



Science Based Targets Call to Action Standard Commitment Letter

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Introduction

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact (UN Global Compact), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and is one of the We Mean Business Coalition commitments. The initiative champions science-based target setting as a powerful way of boosting companies' competitive advantage in the transition to the low-carbon economy. Science-based targets are greenhouse gas emissions reduction targets that are in line with the level of decarbonization required to meet the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

The Call to Action

We are calling on companies to demonstrate their climate leadership by publicly committing to adopt science-based targets. To join the movement companies need to complete the following steps:

Step 1. Sign and submit the commitment letter

Signing this commitment letter indicates that your company will work to set a science-based emission reduction target aligned with the SBTi's target-setting [criteria](#). After submitting your commitment letter to commitments@sciencebasedtargets.org, your company will be recognized as “committed” at sciencebasedtargets.org as well as on our partner websites at We Mean Business, CDP and the UN Global Compact. Companies are urged to aim for the highest level of ambition in their target setting. To indicate your intention to align your emissions reduction targets to 1.5°C, please join the [Business Ambition for 1.5°C Call to Action](#) by signing the [Business Ambition for 1.5°C Commitment Letter](#).

Please note that as of July 15, 2020, small and medium-sized enterprises (SMEs) must fill in and submit the [SME science-based target setting form](#) instead of the Standard Commitment Letter. This option allows them to bypass the initial step of committing to set a science-based target and the regular target validation process, and immediately set a target consistent with one of the SBTi's predefined target options. SMEs are defined as a non-subsidiary, independent company which employs fewer than 500 employees. Learn more on our [Frequently Asked Questions](#).

Step 2. Develop a target

Once your company has signed the commitment letter you will have a maximum of 24 months to:

- 1) Develop a science-based target aligned with the SBTi criteria;
- 2) Submit the target to the SBTi for validation;
- 3) Publish your approved target on the SBTi website.



We encourage companies to begin this process and submit your targets for validation as early as possible. If a company fails to complete all the above steps within 24 months, their name will be removed from the SBTi Companies Taking Action webpage and all other websites, as per our [Protocol to Manage Expired Commitments](#). Under special circumstances the SBTi may grant companies additional time to publish their targets.

The SBTi offers [resources](#), [case studies](#) and [webinars](#) to help companies develop their science-based targets.

Step 3. Submit your target for official validation

To have your science-based target officially approved and published, your company must complete the Target Submission Form and submit it for validation via email to targets@sciencebasedtargets.org. The SBTi target validation team will validate the target against the SBTi criteria and the [Target Validation Protocol](#), and inform you whether the target has been approved or whether further work is needed.

Step 4. Announce the target

On confirmation that your target meets the [SBTi criteria](#), your company's target will be published on the SBTi website and may be showcased in other communications. The SBTi may contact your nominated communications contact about further opportunities to profile your company's climate leadership.

Please proceed to page 6 of this document to complete the Commitment Letter. Oil and gas companies, financial institutions and food, agriculture and forest sectors shall consult page 3, 4 and 5 respectively before proceeding to complete pages 6 and 7.



Oil and Gas in the Call to Action

Due to the unique nature of the oil and gas sector, the Call to Action Campaign has established a separate process for oil and gas companies.

For the purposes of the target validation by the SBTi oil & gas includes, but is not limited to, integrated oil & gas companies, integrated gas companies, exploration and production pure players, refining and marketing pure players, oil products distributors, gas distributors and gas retailers.

The oil and gas sector's largest impact comes from the use phase of the products sold (known as scope 3 emissions) and therefore it is imperative that targets for this sector encompass these activities, as well as scope 1 and 2 emissions. Although the oil and gas sector is divided into various upstream, midstream and downstream activities, it is important to map the interrelation and mitigation opportunities for each segment, aligned with the latest climate science. The SBTi is currently [developing a method](#) for assessing oil and gas impacts and targets, therefore we cannot yet review or approve any targets submitted by oil and gas companies as defined above. We invite oil and gas companies to publicly commit to setting science-based scope 1, 2 and 3 targets when a methodology becomes available by signing the commitment letter below.

The SBTi will assess companies on a case-by-case basis to determine whether they will be classified as oil & gas companies for the purpose of the SBTi validation, and if so, reserve the right to not move forward with their validation until after the SBTi oil & gas sector development has been completed.

Once a target setting method is finalized, all committed oil and gas companies will be notified and asked to develop and submit their targets for validation, get them approved and published within 24 months.

Oil and Gas sub-sectors in the Call to Action

The SBTi is currently discussing various cases of companies in different parts of the oil and gas value chain, like oil and gas service companies and other sub-sectors that are not covered under the oil and gas methodology, as well as other fossil fuel extracting companies. The complexity of the sector and the limitation of accounting standards and methods, make it challenging for the SBTi to determine what a credible science-based target for those sub-sectors entails.

We are currently weighing how to resolve these challenges and whether our target-setting framework is suitable for companies in these sub-sectors as well as other fossil fuel extracting companies.



Financial Institutions in the Call to Action

Due to its unique nature, the Call to Action Campaign has established a separate process for the financial sector. The sector's largest impact comes from its investment and lending activities (known as scope 3, category 15 emissions) and therefore it is imperative that targets for this sector encompass such activities.

The SBTi defines a financial institution as a company whose business involves the arrangement and execution of financial and monetary transactions, including deposits, loans, investments and currency exchange. More specifically the SBTi deems a company a financial institution if 5 percent or more of its rev-enue or assets comes from the activities described above.

On October 1, 2020, the SBTi released a framework that allows financial institutions—including banks, investors, and insurance companies, and others—to set science-based targets to align their lending and investment activities with the Paris Agreement. Visit the [SBTi finance project homepage](#) for more information.

In practice, the primary audience includes universal banks, asset managers (mutual funds), asset owners (pension funds, closed-end funds, insurance companies) and mortgage real estate investment trusts (REITs). The framework is also relevant for other financial institutions that have holdings in the following asset classes where methods are currently available real estate, mortgages, electricity generation project finance, corporate and consumer loans, bonds, and equity. SBTi plans to develop additional methods and criteria for sovereign debt and securities underwriting from 2021 to 2022.

Asset classes beyond this list are currently out of scope. Bilateral and multilateral development financial institutions (e.g. the World Bank) are not the primary audience of this framework. Equity REITs, namely real estate companies that own or manage income-generating properties and lease them to tenants, are not a target audience of this project and shall pursue the regular target validation route for companies.

Financial institutions are invited to commit to set science-based targets by signing this commitment letter, and to set targets by completing the following steps within a maximum of 24 months:

1. Develop a science-based target aligned with the SBTi criteria for financial institutions;
2. Submit the target to the SBTi for validation;
3. Publish your approved target on the SBTi website.

Financial institutions that committed to the SBTi before October 1, 2020 are asked to complete the steps above by October 1, 2022.

If a company falls under the definition above but does not consider their investment activities significant/relevant for the purposes of science-based target setting, the company should reach out to the team at info@sciencebasedtargets.org.



Food, Agriculture and Forest sectors in the Call to Action

Companies in land-intensive sectors have a critical role to play in the transition to a zero carbon economy. This is why the SBTi is developing science-based methods to help businesses in these sectors reduce their impact and seize mitigation opportunities.

The [SBTi Forest, Land and Agriculture project \(SBTi FLAG\)](#) is developing methods and guidance to enable businesses in forest, land use, and agriculture sectors to set science-based targets (SBTs) that fully incorporate deforestation and land-related emissions.

Companies with land-intensive operations can commit to the SBTi through signing this letter, and set targets with existing methods. However, companies in FLAG sectors will be required to update their GHG inventories in line with the upcoming [GHG Protocol Guidance on Carbon Removals and Land Use](#). Where this GHG inventory update triggers a target recalculation as described in the SBTi Criteria and Recommendations, companies are required to recalculate their targets in line with the FLAG method. The SBTi will share further information on the timelines for these updates in due course.

The SBTi encourages companies in these sectors who are in the process of setting targets to continue doing so and to estimate land use and land-use change emissions and include those in their targets. This will increase the credibility of the companies' climate commitments and help the company anticipate future changes to the GHG Protocol as well as the SBTi criteria.



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Our company wishes to join the growing group of leading companies that are setting emissions reduction targets in line with what climate science says is necessary. By doing so, we recognize the crucial role the business community can play in minimizing the risk climate change poses to the future of our planet.

We commit to develop a science-based target aligned with the SBTi criteria, submit the target to the SBTi for validation and publish our approved targets within a maximum of 24 months. For more information about the four step process of the SBTi Call to Action please consult the [SBTi website](https://www.sciencebasedtargets.org).

We acknowledge that our commitment will be recognized on [sciencebasedtargets.org](https://www.sciencebasedtargets.org) as well as on our partner websites at We Mean Business, CDP and UN Global Compact.

Company information	
Company name (Please indicate correct spelling, capitalization and punctuation to be used in public communications)	
Website	
Country where company is headquartered	
ISIN number (if relevant, and available) to be used to identify the company in the public SBTi database	
Company LEI (if relevant, and available) to be used to identify the company in the public SBTi database	
Social media links	
<p>Please select the SBTi sector classification that best describes your company's activity.</p> <p>In addition, please provide a more detailed description of your company's sectoral activities.</p> <p>*If you selected Real Estate classification, please indicate if your company is an Equity REIT or Mortgage REIT.</p> <p>*If an oil and gas company, please provide a more detailed description of your company's oil and gas activities.</p> <p>*If a financial institution, please provide a more</p>	



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

info@sciencebasedtargets.org
www.sciencebasedtargets.org



www.facebook.com/ScienceBasedTargets



www.twitter.com/sciencetargets

detailed description	
Type of organization: privately owned company, publicly listed company, state-owned enterprise, other	
Number of employees	
Primary contact information If this contact person changes over time, please contact us at commitments@sciencebasedtargets.org with their contact information.	
First and last name	
Email address	
Phone number	
Job title	
Communications contact information	
First and last name	
Email address	
Job title	

Signature

Place

Date