



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# SBTi FOREST, LAND AND AGRICULTURE (FLAG) PROJECT FAQs

VERSION 2.0

Last updated March 2022

## CONTENTS

Frequently Asked Questions on the SBTi FLAG project were updated based on the FLAG public consultation January-February 2022. Please contact [flag-sbti@wwfus.org](mailto:flag-sbti@wwfus.org) for additional questions not answered here.

<b>1</b>	<b>WHAT IS FLAG AND OTHER KEY QUESTIONS.....</b>	<b>2</b>
<b>2</b>	<b>FLAG CONSULTATIVE PROCESS.....</b>	<b>3</b>
<b>3</b>	<b>FLAG TIMELINE.....</b>	<b>3</b>
<b>4</b>	<b>WHAT IS INCLUDED IN A FLAG SCIENCE BASED TARGET?.....</b>	<b>5</b>
	Removals.....	7
	FLAG science-based targets versus bioenergy targets.....	8
	Zero deforestation commitments.....	8
<b>5</b>	<b>HOW TO SET A FLAG SCIENCE BASED TARGET.....</b>	<b>9</b>
	Using FLAG tools.....	9
	Target recalculation.....	10
<b>6</b>	<b>FLAG AND NET-ZERO.....</b>	<b>10</b>
<b>7</b>	<b>FLAG AND GHG PROTOCOL.....</b>	<b>10</b>
<b>8</b>	<b>FLAG AND THE FINANCIAL SECTOR.....</b>	<b>11</b>
<b>9</b>	<b>FLAG AND THE SCIENCE BASED TARGETS NETWORK (SBTN).....</b>	<b>11</b>
<b>10</b>	<b>FLAG AND CARBON CREDITS.....</b>	<b>12</b>

# 1 WHAT IS FLAG AND OTHER KEY QUESTIONS

## What is FLAG?

The SBTi Forest, Land and Agriculture (FLAG) project is the approach (including a tool and guidance) for companies in land-intensive sectors to set science-based targets in line with the goals of the Paris Agreement.

## When is a company required to set a FLAG science-based target?

The Science Based Targets initiative (SBTi) requires companies that meet either of the following two criteria to set a FLAG science-based target:

- i) Companies with land intensive activities in their value chain from the following FLAG-designated sectors are required to set FLAG targets:
  - Forest and Paper Products – Forestry, Timber, Pulp and Paper, Rubber
  - Food Production – Agricultural Production
  - Food Production – Animal Source
  - Food and Beverage Processing
  - Food and Staples Retailing
  - Tobacco
- ii) Companies in any other SBTi-designated sector that have FLAG-related emissions that total more than 20% of overall emissions across scopes 1, 2 and 3.

## If my company is required to set a FLAG science-based target, will I also have a 'non-FLAG' target?

Yes. FLAG targets cover forests, land, and agriculture (see [FLAG draft guidance](#) for details), while a company's non-FLAG target covers all other fossil-based emissions.

## How does my company account for removals in FLAG?

FLAG science-based targets include land-based removals; the specific guidance for accounting for land-based removals will come from the [GHG Protocol Land Sector and Removals guidance](#), draft to be issued this year. FLAG and GHG Protocol are working closely to ensure that targets and accounting guidance are aligned.

## What temperature targets does FLAG cover?

Both the FLAG sector pathway and the commodity pathways are 1.5°C compliant pathways.

## Are removals included in near-term targets outside of FLAG?

SBTi only includes removals in FLAG science-based targets. Non-FLAG targets include emission reductions only, not removals.

## 2 FLAG CONSULTATIVE PROCESS

### How and when can my company engage in FLAG?

During the FLAG public consultation (now closed) we received comments from more than 165 companies and other stakeholders. We have had 18 companies participate in a [corporate consultative group](#). Email us for more information or to join the mailing list: [flag-sbti@wwfus.org](mailto:flag-sbti@wwfus.org).

### How are NGOs, farmers, indigenous communities, local communities, and others included in FLAG development?

WWF led the development of the FLAG tool and guidance, including consultation with actors all along the agriculture and forestry value chain, including primary producers. Throughout the development process, the FLAG team has consulted experts in GHG accounting from non-profits representing a range of environmental and social expertise. Our largest outreach effort was through the public consultation phase which elicited feedback and review from NGOs all over the world, producer groups, companies, and other stakeholders.

## 3 FLAG TIMELINE

### What is the current FLAG project timeline?

In January and February 2022, the SBTi held a month-long public consultation for the Forest, Land and Agriculture Science Based Target Setting Guidance to ensure the criteria and guidance are robust, clear, and practical. We saw over 1,600 comments from more than 165 organizations.

Acknowledging the comments received, we are moving forward with revision of the FLAG guidance, including a much-requested process to develop regional commodity pathways and to provide companies with a streamlined tool to make implementing regional targets straightforward. This regionalization work will result in us pushing the FLAG launch to **June 2022**.

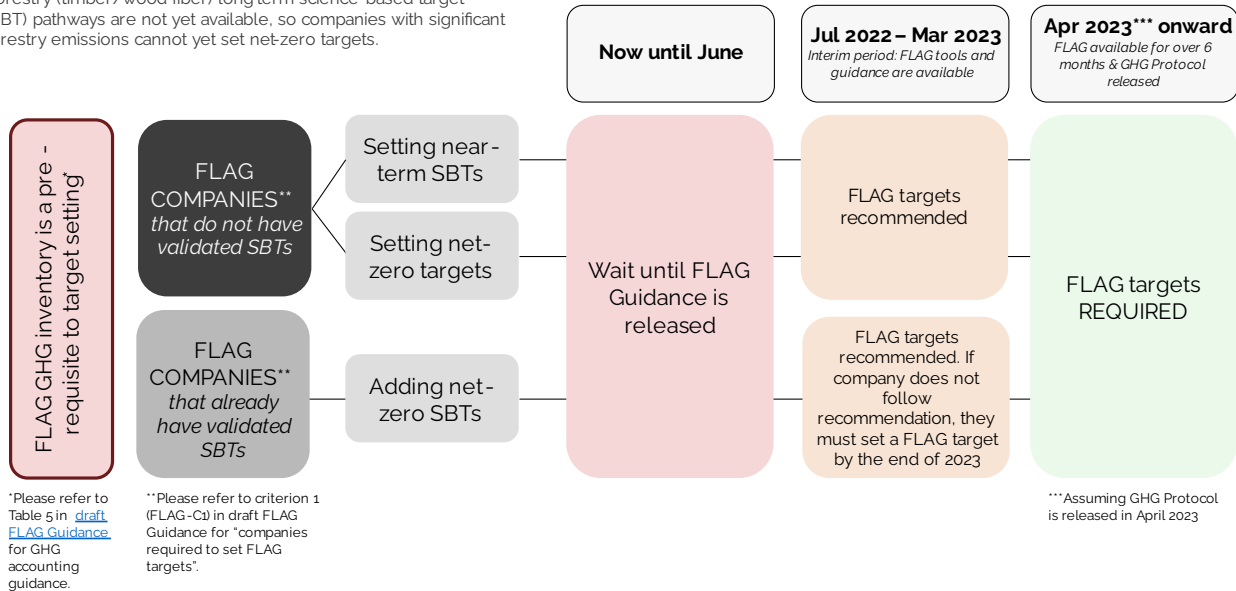
### When will companies be required to set FLAG science-based targets?

The draft timeline for requiring FLAG target setting and recalculation is presented in the diagrams below.

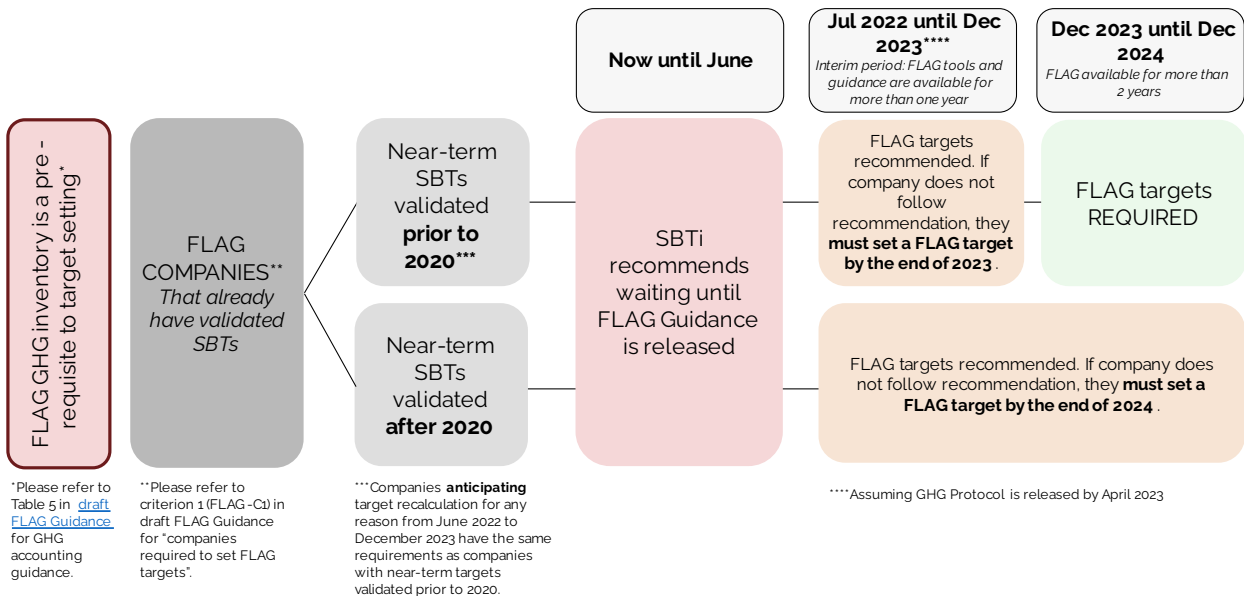
## FLAG – TARGET SETTING TIMELINE (NEAR -AND LONG-TERM TARGETS)



Forestry (timber/wood fiber) long-term science-based target (SBT) pathways are not yet available, so companies with significant forestry emissions cannot yet set net-zero targets.



## FLAG – TARGET RECALCULATION TIMELINE



## 4 WHAT IS INCLUDED IN A FLAG SCIENCE BASED TARGET?

### **Where can I learn more about the methods used and the data underlying the FLAG work?**

You can access the [FLAG methods addendum](#) and other FLAG resources [here](#).

### **Are avoided emissions included?**

The SBTi and FLAG project follow the accounting guidance of the GHG Protocol. This guidance operates on the inventory accounting approach rather than a project accounting approach. Avoided emissions based on product or material use or substitution are not included in inventory accounting. However, the term 'avoided emissions' is also used to refer to avoiding deforestation, and emissions and removals related to deforestation, as well as maintaining and increasing carbon stocks in forests, included in FLAG.

### **Are pathways designed to be differentiated for different regions/countries?**

The SBTi and FLAG project are actively engaged in a process to assess regional pathways for FLAG commodity pathways and will provide updates on this topic in the coming months.

### **How is land use change included in FLAG?**

Emissions from land use change are included in both the FLAG sector and commodity pathways. Following GHG Protocol guidance, land use change emissions are accounted for using a 20-year allocation.

### **Are Bioenergy and Carbon Dioxide Capture and Storage (BECCS) included in FLAG?**

No. Although BECCS are included in the underlying Roe et al 2019 data, they are excluded under FLAG as we did not feel it was appropriate to assign these removal requirements to the Agriculture and Forestry sectors. BECCS are included in SBTi under the bioenergy criteria.

### **Do the commodity pathways account for growth in production?**

Yes. Future production estimates are included in the pathways. Further, because the commodity pathways are based on emissions intensity, companies are expected to set targets based on estimated future production.

### **Does the beef commodity approach also include leather?**

FLAG has developed a specific pathway for leather.

### **Will other commodities be added (e.g. aquaculture, cocoa, coffee, cotton, etc.)?**

Other commodities will be considered in future developments. The commodities current covered were selected based on data availability.

### **Does the timber and wood fiber pathway cover pulp and paper companies?**

Yes. The timber and wood fiber pathway covers emissions 'up to yard' for pulp and paper companies. Other 'non-FLAG' emissions (i.e. direct process emissions) from pulp and paper are covered under our SBTi industrial sector resources, including the pulp and paper pathway.

### **What rate of emissions reductions and removals is expected in the FLAG pathways?**

The draft emission reduction rates for each of the FLAG pathways can be found in the [FLAG guidance](#), Table 9.

### **Can overachievement of a FLAG science-based target be used to meet a non-FLAG target?**

No. FLAG and non-FLAG targets are separate. FLAG emission reductions and removals may be used only toward a FLAG target.

### **What emissions and removals are covered by FLAG science-based targets, and what is the emissions boundary?**

Please refer to Table 6 in the [draft guidance](#) for a full list of emissions covered. The emissions boundary covered extends to 'farm gate', not including processing emissions (see FLAG Criterion 7).

### **Which greenhouse gases does FLAG cover and what Global Warming Potential (GWP) conversion is used?**

FLAG targets are set using CO<sub>2</sub>e. Following IPCC, GWP100 factors are used to include methane and nitrous oxide.

\*GWP is not used.

### **How does FLAG handle nitrous oxide and methane emissions from agriculture that are expected to continue into the future?**

FLAG pathways follow climate science in recognizing that some nitrous oxide and methane emissions from agriculture will endure. This is reflected in the models.

### **Are biogenic emissions from wastewater treatment covered by FLAG?**

FLAG does not cover biogenic emissions from wastewater treatment at this time.

### **How are fertilizers being handled between SBTi FLAG and SBTi Chemicals guidance?**

The SBTi is aligning on fertilizers between FLAG and the chemicals work. Additional guidance will be forthcoming.

### **Is mining included in FLAG?**

Mining is covered in SBTi industrial sectors resources, not in FLAG.

## **Removals**

### **Do FLAG science-based targets include both emission reductions and removals?**

Yes, companies are required to report emission reductions and removals separately, but the FLAG target is a net reduction target, including removals.

### **Are removals included in near-term targets outside of FLAG?**

The SBTi only includes removals in FLAG targets. Non-FLAG targets include emission reductions only.

### **Does forest restoration occurring outside of working lands accounted for as removals?**

Removals associated with actions occurring on working lands, (e.g. forest restoration from silvopasture) is included in the FLAG sector target. However, reforestation outside of working lands is otherwise excluded from targets because these efforts are generally outside of company supply chains. Models will be updated as needed to align with GHG Protocol guidance on this topic.

### **Does my company need to separate emissions and removals to calculate a FLAG science-based target?**

Companies set net FLAG targets – land-related emissions combined with removals. However, in the validation process, companies must report emissions reductions and removals accounting separately. This is important to maintain a focus on reducing cumulative emissions to the atmosphere, while separately increasing CO<sub>2</sub> removals.

### **Could land related reductions/removals be used to meet company non-FLAG science-based targets?**

No.

### **Do FLAG science-based targets include forest restoration, reforestation, or afforestation?**

Forest restoration that occurs on working lands (for example, silvopasture) is included in the FLAG sector target, but reforestation outside of working lands is otherwise excluded from targets because



these efforts are generally outside of company supply chains. Models will be updated as needed to align with GHG Protocol guidance on this topic.

## FLAG science-based targets versus bioenergy targets

### Does FLAG include emissions from biofuels?

No. FLAG does not include emissions from biofuels/ bioenergy.

The SBTi general guidance specifies what reporting and target setting companies need to do for bioenergy specifically. Future revision will follow forthcoming GHG Protocol Land Sector and Removals guidance.

### Why are FLAG and land emissions related to bioenergy separated?

FLAG and bioenergy are currently separate for two reasons. First, the SBTi bioenergy criterion predated the FLAG project, and the SBTi is taking a stepwise approach to update. Second, many companies that have bioenergy emissions (and removals) are not companies in the land sector but rather companies in transportation, aviation, and other sectors. If bioenergy were included in FLAG targets, then these companies would be obliged to set separate FLAG targets for what is usually a very small portion of their GHG inventory. Future revision will follow forthcoming GHG Protocol Land Sector and Removals guidance.

### Will FLAG include biofuels in the future?

With the publication of the GHG Protocol Land Sector and Removals Guidance, the SBTi will review the current arrangement in which FLAG targets are separate from the bioenergy criteria and make updates and modifications as needed.

## Zero deforestation commitments

### Does the deforestation cut off date need to be 2020 exactly, or can it be earlier?

Deforestation cut off dates can be earlier than 2020, but they must not be later than 2020. The deforestation requirements are under revision based on comments received in the public consultation. Updated guidance is forthcoming.

### Will ecosystem conversion beyond deforestation be considered?

All deforestation AND conversion are included in GHG emissions accounting and FLAG target setting. However, the additional requirement to have a specific deforestation commitment applies only to deforestation, not to conversion. Yet, the SBTi recommends that companies set a zero land conversion and peat burning target across their value chains, and also recommends meeting these targets as soon as possible (see [FLAG draft guidance document](#)).

## 5 HOW TO SET A FLAG SCIENCE BASED TARGET

### What time period does the FLAG science-based target cover?

FLAG near-term targets are the same as all SBTi near-term targets in that they now cover a period of 5-10 years. There is also a long-term FLAG pathway in the [Net-Zero Tool](#) for setting long-term FLAG targets. This long-term FLAG target pathway covers all agriculture, but is not appropriate for forestry. Long-term forestry targets will be covered in a future version. All long-term targets should be set using the [SBTi Net-Zero Standard](#) and tool –FLAG long-term targets are built in to that tool.

### Does FLAG require separate targets for each greenhouse gas?

No. FLAG targets are aggregated across greenhouse gasses using standard CO<sub>2</sub>e, accounted using GWP100.

### Using FLAG tools

#### Is there specific criteria to use FLAG sector or the FLAG commodity tool?

Yes. The FLAG Sector Tool is the default target-setting tool. Companies with emissions associated with one of the nine available agricultural commodity pathways that account for 10% or more of a company's total FLAG emission (across all scopes) may use the commodity pathway for that commodity.

Companies with emissions related to timber and wood fiber accounting for 10% or more of their FLAG emissions are *required* to use the commodity pathway for timber and wood fiber available in the commodity tool.

#### If my company uses a number of different commodities, one of which may be over 10% but the others are under 10%, would we use the pathway for the 10%+ commodity or the default FLAG pathway?

The company can decide whether to use the commodity tool only for commodities accounting for 10% or more of their total FLAG emissions and the sector tool for other commodities OR use the sector tool for all commodities (except for timber and wood fiber that requires the use of the commodity tool).

#### If my company uses both tools (FLAG Sector and FLAG Commodity) the commodity-based FLAG emissions reductions would need to be translated into an absolute target? How could that work?

For easy communication, companies using both commodities and sector pathways are encouraged to consolidate targets into one combined (absolute) FLAG target using the aggregator tool.

## Target recalculation

**For companies with existing science-based targets, what is the maximum time limit for releasing a compatible FLAG target?**

Companies with existing science-based targets will need to follow the [SBTi Criteria](#) for target recalculation. Further specific guidance for FLAG will be included in the final FLAG guidance.

## 6 FLAG AND NET-ZERO

**Can companies set both near-and long-term (net-zero) science-based targets for FLAG?**

Yes, companies will be able to set both near-and long-term (net-zero) FLAG targets. The current long-term FLAG pathway is developed for agriculture only; a long-term FLAG pathway for forestry will come in future updates.

**Can AFOLU removals be used to meet net-zero neutralization targets?**

Further guidance on net-zero neutralization is forthcoming from the SBTi. Please see the [Net-Zero Standard](#) for further details, as well as the SBTi [Beyond Value Chain Mitigation FAQ](#).

## 7 FLAG AND GHG PROTOCOL

**What is the difference between FLAG and the GHG Protocol Land Sector and Removals guidance?**

GHG Protocol Land Sector and Removals guidance is developing guidance on how to account for land-related emissions and removals. The SBTi FLAG project is developing guidance and a tool for how companies should set science-based targets for mitigation of land-related emissions and removals.

**How are FLAG and GHG Protocol aligned?**

FLAG and the GHG Protocol Land Sector Emissions and Removals guidance have been working closely together and will continue to do so to ensure that target setting, and emissions accounting are as aligned as possible. Any updates needed based on the final GHG Protocol Land Sector Emissions and Removals guidance will be made in a FLAG version update. Companies that set FLAG targets prior to any FLAG revisions will not need to set new FLAG targets outside of their regular SBTi target update cycle.

### **For scope 3 inventory, can companies use the GHG Protocol Scope 3 Standard?**

For FLAG/AFOLU the forthcoming GHG Protocol Land Sector and Removals guidance will address emissions/removals across scopes, including scope 3. This new guidance should be used for GHG accounting within FLAG/AFOLU.

### **How should companies account for FLAG-related emissions?**

Companies should use the GHG Protocol Land Sector and Removals guidance to account for FLAG emissions. While awaiting finalization of GHG Protocol guidance, please see Box 1 in the draft [FLAG guidance](#) for additional resources.

### **What guidance should companies use to account for FLAG emissions prior to the release of GHG Protocol Land Sector and Removals guidance?**

Companies setting FLAG targets prior to the release of the GHG Protocol Land Sector and Removals guidance should use the draft GHG Protocol guidance, as well as the [Quantis NCS guidance](#), and the [GHG Protocol Agriculture guidance](#). A full list of recommended resources can be found in the draft [FLAG guidance](#), Box 1.

### **Will companies with existing science-based targets need to reset baselines once FLAG is available?**

Following the SBTi criteria and recommendations, companies should recalculate targets when there are significant adjustments to the base year inventory. So, companies that need to significantly adjust their inventory to include FLAG emissions, a recalculation would be expected (see [FLAG draft guidance](#) p24-25).

## **8 FLAG AND THE FINANCIAL SECTOR**

### **How does FLAG guidance apply for Financial Institutions (FI)?**

The SBTi FLAG and FI teams are working on guidance for financial institutions with FLAG-related emissions.

## **9 FLAG AND THE SCIENCE BASED TARGETS NETWORK (SBTN)**

### **How does the SBTi FLAG project relates to the SBTN?**

SBTi's climate GHG targets drive a group of actions on land - but not everything that is needed to align with a net-zero or nature positive future. The [SBTN](#) is developing targets that focus on these

non-climate metrics - which are equally as important. There is staffing overlap between the two efforts to make sure that they are additional and align well.

## 10 FLAG AND CARBON CREDITS

### **Are carbon credits included in FLAG?**

No. Carbon credits cannot be used to meet FLAG targets, as the SBTi is focused on achieving the necessary science-based mitigation within a company's supply chain. Any sale or purchase of carbon credits should be handled in a company inventory following GHG Protocol guidance to avoid double counting.

### **Can insets be used to meet FLAG targets?**

Because the term 'insets' is not well defined, it is not used in the FLAG guidance. Emissions reductions and carbon removals within supply chain are included in FLAG as part of a company's inventory accounting; neither emissions reductions nor carbon removals within supply chain need to be verified as a carbon credit. Emissions reductions or removals that occur outside of a company's supply chain are not covered by FLAG and would require a re-allocation of the pathways under Roe et al 2019 to the corporate sector.