-based targets covering scope 3 emissions from subcontracted maritime transport operations (e.g., cargo owners or shippers) are not required to submit long-term science-based targets.</p>

	<p>be no later than 2050.</p>	<p>For <b>all</b> transport-related emissions across all sectors, companies shall set targets over these emissions on a well-to-wheel (WTW) basis in their GHG inventory (well-to-wake for aviation and maritime transport).</p> <p>Please see the <a href="#">transport sector page</a> for the <a href="#">Maritime Transport Guidance</a> and the <a href="#">Maritime Transport Target Setting Tool</a>.</p>
<p><a href="#">Oil &amp; gas</a></p>	<p>The SBTi is developing a new standard for companies in the oil and gas sector to set science-based targets. Currently, the SBTi is unable to accept commitments or validate targets for companies in the oil and gas or fossil fuels sectors.</p> <p>Companies that have dormant or active fossil fuel assets (e.g., coal mine, lignite mine, etc.) for extraction activities with commercial purposes (meaning sales), cannot validate targets at this stage, until further specific methods and guidance are developed.</p> <p>Please see our <a href="#">policy</a> for further information.</p> <p>The SBTi will assess companies on a case-by-case basis to determine sector classification and reserves the right to not move forward with a company's validation, until methods/guidance have been developed/completed.</p>	<p>Companies in this sector include – but are not limited to - integrated oil and gas companies, integrated gas companies, exploration and production pure players, refining and marketing pure players, oil products distributors, and traditional oil and gas service companies. Please see the <a href="#">Oil and Gas sector page</a> on our website for more information.</p> <p>Fossil fuel service companies need to account for the indirect emissions related to the fossil fuels directly or indirectly managed by the company. The SBTi defines fossil fuel service companies as businesses that support exploration, extraction, mining or production of fossil fuels, and other significant activities along the fossil fuels value chain, not covered by sale, transportation or distribution category.</p> <p>The SBTi recommends companies to decommission fossil fuel assets, instead of divesting, as this approach better reflects the need to phase-out fossil fuels in our global economy, as science indicates is necessary. If a company completely decommissions/divests from fossil fuel assets, they will no longer be considered under these rules, and can submit targets as per standard route. The SBTi recommends companies to follow the GHG Protocol for base year recalculations.</p>
<p><a href="#">Electric Utilities &amp; power generation</a></p>	<p>Companies in the power sector <b>are required</b> to set targets using the power sector pathway for near-, and long-term targets (intensity convergence method only (i.e., SDA) within the <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero</a></p>	<p>Companies in the power sector with scope 3 emissions representing 40% or more of overall emissions must set at least two targets:</p> <ul style="list-style-type: none"> <li>• An intensity target covering all sold electricity (including</li> </ul>

	<p><a href="#">Tool</a>).</p> <p>Please note that the long-term target shall be no later than 2040.</p>	<p>purchased and resold electricity in scope 3 category 3 “fuel- and energy-related emissions not included in scope 1 or scope 2” emissions)</p> <ul style="list-style-type: none"> <li>• An intensity target covering all electricity generation in scope 1 expressed in terms of MWh (megawatt hour) energy generated.</li> </ul> <p>For power generation companies that distribute and sell fossil fuels, a third target shall be set covering 100% of emissions from downstream use of fossil fuels. This should be an absolute target that aligns with a 1.5°C mitigation pathway. In order to meet the 67% scope 3 coverage threshold, power companies may need to set a target over other scope 3 categories as well.</p> <p>Please see the <a href="#">Electric utilities/Power Guidance</a> for further details.</p>
<p><a href="#">Land Transport: Road and rail</a></p>	<p>Options:</p> <ul style="list-style-type: none"> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>.</li> <li>• Companies that subcontract transport services can use the cross-sector pathway or use the <a href="#">legacy transport tool</a> with the WB2C (well-below 2°C) pathway. No 1.5°C sector intensity pathway is currently available.</li> </ul>	<p>For <b>all</b> transport-related emissions across all sectors, companies shall set targets over these emissions on a well-to-wheel (WTW) basis in their GHG inventory (well-to-wake for aviation and maritime transport).</p>
<p><a href="#">Land Transport: Transport OEMs/Automakers</a></p>	<ul style="list-style-type: none"> <li>• Cross-sector pathway with absolute reduction method for near-, and long-term targets over use of sold products emissions. See <a href="#">Corporate Near-term Tool</a> and <a href="#">Corporate Net-Zero Tool</a>. This is applicable once the interim 1.5°C target setting approach for automakers is published.</li> </ul>	<p>The SBTi will review and update the passenger, freight and OEM (original equipment manufacturer) sector target-setting guidance through a formal sector development process. The SBTi Interim 1.5°C Target Setting Method for Automakers will be reviewed and superseded upon the completion of this sector guidance update process. Until the Interim 1.5°C target setting pathway for automakers is published, near- and long-term target validations and target updates for automakers are paused - as outlined in this <a href="#">policy</a>.</p>

