SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi CRITERIA ASSESSMENT INDICATORS

Version 1.1

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).

DISCLAIMER

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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, or changes to 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.

INTRODUCTION

The Science Based Targets initiative (SBTi) Validation Service independently assesses corporate and financial institution science-based emission reduction targets. To support this service, this document outlines the major checks conducted by the SBTi during the validation process, when assessing conformance with SBTi criteria.

The Criteria Assessment Indicators (CAI) described in this document are provided as verifiable control points which will be used to evaluate submitted information during the target validation process. Conformity with the CAI gives confidence that the company is in compliance with the SBTi Standard(s) under which they are submitting targets. The CAI found in the following sections of this document represent a clarification and formalization of the existing process followed by the Target Validation Team to assess alignment of all corporate and financial institution submissions with SBTi Criteria, SBTi Sector Guidance and GHG Protocol Corporate Standard, Scope 2 Guidance, and Corporate Value Chain Standard. The publication of the CAI seeks to provide clarity for stakeholders and does not signify any additional requirements for companies setting science-based targets, beyond what has been required of all companies submitting under SBTi Criteria version 5.0 and beyond.

Any updates made to the contents of this document will be communicated to all companies before these become applicable. The SBTi urges companies to keep their contact details up to date, to ensure communications are not missed.

This document uses precise language to indicate requirements, recommendations and permissible options that companies may choose to follow. In certain exceptional instances, sector-specific CAI may supersede requirements outlined in the sector-agnostic CAI.

- The terms “shall” or “must” are used throughout this document to indicate what is required for companies to be in conformance with SBTi Criteria.
- The term “should” is used to indicate a recommendation.
- The term “may” is used to indicate that an option is permissible or allowable.

This document is intended for corporates and financial institutions submitting targets to the SBTi. Companies should utilize this document while completing the SBTi Corporate Target Submission Form—henceforth referred to as “the submission form”—to ensure that any proposed targets meet all relevant criteria. The ‘description’ column provides a detailed explanation of the CAI, which can be understood as the various checks conducted to ensure conformity with the SBTi Criteria. The ‘minimum documentation required’ column outlines the information needed to assess conformity with each criteria assessment indicator, and stipulates where (if relevant) in the submission form to provide this information or if supplemental documentation is required.

The Target Validation Team will review all submissions to ensure that all CAI are met for any target submission to be approved. The Target Validation Team reserves the right to request additional information during the validation process, where further explanation or evidence is needed to clarify alignment with any CAI.

For the SBTi to deliver any of its services, corporates and financial institutions must provide information that is accurate and complete at the time of submission and must update such information in order that all submissions are and remain accurate and complete at all times. In the case SBTi determines that all or part of the information provided is inaccurate, incomplete or intentionally hidden or forged, this could be a reason to suspend or void the validation process according to clause 4.5 in the Validation Services contract.

VERSION HISTORY

Version	Change/update description	Release date	Effective dates
1.0	• The tables in this document expand upon *Table 1. Criteria Assessment Table* in the Target Validation Protocol for Near-term Targets v3.1 to include Criteria Assessment Indicators for Net-Zero Criteria, GHG Accounting Requirements and Sector-Specific Criteria.	December 20, 2023	December 20, 2023
1.1	• Near-term criteria and net-zero criteria have been updated to align with SBTi General Criteria version 5.2 and SBTi Net-Zero Standard version 1.2.	March 29, 2024	March 29, 2024

CONTENTS

ASSESSMENT OF SBTI CRITERIA FOR NEAR-TERM TARGETS

Table 1. Near-term Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NT 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.* 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.**, *** ** As outlined in NT C2 to NT C6, and NZ C2 to NZ C7.* *** 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.* **** Companies must integrate emissions from their structural changes into their GHG inventory within a reasonable timeframe.*			
1.1 Disclosure of organizational boundary	GHG Accounting	Companies must disclose the organizational boundary approach chosen, and justify the appropriateness of the approach used. Any deviations from the consolidation approach must be indicated and highlighted in the supporting evidence.	Written selection of consolidation approach in Question 2.2.1 and explanation of choice (e.g., choice aligns with financial reporting and the company provides a link to the financial report) in Question 2.2.2 of the submission form.
1.2 Disclosure of organizational structure	GHG Accounting	Companies must submit a diagram or visual representation of the company structure to clearly demonstrate the entities that are within the organizational boundary.	Provision of an organogram or documentation displaying percentage ownership of the reporting company and all worldwide subsidiaries and joint ventures.
1.3 Inclusion of subsidiaries	GHG Accounting	Companies must include all worldwide subsidiaries in accordance with the chosen consolidation approach (e.g., operational control) to determine the organizational boundary.	Written confirmation in Question 2.4.1 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
1.4 Integration of structural changes into GHG inventory	GHG Accounting	Companies must integrate emissions from their structural changes into their GHG inventory within a reasonable timeframe as per the GHG Protocol Corporate Standard Chapter 5 for recalculating base year emissions (pages 35 - 39). Companies should make this integration within a year of the completion of a full reporting cycle after the structural change.	Provision of list of all mergers, acquisitions, and divestments, along with an indication of whether each has been recalculated and incorporated into the base year inventory in Questions 2.3.2 and 2.3.3 of the submission form. If any have not, justification is needed. Justifications include but are not limited to: occurred in the last year and haven't been integrated yet, changes are cumulatively below the 5% recalculation threshold, or entities have been excluded as part of the 5% threshold.
1.5 Disclosure of exclusions	GHG Accounting	Companies must transparently disclose if any entities that are within the organizational boundary have been omitted from the reporting.	Quantification of any excluded emissions from these entities in tCO2e and as a percentage exclusion relative to total scope 1, 2 and 3 base year emissions in Table 4 of the submission form.
1.6 Disclosure of unconsolidated entities	GHG Accounting	Companies using the financial or operational control approach must disclose in scope 3 category 15 those emissions coming from entities in which they have a stake but which are not within their organizational boundary. This does not apply to companies using the equity share consolidation approach, which must disclose emissions from all entities in which they have a stake within their organizational boundary proportional to the equity held in each entity, as per the GHG Protocol Corporate Standard.	Provision of details in Question 2.9.15.2 of any unconsolidated entities with percentages of the equity stake held by the reporting company, which may be displayed in a chart, list, or diagram as long as all unconsolidated entities are listed and equity percent is included for each.

NT C2 - Greenhouse gasses: The targets shall cover all relevant emissions of the seven* GHGs as required by the GHG Protocol Corporate Standard.

** The seven GHGs are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).*

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
2.1 Inclusion of greenhouse gasses	GHG Accounting	As indicated in the GHG Protocol Corporate Standard (Required Greenhouse Gases in Inventories, Accounting and Reporting Standard Amendment (February, 2013) to include NF_3), the GHG inventory must cover all relevant emissions of the seven different GHGs or classes of GHGs covered by the UNFCCC/Kyoto Protocol.	Confirmation in Question 2.12.1 of the submission form.
2.2 Disclosure of exclusions	GHG Accounting	Companies must justify and include any exclusions in the submission form. Please note being unable to measure a gas is not a valid reason for exclusion. Exclusions must be calculated based on the entire gross inventory and insignificant categories still need to be accounted for in the inventory in tCO_2e.	Written confirmation that any GHG exclusion along with other exclusions do not amount to over 5% in Table 5 of the submission form. If a gas is deemed not relevant because it isn't used in the reporting company's operations, an explanation must be provided with further contextual information in Table 5 of the submission form.
NT 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.* * *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.*			
3.1 Inclusion of scope 1 activities	GHG Accounting	Companies must include all direct GHG emissions occurring from sources that are owned or controlled by the reporting company based on the consolidation approach chosen*. Refer to GHG Protocol Corporate Standard Chapter 4 page 27 for examples of direct GHG emissions included in scope 1. **See SBTi Near-Term Criterion 5 for exclusionary allowances.*	Written confirmation and description of key scope 1 business activities in Table 1 of the submission form.
3.2 Inclusion of scope 2 activities	GHG Accounting	Companies must include all GHG emissions from the generation of purchased electricity, heat, steam and cooling based on the consolidation approach chosen*.	Written confirmation and description of key scope 2 business activities in Table 2.1 and Table 2.2 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		**See SBTi Near-Term Criterion 5 for exclusionary allowances.*	
3.3 SBTi scope 1 and 2 Criteria Assessment Indicators	GHG Accounting	GHG accounting must be in accordance with SBTi GHG Accounting Criteria Assessment Indicators 1.1-2.3.	Demonstration of objective evidence needed for GHG Accounting Criteria Assessment Indicators 1.1-2.3.
NT 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 compared to the total scope 1, 2, and 3 emissions of the company.			
4.1 Complete disclosure of GHG inventory based on GHG Protocol Scope 3 Standard	GHG Accounting	Companies must disclose the entire GHG inventory in line with the GHG Protocol Corporate Value Chain Scope 3 Standard.	Provision of GHG inventory for all activities in the reporting year in Table 1, Table 2.1, Table 2.2 and Table 3 of the submission form and demonstration of objective evidence needed for the GHG accounting Criteria Assessment Indicators.
4.2 Scope 3 category 11 for companies involved in the distribution or sale of fossil fuel products	Target Setting	Companies involved in the distribution or sale of fossil fuel products must set 1.5°C targets over use of sold products covering scope 3 category 11 emissions regardless of the share of emissions their scope 3 inventory represents.	Demonstration of objective evidence needed for SBTi Near-Term Criterion 22 and Criterion 23.
4.3 Scope 3 target eligibility for near-term targets	Target Setting	Companies with total scope 3 GHG emissions equal to or exceeding 40%* of total scope 1, 2 and 3 emissions must set scope 3 targets, considering the aggregated energy & industrial and FLAG-related emissions when separate inventories are reported. **If scope 3 emissions make up 39.9% or higher of total emissions, this will be rounded up to 40% and a scope 3 target is mandatory.*	Demonstration that total scope 3 emissions equal less than 40% of total emissions, plus confirmation that there is no involvement in the sale or distribution of fossil fuel products in Question 1.6.5 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NT 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.*, ** Companies shall not exclude more than 5% of emissions from their total scope 3 GHG inventory.***, **** Scope 3 target boundary requirements are outlined in C6. * ** 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.* *** 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 must continue to report on both scopes and adjust their targets as needed, in accordance with the GHG Protocol's principle of completeness, and as per C26 and C27.* **** 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.*			
5.1 Scope 1 and 2 exclusion threshold	GHG Accounting	Total exclusions from the reporting company's scope 1 and 2 inventory and target boundary combined must not exceed 5% of the total scope 1 and 2 emissions calculated.* **Where the reporting company's scope 1 or 2 emissions are less than 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. Companies must 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.*	Provision of the quantitative list and justification of any exclusions from the scope 1 and 2 inventory in tCO2e in Table 4 and Table 5 of the submission form. Estimate the emissions in tCO2e excluded for each scope.
5.2 Scope 3 exclusion threshold	GHG Accounting	Total exclusions from the reporting company's scope 3 inventory must not exceed 5% of the total scope 3 emissions calculated.* **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*	Quantitatively list and justify any exclusions from the scope 3 inventory in Table 4 and Table 5 of the submission form. Estimate the absolute tCO2e from the omitted activity/activities per category and provide percentage exclusion relative to scope 3 total.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		still must be quantified and reported in the reporting company's GHG inventory. This is regardless of whether the reporting company chooses to exclude them or not, as exclusions must also be quantified and reported.	
5.3 Allowable exclusions based on immateriality	GHG Accounting	Companies must account for all potential emissions sources and have calculated the total magnitude of emissions in tCO2e before any emissions are excluded.	Demonstration of how excluded emissions were calculated under Table 4 and Table 5 of the submission form.
5.4 Monitoring of exclusion thresholds	GHG Accounting	Exclusions must be monitored throughout the target timeframe. Any exclusions that breach the 5% threshold must be brought into the inventory boundary.	Written confirmation that exclusions will be quantified and tracked on an annual basis in Question 5.1.1 of the submission form.
NT 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 category in conformance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.* ** 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.*			
6.1 Assessment of scope 3 target boundary coverage	Target Setting	Companies must set scope 3 targets that collectively cover at least 67% of total mandatory (reported and excluded) scope 3 emissions, not taking into account any optional emissions reported, as per the minimum boundary defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and SBTi GHG Accounting Criteria Assessment Indicators.	Demonstration of sufficient target coverage in Table 9 of the submission form showcasing which scope 3 categories are covered under each target set. Excluded emissions must be taken into account in the total scope 3 emissions when calculating the required coverage.
6.2 Disclosure of scope 3 optional emissions	Target Setting	Optional emissions as per the GHG Protocol must be reported separately and must be covered under a different target. Optional targets (if applicable) must not be counted towards the 67% minimum coverage threshold, and excluded emissions must be taken into account when calculating the required coverage.	Demonstration with scope 3 target coverage table that optional targets (if applicable) have not been counted towards the 67% minimum coverage threshold in Table 9.3 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NT C7 - 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.			
7.1 Target setting method applicability	Target Setting	Companies must list the target setting method and version of the Corporate Near-Term Tool that was used to model each target.	Companies must submit targets to the SBTi that are modeled using the official near-term and long-term target setting tools published on the SBTi website. Any tool used must be submitted in the format of an excel file and included in the reporting company's submission files.
7.2 Target setting method validity	Target Setting	Companies must check that the version of the tool used is valid before sending targets for SBTi validation. Companies have six months from the date a new tool is published to continue using the latest legacy version, unless otherwise noted. After that six month grace period, all companies must use the most up to date version available.	Written confirmation that companies have used valid SBTi guidance and SBTi target setting tool submitted at the time of validation in Table 8 of the submission form.
NT C8 - 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).			
8.1 Scope 2 target setting	Target Setting	A single scope 2 accounting approach must be selected for the purpose of target setting.	Selection of one scope 2 method in Question 2.8.1 of the submission form and confirmation that the chosen method will be used consistently for tracking target progress.
8.2 Scope 2 reduction strategy	GHG Accounting	A scope 2 accounting approach and reduction strategy is provided.	Explanation of how the chosen scope 2 reduction strategy aligns with the selected scope 2 accounting approach in Question 5.4.3 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NT C9 - 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.*, ** ** 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 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.* *** 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.*			
9.1 Scope 3 GHG accounting	GHG Accounting	Companies must conduct a full scope 3 inventory and calculate emissions for each scope 3 category regardless of perceived relevance or magnitude.	Within Table 3 of the submission form, companies must report a figure for all scope 3 emissions categories in tCO_2e, write a full description of the emissions included in the category, and describe how these fit within the minimum boundaries prescribed by the GHG Protocol. Emissions from categories deemed immaterial must be quantified in tCO_2e and full descriptions must be provided. Companies may also provide supplemental documentation of the methodology/emissions factors used to derive the figures in the reporting company's submission files.
9.2 SBTi scope 3 requirements	GHG Accounting	Companies must adhere to all SBTi GHG Accounting expectations beyond the GHG Protocol Scope 3 Corporate Value Chain Standard.	Companies must conform GHG accounting to the SBTi GHG accounting Criteria Assessment Indicators GHG C3 - GHG C18 to ensure conformance with SBTi GHG Accounting.
9.3 SBTi scope 3 Criteria	GHG Accounting	GHG accounting must be in accordance with SBTi GHG accounting Criteria Assessment Indicators GHG C3 - GHG C18.	Demonstration of objective evidence needed for GHG accounting Criteria Assessment Indicators GHG C3 - GHG C18.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Assessment Indicators			
NT C10 - Bioenergy accounting: CO_2 emissions from the combustion, processing and distribution phase of bioenergy - as well as the land-related emissions and removals* associated with bioenergy feedstocks - shall be reported alongside a company's GHG inventory. 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.** Land-related emissions accounting shall include CO_2 emissions from direct land use change (LUC) and non-LUC emissions, inclusive of N_2O and CH_4 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 C10. ** 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.* *** 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".*			
10.1 Bioenergy GHG accounting	GHG Accounting	Companies using bioenergy must report CO2 emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals associated with bioenergy feedstocks alongside the inventory. Companies must report direct biogenic CO2 emissions and removals separately i.e., report gross emissions and gross removals from bioenergy feedstocks. Companies should also report the net emissions from the emissions and removals of CO2 associated with bioenergy. Companies using bioenergy must confirm that CO2 emissions from the combustion, processing and distribution phase of bioenergy and the land-related emissions and removals associated with bioenergy	Companies must confirm they follow the GHG Protocol Guidance on bioenergy accounting in Question 2.13.2 in the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		feedstocks are included in the target boundary. This applies even if the companies assume net-zero carbon emissions from the use of bioenergy. Land-related emissions accounting must include CO2 emissions from direct land use change (LUC) and non-LUC emissions, inclusive of N2O and CH4 emissions from land use management. Including emissions associated with indirect LUC is optional.	
10.2 Bioenergy accounting methodologies	GHG Accounting	Companies using bioenergy must disclose the justifications/assumptions on the methods and renewability of the bioenergy sources. This will include assumptions on emission factors. Companies using bioenergy must also confirm that they will update their inventory if/when the SBTi endorses specific methods/factors for estimating these emissions/removals.	Provision of details on the bioenergy sources (e.g. biodiesel from palm oil, sugarcane ethanol, etc), and the methods used to calculate bioenergy emissions/removals in Section 2.13 of the submission form until an SBTi-endorsed method becomes available. Agreement to adjust these figures in the future if necessary Question 5.2.4 of the submission form.
10.3 Bioenergy footnote	Target Setting	For targets that include bioenergy including but not limited to: ● Any amount of bioenergy ● Companies that plan on using bioenergy as a reduction mechanism but currently do not have any biogenic emissions The reporting company's target language must include the following footnote: "*The target boundary includes land-related emissions and removals from bioenergy feedstocks."	Agreement of inclusion of the bioenergy footnote in the target language in Question 2.13.7 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NT C11 - 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 Corporate Net-Zero Standard Criteria C28) or to finance additional climate mitigation beyond their science-based emission reduction targets (see Corporate Net-Zero Standard Criteria R9).			
11.1 Carbon credits for target progress	Target Setting	Reductions that result from the purchase of carbon credits must be reported outside of the main GHG inventory and tracked separately from validated targets. Carbon credits do not count toward the achievement of near or long-term targets, and companies must select a target ambition that is based on the reductions which can be achieved through direct mitigation levers. If companies choose to purchase carbon credits, these credits may be used for Beyond Value Chain Mitigation (BVCM), or for neutralization of residual emissions.	Written confirmation in Question 5.4.1 of the submission form that carbon credits (e.g. offsets) will not be counted toward target progress.
NT C12 - Avoided emissions: Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward near-term science-based emission reduction targets.			
12.1 Accounting and tracking of avoided emissions separately from GHG inventory and targets	GHG Accounting	Companies must not report avoided emissions in their GHG inventory or count avoided emissions toward near or long-term target achievement. Companies wishing to track avoided emissions must account for these emissions under an entirely different accounting system.	Written confirmation in Question 5.4.2 of the submission form that avoided emissions are not included in the GHG inventory calculations or covered by any proposed targets.
NT C13 - Base and target years: 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.* The choice of base year must be no earlier than 2015. Scope 1 and scope 2 targets must use the same base year.** The SBTi does not accept multi-year average base years, unless this is specified in the sector-guidance relevant to the company.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
**For targets submitted for validation in the first half of 2024 (until June 30), the valid target years are 2028-2033 inclusive. For targets submitted in the second half of 2024 (from July 1), the valid target years are between 2029 and 2034 inclusive. ** 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.*			
13.1 Near-term target timeframe	Target Setting	Targets must cover a minimum of 5 years and a maximum of 10 years from the date of submission. If the target is submitted for validation in the first half of the year (i.e., by the end of June), the timeframe includes the year of submission. If submitted in the second half of the year, the timeframe begins from the start of the following year. It is recommended companies use the same base year and most recent year when reporting greenhouse gas inventories to the SBTi, but, if necessary, companies may report a different year for scope 3 when compared to scope 1 and 2. Scope 1 and 2 base years and most recent years must be consistent.	Disclosure of suitable timeframe in Table 8 of the submission form.
13.2 Consistent base year for targets with different timeframes	Target Setting	Once companies select a base year, that base year must be used consistently for both near-term and long-term target setting for targets of the same scope.	Written confirmation as per inputs in Section 2.7 of the submission form.
13.3 Base year after 2015	Target Setting	Companies must set targets with a base year of 2015 or later. Any companies that used base years prior to 2015 during past SBTi submissions must update their base year to 2015 or later during the target resubmission process.	Written confirmation as per inputs in Table 8 of the submission form.
NT C14 - 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).*, **			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
** 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.* *** 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 applying 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.*			
14.1 Provision of most recent year GHG inventory	GHG Accounting	The most recent GHG inventory provided must be for a complete year. For submissions in 2024, a recent year inventory must be provided that is no earlier than 2022, i.e., allowable most recent years are 2022 and 2023.	Written confirmation as per inputs in Tables 7.1 - 7.3 of the submission form.
14.2 Use of SBTi target setting tool	Target Setting	The SBTi target setting tool must be used to calculate the minimum ambition of near-term scope 1 and/or scope 2 targets including the most recent year emissions. For companies using the most recent year as a base year, this section is not relevant and does not affect minimum target ambition.	Submission of the SBTi target setting tool.
14.3 Assessment of absolute contraction forward looking ambition	Target Setting	Forward-looking ambition (i.e., ambition from the most recent year of data to 2050) must be, at a minimum, aligned with reducing emissions 90% by 2050 from base year levels based on a linear reduction between the most recent year and 2050.	Submission of the SBTi target setting tool.
14.4 Assessment of intensity forward looking ambition	Target Setting	If the target is intensity-based, the criterion is met if: ● Company activities align with the requirements of the SDA guidance (if applicable) and pathway. See Sector-Specific Requirements Table 1 in the SBTi near-term criteria for further information. ● Ambition is at a minimum, aligned with reaching the net-zero convergence intensity based on a	Submission of the SBTi target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		linear intensity reduction between the most recent year and 2050.	
14.5 Assessment of target achievement	Target Setting	Target has not been achieved with the most recent year GHG inventory provided.	Submission of the SBTi target setting tool.
14.6 Assessment of most recent year representativeness	GHG Accounting	Companies must provide all the relevant GHG inventory data including a most recent year GHG inventory even if business activities were impacted by the COVID-19 pandemic. If any years subsequent to the base year are unrepresentative, companies must explain why, and indicate the rationale for the choice of the most recent year. The achievement of near-term target(s) due to COVID-19 pandemic impacts on the levels of business activity does not apply unless evidence is submitted quantitatively demonstrating how activities are returning to pre-COVID levels.	Supporting quantitative evidence sent as part of the submission package.
NT C15 - 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.* ** 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 would be assessed as CY2021. In the rare case where a FY is evenly split across a CY (i.e. FY ends on 30th June), ambition is assessed using the later year in the date range. This approach is applicable to all targets.*			
15.1 Assessment of absolute contraction ambition	Target Setting	If the target is absolute-based, the criterion is met if companies are in conformance with SBTi Near-Term Criterion 16.	Demonstration of objective evidence needed for NT C16.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
15.2 Assessment of intensity ambition	Target Setting	If the target is intensity-based, the criterion is met if companies are in conformance with SBTi Near-Term Criterion 17.	Demonstration of objective evidence needed for NT C17.
15.3 Assessment of renewable electricity procurement ambition	Target Setting	For renewable electricity procurement targets, the criterion is met if the companies are in conformance with SBTi Near-Term Criterion 21.	Demonstration of objective evidence needed for NT C21.
NT C16 - 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.			
16.1 Assessment of ambition after 2020	Target Setting	For base years after 2020, the absolute emissions reduction must meet the minimum reduction value over the target period as set out below: Minimum value for absolute reduction target = 4.2% x (Target year - 2020).	Submission of the SBTi target setting tool and/or conformance with the formula in Table 8 of the submission form.
16.2 Assessment of ambition before 2020	Target Setting	For base years between 2015 and 2020 (inclusive), the absolute emissions reduction must meet the minimum reduction value over the target period as set out below: Minimum value for absolute reduction target = 4.2% x (Target year - base year)	Submission of the SBTi target setting tool and/or conformance with the formula in Table 8 of the submission form.
NT C17 - 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.			
17.1 Assessment of intensity ambition	Target Setting	The SDA pathway must be representative of company activities and the ambition between the base year and	Provision of target setting methods and justification of SDA applicability in Question 3.2.1 of the submission form. Submission of the SBTi target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		target year must be aligned with the minimum ambition threshold of the relevant 1.5°C SDA pathway.	
NT C18 - 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.* ** 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 would be assessed as CY2021. In the rare case where a FY is evenly split across a CY (ie FY ends on 30th June), ambition is assessed using the later year in the date range. This approach is applicable to all targets.*			
18.1 Assessment of absolute ambition after 2020	Target Setting	For base years 2020 or later, the timeframe ambition (i.e., ambition from the base year to the target year) for absolute percentage-based emission reduction targets must be, at a minimum, aligned with the well-below 2°C ambition threshold.	Minimum value for absolute contraction target = 2.5% x (Target year - 2020).
18.2 Assessment of absolute ambition before 2020	Target Setting	For base years between 2015 and 2020 inclusive, the timeframe ambition (i.e., ambition from the base year to the target year) for absolute percentage-based emission reduction targets must be, at a minimum, aligned with the well-below 2°C ambition threshold.	Minimum value for absolute contraction target = 2.5% x (Target year - base year).

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
18.3 Assessment of economic intensity metric	Target Setting	If the target is based on reduction of economic intensity, the economic intensity metric must be based on greenhouse gas emissions per unit of value added (GEVA). The calculations of value added must use the formulae set out in "Greenhouse gas emissions per unit of value added ("GEVA") — A corporate guide to voluntary climate action": ● Value added = gross profit. ● Value added = operating profit = earnings before interest and depreciation (EBITDA) + all personnel costs. Personnel costs must include payment to management and board members. ● Value added = sales revenue - the cost of goods and services purchased from external suppliers	GEVA-approved metric provided in Question 3.2.3 of the submission form.
18.4 Assessment of economic intensity growth	Target Setting	If the target is based on reduction of economic intensity, the intensity targets must be paired with relevant activity growth projections.	GEVA activity in base year and target year, along with growth projections are provided in Question 3.2.1 and Question 3.2.2 of the submission form.
18.5 Assessment of economic intensity ambition	Target Setting	Economic intensity reductions are aligned to at least a 7% economic intensity reduction in annual compounded terms.	Submission of the SBTi target setting tool.
18.6 Assessment of physical intensity metric	Target Setting	Physical intensity denominator must be representative of the reporting company's emissions in the target boundary, corresponding to a measurable product, output, level or service. It cannot be a unit of monetary or economic value. Companies are required to provide a clear definition of the physical intensity unit applied in this type of target.	Companies must indicate a metric in Table 8 of the submission form and justify the reasoning in Question 3.2.1.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
18.7 Comparison of physical intensity and SDA	Target Setting	Scope 3 SDA intensity convergence targets are intensity targets that are based on physical activity indicators. However, these targets are not to be assessed by the minimum ambition requirements of the physical intensity target setting method. Companies that choose to use intensity methods must ensure their intensity targets meet or exceed the minimum ambition requirements of the corresponding SDA pathway.	If an SDA pathway is available, the physical intensity timeframe ambition must be aligned with the minimum ambition threshold of the relevant SDA pathway at a minimum.
18.8 Assessment of physical intensity ambition from 2020	Target Setting	For base years 2020 or later, intensity-based emission reduction targets the timeframe ambition (i.e., ambition from the base year to the target year) must be, at a minimum, aligned with the well-below 2°C ambition threshold. Targets must drive ambitious physical intensity reduction to lead to at least a 7% physical intensity reduction in annual compounded terms.	Minimum value for physical intensity target = 100% - $(93\%)^{(\text{Target year - 2020})}$
18.9 Assessment of physical intensity ambition before 2020	Target Setting	For base years between 2015 and 2020 inclusive, intensity-based emission reduction targets the timeframe ambition (i.e., ambition from the base year to the target year) must be, at a minimum, aligned with the well-below 2°C ambition threshold.	Minimum value for physical intensity target = 100% - $(93\%)^{(\text{Target year - base year})}$

NT C19 - 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:

- 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.*
- 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.**

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
● Ambition level: The company's suppliers/customers shall have science-based emission reduction targets in line with the latest version of the SBTi Criteria for Near-term Targets. **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).* ***For targets submitted for validation in the first half of 2024 (until June 30), the valid target years are up to 2028 inclusive. For those submitted in the second half of 2024 (from July 1), valid target years are up to 2029 inclusive.*			
19.1 Assessment of engagement target boundary	Target Setting	The supplier/customer engagement target boundary must correspond only to the suppliers'/customers' emissions that are being covered by the target. The portion of suppliers/customers that are covered by the target and how much they represent in overall emissions must be disclosed. This may be demonstrated by supplying information on the group, percentage, or group of suppliers/customers that will be covered by the target.	Percentage of emissions and the relevant categories the target covers is provided in Question 3.2.1 and Table 9 of the submission form.
19.2 Assessment of spend proxy	Target Setting	Companies may use a "per spend" proxy but must provide an estimate of the emissions coverage associated with that spend to demonstrate that engagement target requirements are met. If using a "per spend" proxy, the percentage covered must only correspond to the spend on suppliers/customers in the desired scope 3 categories of the target coverage.	Provision of what percentage of emissions the "per spend" proxy covers of scope 3 emissions in Question 3.3.1 of the submission form.
19.3 Assessment of engagement target boundary	Target Setting	The target year in which suppliers' targets have been set, must be within 5 years (inclusive) from the date of submission. E.g., for targets submitted for validation in the first half of 2024, valid target years are up to and including 2028. For those submitted in the second half of 2024 (from 1 July), valid target years are up to and including 2029.	The target year is a maximum of 5 years from the date the target is submitted for validation.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
19.4 Assessment of engagement target plan	Target Setting	A high-level plan of supplier/customer engagement must also be included within the submission form including the portion of suppliers/customers covered by the target. Engagement targets on downstream customers may be set, but companies must also disclose how it can credibly influence these customers to set their own targets.	Written explanation in Question 5.4.5 of the submission form.
19.5 Assessment of engagement emission boundary	Target Setting	If suppliers/customers are only required to set science-based targets on certain scopes, only those scopes of emissions must be accounted for in the boundary.	Written explanation in Question 5.4.5 of the submission form.
19.6 Criteria version for engagement targets	Target Setting	Supplier/customer engagement targets are required to be set in accordance with the latest version of the SBTi Criteria for near-term Targets. Official validation of suppliers' targets by the SBTi is not required, though companies are welcome to encourage this if they wish.	Companies specify in the target language that their suppliers/customers will have science-based targets that meet the latest SBTi Criteria for Near-term Targets.
NT C20 - Combined scope targets: Targets that combine 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.* ** 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 sectors where minimum target ambition is further specified for companies' scope 3 activities, C24 supersedes C20.*			
20.1 Superseded criterion	Target Setting	For sectors where minimum target ambition is further specified for companies' scope 3 activities, C24 supersedes C20.	Demonstration of objective evidence needed for NT C24.
20.2 Assessment of combined scope 1 and 2 target	Target Setting	Targets combining scope 1 and 2 must be in line with the ambition criteria C14 and C15. If submitting a combined scope 1 and 2 target, reductions in both scopes must be made.	Demonstration of objective evidence that the combined scope 1 and 2 portion is in line with NT C14 and NT C15.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
20.3 Assessment of combined scope 1, 2 and 3 target	Target Setting	For targets combining scope 1, 2 and 3, the scope 1 and 2 portion of the target must be in line with criteria C14 and C15 and the scope 3 portion must be in line with criterion C18.	Demonstration of objective evidence that the combined scope 1 and 2 ambition is in line with NT C14 and NT C15 and the scope 3 portion is in line with NT C18.
20.4 Reduction compensation within a combined target	Measurement, reporting and verification	Compensation of reductions between targets set over scopes 1+2 and scope 3 must not occur. Targets are modeled, measured, tracked, and therefore also achieved, at a disaggregated level.	Confirmation of disaggregated ambition as per inputs in Table 8 of the submission form.
NT C21 - 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 reduction targets*. 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**. 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% active renewable electricity procurement beyond 2030. ** 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.* *** RE100 guidance states that setting a 100% renewable electricity target by 2030 at the latest shows a strong level of leadership.*			
21.1 Reporting of scope 2 emissions	Measurement, reporting and verification	Companies that set renewable electricity targets must select market-based accounting as the mechanism for setting and tracking progress towards this SBT.	Market-based scope 2 is selected in the submission form.
21.2 Assessment of RE procurement	Target Setting	The share of renewable electricity in the base year and most recent year must be calculated using the definitions of renewable electricity in GHG Protocol Scope 2 Guidance.	Disclosure of the share of renewable electricity in base year and most recent year in Table 8 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
21.3 Assessment of renewable electricity ambition	Target Setting	Targets that fall between 2025 and 2030 will be accepted if they meet the linear progression of these requirements: ● 84% by 2026; ● 88% by 2027; ● 92% by 2028; or ● 96% by 2029. Companies that are already actively sourcing renewable electricity at or above the minimum thresholds must commit to maintain or increase their use share of renewable electricity to qualify.	The active sourcing of renewable electricity in the target year provided in the submission form is at or above the minimum share thresholds.
21.4 Renewable electricity target language	Target Setting	Targets must be formulated to specifically address the active sourcing of renewable electricity according to the Scope 2 Quality Criteria in the GHG Protocol's Scope 2 Guidance.	Provision of SBTi-approved renewable electricity target language in Table 8 of the submission form including the target language explicitly referring to 'active sourcing' of renewable electricity. Target language template must be followed: *[Company name] commits to increase active annual sourcing of renewable electricity from [X]% in [base year] to 100% by 2030* or for continuation it is *[Company name] commits to continue active annual sourcing of 100% renewable electricity through 2030.*
NT C22 - 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 scope 3 coverage, companies may need to set additional targets covering other scope 3 categories. Customer engagement targets are not eligible for this criterion.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
This criterion is only relevant for companies that are involved in the sale, transmission, distribution of oil, natural gas, coal as well as other fossil fuels. Companies that derive 50% or more of revenue from fossil fuels cannot have their targets validated at this time and must follow the Oil and Gas sector methodology once published.			
22.1 Inclusion of fossil fuel emissions	GHG Accounting	The combustion of fossil fuels distributed or transmitted must be accounted for in GHG inventory and target boundary, even if they are not sold directly by the reporting company.	Reporting of combustion emissions in Table 3.11 of the submission form.
22.2 Target coverage of fossil fuel emissions	Target Setting	Companies must disclose if this criterion is relevant and, if so, must submit a scope 3 target that covers 100% of downstream fossil fuels.	Submission of at least one target covering the direct use-phase emissions of the combustion of fossil fuels sold, transmitted or distributed.
22.3 Assessment of ambition over fossil fuel emissions	Target Setting	The ambition must be at a minimum aligned with the 1.5°C ambition threshold.	Alignment of the ambition of the target with a SBTi-approved 1.5°C pathway.
NT C23 - 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. ● 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.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
23.1 Fossil fuel activities	Target Setting	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*, i.e., including, but not limited to, integrated oil and gas companies, integrated gas companies, exploration and production pure players, refining and marketing pure players, oil products distributors, gas distributors and retailers and traditional oil and gas service companies cannot get their targets validated at this stage. **See criteria assessment indicator 23.3.*	Confirmation in Question 1.6.5 of the submission form. If retirement or selling of fossil fuel assets has occurred, objective evidence is provided showing the completion of the sale or decommissioning.
23.2 Fossil fuel revenue	Target Setting	Companies that derive more than 50% of revenue from a) sale, transmission and distribution of fossil fuels, or b) providing equipment or services to fossil fuel companies cannot have their targets validated at this time.	Confirmation in Question 1.6.6 of the submission form. Companies will provide company documents such as financial reports that show revenue sources are linked to fossil fuels according to the SBTi definition.
23.3 Fossil fuel policy revenue	Target Setting	Companies with more than 5% revenue from fossil fuel assets (e.g., coal mine, lignite mine, etc.) for extraction activities with commercial purposes cannot have their targets validated at this time and must follow the respective sector methodology, once published.	Confirmation in Question 1.4.1 of the submission form.
NT C24 - 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 in Table 4 of the Corporate Net-Zero Standard.* * *The Corporate Net-Zero Standard and the Near-Term Criteria 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.*			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
24.1 Mandatory guidance adherence	Sector-Specific	If companies operate within a sector where sector-specific guidance is available, they must follow the latest guidance within 6 months of its publication unless otherwise stated.	Mandatory sector-specific guidance is available and the latest version is followed.
NT C25 - Frequency: The company shall publicly report its company-wide GHG emissions inventory and progress against published targets on an annual basis.			
25.1 Confirmation of annual reporting	MRV	Companies must state where (e.g. sustainability report, reporting platform such as CDP, GRI report, TCFD report, etc.) they will disclose: 1. Company-wide GHG inventory based on the consolidation approach chosen, and 2. Progress against their SBTi-approved targets.	Confirmation in Question 5.1.3 of the submission form.
NT C26 - Mandatory target review: Companies shall review all active targets, at a minimum, every 5 years to ensure consistency with the latest SBTi criteria.* 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. ** 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.*			
26.1 Confirmation of 5 year cycle	Measurement, reporting and verification	Companies must state that they will review, and if necessary, recalculate and revalidate their targets, at a minimum, every 5 years.	Confirmation in Question 5.2.5 of the submission form.
26.2 SBTi criteria version for recalculation	Measurement, reporting and verification	Companies with an approved target(s) that require recalculation must follow the most recent applicable criteria at the time of resubmission.	Confirmation in Question 5.2.4 of the submission form.

<table>
<tr><th>Criteria Assessment Indicator</th><th>Applicability</th><th>Description</th><th>Minimum Documentation Required</th></tr>
<tr><td>26.3 Adherence to SBTi significance threshold</td><td>Target Setting</td><td>SBTi's significance threshold is defined as a cumulative change of five percent or larger in an organization's total base year emissions (tCO2e). All companies must adhere to the SBTi's 5% significance threshold. In the absence of a base year emissions recalculation policy, companies must agree to apply a 5% significance threshold for baseline emissions recalculations.</td><td>Provision of recalculation policy and/or commitment to the SBTi's 5% significance threshold for base year emissions recalculation in Question 5.2.3 of the submission form.</td></tr>
<tr><td colspan="4">NT C27 - 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.
● 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).*
● 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.**

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.***
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.

* 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).
** For example, for intensity targets, changes in growth projections.</td></tr>
</table>

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
**** 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.*			
27.1 Integration of structural changes into GHG inventory	GHG Accounting	Targets should be recalculated as soon as possible (companies should make this integration within a year of the completion of a full reporting cycle after the structural change) according to NTC1.4 to reflect significant changes to remain relevant to the current company structure and operations.	Demonstration of objective evidence needed for NT C1.4.
27.2 Near-term target recalculation triggers	GHG Accounting	Targets must be recalculated, as needed, to reflect significant changes that would compromise the relevance and consistency of the existing target(s). The following changes trigger a target recalculation: ● Scope 3 emissions become 40% or more of scope 1, 2, and 3 emissions. ○ Exclusions in the inventory or target boundary change significantly and/or pass the 5% significance threshold. ● Significant changes in company structure and activities (e.g., acquisition, divestiture, merger, insourcing or outsourcing, shifts in product or service offerings). ● Significant adjustments to the base year inventory, data sources or calculation methodologies. ● Significant changes in data used to calculate the targets such as growth projections (e.g., discovery of significant errors or several cumulative errors that are collectively significant).	Agreement to recalculate targets if any SBTi-designated significant changes (ie: 5% as referenced in NTC26) compromise the relevance and consistency of existing targets in Question 5.2.4 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		• Other changes to projections/assumptions used with science-based target setting methods	
NT C28 - 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 timeframe has been agreed in writing with the SBTi.			
28.1 Announcement of targets	Target Setting	If officially approved by the SBTi, companies must announce their targets at any time within 6 months of the approval date. Targets that go unannounced after 6 months must be resubmitted to the SBTi for a complete re-validation with the most recent version of the criteria.	Public announcement of targets by companies within 6 months of approval by the SBTi Target Validation Team.

ASSESSMENT OF SBTI CRITERIA FOR NET-ZERO TARGETS

Table 2. Net-Zero Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NZ C1 - Organizational boundary: See near-term criterion 1.			
NZ C2 - Greenhouse gasses: See near-term criterion 2.			
NZ C3 - Scope 1 and scope 2: See near-term criterion 3.			
NZ C4 - Scope 3: If a company's relevant scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions, they must 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 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.			
4.1 Complete disclosure of GHG inventory based on GHG Protocol Scope 3 Standard	GHG Accounting	Companies must disclose the entire GHG inventory in line with the GHG Protocol Corporate Value Chain Scope 3 Standard.	Provision of GHG inventory for all activities in the reporting year in Table 3 of the submission form and demonstration of objective evidence needed for the GHG accounting Criteria Assessment Indicators.
4.2 Scope 3 category 11 for companies involved in the distribution or sale of fossil fuel products	Sector-Specific	Companies involved in the distribution or sale of fossil fuel products must set 1.5°C targets over use of sold products covering scope 3 category 11 emissions regardless of the share of emissions their scope 3 inventory represents.	Demonstration of objective evidence needed for SBTi Near-Term Criterion 22 and Criterion 23.
4.3 Scope 3 target eligibility for near-term targets	Target Setting	If the reporting company's scope 3 emissions make up less than 40%* of its total scope 1, 2, and 3 emissions, a near-term scope 3 target is not required, though it is highly encouraged.	Demonstration that total scope 3 emissions equal less than 40% of total emissions and confirmation that there is no involvement in the sale or distribution of fossil fuel products in Question 1.6.5 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		**If scope 3 emissions make up 39.9% or higher of total emissions, this will be rounded up to 40% and a scope 3 target is mandatory.*	
NZ C5 - Scope 1, 2, and 3 allowable exclusions: See near-term criterion 5.			
NZ C6 - Scope 3 emissions coverage for near-term targets: See near-term criterion 6.			
NZ 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. ** 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.*			
7.1 Complete disclosure of GHG inventory based on GHG Protocol Scope 3 Standard	GHG Accounting	Companies must disclose the entire GHG inventory in line with the GHG Protocol Corporate Value Chain Scope 3 Standard.	Provision of GHG inventory for all activities in the reporting year in Table 3 of the submission form and demonstration of objective evidence needed for the GHG accounting Criteria Assessment Indicators.
7.2 Scope 3 in long-term targets	Target Setting	Companies must set a long-term and net-zero scope 3 target, irrespective of percentage of scope 3 emissions compared to their total scope 1, 2,and 3 emissions..	Inclusion of a long-term and net-zero scope 3 target in Table 10 of the submission form.
7.3 Assessment of scope 3 target boundary coverage in long-term targets	Target Setting	Companies must set long-term scope 3 targets that collectively cover at least 90% of total mandatory (reported and excluded) scope 3 emissions, not taking into account any optional emissions reported. Companies therefore must not exclude more than 10% of scope 3 emissions from the GHG inventory and target boundary. Companies must quantitatively list and justify any exclusions from the scope 3 inventory and estimate the percentage for each scope 3 category.	Use of the formula (percent of emissions covered by a long-term target within a category) x (percent of emissions that category represents out of total scope 3 emissions) to complete target coverage Table 11 of the submission form confirming which scope 3 categories are covered under each target set. Excluded emissions must be taken into account in the total scope 3 emissions when calculating the required coverage.
NZ C8 - Method validity: See near-term criterion 7.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NZ C9 - Scope 2 accounting approach: See near-term criterion 8.			
NZ C10 - Scope 3 inventory: See near-term criterion 9.			
NZ C11 - Bioenergy accounting: See near-term criterion 10.			
NZ C12 - Carbon credits: The use of carbon credits shall 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 NZ C28) or to finance additional climate mitigation beyond their science-based emission reduction targets (see R9 of the Corporate Net-Zero Standard).			
12.1 Disclosure of Beyond Value Chain Mitigation (BVCM)	Target Setting	Companies engaged in BVCM in addition to their near-term and long-term science-based targets must disclose so in the net-zero submission form.	Demonstration of objective evidence needed for NT C11.1.
12.2 Separation of BVCM accounting	GHG Accounting	Companies engaged in BVCM must confirm that any BVCM actions will be reported separately from the regular scope 1, 2 and 3 emissions inventory.	Written confirmation in Question 5.4.8 of the submission form.
NZ 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.			
13.1 Accounting and tracking of avoided emissions separately from GHG inventory and targets	GHG Accounting	Companies must not report avoided emissions in their GHG inventory or count avoided emissions toward near or long-term target achievement. Companies wishing to track avoided emissions must account for these emissions under an entirely different accounting system.	Written confirmation in Question 5.4.2 of the submission form that avoided emissions are not included in the GHG inventory calculations or covered by any proposed targets.
NZ 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.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
14.1 Emissions reductions of scope 1, 2 and 3 are sufficient for net-zero	Target Setting	Targets set to reach a state of net-zero emissions must reduce scope 1, 2 and 3 emissions to zero or a residual level consistent with net-zero.	Submission of the SBTi Corporate Net-Zero tool.
14.2 Residual emissions calculation	Target Setting	Targets set to reach a state of net-zero emissions must include a calculation of the quantity of residual emissions at net-zero target year. The quantity of residual emissions must be applied to both the emissions reduction target(s) boundary and to any unabated emissions that have been excluded from the GHG inventory and/or target boundary.	Written confirmation in Question 5.4.6 of the submission form.
14.3 Neutralization of residual emissions	Target Setting	Companies must disclose information on their neutralization plan such as milestones and near-term investments that demonstrate the integrity of commitments to neutralize unabated emissions at the target year. Companies must include a description of planned neutralization milestones and a description of near-term investments (0-5 years) towards carbon removal solutions with permanent storage.	Written confirmation in Question 5.4.7 of the submission form.
14.4 Maintenance target after net-zero target year	Target Setting	A maintenance target can be set once companies have achieved net-zero emissions to ensure that net-zero is maintained through the target timeframe by keeping emissions to a residual level and neutralizing every year any emissions that cannot be abated.	Written confirmation in Table 10 of the submission form.
NZ 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.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
15.1 Long-term target required based on net-zero timeframe	Target Setting	All companies submitting for net-zero that have targets with a timeframe of more than 10 years from the date of submission must set long-term targets.	Submission of long-term target in Table 10 of the submission form.
15.2 Near-term target meeting net-zero requirements	Target Setting	Any near-term targets that meet long-term target requirements for net-zero will be assessed against the net-zero standard and additional long-term targets are not required.	Submission of the SBTi Corporate Net-Zero tool with near-term targets meeting all long-term target requirements.
NZ 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.* The SBTi does not accept multi-year average base years, unless this is specified in the sector guidance relevant to the company. ** 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.*			
16.1 Consistent base year for targets with different timeframes	Target Setting	Once companies select a base year, that base year must be used consistently for both near-term and long-term target setting for targets of the same scope. Companies setting long-term targets must also demonstrate that there is base year alignment by disclosing the same base year across their near-term and net-zero submission documents. Scope 1 and 2 targets must use the same base year. Scope 3 targets are recommended to use the same base year as scope 1 and 2 targets, but may differ provided there is reasonable justification. The base year must be the same for near-term and long-term targets of the same scope i.e. scope 1 and scope 2 near-term targets and scope 1 and scope 2 long-term targets must have the same base year; and scope 3 near-term targets and scope	Written confirmation in Section 2.7 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		3 long-term targets must have the same base year.	
16.2 Base year after 2015	Target Setting	Companies must set targets with a base year of 2015 or later. Any companies that used base years prior to 2015 during past SBTi submissions must update their base year to 2015 or later during the target resubmission process.	Written confirmation in Questions 2.7.2, 2.7.5 and/or 2.7.6 of the submission form.
16.3 Consistent base year for targets of FLAG and Power sectors	Sector-Specific	FLAG and power sector companies must use the same scope 1 and 2 and scope 3 base years for the near-term and long-term target.	Written confirmation in Section 2.7 of the submission form.
NZ 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.* 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. ** 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 1 July), valid target years are between 2029 and 2034 inclusive.*			
17.1 Long-term target timeframe for all companies except Power and Maritime	Target Setting	Companies setting long-term targets must have a target year no later than 2050, except those with active or setting new near-term Power SDA and Maritime Transport SDA targets.	Written confirmation in Table 10 of the submission form.
17.2 Long-term target timeframe for Power and Maritime companies	Sector-Specific	Companies with near-term Power SDA and/or Maritime Transport SDA targets must have a long-term target year no later than 2040.	Written confirmation in Table 10 of the submission form
NZ C18 - Progress to date: See near-term criterion 14.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NZ 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.* ** 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 would be assessed as CY2021. In the rare case where a FY is evenly split across a CY (i.e. FY ends on 30th June), ambition is assessed using the later year in the date range. This approach is applicable to all targets.*			
19.1 Absolute ambition assessment	Target Setting	Companies must demonstrate that long-term targets for scope 1 and 2 are 1.5°C aligned and consistent with reaching net-zero emissions at the global or sector level by 2050 or earlier. Absolute reduction targets for scope 1 and scope 2 are eligible when they are aligned with the relevant cross-sector 1.5°C long-term absolute contraction pathway or sector-specific absolute contraction pathway if applicable (e.g., FLAG).	Submission of the SBTi Corporate Net-Zero tool.
19.2 Intensity ambition assessment	Target Setting	Companies must demonstrate that long-term targets for scope 1 and 2 are 1.5°C aligned and consistent with reaching net-zero emissions at the global or sector level by 2050 or earlier. Intensity targets for scope 1 and scope 2 emissions are eligible when they are modeled using an approved long-term 1.5°C sector pathway applicable to companies' business activities.	Submission of the SBTi Corporate Net-Zero tool.
NZ 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).			
20.1 Absolute ambition assessment	Target Setting	Companies must demonstrate that long-term targets for scope 1 and 2 are 1.5°C aligned and consistent with reaching net-zero emissions at the global or sector level by 2050 or earlier. Absolute reduction targets for scope 1 and scope 2 are eligible when they are aligned with the	Submission of the SBTi Corporate Net-Zero tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		relevant cross-sector 1.5°C long-term absolute contraction pathway or sector-specific absolute contraction pathway if applicable (e.g., FLAG).	
NZ C21 - Intensity targets: See near-term criterion 17.			
NZ 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.* ** 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 would be assessed as CY2021. In the rare case where a FY is evenly split across a CY (i.e. FY ends on 30th June), ambition is assessed using the later year in the date range. This approach is applicable to all targets.*			
22.1 Absolute ambition assessment	Target Setting	Long-term targets for scope 3 must be 1.5°C aligned and consistent with reaching net-zero emissions at the global or sector level by 2050.	Submission of the SBTi Corporate Net-Zero tool.
NZ C23 - Supplier or customer engagement targets: See near-term criterion 19.			
23.1 Eligibility of engagement targets	Target Setting	Engagement targets are eligible for near-term only.	No engagement target year set past 5 years from the time of submission.
NZ 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).			
24.1 Absolute ambition assessment	Target Setting	Absolute reduction targets for scope 3 must be aligned with the relevant cross-sector 1.5°C long-term absolute contraction pathway or sector-specific pathway if applicable (e.g., FLAG).	Submission of the SBTi Corporate Net-Zero tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NZ 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.			
25.1 Intensity ambition assessment	Target Setting	Intensity targets for scope 3 must be modeled using an approved long-term sector-specific physical intensity pathway where applicable to companies' business activities or using eligible long-term physical intensity or economic intensity approaches.	Submission of the SBTi Corporate Net-Zero tool.
NZ C26 - Combined scope targets: Targets combining scopes (e.g., 1 and 2, or scope 1, 2 and 3) are permitted if the SBTi can review the ambition of the individual target components and confirm each meets the relevant ambition criteria.* ** 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. 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.*			
26.1 Minimum ambition for scope 1 and 2 long-term targets	Target Setting	Long-term targets combining scope 1 and 2 must be in line with SBTi net-zero criterion 19.	Demonstration of objective evidence needed for NZ C19.
26.2 Combined scope 1, 2 and 3 assessment	Target Setting	For long-term targets combining scope 1, 2 and 3, the scope 1 and 2 portion of the target must be in line with criterion SBTi net-zero criterion 19 and the scope 3 portion must be in line with criterion net-zero criterion 22.	Demonstration of objective evidence needed for NZ C19 and NZ C22.
NZ C27 - Renewable electricity (scope 2 only): See near-term criterion 21			
27.1 Assessment of renewable electricity ambition	Target Setting	Companies that are already actively sourcing 100% renewable electricity must commit to maintain their use share of renewable electricity to qualify.	Demonstration of objective evidence needed for NT C21. Target language template must be followed:

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
			[Company name] commits to continue active annual sourcing of 100% renewable electricity through [long-term target year].
NZ 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(s) boundary and to any unabated emissions that have been excluded from the GHG inventory.* ** For example, a company with 100 tCO2e emissions in the base year excludes 1 tCO2e from its GHG inventory and 1 tCO2e from its target boundary, resulting in 98 tCO2e covered by its long-term SBT. After reducing emissions covered by its long-term SBT by 90%, this results in 9.8 tCO2e of residual emissions. Assuming the exclusions remain constant, the company is required to neutralize 11.8 tCO2e (1 tCO2e from inventory exclusions, 1 tCO2e from target boundary exclusions, and the remaining 9.8 tCO2e).*			
28.1 Calculation of residual emissions	Target Setting	Targets set to reach a state of net-zero emissions must include a calculation of the quantity of residual emissions at net-zero target year. The quantity of residual emissions is applied to both the emissions reduction target(s) boundary and to any unabated emissions that have been excluded from the GHG inventory.	Written confirmation in Question 5.4.6 of the submission form.
28.2 Neutralization of residual emissions	Target Setting	Companies must disclose information on their neutralization plan such as milestones and near-term investments that demonstrate the integrity of commitments to neutralize unabated emissions at the target year. Companies must include a description of planned neutralization milestones and a description of near-term investments (0-5 years) towards carbon removal solutions with permanent storage.	Written confirmation in Question 5.4.7 of the submission form.
28.3 Maintenance target after net-zero target year	Target Setting	A maintenance target can be set once companies have achieved net-zero emissions to ensure that net-zero is maintained through time by keeping emissions to a residual level and neutralizing every year any emissions	Written confirmation in Table 10 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		that cannot be abated.	
NZ 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.			
29.1 Target language	Target Setting	The net-zero target wording used in any public communication must be formulated by including the following elements: 1. Net-zero target year 2. Base year 3. Amount of emissions reductions in absolute terms (in tonCO2e) and percentage reduction from base year for all the scopes covered by the target. Net-zero target wording must contain the above elements and be structured as follows: 1. Overarching target wording 2. Near-term target wording 3. Long-term target wording	Written confirmation of target language which aligns with all elements of SBTi net-zero criterion 29 in Table 10 of the submission form.
NZ C30 - Frequency: See near-term criterion 25.			
NZ 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.			
31.1 Annual reporting of GHG emissions	Measurement, reporting and verification	Companies must report annually their gross GHG emissions.	Written confirmation in Question 5.1.1 of the submission form.
31.2 Separate reporting of carbon removals	Measurement, reporting and verification	Companies must report annually their carbon removals separately from their gross GHG emissions.	Written confirmation in Question 5.4.1 of the submission form.

<table>
<tr><th>Criteria Assessment Indicator</th><th>Applicability</th><th>Description</th><th>Minimum Documentation Required</th></tr>
<tr><td>31.3 Annual reporting of progress</td><td>Measurement, reporting and verification</td><td>Companies must report annually their progress towards validated targets e.g. amount of scope 1 and 2 and scope 3 emissions reduced in the reporting year.</td><td>Written confirmation in Question 5.1.3 of the submission form.</td></tr>
<tr><td colspan="4">NZ C32 - Mandatory target review: See near-term criterion 26.</td></tr>
<tr><td colspan="4">NZ 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).*
● 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.**
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.***
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.

* 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).
** For example, for intensity targets, changes in growth projections.
*** 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.</td></tr>
</table>

<table>
<tr><th>Criteria Assessment Indicator</th><th>Applicability</th><th>Description</th><th>Minimum Documentation Required</th></tr>
<tr><td>33.1 Long-term target recalculation triggers</td><td>Measurement, reporting and verification</td><td>Targets should be recalculated as soon as possible (companies should make this integration within a year of the completion of a full reporting cycle after the structural change) according to NT C1.4 to reflect significant changes to remain relevant to the current company structure and operations.

The following changes trigger a target recalculation:
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 product or service offerings) that pass the 5% significance threshold for the GHG inventory and target boundary as specified above.
Significant adjustments to the base year inventory, data sources or calculation methodologies that pass the 5% significance threshold for the GHG inventory and target boundary as specified above.
Significant changes in data used to calculate the targets such as growth projections (e.g., discovery of significant errors or several cumulative errors that are collectively significant).
Other changes to projections/assumptions used with science-based target setting methods</td><td>Agreement to recalculate targets if any SBTi-designated significant changes compromise the relevance and consistency of existing targets in Question 5.2.4 of the submission form.</td></tr>
<tr><td colspan="4">NZ C34 - Target validity: See near-term criterion 28.</td></tr>
<tr><td colspan="4">NZ C35 - Requirements from sector-specific guidance: See near-term criterion 24.</td></tr>
<tr><td colspan="4">NZ C36 - Companies in the fossil fuel production business, or with significant revenue from fossil fuel business lines: See near-term criterion 23.</td></tr>
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Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
NZ C37 - Sale, transmission, distribution of oil, natural gas, coal as well as other fossil fuels: See near-term criterion 22.			

ASSESSMENT OF SBTI CRITERIA FOR GHG ACCOUNTING

Table 3. GHG Accounting Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
GHG C1 - Suitable GHG accounting: Scope 1			
1.1 Confirmation of completeness	GHG Accounting	Companies must disclose all emissions associated with fuel combustion, fugitive emissions sources and process emissions sources within the organizational boundary. Companies must use calculation methods consistent with the GHG Protocol Corporate Standard.	Written confirmation in Section 2.1 of the submission form.
1.2 Disclosure of scope 1 energy sources	GHG Accounting	Companies must disclose the main business activities and scope 1 sub-categories (mobile combustion, stationary combustion, process emissions, and fugitive emissions) leading to generation of scope 1 emissions.	Provision of breakdown of scope 1 GHG emissions sources provided in Table 1 of the submission form
GHG C2 - Suitable GHG accounting: Scope 2			
2.1 Confirmation of completeness	GHG Accounting	Companies must disclose all emissions associated with purchased energy (electricity, heating/cooling, and/or steam) within the organizational boundary. Companies must use calculation methods consistent with the GHG Protocol Corporate Standard.	Written confirmation in Section 2.1 of the submission form.
2.2 Disclosure of scope 2 energy sources	GHG Accounting	Companies must disclose the main business activities and scope 2 sub-categories (electricity, heating/cooling, and/or steam) leading to generation of scope 2 emissions.	Provision of breakdown of scope 2 GHG emissions sources in Table 2.1 and Table 2.2 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
2.3 Use of scope 2 quality criteria	GHG Accounting	Companies must follow the scope 2 Quality Criteria (Chapter 6 of the GHG Protocol Scope 2 Guidance) for market-based approaches as indicated in the GHG Protocol Scope 2 Guidance when reporting market-based scope 2 emissions.	Written confirmation in Question 2.8.3 of the submission form.
GHG C3 - Suitable GHG accounting scope 3 category 1: Purchased goods and services.			
3.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 1, companies must include all emissions associated with the extraction, production, and transportation (from tier-1 suppliers and beyond) of all goods and services purchased or acquired by the reporting company in the reporting year(s) in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. Emissions must be reported using data that represents 100% of the purchased goods and services from the reporting year. All purchased goods and services must be included in the GHG accounting.	Provision of breakdown of Table 3.1 of the submission form.
3.2 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions. All emissions from purchased goods and services from the reporting year must be reported on a cradle-to-gate basis.	Provision of documentation of calculation methods, assumptions, data sources and related material in Table 3.1 of the submission form and confirmation that category 1 emissions are reported on a cradle-to-gate basis in Question 2.9.1.2 of the submission form.
3.3 Justification of aggregation	GHG Accounting	Companies must disaggregate emissions outside of the minimum boundary of category 1 unless data collection methods make this unachievable at the time of submission	Accurate disaggregation of all scope 3 categories, or written confirmation stating legitimate reason for

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		(e.g.: waste emissions must be disaggregated into category 5).	aggregation in Question 2.10.2 of the submission form.
GHG C4 - Suitable GHG accounting scope 3 category 2: Capital goods			
4.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 2, companies must include all emissions associated with the extraction, production, and transportation (from tier-1 suppliers and beyond) of all capital goods purchased or acquired by the reporting company in the reporting year(s), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. *Capital goods are defined by the GHG Protocol Corporate Value Chain Accounting Standard (page 39) as: final products that have an extended life and are used by the company to manufacture a product, provide a service, or sell, store, and deliver merchandise. In financial accounting, capital goods are treated as fixed assets or as plant, property, and equipment (PP&E). Examples of capital goods include equipment, machinery, buildings, facilities, and vehicles.*	Provision of breakdown of emissions provided in Table 3.2 of the submission form.
4.2 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions. All emissions from capital goods are reported on a cradle-to-gate basis. Embodied emissions for purchased buildings, machinery and vehicles must be included in scope 3 category 2.	Provision of calculation methods, assumptions, data sources in Table 3.2 of the submission form.
4.3 Amortization has not been applied	GHG Accounting	Companies must not use an emissions calculation method that includes depreciation, discounting, or amortization.	Written confirmation in Question 2.1.1 of the submission form.
GHG C5 - Suitable GHG accounting scope 3 category 3: Fuel and energy related activities			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
5.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 3, companies must include all emissions associated with the extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2, including: A. Upstream emissions of purchased fuels (extraction, production, and transportation of fuels consumed by the reporting company) B. Upstream emissions of purchased electricity (extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating, and cooling consumed by the reporting company) C. Only for end users of energy: Transmission and distribution (T&D) losses (generation of electricity, steam, heating and cooling that is consumed (i.e., lost) in a T&D system) D. Only for utility companies or energy retailers: generation of purchased electricity that is sold to end users (generation of electricity, steam, heating, and cooling that is purchased by the reporting company and sold to end users), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of all category 3 activities, plus disclosure of any activities that are not applicable, in Table 3.3 of the submission form.
5.2 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.3 of the submission form.
GHG C6 - Suitable GHG accounting scope 3 category 4: Upstream transportation and distribution			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
6.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 4, companies must include all emissions associated with the transportation and distribution of products purchased by the reporting company in the reporting year(s) between the company's tier-1 suppliers and its own operations, or between its own operations, and purchased inbound and outbound logistics (in vehicles and facilities not owned or controlled by the reporting company), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of emissions in Table 3.4 of the submission form.
6.2 Reporting of Well-to-wheel (WTW) emissions	GHG Accounting	In conformance with Table 1 in the SBTi Criteria and Recommendations for Near-Term Targets, companies must report all transportation-related emissions on a WTW basis.	Written confirmation in Question 2.5.2 of the submission form.
6.3 Confirmation of allocation	GHG Accounting	For goods sold by the reporting company, companies must only include emissions associated with transportation and distribution services purchased by the reporting company.	Written confirmation in Question 2.9.4.2 of the submission form.
6.4 Inclusion of refrigeration emissions	GHG Accounting	If the transportation and distribution of any products purchased by the reporting company require cooling, companies must include emissions associated with additional energy used and account for fugitive emissions (e.g., refrigerant loss or air-conditioning).	Written confirmation in Question 2.9.4.3 of the submission form.
6.5 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with lifecycle emissions associated with manufacturing of vehicles, facilities, or infrastructure , separately from the main category 4 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
6.6 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.4 of the submission form.
GHG C7 - Suitable GHG accounting scope 3 category 5: Waste generated in operations			
7.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 5, companies must include the disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. Waste treatment activities applicable to category 5 include: ● Disposal in a landfill ● Disposal in a landfill with landfill-gas-to-energy (LFGTE) -that is, combustion of landfill gas to generate electricity ● Recovery for recycling ● Incineration ● Composting ● Waste-to-energy (WTE) or energy-from-waste (EfW) - that is, combustion of municipal solid waste (MSW) to generate electricity ● Wastewater treatment.	Provision of breakdown of emissions in Table 3.5 of the submission form.
7.2 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with emissions from transportation of waste, separately from the main category 6 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
7.3 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.5 of the submission form.
GHG C8 - Suitable GHG accounting scope 3 category 6: Business travel			
8.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 6, companies must include the transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of emissions in Table 3.6 of the submission form.
8.2 Reporting of WTW emissions	GHG Accounting	In conformance with Table 1 in the SBTi Criteria and Recommendations for Near-Term Targets, companies must report all transportation-related emissions on a WTW basis.	Written confirmation in Question 2.5.3 of the submission form.
8.3 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with hotel stays, separately from the main category 6 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form
8.4 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.6 of the submission form.
GHG C9 - Suitable GHG accounting scope 3 category 7: Employee commuting			
9.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 7, companies must include the transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of emissions in Table 3.7 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
9.2 Reporting of WTW emissions	GHG Accounting	In conformance with Table 1 in the SBTi Criteria and Recommendations for Near-Term Targets, companies must report all transportation-related emissions on a WTW basis.	Written confirmation in Question 2.5.4 of the submission form.
9.3 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with homeworking, separately from the main category 7 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form.
9.4 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.7 of the submission form.
GHG C10 - Suitable GHG accounting scope 3 category 8: Upstream leased assets			
10.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 8, companies must include all emissions associated with the operation of assets leased by the reporting company (lessee) in the reporting year and not already accounted for in scope 1 and scope 2, in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard	Provision of breakdown of emissions in Table 3.8 of the submission form.
10.2 Justification of lack of operational control	GHG Accounting	When using an operational control consolidation approach, companies are assumed to have operational control over their leased assets, per Table A.1 of the GHG Protocol Corporate Value Chain Standard. If there is an exception to this general rule, companies must provide written justification as to why they do not have operational control over the asset(s) in question.	Description of leased asset, its function within the business, lease type, the reason for the reporting company's lack of operational control and disclosure of responsible party with operational control of the asset in Questions 2.9.8.2 - 2.9.8.6 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
10.3 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with the cradle-to-gate and embodied emissions of leased assets, separately from the main category 8 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form.
10.4 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.8 of the submission form.
GHG C11 - Suitable GHG accounting scope 3 category 9: Downstream transportation and distribution			
11.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 9, companies must include all emissions associated with the transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company), in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. Companies are expected to account for all downstream scope 3 categories from intermediate products and services, where relevant. In the instance that a company faces barriers to calculating emissions from one category of scope 3, the company shall demonstrate its best efforts to calculate these emissions, and this shall not preclude them from providing an estimate of emissions in other categories.	Provision of breakdown of emissions in Table 3.9 of the submission form

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
11.2 Confirmation of allocation	GHG Accounting	For goods sold by the reporting company, companies must only include emissions associated with transportation and distribution services purchased by a third-party.	Written confirmation in Question 2.9.9.2 of the submission form.
11.3 Inclusion of third-party storage emissions	GHG Accounting	Companies must include emissions associated with third-party storage of products in retail facilities, warehouses and distribution centers.	Breakdown of category in Table 3.9 of the submission form.
11.4 Inclusion of refrigeration emissions	GHG Accounting	If the transportation and distribution of any products sold by the reporting company require cooling, companies must include any additional energy used and account for fugitive emissions (e.g., refrigerant loss or air-conditioning).	Written confirmation in Question 2.9.9.3 of the submission form.
11.5 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.9 of the submission form.
11.6 Applicability to intermediate products	GHG Accounting	In conformance with Box 5.3 of the GHG Protocol Corporate Value Chain Standard, intermediate products are defined as “inputs to the production of other goods or services that require further processing, transformation, or inclusion in another product before use by the end consumer. Intermediate products are not consumed by the end user in their current form”. When the reporting company’s sold goods are intermediate products, two scenarios may arise: 1. If the end use(s) of the intermediate product is known, companies must include emissions associated with the transportation and distribution of the intermediate products between the point of sale by the reporting company and the end consumer;	Provision of breakdown of category 9 emissions in Table 3.9 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		2. If the end use(s) of the intermediate product is unknown, companies must include emissions associated with the transportation and distribution of the intermediate products between the point of sale by the reporting company and business customers. When the end use(s) is unknown, companies must provide justification.	
11.7 Reporting of WTW emissions	GHG Accounting	In conformance with Table 1 in the SBTi Criteria and Recommendations for Near-Term Targets, companies must report all transportation-related emissions on a WTW basis.	Written confirmation in Question 2.5.5 of the submission form.
11.8 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with customer travel to retail facilities, separately from the main category 9 emissions, as they are beyond the GHG Protocol minimum boundary.	Written confirmation of any optional emissions in Tables 7.1 - 7.3 of the submission form.
GHG C12 - Suitable GHG accounting scope 3 category 10: Processing of sold products			
12.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 10, companies must include all emissions associated with third-party processing of intermediate products sold in the reporting year, in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. Companies are expected to account for all downstream scope 3 categories from intermediate products and services, where relevant. In the instance that a company faces barriers to calculating emissions from one category of scope 3, the company shall demonstrate its best efforts to calculate these emissions, and this shall not preclude	Provision of breakdown of emissions in Table 3.10 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		them from providing an estimate of emissions in other categories.	
12.2 Definition of intermediate products	GHG Accounting	In conformance with Box 5.3 of the GHG Protocol Corporate Value Chain Standard, intermediate products are defined as "inputs to the production of other goods or services that require further processing, transformation, or inclusion in another product before use by the end consumer. Intermediate products are not consumed by the end user in their current form". Therefore, if companies sell goods that are defined as intermediate products, they must include all processing emissions in category 10.	Provision of breakdown in Table 3.10 of the submission form. Justification of any omissions in Question 2.9.10.2 of the submission form.
12.3 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.10 of the submission form.
12.4 Applicability to intermediate products	GHG Accounting	When the reporting company's sold goods are intermediate products, companies must include emissions associated with the processing allocated to the intermediate product. When the end use(s) is unknown, companies must provide reasonable justification.	Provision of breakdown in Table 3.10 of the submission form. Reasonable justification of any unknown end use(s) in 2.9.10.2 of the submission form.
GHG C13 - Suitable GHG accounting scope 3 category 11: Use of sold products (From the GHG Protocol Corporate Value Chain Standard page 48: *This category includes emissions from the use of goods and services sold by the reporting company in the reporting year.*)			
13.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 11, companies must include all emissions associated with the end use of goods and services sold by the reporting company in the reporting year, in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of emissions in Table 3.11 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		The SBTi reserves the right to question the applicability or non-applicability of this criterion based on the organization's definition of use of sold service. Companies are expected to account for all downstream scope 3 categories from intermediate products and services, where relevant. In the instance that a company faces barriers to calculating emissions from one category of scope 3, the company shall demonstrate its best efforts to calculate these emissions, and this shall not preclude them from providing an estimate of emissions in other categories.	
13.2 Reporting of WTW emissions	GHG Accounting	For any sold vehicles, including but not limited to freight and passenger cars and trucks, trains, aircraft, and ships, companies must report use-phase emissions on a WTW basis, in conformance with Table 1 in the SBTi Criteria and Recommendations for Near-Term Targets. All other sold products must be reported on a TTW basis.	Confirmation in Question 2.9.11.2 of the submission form.
13.3 Fossil fuels combustion	GHG Accounting	For any sold fossil fuels, companies must report TTW emissions from the combustion phase in category 11.	Confirmation in Question 2.9.11.3 of the submission form. If companies sell other goods with use-phase emissions, the split between fossil fuel combustion and all other use-phase emissions must be provided.
13.4 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. indirect use-phase emissions, separately from the main category 11 emissions, as they are beyond the GHG Protocol minimum boundary.	Written confirmation of any optional boundary emissions in Tables 7.1 - 7.3 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
13.5 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.11 of the submission form.
13.6 Applicability to intermediate products	GHG Accounting	When the reporting company's sold goods are intermediate products, two scenarios may arise: 1. If the end use(s) of intermediate products is known, companies must include direct use-phase emissions of the intermediate products. 2. If the end use(s) of the intermediate product is unknown, companies may exclude emissions associated with the use-phase of the intermediate products. When the end use(s) is unknown, the companies must provide reasonable justification. Companies are expected to account for all downstream scope 3 categories from intermediate products and services, where relevant. In the instance that a company faces barriers to calculating emissions from one category of scope 3, the company shall demonstrate its best efforts to calculate these emissions, and this shall not preclude them from providing an estimate of emissions in other categories.	Provision of breakdown of category 11 emissions in Table 3.11 of the submission form. Reasonable justification of any unknown end use(s) in Table 4 of the submission form.
GHG C14 - Suitable GHG accounting scope 3 category 11a: Downstream emissions from fossil fuels distributed but not sold by the company			
14.1 Inclusion of fossil fuel combustion	GHG Accounting	For companies involved in the transmission or distribution of fossil fuels, companies must report TTW emissions from the combustion phase of those third-party owned fuels in category 11.	Provision of breakdown of fossil fuels transmitted or distributed by the reporting company in the reporting year. If companies sell other goods with use-phase emissions, the split between fossil fuel combustion and all other use-phase emissions must be provided.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
14.2 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.11 of the submission form.
GHG C15 - Suitable GHG accounting scope 3 category 12: End-of-life treatment of sold products			
15.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 12, companies must include all emissions associated with the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life, in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. Waste treatment activities applicable to category 12 include: ● Disposal in a landfill ● Disposal in a landfill with landfill-gas-to-energy (LFGTE) -that is, combustion of landfill gas to generate electricity ● Recovery for recycling ● Incineration ● Composting ● Waste-to-energy (WTE) or energy-from-waste (EfW) -that is, combustion of municipal solid waste (MSW) to generate electricity ● Wastewater treatment. Companies are expected to account for all downstream scope 3 categories from intermediate products and services, where relevant. In the instance that a company faces barriers to calculating emissions from one category of scope 3, the company shall demonstrate its best efforts to calculate these emissions, and this shall not preclude	Provision of breakdown of emissions in Table 3.12 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		them from providing an estimate of emissions in other categories.	
15.2 Disclosure of methodological assumptions	GHG Accounting	The assumptions within the methodology for calculating emissions from the end of life treatment of sold products must be disclosed and reasonably justified. At a minimum, this must include the proportion of this waste being treated by different methods (e.g., percent landfilled, incinerated, recycled), broken down by key material or product type.	Provision of calculation methods, assumptions, data sources.
15.3 Confirmation of completeness	GHG Accounting	Companies must include in this category the emissions from disposal of any goods sold and any packaging associated with the sale.	Provision of breakdown of emissions in Table 3.12 of the submission form.
15.4 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.12 of the submission form.
15.5 Applicability to intermediate products	GHG Accounting	When the reporting company's sold goods are intermediate products, two scenarios may arise: 1. If the end use(s) of the intermediate product is known, companies must include emissions associated with disposal of the intermediate products; 2. If the end use(s) of the intermediate product is unknown, companies may exclude emissions associated with the disposal of the intermediate products. When the end use(s) is unknown, companies must provide reasonable justification.	Provision of breakdown of emissions in Table 3.12 of the submission form. Reasonable justification of any unknown end use(s) in Table 4 of the submission form.
GHG C16 - Suitable GHG accounting scope 3 category 13: Downstream leased assets			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
16.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 13, companies must include all emissions associated with the operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 reported by the lessor, in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of emissions in Table 3.13 of the submission form.
16.2 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with the life cycle emissions associated with manufacturing or constructing leased assets, separately from the main category 13 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form.
16.3 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.13 of the submission form.
GHG C17 - Suitable GHG accounting scope 3 category 14: Franchises			
17.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 14, companies must include all emissions associated with the operation of franchises in the reporting year, not included in scope 1 and scope 2 reported by franchisor, in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard. The SBTi will assess the degree to which there are potential emissions reductions that could be undertaken or influenced by the company among their franchisees, to determine which franchise emissions should be included within the inventory boundary in accordance with GHG Principles.	Provision of breakdown of emissions in Table 3.14 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
17.2 Inclusion of licensing	GHG Accounting	Companies who grant licenses to other entities to sell or distribute goods or services in return for payments, must account in this category for any scope 1 and 2 emissions arising from the creation or provision of those goods and services.	Confirmation in Question 2.9.14.4 in the submission form.
17.3 Disaggregation of optional emissions	GHG Accounting	Companies must report optional emissions, e.g. those associated with the life cycle emissions associated with manufacturing or constructing franchises, separately from the main category 13 emissions, as they are beyond the GHG Protocol minimum boundary.	Disaggregation of any optional emissions in Tables 7.1 - 7.3 of the submission form.
17.4 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.14 of the submission form.
GHG C18 - Suitable GHG accounting scope 3 category 15: Investments			
18.1 Conformity to GHG Protocol minimum boundary	GHG Accounting	In category 15, companies must include all emissions associated with the operation of investments (according to GHG Protocol Corporate Value Chain Standard Table 5.9) in the reporting year, not included in scope 1 or scope 2 in conformance with Table 5.4 of the GHG Protocol Corporate Value Chain Standard.	Provision of breakdown of emissions in Table 3.15 of the submission form.
18.2 Inclusion of non-consolidated entities	GHG Accounting	Scope 1 and 2 emissions of all joint ventures, assets, subsidiaries, and other equity holdings that are wholly or partially owned by the reporting company and that fall outside of the reporting company's selected consolidation approach must be included in this category proportionate to the reporting company's equity share in each entity or	Disclosure of all joint ventures, assets, subsidiaries, and other equity holdings in Question 2.9.15.2 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		asset, in conformance with the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions	
18.3 Joint ventures and financial control consolidation approach	GHG Accounting	When using a financial control consolidation approach, companies must disclose whether it has joint financial control of any of its joint ventures. Two scenarios may arise: 1. If the reporting company has joint financial control, they must include the emissions from that joint venture throughout scopes 1, 2, and 3 (categories 1-14), proportional to the equity held in that joint venture. 2. If the reporting company does not have joint financial control, they must include the scope 1 and 2 emissions of the joint venture in category 15, proportionate to the equity held in that joint venture.	Disclosure of all joint ventures with joint financial control in Question 2.9.15.2 of the submission form.
18.4 Calculation methods	GHG Accounting	Companies must use calculation methods consistent with the GHG Protocol Technical Guidance for Calculating Scope 3 emissions.	Provision of calculation methods, assumptions, data sources in Table 3.15 of the submission form.

ASSESSMENT OF SBTI CRITERIA FOR SECTOR-SPECIFIC TARGETS

Aviation Sector

Table 4. Aviation Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Aviation C1 - Applicability of scope 1 and scope 3 category 3 Aviation SDA targets: The aviation sector guidance "SCIENCE-BASED TARGET SETTING FOR THE AVIATION SECTOR" and "Technical Report: The SBTi Interim 1.5°C Sector Pathway for Aviation" and associated aviation sector SDA targets are applicable to and optional for companies that derive 5% or more of their total scope 1 and 2 GHG emissions (tCO2e) from jet fuel combustion.			
1.1 Appropriate activities for aviation sector scope 1 and scope 3 category 3 SDA targets	Sector-Specific Target Setting	Companies must have jet fuel emissions within their organizational boundary, corresponding to scope 1 emissions that are 5% or more of total scope 1 and 2 emissions, in order to be eligible to set scope 1 and scope 3 category 3 aviation SDA targets aligned with or exceeding the 1.5°C pathway's minimum ambition. Cross-sector absolute reduction targets are also eligible over these emissions.	Written confirmation of scope 1 emissions in Table 1 of the submission form.
1.2 "SCIENCE-BASED TARGET SETTING FOR THE AVIATION SECTOR" supersedence	Target Setting	Companies choosing to set aviation SDA targets following the target setting guidance in "SCIENCE-BASED TARGET SETTING FOR THE AVIATION SECTOR" for target formulation and calculation guidance must adhere to the latest target timeframe and ambition requirements at the time of submission.	Provision of a completed "aviation target setting tool version 2.0" with corresponding target wording and formulation in the submission form aligning with or exceeding the minimum ambition output for identical activity data.
Aviation C2 - Specific GHG Accounting Requirements: Companies setting aviation sector SDA targets must adhere to the following aviation sector-specific considerations over sustainable aviation fuel (SAF) GHG accounting to align all aviation sector SDA inventory boundaries.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
2.1 Adherence to ICAO Sustainability Criteria	Sector-Specific GHG Accounting	Companies intending to reflect SAF consumption in GHG emissions reporting in any reporting year related to science-based targets must have certification for the consumed SAF against all ICAO sustainability criteria.	Provision of supporting documentation such as the procured SAF's lifecycle data sheet corresponding to an ICAO approved verification and/or RSB certification.
2.2 Adapt to GHG accounting updates	GHG Accounting	Companies intending to reflect SAF consumption in GHG emissions reporting in any reporting year related to science-based targets must follow the latest SAF emissions reporting requirement updates from the SBTi or those recognised by the SBTi.	Written confirmations of adherence to reporting criteria through all Questions in Section 5.4 of the submission form.
2.3 Appropriate emissions allocation	GHG Accounting	Companies accounting for SAF consumption in their GHG inventory must ensure emissions allocation is in alignment with GHGP and existing SBTi precedent - the emissions from the combustion of the biogenic portion of the SAF and the LUC removals associated with the biogenic portion of the SAF must be accounted outside the scopes in biogenic emissions and removals reporting.	Provision of biogenic emissions and removals in Table 6 of the submission form.
2.4 SAF emissions and biogenic emissions footnote	Target Setting	Any targets where SAF consumption and corresponding biogenic emissions exist in the base or most recent year, or are expected to arise in the target timeframe, must include the biogenic emissions footnote: "*The target boundary includes land-related emissions and removals from bioenergy feedstocks."	Written confirmation as per Question 2.13.7 of the submission form.
Aviation C3 - WTW Emissions Reporting and Target Boundaries: Companies setting aviation sector SDA targets must cover Well-to-Wake (WTW) emissions related to jet fuel, covering the Well-to-Tank (WTT) emissions in category 3 and the Tank-to-Wake (TTW) emissions in scope 1, or WTW emissions related to jet fuel reported on a WTW basis in scope 3 categories 4, 6 or 9.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
3.1 WTW target boundary for companies with scope 1 jet fuel emissions	Target Setting	Companies setting aviation sector SDA targets must cover WTW jet fuel emissions in target boundaries; for scope 1 jet fuel combustion emissions, companies must include the WTT emissions related to the jet fuel, reported in scope 3 category 3, in the target boundary. This supersedes SBTi Near-Term Criterion 4, 6 and 18.	Written confirmation and breakdown of key scope 1 in Table 1 and scope 3 GHG emissions in Table 3.3 of the submission form, alongside corresponding emissions magnitudes in the SBTi target setting tool.
3.2 WTW aviation SDA target boundary for upstream purchased aviation activities	Target Setting	Companies choosing to set aviation sector SDA targets over upstream aviation activities (paid for by the reporting company) where corresponding emissions are reported in scope 3 category 4 must report such emissions in category 4 on a WTW basis and cover all WTW jet fuel emissions in the target boundary.	Written confirmation and breakdown of key scope 3 GHG emissions in Table 3.4 of the submission form, alongside corresponding emissions magnitudes in the SBTi target setting tool.
3.3 WTW target boundary for business travel aviation activities	Target Setting	Companies choosing to set aviation sector targets over air business travel activities where corresponding emissions are reported in scope 3 category 6 must report such emissions in category 6 on a WTW basis and cover all WTW jet fuel emissions in the target boundary.	Written confirmation and breakdown of key scope 3 GHG emissions in Table 3.6 of the submission form, alongside corresponding emissions magnitudes in the SBTi target setting tool.
3.4 WTW aviation SDA target boundary for downstream aviation activities	Target Setting	Companies choosing to set aviation sector SDA targets over downstream aviation activities (not paid for by the reporting company) where corresponding emissions are reported in scope 3 category 9 must report such emissions in category 9 on a WTW basis and cover all WTW jet fuel emissions in the target boundary.	Written confirmation and breakdown of key scope 3 GHG emissions in Table 3.9 of the submission form, alongside corresponding emissions magnitudes in the SBTi target setting tool.
Aviation C4 - Suitable Baseline For Meaningful Targets: Companies setting aviation sector SDA targets must ensure the selected base year is representative of current business activities and consistent across scope 1, 2 and 3.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
4.1 Representative baseline for meaningful target ambition	Target Setting	Companies setting aviation sector SDA targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies should avoid choosing base years where emissions magnitudes and revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) are significantly different from those in surrounding years, because of the significant impacts of activity levels on resulting target ambition. Consequently, companies setting aviation SDA targets must not use years from 2020 to 2022 as base years because of the substantial impact of the Covid-19 pandemic on activity resulting in anomalous emissions intensity.	Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.
Aviation C5 - Disclosing Activity Projections To Set Ambitious Targets: Companies setting aviation sector SDA targets must disclose and report base year, most recent year and target year activity data and credible and justifiable growth projections to determine minimum target ambition, which must be aligned with or exceed the 1.5°C pathway's minimum ambition for scope 1 and scope 3 category 3 targets and which must be aligned with or exceed the WB2C pathway's minimum ambition for solely scope 3 targets.			
5.1 Disclosure of current organization activity	Sector-Specific Target Setting	Companies setting aviation sector SDA targets over their own operations must disclose base year and most recent year revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) flown corresponding to scope 1 jet fuel emissions.	Provision of activity data in Table 8 of the submission form and the SBTi target setting tool.
5.2 Disclosure of credible and justifiable organization	Sector-Specific Target Setting	Companies setting aviation sector SDA targets over their own operations must disclose credible and justifiable projected target year revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) flown	Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
activity projections		corresponding to scope 1 jet fuel emissions, either in the form of a consistent compound annual growth rate (CAGR) or a target year activity.	result in the growth projections included in the SBTi target setting tool.
5.3 Disclosure of current upstream aviation sector activity	Sector-Specific Target Setting	Companies setting aviation sector SDA targets over WTW jet fuel emissions emissions reported in scope 3 category 4: upstream transportation and distribution, corresponding to purchased and sub-contracted flights, must disclose corresponding base year and most recent year revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) flown.	Provision of activity data in Table 8 of the submission form and the SBTi target setting tool.
5.4 Disclosure of current downstream aviation sector activity	Sector-Specific Target Setting	Companies setting aviation sector SDA targets over WTW jet fuel emissions emissions reported in scope 3 category 9: downstream transportation and distribution, corresponding to aviation activities they have not paid for, must disclose corresponding base year and most recent year revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) flown.	Written confirmation as per the SBTi target setting tool and Table 3.9 of the submission form.
5.5 Disclosure of credible and justifiable upstream activity projections	Sector-Specific Target Setting	Companies setting aviation sector SDA targets over WTW jet fuel emissions reported in scope 3 category 4: upstream transportation and distribution, corresponding to purchased and sub-contracted flights, must disclose credible and justifiable corresponding projected target year revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) flown, either in the form of a consistent compound annual growth rate (CAGR) or a target year activity.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the SBTi target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
5.6 Disclosure of credible and justifiable downstream activity projections	Sector-Specific Target Setting	Companies setting aviation sector SDA targets over WTW jet fuel emissions reported in scope 3 category 9: downstream transportation and distribution, corresponding to aviation activities they have not paid for, must disclose credible and justifiable corresponding projected target year revenue passenger kilometers (RPK) or revenue tonne kilometers (RTK) flown downstream.	Written confirmation as per Question 3.2.2 in the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the SBTi target setting tool.
5.7 Owned aviation operations minimum ambition requirements	Target Setting	Companies setting aviation sector SDA targets over their own aviation operations (covering scope 1 and scope 3 category 3 jet fuel emissions) must align with or exceed the minimum ambition of the convergence curve corresponding to the 1.5°C aviation sector pathway and their unique emissions and activity, as output by the “aviation target setting tool 2.0”.	Written confirmation as per the SBTi target setting tool and Table 8 of the submission form.
5.8 Value chain aviation operations minimum ambition requirements	Target Setting	Companies setting aviation sector SDA targets over value chain aviation operations (either covering scope 3 category 4 or category 9 WTW jet fuel emissions) must align with or exceed the minimum ambition of the convergence curve corresponding to the WB2C aviation sector pathway and their unique emissions and activity, as output by the “aviation target setting tool 2.0”.	Written confirmation as per the SBTi target setting tool and Table 8 of the submission form.
5.9 Business travel aviation target method and ambition exception	Sector-Specific Target Setting	Companies choosing to set aviation sector targets over business air travel emissions, which may be displayed as intensity reductions per full time employee equivalent, must ensure ambition equals or exceeds the minimum linnear annual reduction of the cross-sector absolute	Written confirmation as per the SBTi target setting tool and Table 8 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		reduction WB2C pathway.	
5.10 Minimum ambition adjustments for target updates	Sector-Specific Target Setting	Companies with existing aviation SDA targets and updating to new SDA targets must ensure the new target ambition corresponds to lower target year emissions where the target year remains consistent. Companies must ensure the target ambition corresponds to lower emissions targeted along the convergence curve than the previously validated SDA target's convergence curve in cases where the target year is not consistent.	Provision of supporting documents demonstrating prior target ambition and new submission target ambition.
Aviation C6 - Aviation Specific Public Reporting Requirements: Companies setting aviation sector SDA targets should publicly report target related information with the utmost transparency. Companies must publicly report on progress against targets and associated commitments.			
6.1 Commitment to report through the non-GHG impacts footnote	Sector-Specific Target Setting	Companies setting aviation SDA targets must commit, through a footnote to their targets, to reporting on non-GHG potential warming impacts and their efforts to determine and avoid non-GHG warming impacts of aviation either directly or through collaboration with others in the field. The footnote must be either: A) "*Non-CO_2 factors which may also contribute to aviation induced warming are not included in this target. [Company Name] [currently publicly reports/will publicly report] its non-CO2 impacts." B) "*Non-CO2e effects which may also contribute to aviation induced warming are not included in this target. [Company Name] commits to report publicly on its collaboration with stakeholders to improve understanding of opportunities to mitigate the non-CO2e impacts of aviation annually over its target timeframe."	Written confirmation as per Question 3.1.3 of the submission form.

Cement Sector

Table 5. Cement Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Cement C1 - Scope 1 and 2 intensity denominator definition: Scope 1 and 2 base and target year emissions intensity where the cement SDA is used shall be in terms of t CO_2 / t cementitious product or t CO_2 / t cement. Cementitious product is the preferred denominator. The definition for t CO_2 / t cementitious product can be found in the Cement CO_2 Protocol (v3.0, 2011).			
1.1 Disclosure of current organization activity	Sector-Specific Target Setting	Companies setting cement sector SDA targets must disclose base year and most recent year metric tonnes of cement or cementitious product produced corresponding to scope 1 and 2 emissions during the validation process.	Written confirmation as per target setting tool and Table 8 of the submission form.
1.2 Disclosure of current upstream cement sector activity	Sector-Specific Target Setting	Companies setting cement sector SDA targets over clinker and cement production emissions reported in scope 3 category 1, related to purchased clinker and cement/cementitious product must disclose corresponding base year and most recent year metric tonnes of cement or cementitious product.	Written confirmation as per target setting tool and inputs to Table 3.1 and Table 9.1 of the submission form.
Cement C2- Use of cement SDA by cement companies that produce other products: If clinker production makes up ≥95% of a company’s scope 1 emissions, the cement SDA may be used for target setting for the entirety of that company’s scope 1 and 2 emissions. If clinker production makes up <95% of a company’s scope 1 emissions, the cement SDA may be used for target setting for the scope 1 and 2 emissions arising from their own clinker and own-clinker containing cement/cementitious production, and the cross-sector absolute reduction approach or other relevant SDA shall be used for target setting for scope 1 and 2 emissions from all other processes. If clinker production makes up less than 5% of a company's scope 1 emissions, the cement SDA shall not be used.			
2.1 Appropriate activities for scope 1 and 2 cement sector SDA targets	Sector-Specific Target Setting	Companies must have clinker production activities within their organizational boundary, with corresponding scope 1 emissions equal to or exceeding 5% of total scope 1 emissions, in order to be eligible to set scope 1 and 2	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		cement SDA targets. Cross-sector absolute reduction targets are also eligible over these emissions.	
2.2 Expanded target boundary covering insignificant non-cement sector emissions	Target Setting	Companies setting cement SDA targets with ⩾95% of total scope 1 emissions from clinker production may include the remaining scope 1 and 2 GHG emissions in the cement sector SDA target, but must include all clinker production emissions in this case.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool and target boundary in Table 9.1.
2.3 Additional targets covering significant non-cement sector emissions	Target Setting	Companies must set ACA or other relevant SDA targets over scope 1 and 2 emissions not covered by cement sector SDA targets if clinker production emissions constitute between 5% and 95% of total scope 1 emissions to ensure total scope 1 and 2 coverage is at least 95%.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tools and target boundary in Table 9.1.
2.4 Insignificant cement sector emissions and SDA applicability	Target Setting	Companies must set eligible cross-sector absolute reduction targets or SDA targets rather than cement sector SDA targets if clinker production emissions constitute <5% of total scope 1 GHG emissions.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tools and target boundary in Table 9.1.
Cement C3 - Ambition level of cement SDA: Where the cement SDA is used, be it for scope 1, 2 or 3 emissions, the ambition level shall be 1.5ºC.			
3.1 Minimum ambition requirements	Target Setting	Companies setting cement sector SDA targets over scope 1 and 2 as well as clinker and cement production emissions emissions reported in scope 3 category 1, related to purchased clinker and cement/cementitious product must align with or exceed the minimum ambition	Written confirmation as per target setting tool and Table 8 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		corresponding to the 1.5°C pathway.	
3.2 Minimum ambition adjustments for target updates	Sector-Specific	Companies with existing cement SDA targets and updating to new SDA targets must ensure the new target ambition corresponds to lower target year emissions where the target year remains consistent. Companies must ensure the target ambition corresponds to lower emissions targeted along the convergence curve than the previously validated SDA target's convergence curve in cases where the target year is not consistent.	Provision of supporting documents demonstrating prior target ambition and new submission target ambition.
3.3 Representative baseline for meaningful target ambition	Target Setting	Companies setting cement sector SDA targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies should avoid choosing base years where emissions magnitudes and production volumes are significantly different from those in surrounding years, because of the significant impacts of activity levels on resulting target ambition.	Written confirmation as per Question 3.2.2 in the submission form. Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.
Cement C4 - Required near-term scope 3 category: clinker and cement: Near-term cement company science-based targets shall include a scope 3 target that covers at least 95% of direct and electricity-related emissions from purchased cement and clinker, irrespective of whether the share of these emissions compared to the total scope 1, 2 and 3 emissions of the company is above 40%.			
4.1 Appropriate activities for additional scope 3 cement sector SDA targets	Sector-Specific Target Setting	Companies with clinker production activities in their organizational boundary and consequently more than 5% of scope 1 total emissions corresponding to cementitious product production that set scope 1 and 2 cement SDA targets must set cement sector SDA or cross-sector	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form as well as confirmation and breakdown of key scope 3 GHG emissions in category 1, related to purchased clinker

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		absolute reduction targets over scope 3 category 1 emissions covering purchased cement and cementitious products.	and cement/cementitious product in Table 3.1 of the submission form. Provision of target setting tool and written confirmation of corresponding emissions magnitudes in Table 9.1.
4.2 Upstream scope 3 cement sector emissions and SDA target coverage	Target Setting	Companies setting cement sector SDA targets over scope 1 and 2 emissions with clinker production emissions in scope 3 category 1, related to purchased clinker and cement/cementitious product must cover ≥95% of emissions from this purchased clinker and cement/cementitious with either a standalone cement sector SDA target or a cross-sector absolute reduction target. This supersedes SBTi Near-Term Criterion 4, 6 and 18	Written confirmation and breakdown of key scope 3 GHG emissions in category 1, related to purchased clinker and cement/cementitious production Table 3.1 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
4.3 Appropriate activities for only scope 3 cement sector SDA targets	Sector-Specific Target Setting	Companies without clinker production activities in their organizational boundary and consequently less than 5% of scope 1 total emissions corresponding to clinker, production must not set scope 1 and 2 cement SDA targets but may set cement SDA targets over scope 3 category 1 emissions covering purchased clinker, cement and cementitious products.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form as well as confirmation and breakdown of key scope 3 GHG emissions in category 1, related to purchased clinker and cement/cementitious product in Table 3.1 of the submission form. Provision of target setting tool with corresponding emissions magnitudes.
Cement C5 - Emissions from waste-derived fuels: Targets shall be in terms of “gross” emissions, i.e., emissions from combustion of waste-derived fuels in clinker production are included, and this shall be indicated in the target wording.			
5.1 Reporting of gross emissions	GHG Accounting	Companies must report emissions and state in the target language that the emissions are reported as “gross” emissions, i.e., emissions from combustion of	Written confirmation as per target setting tool and Table 8 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		waste-derived fuels in clinker production are included, and recarbonation is not considered as reductions of emissions in the inventory.	
5.2 Disclosure of exclusion of non-CO2 emissions	GHG Accounting	Companies must provide justification for exclusions of GHGs from the inventory and target boundary. Companies should justify the exclusions with data from their own activities for exclusions of GHGs from reporting.	Written confirmation any GHG exclusion along with other exclusions do not amount to over 5% in Table 4 and Table 5 of the submission form. If a gas is deemed not relevant because it isn't used in the reporting company's operations, an explanation should be provided with further contextual information in Table 5 of the submission form.
Cement C6 - Forecast growth: The company shall provide, in their target submission, justification of the growth projection used to calculate the target using the SDA, including public or internal documents where growth projections are mentioned if relevant.			
6.1 Justification of organization activity projections	Sector-Specific Target Setting	Companies setting cement sector SDA targets must disclose and justify projected target year metric tonnes of cement or cementitious product corresponding to scope 1 and 2 emissions.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.
6.2 Justification of upstream activity projections	Sector-Specific Target Setting	Companies setting cement sector SDA targets over clinker and cement production emissions reported in scope 3 category 1, related to purchased clinker and cement/cementitious product must disclose and justify the corresponding projected target year metric tonnes of cement or cementitious product.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.

Financial Institution Sector

Table 6. Financial Institutions Near-Term Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
FI C1 - Scopes: Financial institutions (FIs) must set a target(s) that covers institution-wide scope 1 and scope 2 emissions, as defined by the GHG Protocol Corporate Standard, and scope 3 investment and lending activities as per FI C15 and FI C16. FIs may set targets for remaining scope 3 emissions categories as per FI R9.			
1.1 Conformance with following criteria	Target Setting	FIs must review all FI submission form questions, criteria, FI Guidance, Communications Guidance, and any other relevant SBTi documents before submitting targets to the SBTi. Targets must be set over institution-wide scope 1 and 2 emissions, as defined by the GHG Protocol Corporate Standard, and scope 3 investment and lending activities as per criteria FI C15 and FI C16.	Written confirmation in the FI submission form. Targets must be set over scope 1 and 2, and scope 3 category 15 (investing and lending).
FI C2 - Significance Thresholds: Financial institutions may exclude up to 5 percent of scope 1 and scope 2 emissions combined in the boundary of the inventory and target.			
2.1 Scope 1 and 2 exclusion threshold	GHG Accounting	Total exclusions from the FI's scope 1 and 2 inventory and target boundary combined must not exceed 5% of the total scope 1 and 2 emissions calculated.	Provision of the quantitative list and justification of any exclusions from the scope 1 and 2 inventory in tCO_2e in the FI submission form. Estimate the emissions in tCO_2e excluded for each scope.
2.2 Scope 1 and 2 target setting	Target Setting	FIs must include in the FI submission form target(s) covering scope 1 and 2, and total scope 1 and 2 emissions reported in the GHG inventory as per the GHG Protocol Corporate Standard. Where scope 1 or 2 emissions are less than 5% of total combined scope 1 and 2 emissions, FIs may set their SBT	Inclusion of scope 1 and 2 target(s) in the FI submission form. If either scope 1 or scope 2 is less than 5% and therefore the FI chooses to submit targets for one scope, an explanation must be provided in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		solely on the scope (either scope 1 or scope 2) that covers more than 95% of the total scope 1 and 2 emissions. FIs must continue to report emissions on both scopes and adjust their targets as needed, in accordance with the GHG Protocol's principle of completeness and as per FI C21 - Mandatory target recalculation.	
FI C3 - Greenhouse Gasses: Scope 1 and 2 targets must cover all relevant GHGs as required per the GHG Protocol Corporate Standard. If optional targets on scope 3, categories 1-14 are set, they shall also cover all relevant GHGs. Coverage of all relevant GHGs are recommended, where possible, for FIs' scope 3 portfolio targets. If financial institutions are unable to cover all GHGs for scope 3 portfolio targets, they shall cover CO2 emissions at a minimum.			
3.1 Inclusion of greenhouse gasses	GHG Accounting	As indicated in the GHG Protocol Corporate Standard (Required Greenhouse Gasses in Inventories, Accounting and Reporting Standard Amendment (February, 2013) to include NF3), the GHG inventory covers all relevant emissions of the seven GHGs or classes of GHGs covered by the UNFCCC/Kyoto Protocol.	Written confirmation in Question 2.1 of the FI submission form.
3.2 Disclosure of exclusions	GHG Accounting	FIs must justify and include any exclusions in the FI submission form. Please note being unable to measure a gas is not a valid reason for exclusion. Exclusions must be calculated based on the entire gross inventory and insignificant categories still need to be accounted for in the inventory in tCO2e.	Written confirmation any GHG exclusion along with other exclusions do not amount to over 5% in the Table 4 and Table 5 of the FI submission form. If a gas is deemed not relevant because it isn't used in a company's operations, an explanation must be provided with further contextual information in Exclusions Section of the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
FI C4 - Bioenergy Accounting: Direct emissions from the combustion of biomass and biofuels for Institution-wide operational use, as well as GHG removals associated with bioenergy feedstock, must be included alongside the financial Institution's inventory and must be included in the target boundary when setting a science-based target and when reporting progress against that target. If biogenic emissions from biomass and biofuels are considered climate neutral, the financial institution must provide justification of the underlying assumptions. Financial institutions must report emissions from N2O and CH4 from bioenergy use under scope 1, 2, or 3, as required by the GHG Protocol, and must apply the same requirements on inventory inclusion and target boundary as for biogenic carbon.			
4.1 Disclosure of bioenergy and LUC emissions	Corporate Criteria	For reporting on bioenergy and land-use change (LUC) emissions, refer to SBTi near-term Criterion 10 of the Corporate Criteria and the associated Criteria Assessment Indicators.	Demonstration of objective evidence needed for corporate SBTi near-term Criterion 10 in Section 2.13 of the FI submission form.
FI C5 - Subsidiaries: It is recommended that FIs submit targets only at the parent- or group-level, not the subsidiary level. Parent companies must include the emissions of all subsidiaries in their target submission, in accordance with boundary criteria above. In cases where both parent companies and subsidiaries submit targets, the parent company's targets must also include the emissions of the subsidiary if the subsidiary falls within the parent company's emissions boundary, given the chosen inventory consolidation approach.			
5.1 Disclosure of organizational boundary	GHG Accounting	FIs submitting targets must include all GHG emissions and assets from its own operations and the operations of its subsidiaries that fall within its organizational boundary. When a subsidiary submits targets, it is prohibited to: ● set targets or include GHG emissions for its parent company, or... ● set targets or include GHG emissions for subsidiaries operated by the parent company outside its own organizational boundary. Targets must only be set on emissions and assets within the organizational boundary of the entity submitting targets.	A description of the FI's organizational boundary must be provided in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
5.2 Disclosure of organizational boundary	GHG Accounting	This criterion applies only to subsidiaries. Brands, licensees, and/or specific regions or business divisions (with the exception of banks' asset management divisions) of a FI will not be accepted as separate targets unless they fall outside of a parent company's chosen consolidation approach.	Disclosure of the organizational boundary and a list of the FI's subsidiaries according to the consolidation approach must be provided in the FI submission form.
5.3 Disclosure of organizational boundary	GHG Accounting	List all subsidiaries in the "Subsidiaries" table in the FI submission form, and indicate the percent of GHG emissions from scope 1, 2, and 3 from each subsidiary. 100% of emissions must be covered for each subsidiary. If some subsidiaries are not consolidated in the FI's financial statement, the FI needs to indicate this and provide an explanation in the "Subsidiaries" table in the FI submission form.	Inclusion of all subsidiaries' GHG emissions in the reporting entity's GHG inventory.
5.4 Disclosure of financial institution type	FI Type	FIs must disclose their financial institution type based on what is disclosed in reports and on its website. FI types are the following: Banks, Asset Managers, Asset Owners (e.g. pension funds, closed-end funds, insurance companies) , Mortgage Real Estate Investment Trusts (REITs), Private Equity Firm or "Other:____".	Indication of the FI type in the FI submission form. If "Other:____" is selected, FIs must describe the FI type and an explanation as to why it does not fall under the other available classifications.
5.5 Disclosure of parent company as a bank	FI Type	A parent company must only be defined as a bank and not a "financial holding" if it was originally created or commonly known as a bank. This also applies to banks that have expanded to other financial activities over the years (e.g., insurance, asset management, pension funds, etc).	The bank must indicate its FI type in the FI submission form. Documentation and/or public facing reference showing the FI as a bank must be linked to the FI submission form and/or provided as additional documentation.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
5.6 Disclosure of organizational boundary	GHG Accounting	Banks may include their asset management divisions in their scope 1, 2, and 3 target boundaries. If a bank excludes its asset management division, then the following footnote must be included in the target language: "These targets and coverage percentage do not include third-party asset management activities. Third-party asset management activities made up X% of total investment, lending, and asset management activities by [metric]."	The bank must disclose whether it is including its asset management division in the FI submission form.
FI C6 - Base and Target Years: Targets must cover a minimum of 5 years and a maximum of 15 years from the date the target is submitted to the SBTi for an official validation.			
6.1 Scope 1 and 2 Target timeframe	Target Setting	If the target is submitted for validation in the first half of the year (i.e., by the end of June), the timeframe includes the year of submission. If submitted in the second half of the year, the timeframe begins from the start of the following year. For example, for targets submitted for an official validation in the first half of 2024, the valid target years are 2028-2038 inclusive. For targets submitted in the second half of 2024, the valid target years are between 2029 and 2039 inclusive.	Disclosure of base year(s) and target year(s) in the FI submission form.
6.2 COVID-19 impacts on base year	GHG Accounting	FIs may use a base year of 2018 or 2019 if the later years are impacted by COVID-19. If 2018 or 2019 is chosen as the base year, FIs must submit a most recent year inventory for scope 1, 2 and 3 (maximum 2 years from the date of submission) to ensure the target meets forward looking ambition.	Disclosure of base year(s) and target year(s) in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
FI C7 - Progress to Date: Targets that have already been achieved by the date they are submitted to the SBTi are not acceptable. The SBTi uses the year the target is submitted to the initiative (or the most recent completed GHG inventory) to assess forward-looking ambition. The most recent completed GHG inventory must not be earlier than two years prior to the year of submission.			
7.1 Target timeframe	GHG Accounting	If the base year is more than two years from the date of submission, FIs must provide a most recent year inventory for scope 1, 2, and 3 one to two years prior to the date of submission. This is used to assess forward looking ambition.	Provision of a most recent year GHG inventory for scope 1, 2, and optional scope 3 categories 1-14 in the FI submission form.
FI C8 - Level of Ambition: At a minimum, scope 1 and scope 2 targets will be consistent with the level of decarbonization required to keep global temperature increase to well-below 2°C compared to preindustrial temperatures, though financial institutions are encouraged to pursue greater efforts toward a 1.5°C trajectory. Both the target timeframe ambition (base year to target year) and the forward-looking ambition (most recent year to target year) must meet this ambition criteria.			
8.1 Assessment of target ambition	Target Setting	At a minimum, scope 1 and 2 targets must be consistent with the level of decarbonization required to keep global temperature increase to well-below 2°C .	Disclosure of target ambition(s) in the FI submission form in accordance with SBTi tools and criteria.
FI C9 - Absolute vs. Intensity: Intensity targets for scope 1 and scope 2 emissions are only eligible when they lead to absolute emissions reduction targets in line with climate scenarios for keeping global warming to well-below 2°C or when they are modeled using an approved sector pathway. Absolute reductions must be at least as ambitious as the minimum of the range of emissions scenarios consistent with the well-below 2°C goal or aligned with the relevant sector reduction pathway within the Sectoral Decarbonization Approach.			
9.1 Assessment of absolute ambition	Target Setting	For base years after 2020, the absolute emissions reduction meets the minimum reduction value over the target period as set out below: Minimum value for well-below 2°C absolute reduction target = 2.5% x (Target year - 2020) Minimum value for 1.5C for absolute reduction target = 4.2% x (Target year - 2020)	Submission of the SBTi target setting tool and/or conformance with the formula in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
9.2 Assessment of absolute ambition	Target Setting	For base years before 2020, the absolute emissions reduction meets the minimum reduction value over the target period as set out below: Minimum value for well-below 2°C absolute reduction target = 2.5% x (Target year - base year) Minimum value for 1.5C absolute reduction target = 4.2% x (Target year - base year)	Submission of the SBTi target setting tool and/or conformance with the formula in the FI submission form.
9.3 Assessment of intensity ambition	Target Setting	If FIs want to use an intensity target for scope 1 and 2, the SDA pathway must be representative of FI activities and the ambition between the base year and target year must be aligned with the minimum ambition threshold of the relevant SDA pathway.	Provision of target setting methods and justification of SDA applicability in the FI submission form and submission of the SBTi SDA target setting tool used to model targets in the FI's submission files.
9.4 Assessment of physical intensity ambition	Target Setting	For any financial institutions wanting to set intensity targets for scope 1 and 2, the following target wording must be used: "[FI name] commits to reduce absolute scope 1 and 2 GHG emissions [percent reduction]% by [target year] from a [base year] base year, equivalent to a(n) [percent reduction]% reduction per [unit]." The absolute reduction must also be provided for scope 1 and 2 so that it is clear that the targets being set are in line with the requirements to meet the minimum ambition of well-below 2C for absolute targets (minimum 2.5% linear annual reduction).	Target setting methods and indicators must be provided in the FI submission form and submitted alongside the methodology and calculations used to model targets the physical intensity equivalency.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		For FIs that would like to include a physical intensity target for scope 1 and 2, supplemental information on how the physical intensity equivalency was calculated to meet the absolute reduction requirements must be provided. If the FI is unable to prove objective evidence that the physical intensity target meets and aligns with the absolute target for scope 1 and 2, the SBTi will not approve a physical intensity equivalency for scope 1 and 2.	
FI C10 - Method Validity: Targets shall be modeled using the latest version of methods and tools approved by the SBTi. Targets modeled using previous versions of the tools or methods can only be submitted to the SBTi for an official validation within six months of the publication of the revised method or the publication of relevant sector-specific tools.			
10.1 Provision of SBT tools	Target Setting	FIs must list the target setting method and version of the SBTi target setting tool that was used to model each target.	FIs must submit targets to the SBTi that are modeled using the official near-term and long-term target setting tools published on the SBTi website. Any tool used must be submitted in the format of an excel file and included in the reporting company's submission files.
FI C11 - Offsets: The use of offsets is not counted as emissions reduction toward the progress of financial institutions' science-based targets. The SBTi requires that financial institutions set targets based on emission reductions through direct action within their own operations or their investment and lending portfolios. Offsets are only considered to be an option for financial institutions seeking to support additional emission reductions beyond their science-based targets.			
11.1 Use of Carbon Credits	GHG Accounting	Carbon credits do not count toward the achievement of targets, and FIs must select a target ambition that is based on the reductions which can be achieved through direct mitigation levers. If FIs choose to purchase carbon credits, these credits may be used for Beyond Value Chain	Written confirmation that FIs will only discuss use of carbon credits in the context of either BVCM or neutralization when describing their overall mitigation strategy in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		Mitigation (BVCM), or for neutralization of residual emissions.	
11.2 Carbon credits for target progress	Target Setting	Reductions that result from the purchase of carbon credits must be reported outside of the main GHG inventory and tracked separately from validated targets.	Written confirmation in the FI submission form that carbon credits (e.g. offsets) will not be counted toward target progress.
FI C12 - Avoided Emissions: Avoided emissions fall under a separate accounting system from corporate and financial institutions' inventories and do not count toward science-based targets.			
12.1 Accounting and tracking of avoided emissions separately from GHG inventory and targets	GHG Accounting	FIs must not report avoided emissions in their GHG inventory or count avoided emissions toward near-term target achievement. FIs wishing to track avoided emissions must account for these emissions under an entirely different accounting system.	Written confirmation in the FI submission form that avoided emissions are not included in the GHG inventory calculations or covered by any proposed targets.
FI C13 - Approaches: Financial Institutions shall disclose whether they are using a location- or market-based approach per the GHG Protocol Scope 2 Guidance to calculate base year emissions and to track performance against a science-based target. Financial Institutions shall use a single, specified scope 2 accounting approach ("location-based" or "market-based") for setting and tracking progress toward their science-based targets.			
13.1 Reporting of scope 2 emissions	GHG Accounting	A single scope 2 accounting approach must be selected for the purpose of target setting.	Selection of one scope 2 method within the FI submission form, and confirmation that the chosen method will be used consistently for tracking target progress.
FI C14 - Renewable Electricity Procurement: Targets to actively source renewable electricity at a rate that is consistent with well-below 2°C scenarios are an acceptable alternative to scope 2 emissions reduction targets. The SBTi has identified 80 percent renewable electricity procurement by 2025 and 100 percent by 2030 as thresholds (portion of renewable energy over total energy use) for this approach in line with the recommendations of RE100. Financial Institutions that already source electricity at or above these thresholds shall maintain or increase their use share of renewable electricity to qualify.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
14.1 Reporting of scope 2 emissions	Measurement, reporting and verification	FIs that set renewable electricity targets must select market-based accounting as the mechanism for setting and tracking progress towards their science-based targets.	Market-based scope 2 is selected in the FI submission form.
14.2 Assessment of RE procurement	Target Setting	The share of renewable electricity in the base year and most recent year must be calculated using the definitions of renewable electricity in GHG Protocol Scope 2 Guidance.	Disclosure of the share of renewable electricity in base year and most recent year in the FI submission form.
14.3 Assessment of RE target ambition	Target Setting	Targets that fall between 2025 and 2030 will be accepted if they meet the linear progression of these requirements: ● 84% by 2026; ● 88% by 2027; ● 92% by 2028; or ● 96% by 2029. FIs that are already actively sourcing renewable electricity at or above the minimum thresholds must commit to maintain or increase their use share of renewable electricity to qualify.	The active sourcing of renewable electricity in the target year is at or above the minimum share thresholds and the target language also explicitly refers to ‘active sourcing’ of renewable electricity.
14.4 RE Target wording	Target Setting	If FIs plans to meet 100% renewable electricity procurement before the target year for scope 2, a maintenance target for the period between the renewable electricity target year and the scope 2 target year must be used, as shown below: *"FI A commits to increase active annual sourcing of renewable electricity from [XX]% in [base year] to [XX]% by [target year] and to continue active sourcing of 100% renewable electricity through [target year]"*	Provision of SBTi-approved renewable electricity target language in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
14.5 RE Target wording	Target Setting	If the FI already procures 100% renewable electricity in the base year, then the following target wording template must be used: *"FI A commits to continue active annual sourcing of 100% renewable electricity through [target year]."* The target year must be the same as scope 1 and 2, or 2030 at the latest. Renewable electricity targets cannot be set with target years after 2030.	Provision of SBTi-approved renewable electricity target language in the FI submission form.
14.6 Scope 1 and 2 target setting	Target Setting	If the FI has zero scope 1 GHG emissions in the base year or in the most recent year, then it may set a maintenance target for scope 1 and a scope 2 target. The following language must be used: *FI A commits to maintain zero absolute scope 1 GHG emissions through [target year].*	Provision of SBTi-approved scope 1 maintenance target language in the FI submission form.
14.7 Renewable electricity target language	Target Setting	Targets must be formulated to specifically address the active sourcing of renewable electricity according to the Scope 2 Quality Criteria in the GHG Protocol's Scope 2 Guidance.	Provision of SBTi-approved renewable electricity target language in the FI submission form.
FI C15 - Requirement to Set Target(s) on Investment and Lending Activities: All financial institutions shall set targets on their investment and lending activities as required by FI-C16, irrespective of the share of quantified scope 3 portfolio emissions as compared to the total scope 1 + 2 + 3 emissions of the financial institution. FIs may choose from the applicable methods for target setting, by asset class, as defined in the SBTi Financial Institution guidance Table 5.2.			
15.1 Category 15 target setting	Target Setting	FIs must cover investment and lending activities as per Table 5.2 in the SBTi Financial Institution Guidance.	Provision of all FI asset classes in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		All applicable assets must be disclosed in the FI submission form, regardless of the magnitude in the FI's portfolio. Furthermore, FIs must follow the approved target setting method outlined in the SBTi Financial Institution guidance Table 5.2, regardless of the magnitude of the asset class in the FI's portfolio.	
15.2 Category 15 target setting	Target Setting	SBTi Financial Institution guidance Table 5.2 indicates which target setting methods are available for each asset class and the minimum boundary. Absolute contraction targets are not allowed for portfolio targets in category 15. Only SDA, portfolio coverage, and temperature rating targets are acceptable methods for portfolio targets.	Provision of all FI asset classes and chosen target setting method in the FI submission form.
15.3 Category 15 target setting	Target Setting	From the SBTi Financial Institution guidance, Table 5.2: ● When only one method is listed for a specific asset class, it means that it is the only available method for the specific financial activity. ● When multiple methods are listed, FIs may choose one or more of the methods available. Each specific loan or investment must only be covered by one target method. It is mandatory for Residential Mortgages, Electricity Generation Project Finance, and Corporate Loan: Electricity Generation to use the SDA. For other asset classes that are labeled as "required" or "optional", FIs may use an SDA (for sectors where the	Provision of all FI asset classes and chosen target setting method in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		method is available), temperature rating method, or portfolio coverage to set targets.	
15.4 Category 15 target setting: grouped targets	Target Setting	Some asset classes may be grouped under one single target, as long as the asset classes being grouped are allowed to use the same target setting method. Examples: ● Listed equity, corporate bonds and loans, REITs, and private equity and debt may be grouped under one portfolio coverage target. ● Corporate loans and project finance for electricity generation may be grouped under one target using the power SDA pathway. ● Listed equity, corporate bonds and loans from the cement sector may be grouped under one SDA target using the cement pathway. ● Corporate loans from all sectors and fossil fuel sector may be grouped under one temperature rating target.	Provision of all FI asset classes and chosen target setting method in the FI submission form. Supporting documents (e.g., SDA tool(s), portfolio coverage calculations, temperature rating underlying data inputs) for the target setting method must be provided.
15.5 Category 15 target setting: mutual funds	Target Setting	Mutual funds covering required activities in listed equity and bonds are required and therefore targets must be set.	Provision of all FI asset classes and chosen target setting method in the FI submission form.
FI C16 - Portfolio Target Boundary: Financial institutions shall set targets on all “Required Activities” in the Required Activities and Methods Table (SBTi Financial Institution Table 5.2) following the minimum boundary coverage requirement.			
16.1 Portfolio Target Boundary Table requirements	Target Setting	FIs must set targets on required activities as per Table 5.2 in the Financial Institution Guidance.	Provision of FI asset class information in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		FIs must indicate the asset classes they hold in their portfolio; whether the asset class is mandatory, optional, or out of scope as defined in SBTi Financial Institution guidance, Table 5.2; which asset class the FI is covering with a target; and the percent of the asset class covered under the target in value terms.	
16.2 Reconciliation of Portfolio Target Boundary Table	Category 15 Reporting	To be able to assess compliance of the minimum boundary coverage, FIs must reconcile their SBTi Submission Form Portfolio Target Boundary Table with their public disclosure, including all required, optional, and out of scope assets. This may be done by reconciling using: ● Consolidated Total Balance Sheet Assets for Bank's and Asset Owner's group-level submissions; ● Unconsolidated Balance Sheet Total Assets or Balance Sheet Total Assets for subsidiary for other non-group level submissions for Banks and Asset Owners; ● Assets Under Management, Total Holdings or Invested Capital for Asset Managers, Financial Holding Companies and Wealth Managers; ● For private FIs, private/internal records may be accepted to reconcile Portfolio Target Boundary Table using total assets or AUM. This reconciliation ensures that the required coverage is fulfilled per each asset class. In the Portfolio Target Boundary Table in the "Value" column FIs must indicate	Provision of documents to reconcile with either as supplemental documents, or a link to documents in the FI submission form. FIs must also indicate the page(s) and/or table(s) which aligns with the figures reported in the SBTi Submission Form Portfolio Target Boundary Table. If a ≤ 0.5% discrepancy exists, an explanation as to why must be included in the FI submission form. Discrepancies > 0.5% will not be accepted.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		the selected metric, the year, the currency and the unit (million, billion). Any discrepancies must be clearly described, and FIs may only have a maximum of 0.5% difference on the total balance if an explanation is provided.	
16.3 Portfolio Target Boundary Table requirements	Target Setting	FIs must provide a description of each asset class and its underlying holdings; "other" is not a sufficient description.	Provision of FI asset class information in the FI submission form.
16.4 Disclosure of loans	Category 15 Reporting	FIs must disclose the nature of its outstanding loans in the base year: ● FIs must break down loans by short- and long-term loans. ● For long-term loans, these must be broken down further by public/listed companies, private companies, and SMEs.	Provision of FI asset class information in the FI submission form.
16.5 Disclosure of loans: corporate loans	Category 15 Reporting	FIs must break down long-term corporate loans by electricity generation, fossil fuel companies, commercial real estate loans, and other sectors. For corporate loans on electricity generation, FIs must cover 100% of the portfolio. If FIs provided long-term loans to fossil fuel companies (look at the SBTi definition for fossil fuel companies), FIs must cover 95% of loans from this sector in terms of value. For corporate loans to commercial real estate, or direct investments in real estate or real estate assets, FIs must	Provision of FI asset class information in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		cover 67% by square meters, and indicate how much this corresponds to in value terms. FIs must cover 67% of corporate loans to other sectors in terms of value or financed emissions.	
16.6 Assessment of target coverage	Target Setting	FIs must cover the minimum boundary for required asset classes. The minimum coverage for listed equity, corporate bonds, REITs, and real estate companies is 100%.	Provision of FI asset class information in the FI submission form.
16.7 Assessment of portfolio coverage	Sector-Specific	If required assets make up less than 5% of the FI's portfolio by value, then the FI must select one of the following options: 1. Cover optional asset classes so that 5% or more of the FI's portfolio is covered under targets. 2. Set targets through the corporate validation route, using corporate guidance and criteria.	If FIs cover optional asset classes in order to be able to go down the FI route, targets and asset class information must be provided in the FI submission form.
16.8 FI route applicability for corporates	Target Setting	If a corporate has significant (5% or more) revenue from activities such as asset management/asset owners, retail and commercial banking activities, insurance companies (when functioning asset managers), and/or mortgage real estate investment trusts, corporates must follow the below steps: 1. Review Table 5.2 in the FI Guidance, in order to determine whether relevant asset classes fall under "required", "optional" or "out of scope". 2. If required assets make up 5% or more of the corporate's portfolio by value, then the corporate	If it is determined that a corporate is required to follow the FI route, the corporate must detail in the FI submission form all relevant activities which has resulted in it having to submit via the FI route.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		must proceed by submitting via the FI route and must contact the SBTi to confirm.	
16.9 Assessment of portfolio coverage	Target Setting	If an FI's portfolio consists of between 5% and 10% of required asset classes, and the FI also has optional asset classes not covered with targets, the FI must contact the SBTi at financialinstitutions@sciencebasedtargets.org to discuss minimum coverage of its portfolio and asset classes in order for portfolio targets to be considered credible.	If it is necessary for an FI to contact SBTi regarding this issue, the FI must provide a portfolio of its asset classes following the format outlined in Table 5.2 in the FI Guidance. This information is necessary as it enables the SBTi to have full understanding of the percentage of the FI's portfolio covered with targets.
16.10 Coverage of discretionary mandates	Target Setting	For asset managers, FI C15 and FI C16 apply to funds managed under discretionary mandates. FIs that have third-party assets, on- or off-balance sheet, must cover their assets managed under discretionary mandates with targets on required asset classes. Though execution-only and advisory mandates are considered optional,they still must be included in the denominator for calculating total coverage.	Provision of FI asset class information in the FI submission form.

FI C17.1 - Sectoral Decarbonization Approach Targets: Financial institutions’ targets using the sectoral decarbonization approach (SDA) are considered acceptable when the following conditions are met:

- Boundary: Financial institutions shall set SDA targets on their real estate and electricity generation-related activities as specified in the Required Activities and Methods Table (SBTi Financial Institution guidance Table 5.2). SDA targets may be set on other activities listed in Table 5.2, such as residential mortgages, corporate loans, listed and private equity and debt for sectors where methods are available.
- Ambition: Portfolio SDA targets shall meet minimum ambition indicated by sector-specific methods for well-below 2°C pathways. Please see Section 5.4.1 in the Financial Institution Guidance for more information on the Sectoral Decarbonization Approach.
- Timeframe: Portfolio SDA targets shall cover a minimum of 5 years and a maximum of 15 years from the date the financial institution’s target is submitted to the SBTi for an official validation.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
● Scope of Borrower and/or Investee Targets: Targets on scope 1 and 2 emissions are required for real estate and electricity generation related activities as defined by SDA methods (if relevant). For other Required Activities in the SBTi Financial Institution guidance Table 5-2, FIs shall set targets on emissions scopes as required by the relevant SBTi sector-specific guidance.			
17.1.1 Assessment of SDA ambition	Sector-Specific	Portfolio SDA targets must meet the minimum ambition modeled using the SDA tools aligned with well-below 2°C pathways.	Disclosure of SDA targets in the FI submission form, and provision of SDA tool(s) used for target setting.
17.1.2 SDA target timeline	Sector-Specific	The SDA target year must be at least 5 years from the date of submission and at maximum 15 years from the date of submission. For example, for targets submitted for an official validation in the first half of 2024, the valid target years are 2028-2038 inclusive. For targets submitted in the second half of 2024, the valid target years are between 2029 and 2039 inclusive.	Disclosure of SDA targets in the FI submission form, and provision of SDA tool(s) used for target setting.
17.1.3 Disclosure of financed emissions	Sector-Specific	For real estate and electricity generation activities, FIs must account for their financed emissions of the investee company's scope 1 and 2 emissions. For companies in the fossil fuel or automotive sectors, FIs must estimate financed emissions for scope 1, 2 and 3.	Disclosure of SDA targets in the FI submission form, and provision of SDA tool(s) used for target setting.
17.1.4 SDA Target setting	Target setting	The SBTi cannot approve targets that have already been achieved. If the base year is more than 2 years from the date of submission, FIs must provide a most recent year KPI to assess that the target has not been met, and to increase ambition if necessary to maintain sufficient target ambition.	Disclosure of all FI asset classes and chosen target setting method(s) in the FI submission form along with most recent year data.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
FI C17.2 - SBT Portfolio Coverage Targets: Financial institutions' targets to drive the adoption of science-based emissions reduction targets by their borrowers and/or investees are considered acceptable when the following conditions are met: ● Boundary: Financial institutions shall set engagement targets on corporate instruments as specified in the SBTi Financial Institution guidance Required Activities and Methods Table (Table 5.2). ● Target Level of Ambition: Financial institutions shall commit to having a portion of their borrowers and/or investees set their own approved science-based targets such that the financial institution is on a linear path to 100 percent portfolio coverage by 2040 (using a weighting approach in the SBT Finance Tool). For example, a financial institution starting with 10 percent coverage in 2020 would need to increase coverage by 4.5 percent per year (90/ (2040 - 2020) = 4.5) and reach at least 32.5 percent (10 + [5 x 4.5] = 32.5) coverage by 2025. ● Target Formulation: Financial institutions shall provide information in the disclosed target language on what percentage of the corporate equity and debt portfolio is covered by the target, using a weighting approach in the SBTi Finance Tool consistently throughout the target period. ● Target Timeframe: Financial institutions' portfolio coverage targets shall be fulfilled within a maximum of five years from the date the FI's target is submitted to the SBTi for validation. Fulfillment of portfolio coverage targets mean that borrowers' and/or investees' science-based targets have been approved by SBTi. ● Scope of Borrower and/or Investee Targets: Financial institutions' borrowers and/or investees shall follow the latest SBTi criteria for companies to set scope 1 and 2 targets, as well as scope 3 targets when their scope 3 emissions are more than 40 percent of total scope 1,2, and 3 emissions.			
17.2.1 PC target setting	Target Setting	FIs may choose portfolio coverage targets for asset classes where deemed acceptable in Table 5.2 of the FI Guidance. FIs may use Portfolio Coverage targets for: ● Short and Long-term corporate loans to private or listed FIs from any sector, including fossil fuel, except for electricity generation and corporate loans to commercial real estate assets. ● Short and Long-term corporate loans to SMEs from all sectors. ● Any listed equity investments: listed equity such as common and preferred stock of corporates and	Disclosure of all FI asset classes and chosen target setting method in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		SMEs; and via funds, such as fund of funds with known and unknown underlying activities, ETFs, and mutual funds from all sectors. ● Private equity and debt: mezzanine capital, ordinary shares, preferred shares, shareholder loans, and private real estate companies. ● Investments in private and listed REITS, real estate companies, and real estate mutual funds. ● Corporate and SME bonds: via direct holdings or funds with known and unknown underlying activities; from listed and private companies; and from all sectors.	
17.2.2 Corporate loans for commercial real estate	Target Setting	FIs cannot use portfolio coverage targets for commercial real estate because the proceeds are used to finance direct assets. Direct assets (service or residential buildings) are not companies or FIs, and therefore cannot set validated science-based targets.	Disclosure of all FI asset classes and chosen target setting method in the FI submission form.
17.2.3 PC target setting	Target Setting	FIs commit to engage with their borrowers/investees to set SBTi approved targets. Only targets approved and published by the SBTi count as progress towards an FIs portfolio coverage target. Committed FIs, or FIs with other targets not approved by the SBTi, do not count as progress towards an FIs portfolio coverage target.	Disclosure of all FI asset classes and chosen target setting method in the FI submission form. FIs must provide their calculation of the KPI in the FI submission form for review. Acceptable supporting documents to be included in the FI submission form include the following: ● A screenshot of the results from the SBTi Finance Tool, ● The spreadsheets for using the SBTi Finance Tool for portfolio coverage: and portfolio data, ● A spreadsheet with the FI's own calculations

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
17.2.4 PC target setting	Target Setting	The target ambition must consider the percent of FIs with approved targets (KPI) in the base year using one of the approved weighting methods described in the FI Guidance: • Option 1: Weighted average temperature score (WATS); • Option 2: Total emissions weighted temperature score (TETS); • Option 3: Market owned emissions weighted temperature score (MOTS); • Option 4: Enterprise owned emissions weighted temperature score (EOTS); • Option 5: EV + Cash emissions weighted temperature score (ECOTS); • Option 6: Total Assets emissions weighted temperature score (AOTS); and • Option 7: Revenue owned emissions weighted temperature score (ROTS).	To validate the portfolio coverage calculation weightings, FIs must submit supporting documentation such as: • A screenshot of the results from the SBTi Finance Tool, • The spreadsheets for using the SBTi Finance Tool for portfolio coverage: and portfolio data, • A spreadsheet with the FI's own calculations
17.2.5 PC target setting	Target Setting	FIs must use the formula provided in the FI Guidance for calculating minimum ambition in the target year. The target's minimum ambition is calculated using the formula: (KPI in the base year) + [(Target year - base year) * (100% - KPI in the base year) / (2040 -base year)]	Disclosure of all FI asset classes and chosen target setting method in the FI submission form.
17.2.6 PC target setting	Target Setting	The SBTi cannot approve targets that have already been achieved.	Disclosure of all FI asset classes and chosen target setting method in the FI submission form along with most recent year data.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		If the base year is more than 2 years from the date of submission, FIs must provide a most recent year KPI to assess that the target has not been met, and to increase ambition if necessary to maintain sufficient target ambition.	
17.2.7 PC target year	Target Setting	The target year must be within 5 years from the date the target is submitted to the SBTi for validation. For example, for targets submitted for an official validation in the first half of 2024, the valid target years are up to 2028 inclusive. For targets submitted in the second half of 2024, the valid target years are up to 2029 inclusive.	Provision of target year within 5 years from the date of submission in the FI submission form.

FI C17.3 - Portfolio Temperature Rating Targets: Financial institutions’ targets to align the Temperature Rating of their corporate debt and equity portfolios with ambition of the Paris Agreement are considered acceptable when the following conditions are met:

- Boundary: Financial institutions shall set portfolio Temperature Rating targets on corporate instruments as specified in the Required Activities and Methods Table (Table 5.2).
- Target Level of Ambition: Financial institutions shall align their portfolio scope 1 + 2 temperature score with a minimum well-below 2°C scenario and in addition align their portfolio to a minimum 2°C scenario for the scope 1 + 2 + 3 portion by 2040. Alignment with more ambitious scenarios such as 1.5°C is highly encouraged. Separate targets for scope 1 + 2 and for scope 1 + 2+ 3 shall be set. Financial institutions shall commit to reducing their portfolio temperature scores such that the financial institution is on a linear path to the stated goal by 2040. For example, a financial institution starting with scope 1 + 2 portfolio temperature score of 2.9°C in 2020 would need to decrease its portfolio temperature by at least 0.0575°C per year ([2.9°C - 1.75°C]/[2040 - 2020]) = 0.0575°C, and reach at least 2.61°C portfolio temperature score by 2025. For example, a financial institution starting with scope 1 + 2 + 3 portfolio temperature score of 3.2°C in 2020 would need to decrease its portfolio temperature by at least 0.06°C per year ([3.2°C - 2°C]/[2040 - 2020]) = 0.06°C, and reach at least 2.9°C portfolio temperature score by 2025.
- Target Timeframe: Portfolio alignment targets must be fulfilled within a maximum of five years from the date the targets are submitted to the SBTi for an official validation.
- Scope of Borrower and/or Investee Targets: Financial institutions’ borrowers’ and/or investee’s targets shall include coverage of scope 1 and 2 emissions, as well as scope 3 emissions when their scope 3 emissions are more than 40 percent of total scope 1, 2, and 3 emissions.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
17.3.1 TR target setting	Target Setting	FIs are able to set temperature rating targets for asset classes where this is an acceptable method as per Table 5.2 of the FI Guidance. FIs may use Temperature Rating targets for: ● Short and Long-term corporate loans to private or listed companies from any sector, including fossil fuel, except for electricity generation and corporate loans to commercial real estate assets. ● Short and Long-term corporate loans to SMEs from all sectors. ● Any listed equity investments: listed equity such as common and preferred stock of corporates and SMEs; and via funds, such as fund of funds with known and unknown underlying activities, ETFs, and mutual funds from all sectors. ● Private equity and debt: mezzanine capital, ordinary shares, preferred shares, shareholder loans, and private real estate companies. ● Investments in private and listed REITS, real estate companies, and real estate mutual funds. ● Corporate and SME bonds: via direct holdings or funds with known and unknown underlying activities; from listed and private companies; and from all sectors.	Disclosure of all FI asset classes and chosen target setting method in the FI submission form.
17.3.2 Corporate loans for commercial real estate	Target Setting	FIs cannot use temperature rating targets for commercial real estate because the proceeds are used to finance direct assets. Direct assets (service or residential buildings) are not companies or FIs are not companies or	Disclosure of all FI asset classes and chosen target setting method in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		FIs, and therefore cannot set validated science-based targets.	
17.3.3 TR target setting	Target Setting	The target ambition must consider the percent of FIs with approved targets (KPI) in the base year using one of the approved weighting methods described in the FI Guidance: ● Option 1: Weighted average temperature score (WATS); ● Option 2: Total emissions weighted temperature score (TETS); ● Option 3: Market owned emissions weighted temperature score (MOTS); ● Option 4: Enterprise owned emissions weighted temperature score (EOTS); ● Option 5: EV + Cash emissions weighted temperature score (ECOTS); ● Option 6: Total Assets emissions weighted temperature score (AOTS); and ● Option 7: Revenue owned emissions weighted temperature score (ROTS).	To validate the midterm base year temperature score, FIs must submit supporting documentation such as: ● Data provider and Portfolio files used in the SBTi Finance Tool ● Screenshot with the midterm results from the SBTi Finance Tool ● Anonymized results from the SBTi Finance Tool ● A spreadsheet with calculations.
17.3.4 TR target setting	Target Setting	FIs must align their portfolio scope 1 and 2 temperature score with a minimum well-below 2°C scenario, and align their portfolio scope 1, 2, and 3 temperature scope to a minimum 2°C scenario by 2040. The following formulas are applied to determine compliance with the minimum ambition requirements: ● For scope 1 and 2 minimum ambition in the target year aligned with well-below 2°C:	Target year temperature scopes must be provided in the FI submission form. Supplemental documentation for calculating target ambition must also be provided.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		Target year temperature score s1+2 <= [Base temperature score s1+2 - ((Base temperature score s1+2 - 1.75°C) / (2040 - base year) * (Target year- base year))] ● For scope 1, 2, and 3 minimum ambition in the target year aligned with 2°C: Target year temperature score s1+2+3 <= [Base temperature score s1+2+3 - ((Base temperature score s1+2+3 - 2°C) / (2040 - base year) * (Target year- base year))]	
17.3.5 TR target setting	Target Setting	The target year must be within 5 years from the date the target is submitted to the SBTi for validation. For example, for targets submitted for an official validation in the first half of 2024, the valid target years are up to 2028 inclusive. For targets submitted in the second half of 2024, the valid target years are up to 2029 inclusive.	Disclosure of all FI asset classes and chosen target setting method in the FI submission form.
17.3.6 TR target setting	Target Setting	The SBTi cannot approve targets that have already been achieved. If the base year is more than 2 years from the date of submission, FIs must provide a most recent year KPI to assess that the target has not been met, and to increase ambition if necessary to maintain sufficient target ambition.	Disclosure of all FI asset classes and chosen target setting method in the FI submission form along with most recent year data.
FI C18 - Disclosure of Target(s) Portfolio Coverage: At the time of target announcement and along with approved targets, financial institutions shall disclose the percentage of their total investment and lending activities covered by portfolio targets on the SBTi website, in a metric representative of the magnitude of FIs' main business activities, which may involve any combination of commercial banking, investment banking, and asset management. Examples include total financed emissions associated with investment and lending activities (if quantified), total balance sheet, total investments, total lending book, and total assets under management.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
18.1 Assessment of portfolio coverage by targets	Target Setting	FIs must publish/disclose a headline target indicating the percent covered with targets in the selected metric, as well as the percent of required, optional, and out of scope activities. The following template must be used: [FI Name]'s portfolio targets cover [XX]% of its total investment and lending by [unit] as of [base year].1 As of [base year], required activities made up [XX]% of [FI Name]'s total investment and lending by [unit] while optional activities made up [XX]% and out of scope activities made up [XX]%. The "unit" selected must be financed emissions (if quantified), or otherwise linked to the asset classes covered. Examples of an appropriate "unit" are: total financed emissions associated with investment and lending activities (if quantified), total balance sheet, total investments, total lending book, and total assets under management. Separately, banks that choose to not include their asset management divisions must include the following note after the headline target: These targets and coverage percent do not include third-party asset management activities. Third-party asset management activities made up [XX]% of total investment, lending, and asset management activities by [unit].	Disclosure of target wording in the FI submission form. Banks who choose to not include their asset management division must provide the AUM balance of asset management activities.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
18.2 Assessment of portfolio coverage by targets	Target Setting	To calculate the percent of required, optional, and out of scope investing and lending activities in the selected metric, the Portfolio Target Boundary Table must reconcile with the selected metric in the financial statement. Then, in order to calculate the percent for required, optional, and out of scope, subtract the value of items in the Portfolio Target Boundary Table from the total that are not considered investment and lending. The following must be subtracted from balance sheet assets: ● Premises and equipment ● Properties for own use, or leased but not covered with portfolio targets ● Intangible assets ● Net defined benefit liability/asset (pension/retirement plan for employees) ● Current tax assets ● Deferred tax assets ● Current income tax assets ● Fixed assets accounts ● Right of use assets ● Leased assets (that fall under scope 3 categories 1-14) ● Prepaid expenses ● Accrued income (income received in advance) ● Advance payments ● Non-operational assets	Disclosure of all FI asset classes and chosen target setting method in the FI submission form. FIs must provide an explanation in the FI submission form for any assets (such as those listed to the left) subtracted from the total value of the FIs portfolio.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		The following are not to be removed, but labeled as out of scope: ● Import-export negotiations (is a type of short-term loans) ● Receivables ● Reinsurance contract assets ● Assets held for sale ● FVTPL, FVTOCI where the underlying are out of scope or optional	
FI C19 - Implementation Reporting: At the time of target submission, the financial institution shall submit a brief summary of how it intends to meet its scope 3 portfolio targets in conformity with the template provided in the target FI submission form. This disclosure is intended to create transparency. The content of the summary will not be used as a basis for validation of targets. At the time of target announcement, the summary of how the financial institution intends to achieve its targets shall be made public.			
19.1 Assessment of portfolio coverage by targets	Target Setting	The summary of action must explain how FIs intends to meet its scope 3 portfolio targets, including planned actions and strategies. The following template must be followed: [Financial Institution Name] will implement the following strategy and actions to achieve its targets: <The strategy description must include actions that will at minimum be taken on the FI's top 3 category 15 targets by financed emissions or value.> ● The summary must be expressed in the third person, and only reference targets submitted for validation. ● The summary must be less than a page (using font Arial (font size 11), and single spacing).	Provision of a summary of action in the FI submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		● The summary must follow the SBTi Communication Guidelines. ● FIs may include a reference to its climate/sustainability report, TCFD, or annual report. ● There must be no references to other entities in the FI's summary. For example NZBA, GFANZ, AOA, etc., or the targets set with other initiatives. ● No reference to previous achievements may be included in the planned actions and strategy.	
FI C20 - Tracking and Reporting Target Progress: After target approval, the SBTi requires annual disclosure of scope 1 and 2 GHG emissions, disclosure of progress against all approved targets in the relevant metric, 23 and disclosure of actions/strategies taken during the year to meet scope 3 portfolio targets. If optional targets on scope 3 categories 1-14 as described in FI-R9 are submitted and approved by the SBTi, their progress shall be included in the disclosure of progress as well.			
20.1 Disclosure of inventory and target progress	Measurement, reporting and verification	After target approval, FIs must annually disclose scope 1 and 2 GHG emissions, progress on all approved targets, any financed emissions for SDA targets if set by the FI, and actions taken during the year to meet scope 3 portfolio targets. If optional targets on scope 3 categories 1-14 as described in FI-R9 are submitted and approved by the SBTi, their progress must be included in annual disclosures of progress as well. FIs must select metrics that can be publicly available and reported, i.e., not confidential.	Indication in the FI submission form where and how disclosures will be reported annually.
FI C21 - Mandatory Target Recalculation: To ensure consistency with most recent climate science and best practices, targets must be reviewed, and, if necessary, recalculated and revalidated, at a minimum, every five years. Financial institutions with an approved target that requires recalculation must follow the most recently applicable criteria at the time of resubmission. Targets should be recalculated and reset, as needed, to reflect significant changes that would compromise relevance and consistency of the existing target.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
21.1 Confirmation of 5 year cycle	Measurement, reporting and verification	FIs must state that they will review, and if necessary, recalculate and revalidate their targets, at a minimum, every 5 years.	Confirmation in the FI submission form that the FI will revalidate its targets every 5 years.
21.2 SBTi criteria version for recalculation	Measurement, reporting and verification	FIs with an approved target(s) that require recalculation must follow the most recent applicable criteria at the time of resubmission.	Confirmation in the FI submission form indicating the FI Criteria being used to set targets. (For example, V1.1, V2)
21.3 Adherence to SBTi significance threshold	Target Setting	SBTi's significance threshold is defined as a cumulative change of five percent or larger in an organization's total base year emissions (tCO2e). All companies must adhere to the SBTi's 5% significance threshold. In the absence of a base year emissions recalculation policy, companies must agree to apply a 5% significance threshold for emissions recalculations.	The FI must include a recalculation policy (when the FI has a lower than 5% significance threshold) and/or a commitment to the SBTi's 5% significance threshold for base year emissions recalculation stated in the FI submission form.
FI C22 - Target Validity: Financial institutions with approved targets must announce their target publicly on the SBTi website within six months of the approval date. Targets unannounced after six months will have to go through the approval process again, unless a different publication timeframe was agreed with the SBTi.			
22.1 Publication of approved targets	Target Setting	FIs with approved targets must announce their target publicly on the SBTi website within six months of the approval date.	Written confirmation that targets will be published within six months of the approval date.
22.2 Removal of approved targets	Target Setting	The SBTi reserves the right to withdraw a target approval decision if the FI provided incorrect information during the target validation process that results in any of the criteria existing during the assessment not being met, or if requirements following the approval of the target are not respected (i.e., target progress-reporting and recalculations).	FIs must provide transparent and accurate data, targets, and information in the FI submission form and supplemental documentation.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		If the FI identifies significant errors, it must contact the SBTi and resubmit its targets for approval.	
22.3 Target wording	Target Setting	FIs must follow the target language templates included in the Financial Sector Guidance with the purpose of increasing transparency, consistency and comparability among targets. The SBTi reserves the right to require a target language not included in the FI Guidance. The template list in the FI Guidance is not exhaustive, and therefore changes may be made to target language during the validation. FIs must follow guidelines and templates for target wording, and the SBTi reserves the right to not approve targets that deviate from this guidance. Target language disclaimers must only include links to the FI’s website or own publication.	Disclosure of target language in the FI submission form.

FLAG Sector

Table 7. FLAG Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
FLAG C1 - Companies required to set FLAG targets: The SBTi requires companies that meet either of the following two criteria to set a FLAG target: i. Companies 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 with FLAG-related emissions that total 20% or more of overall emissions across scopes 1, 2 and 3. Since April 30, 2023 companies that meet i) or ii) above and are in the process of setting targets or updating existing targets are required to also set FLAG targets. See Figure 4 for the FLAG target-setting timeline for near-term and long-term targets.Companies that meet i) or ii) above and submit targets for recalculation based on SBTi target recalculation criteria must add a FLAG target within six months after the release of the final version of the GHG Protocol Land Sector and Removals guidance			
1.1 FLAG-designated sectors	Sector-Specific Target Setting	Companies 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. Unless exempted by FLAG Criteria Assessment Indicator C1.3.	Indication of main SBTi sector classification in Question 1.4.2 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
1.2 Gross FLAG-related emissions magnitude	Sector-Specific Target Setting	Companies with gross FLAG-related emissions, as detailed in FLAG C3, that equal or exceed 20% of total scope 1, 2 and 3 GHG emissions, in any scope or category in the inventory, must set FLAG targets.	Written confirmation in Question 2.6.4 of the submission form.
1.3 Exemption Case	Target Setting	Companies within a FLAG-designated sector but with gross FLAG-related emissions <5% of their total GHG emissions may set only energy and industrial (E&I) targets with no FLAG targets, but must include all FLAG-related emissions in the E&I target boundary(ies) in this case.	Written confirmation in Question 2.6.4 of the submission form.
FLAG C2 - Target boundaries and emissions coverage: The FLAG target must cover at least 95% of FLAG-related scope 1 emissions. The FLAG target must cover at least 67% of FLAG-related scope 3 emissions. When included in the FLAG target, FLAG-related scope 3 emissions are separate from a company's energy/industry (non-FLAG) 67% scope 3 target coverage. Each 67% threshold shall be met independently. Companies that meet FLAG criterion 1 (FLAG-C1) and whose scope 3 gross emissions are 40% or more of total scope 1, 2 and 3 emissions, must set a FLAG scope 3 target and an energy/industry scope 3 target. Target coverage must be met separately for FLAG scope 1 and FLAG scope 3 of a company's FLAG GHG inventory.			
2.1 Scope 1 FLAG target boundary	Target Setting	Companies setting FLAG targets must cover ≥95% of total scope 1 FLAG-related emissions.	Written confirmation of FLAG target coverage in FLAG Annex and provision of FLAG target setting tool.
2.2 Scope 3 FLAG target requirement	Target Setting	Companies must set both E&I and FLAG scope 3 targets if they trigger either requirement in FLAG C1.1 or C1.2 and gross scope 3 emissions are 40% or more of total scope 1, 2 and 3 emissions.	Demonstration of total GHG emissions (the sum of E&I and FLAG-related emissions in all scopes) and total scope 3 GHG emissions through data in the submission form and FLAG Annex.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
2.3 Scope 3 FLAG target boundary	Target Setting	Companies setting scope 3 FLAG targets must cover ≥67% of total gross scope 3 FLAG-related emissions, completely independent of SBTi Near-Term Criterion 6 which considers only E&I target boundaries.	Written confirmation of FLAG target coverage in FLAG Annex and provision of FLAG target setting tool.
2.4 Beyond value chain abatement not included	Target Setting	Companies must not calculate target coverage including emissions which they intend to reduce which arise outside of the reporting company's value chain, as this would be considered either avoided emissions accounting or consideration of offsets which cannot be considered in FLAG GHG accounting and consequently cannot contribute to target boundaries or corresponding emissions reductions.	Written confirmation Question 5.4.1 of the submission form.

FLAG C3 - Land-related emissions accounting: Companies that meet the relevant criteria are required to account for their land-related emissions and removals from activities occurring within their value chains and include them in a FLAG target.

Land-related emissions accounting must include:

1. LUC CO_2 emissions: All emissions from LUC, including those associated with livestock feed and conversion of natural forests to plantation. Companies shall use either direct LUC (dLUC) or statistical LUC (sLUC) to estimate their LUC emissions across scopes 1 and 3, consistent with GHG Protocol Land Sector and Removals Guidance.
2. Land management (non-LUC) emissions: All emissions from land management (biogenic CO_2, N_2O and CH_4). CO_2 emissions related to on-farm vehicles and fertilizer production are also included, as they are commonly embedded in accounting tools and emission factors associated with land management.
3. Carbon removals and storage: Carbon sequestration from improved forest management, agroforestry, forest restoration, silvopasture, soil organic carbon and biochar. Emissions and removals from the production and end use of bioenergy shall not be included in FLAG target setting and shall be addressed in accordance with SBTi general criteria on bioenergy (see criterion C10 and recommendations R3 and R4).

Companies shall calculate their FLAG base year emissions (tCO_2e) in line with the forthcoming GHG Protocol Land Sector and Removals Guidance The SBTi recommends that companies meeting FLAG criterion 1 set FLAG targets while they are waiting for the final release of the GHG Protocol Land Sector and Removals Guidance . Companies shall use the draft version for accounting guidance (draft released September 2022).

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
3.1 LUC emissions calculation	GHG Accounting	Companies must use either direct LUC (dLUC) or statistical LUC (sLUC) to estimate their LUC emissions across scopes 1 and 3, consistent with GHG Protocol Land Sector and Removals Guidance, and covering all types of conversion including those associated with livestock feed and forest conversion to plantation.	Written confirmation in the FLAG Annex.
3.2 Land management emissions coverage	GHG Accounting	Companies must calculate and report all land management GHG emissions, covering all relevant GHGs and may even include fossil based emissions such as emissions from on-farm vehicles if included in the emissions factors or lifecycle assessments. Companies may alternatively include on-farm fossil based emissions in energy/industry targets, if they are able to disaggregate those emissions, but must not double count the on-farm fossil based emissions across the FLAG and energy & industrial GHG inventories and target boundaries.	Written confirmation in the FLAG Annex.
3.3 FLAG and bioenergy GHG emissions and removals allocation	GHG Accounting	Companies setting FLAG targets and reporting separate inventories must include all FLAG-related emissions, disaggregated into LUC and land management, and all removals in the FLAG GHG inventory, as detailed in Table 4 in the "FOREST, LAND AND AGRICULTURE SCIENCE BASED TARGET SETTING GUIDANCE v1.1". Companies must not include emissions and removals from bioenergy in the FLAG inventory, rather these must be accounted for in accordance with the SBTi general criteria on bioenergy.	Written confirmation in the FLAG Annex and provision of bioenergy emissions and removals in Table 6 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
3.4 FLAG emissions alignment with GHG Protocol Land Sector and Removals Guidance	Sector-Specific GHG Accounting	Companies must calculate base year and all subsequent reporting years' FLAG-related emissions and in line with the GHG Protocol Land Sector and Removals Guidance, using the draft version until the final version is released.	Written confirmation in the FLAG Annex.
3.5 Removals alignment with GHG Protocol Land Sector and Removals Guidance	Sector-Specific GHG Accounting	Companies must calculate base year and all subsequent reporting years' removals in line with the GHG Protocol Land Sector and Removals Guidance, using the draft version until the final version is released.	Written confirmation in the FLAG Annex.
3.6 All relevant GHGs included	Target Setting	Companies must calculate and report FLAG-related emissions from all relevant GHGs as per the Kyoto Protocol, unless providing a justified, immaterial exclusion.	Provision of the quantitative list and justification of any exclusions from the FLAG inventory in tCO2e in the FLAG Annex. Provision of estimated emissions in tCO2e excluded for each scope.
3.7 Scope 1 FLAG-related exclusions limit	Target Setting	Companies must provide clear justification for any exclusions and must not exclude more than 5% of gross scope 1 FLAG-related emissions from the GHG inventory boundary.	Demonstration of sufficient target coverage in the FLAG Annex. Excluded emissions must be taken into account in the total scope 1 emissions when calculating the required coverage.
3.8 Scope 3 FLAG-related exclusions limit	Target Setting	Companies must provide clear justification for any exclusions and must not exclude more than 5% of gross scope 3 FLAG-related emissions from the GHG inventory boundary.	Demonstration of sufficient target coverage in the FLAG Annex. Use of the formula: (percent of emissions covered by a target within a category) x (percent of emissions that category represents out of

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
			total scope 3 emissions) to calculate coverage of total emissions. Excluded emissions must be taken into account in the total scope 3 emissions when calculating the required coverage.
FLAG C4 - No-deforestation commitment - target language: Companies setting FLAG targets are required to publicly commit to no deforestation covering all scopes of emissions. Commitment language will be posted on the SBTi website, along with the SBT target language; it should take the following form: "[Company X] commits to no deforestation across its primary deforestation-linked commodities, with a target date of [no later than December 31, 2025]".			
4.1 Deforestation-linked commodities covered	Sector-Specific Target Setting	Companies setting FLAG targets must cover their primary deforestation-linked commodities within their operations and supply chains with a no-deforestation commitment target which must cover all volumes and have a target date no later than 2025. Companies should align deforestation commitments with the Accountability Framework Initiative (AFI) guidance.	Written confirmation business activities surrounding primary deforestation-linked commodities, plus confirmation of target language adoption in the FLAG Annex.
4.2 Maintaining no deforestation target	Sector-Specific Target Setting	Companies that have no deforestation-linked commodities or that do have deforestation-linked commodities and believe that no deforestation exists in their operations or supply chains must provide robust justification and evidence for this state. Such companies should commit to no deforestation maintenance targets, taking the form: “[Company Name] commits to maintaining no deforestation across its primary deforestation-linked commodities.”	Provision of supporting documentation demonstrating no deforestation in the organizational boundary or value chain across primary deforestation-linked commodities.
FLAG C5 - FLAG target setting: Companies must keep FLAG and energy/industry (non- FLAG) targets and accounting separate. FLAG-relevant emissions and removals include those related to agriculture (to farm gate, excluding processing), LUC and land management, including forestry (to			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
yard, excluding processing). For companies with FLAG emissions below the 20% threshold that choose not to set a separate FLAG target, FLAG emissions must be accounted for separately and included in the traditional target. Removals cannot be used in this case. Please note that this FLAG target setting criterion (FLAG-C5) applies for near-term and long-term targets.			
5.1 Separation of GHG inventories	GHG Accounting	Companies setting FLAG targets must ensure FLAG emissions and E&I emissions are disaggregated into separate GHG inventories. Companies setting FLAG targets must submit two GHG inventories: 1. The energy/industrial GHG emissions inventory 2. The FLAG GHG emissions inventory.	Written confirmation in the FLAG Annex.
5.2 FLAG and E&I proportions provided	GHG Accounting	Companies with gross FLAG-related emissions that correspond to less than 20% of total emissions must provide the proportion of FLAG and E&I emissions and details of the determination of FLAG-related emissions to justify no separation of emissions and FLAG target setting. Such companies must provide a breakdown of the FLAG-related emissions and E&I emissions in each scope and category.	Written confirmation in Section 2.6 of the submission form.
FLAG C6 - Level of ambition: A FLAG company's target ambition (1.5°C or well below 2°C) will be determined based on the ambition of its energy/industry (non-FLAG) target.			
6.1 Temperature alignment based on E&I targets	Target Setting	Companies setting FLAG targets must report their temperature alignment according to the target classification determined based on the ambition of its scope 1 and 2 energy/industry (non-FLAG) target	Written confirmation as per target setting tool and Table 8 of the submission form.
FLAG C7 - Use of the agricultural pathways: Companies may use both the FLAG sector and commodity approaches, with the FLAG sector approach being the most appropriate for companies with diversified land-intensive activities in their supply chain such as companies in midstream and			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
downstream sectors. Supply-side companies may use one of the ten available agricultural commodity pathways only if emissions for that commodity account for 10% or more of a company's total (gross, excluding removals) FLAG emissions (across all scopes) . (See also C8 for criterion on use of the timber & wood fiber pathway.)			
7.1 Disaggregation of FLAG-related emissions by commodity type	Sector-Specific GHG Accounting	Companies must disaggregate FLAG-related emissions across different products and commodities to enable determination of applicability of different FLAG target setting types.	Provision of FLAG-related emissions breakdown in the 'FLAG GHG additional inventory data' Excel supplement.
7.2 Insufficient commodity specific emissions for commodity pathway	Sector-Specific Target Setting	Companies with emissions from one of the ten available agricultural commodity pathways that account for less than 10% of a reporting company's total gross FLAG emissions must not use the commodity pathway for that commodity. Above 10%, companies may use the commodity pathway for that commodity.	Provision of FLAG-related emissions breakdown in the 'FLAG GHG additional inventory data' Excel supplement.
7.3 No absolute emissions increases	Target Setting	Companies using the commodity- or intensity-based pathways, must not set targets that result in an increase in absolute emissions in the target year relative to emissions in the base year.	Written confirmation in the FLAG Annex.
FLAG C8 - Use of the timber and wood fiber commodity pathway: Companies in the forest and paper products sector or with emissions related to timber & wood fiber accounting for 10% or more of their FLAG emissions (gross, excluding removals) are required to use the commodity pathway for timber & wood fiber available in the commodity pathways. Rubber companies must use the sector pathway, not the timber & wood fiber commodity pathway.			
8.1 Application of timber and wood fiber commodity	Target Setting	Companies with gross FLAG-related emissions corresponding to timber and wood fiber equal to or exceeding 10% of total FLAG-related emissions must	Provision of FLAG-related emissions breakdown in the 'FLAG GHG additional inventory data' Excel supplement.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
pathway		cover these emissions with timber and wood fiber commodity pathway targets.	
FLAG C9 - Use of the sub-global pathways for the commodity pathways: If a commodity pathway is used, sub-global pathways must be applied for the commodity based on commodity sourcing by region/country. In cases where the global pathway is more ambitious than a company's regional pathway, a company may opt to use the global pathway.			
9.1 Regionalized data for sub-global pathway use	Sector-Specific Target Setting	Companies must have adequate regionalised data in order to be eligible to use the commodity pathways.	Written confirmation as per FLAG-related emissions breakdown in the 'FLAG GHG additional inventory data' Excel supplement.
9.2 Sub-global pathway use	Sector-Specific Target Setting	Companies which are eligible as per FLAG C7 and choosing to set commodity pathway targets must use sub-global commodity pathways, unless the global pathway is more ambitious.	Written confirmation in the FLAG Annex and target setting tool.
FLAG C10 - Base and target years: In alignment with SBTi criteria, targets must cover a minimum of five years and a maximum of ten years from the date the target is submitted to the SBTi for official validation.			
10.1 Target timeframe	Target Setting	Companies setting FLAG targets must align target timeframe with the SBTi near-term criteria; they must cover a minimum of five years and a maximum of ten years from the date the target is submitted to the SBTi for official validation. If the target is submitted for validation in the first half of the year (i.e., by the end of June), the timeframe includes the year of submission. If submitted in the	Written confirmation in the FLAG Annex and target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		second half of the year, the timeframe begins from the start of the following year.	
10.2 Representative baseline for meaningful target ambition	Target Setting	Companies setting FLAG targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies should avoid choosing base years where emissions magnitudes and product sourcing are significantly different from those in surrounding years, because of the significant impacts of sourcing on FLAG-related emissions.	Written confirmation in the FLAG Annex. Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.
10.3 Consistent reporting period	Target Setting	Companies setting FLAG targets must use the same reporting period across E&I emissions and FLAG-related emissions for the base year, most recent year, and subsequent reporting years.	Written confirmation in the submission form and FLAG Annex.
FLAG C11 - Target validation and reporting: Companies must report removals and emissions separately for both baseline and annual emissions accounting. Companies are expected to deliver both emission reductions and carbon dioxide removals in line with the 1.5°C pathways. Removing carbon from the atmosphere as a result of land-management activities should not be used to reduce the level of emission reductions within the FLAG target boundary, and companies should mostly focus on emission reductions. (Note that emission reductions represent 62% of the mitigation potential in the FLAG Sector Pathway.)			
11.1 Separate removals and reductions reporting	Sector-Specific GHG Accounting	Companies set FLAG targets over net FLAG-related emissions (land-related emissions combined with removals) in the validation process, but companies must report emissions, reductions and removals accounting separately if removals accounting meets the necessary GHG Protocol Land Sector and Removals Guidance quality criteria. The SBTi can accept data without	Written confirmation in the FLAG Annex and provision of FLAG-related emissions breakdown in the 'FLAG GHG additional inventory data' Excel supplement.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		removals until six months after the release of the GHG Protocol Land Sector and Removals Guidance final version. For companies who submit data that has removals netted within the figures, or submits data with no removals, robust justification should be provided, as well as plans to rectify the data limitation in future iterations of their FLAG targets following the requirements of the GHG Protocol Land Sector and Removals Guidance.	
FLAG C12 - Target aggregation: When aggregating FLAG targets across commodities and/or approaches, companies must report on sub-targets, in addition to the overarching, aggregated target, in their validation form. Companies shall achieve the aggregated target, and they shall also achieve their sub-targets (e.g., scope 1, scope 3, individual commodities).			
12.1 Target progress reporting	Sector-Specific Measurement, Reporting and Verification	Companies reporting on progress against FLAG targets that are aggregated across commodities and/or approaches must report on sub-targets, in addition to the overarching, aggregated target, in their validation form.	Written confirmation in the FLAG Annex.
12.2 Aggregated targets and overall achievement	Sector-Specific Measurement, Reporting and Verification	Companies must meet the ambition of the aggregated target as well as the various sub-targets to claim achievement of aggregated targets.	Written confirmation in the FLAG Annex.

Maritime Sector

Table 8. Maritime Shipping Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Shipping C1 - Target Year eligibility: For all companies using this guidance, the choice of near-term target year must be no earlier than 2030.			
1.1 Appropriate near-term target year	Sector-Specific Target Setting	Companies setting maritime transport SDA targets, regardless of whether covering own or subcontracted operations, must not set a near-term target year earlier than 2030.	Written confirmation as per Table 8 of the submission form and provision of 'SBT Maritime Transport Tool' documents with all the required information as indicated in the in tool for both near-term and long-term targets.
Shipping C2 - Target Requirement: All companies setting near-term science-based targets covering emissions from own operations (e.g. vessel owners or operators) shall also submit long-term science-based targets along with their near-term target submission. For maritime transport emissions, a long-term science-based target means reducing emissions to a residual level in line with 1.5°C scenarios by no later than 2040. Companies using this 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.			
2.1 Long-Term maritime transport target requirement	Sector-Specific Target Setting	Companies setting near-term maritime transport SDA targets covering emissions from own operations (e.g. vessel owners or operators) must also submit long-term science-based targets with their near-term target submission. For maritime transport emissions, a long-term science-based target means reducing emissions to a residual level in line with 1.5°C scenarios by no later than 2040.	Provision of 'SBT Maritime Transport tool' documents with all the required information as indicated in the in tool for both near-term and long-term targets.
Shipping C3 - Optional or Mandatory Maritime Transport SDA Targets: The maritime transport sector guidance "SCIENCE BASED TARGET SETTING FOR THE MARITIME TRANSPORT SECTOR" and associated maritime transport sector SDA targets are applicable to and optional for companies that derive 5% or more of their scope 1 and 2 GHG emissions (tCO_2e) from maritime transportation activities, corresponding to emissions from any vessel type listed in Appendix 2 of the guidance. Long-term maritime transport SDA targets are mandatory when near-term maritime transport SDA targets have been set over maritime transport activities within their organizational boundary.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
3.1 Appropriate activities for maritime transport sector scope 1 and scope 3 category 3 SDA targets	Sector-Specific Target Setting	Companies must have maritime transport TTW emissions within their organizational boundary, corresponding to scope 1 emissions that equal or exceed 5% of total scope 1 and 2 emissions, in order to be eligible to set scope 1 and scope 3 category 3 maritime transport SDA targets.	Written confirmation of scope 1 emissions in Table 1 of the submission form.
Shipping C4 - WTW Emissions Coverage of Each Vessel Type: Companies setting maritime transport sector SDA targets must cover complete WTW maritime transport emissions in the respective target boundaries, disaggregating overall maritime transport emissions and activity into each relevant vessel type for target calculation and aggregating subsequently.			
4.1 WTW target boundary	Sector-Specific Target Setting	Companies setting maritime transport SDA targets must cover all WTW emissions corresponding to the selected vessel type in the maritime transport SDA target boundary, regardless of whether WTW emissions are reported across scopes (TTW emissions in scope 1 and WTT emissions in scope 3) or entirely WTW within scope 3.	Written confirmation and breakdown of key scope 1 in Table 1 and scope 3 GHG emissions in Table 3.3 of the submission form, alongside corresponding emissions magnitudes in the 'SBT Maritime Transport Tool'.
4.2 Additional targets covering significant non-maritime transport sector emissions	Sector-Specific Target Setting	Companies must set eligible cross-sector or alternative relevant sector-specific targets over scope 1 and 2 emissions not covered by maritime transport sector SDA targets if maritime transport TTW emissions constitute between 5% and 95% of total scope 1 and 2 emissions and are covered by maritime transport sector SDA targets to ensure total scope 1 and 2 coverage is at least 95%. Companies must set eligible cross-sector or alternative relevant sector-specific targets over scope 3 emissions not covered by maritime transport sector SDA	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tools and target boundary in Table 9.1.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		targets if maritime transport emissions constitute between <67% of total scope 3 emissions and are covered by maritime transport sector SDA targets to ensure total scope 3 coverage is at least 67%.	
4.3 Insignificant maritime transport sector emissions and SDA applicability	Sector-Specific Target Setting	Companies must set eligible cross-sector absolute reduction targets or SDA targets rather than maritime transport SDA targets if maritime transport TTW emissions constitute <5% of total scope 1 and 2 GHG emissions.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tools and target boundary in Table 9.1.
4.4 Scope 3 maritime transport sector emissions and SDA target coverage	Sector-Specific Target Setting	Companies setting maritime transport sector SDA targets over outsourced/subcontracted maritime transport activities must report and target the scope 3 emissions on a WTW basis in their respective activiy's category.	Written confirmation and breakdown of key scope 3 GHG emissions in Table 3.4 of the submission form, alongside corresponding emissions magnitudes in the 'SBT Maritime Transport Tool'.
4.5 Disaggregation of emissions and activity into vessel type target boundaries	Sector-Specific Target Setting	Companies setting maritime transport SDA targets, irrespective of ownership, must model targets for respective vessel types, specific vessel size buckets, and their specific WTW emissions and metric gigatonne-nautical miles or metric tonne-nautical miles transported.	Provision of SBTi 'Maritime Transport tool' documents with all the required information as indicated in the in tool for both near-term and long-term targets.
4.6 Aggregation of sub-targets for official target language	Sector-Specific Target Setting	Companies setting maritime transport SDA targets may aggregate all sub-targets over different vessel types to result in target language which must follow the following format.	Written confirmation in Table 8 and Table 9.1 of the submission form and provision of 'SBT Maritime Transport Tool' documents with all the required information as indicated in the in tool for both near-term and long-term targets.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		Own operations: “[Company Name] commits to reduce well-to-wake scope 1 and 3 GHG emissions from [vessel type*] shipping operations % by [target year] from a [base year] base year.” Subcontracted operations: “[Company Name] commits to reduce reduce well-to-wake scope 3 GHG emissions from subcontracted [vessel type*] shipping operations % by [target year] from a [base year] base year.” **where subcontracted and vessel type is only specified for targets covering only a specific type, such as ‘container’.*	

Shipping C5 - Base Year Suitability: Companies setting maritime transport sector SDA targets must ensure the selected base year is representative of current business activities and consistent across scope 1, 2 and scope 3.			
5.1 Representative baseline for meaningful target ambition	Sector-Specific Target Setting	Companies setting maritime transport sector SDA targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies should avoid choosing base years where emissions magnitudes and activity (metric gigaton-nautical miles for passenger operations or metric tonne-nautical miles for freight operations) are significantly different from those in surrounding years, because of the significant impacts of activity levels on resulting target ambition.	Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
5.2 Appropriate base year	Sector-Specific Target Setting	Companies setting maritime transport SDA targets, regardless of whether covering own or subcontracted operations, must not set a base year earlier than 2018.	Written confirmation in Table 8 of the submission form and provision of 'SBT Maritime Transport Tool' documents with all the required information as indicated in the in tool for both near-term and long-term targets.
Shipping C6 - Activity Disclosure and Projections: Companies setting maritime transport sector SDA targets must disclose and report base year, most recent year and target year activity data, in terms of metric gigaton-nautical miles or metric tonne-nautical miles transported depending on the vessel type, with credible and justifiable growth projections to determine minimum target ambition which must be aligned with or exceed their 1.5°C pathway convergence curve's minimum ambition for scope 1 and scope 3 category 3 targets and which must be aligned with or exceed their WB2C pathway convergence curve''s minimum ambition for solely scope 3 targets.			
6.1 Disclosure of current organization maritime transport activity	Sector-Specific Target Setting	Companies setting maritime transport sector SDA targets must disclose base year and most recent year metric gigaton-nautical miles (passenger operations) or metric tonne-nautical miles (freight operations) transported corresponding to scope 1 and 2 emissions.	Written confirmation as per Table 8 of the submission form and provision of associated 'SBT Maritime Transport Tool'.
6.2 Disclosure of credible and justifiable organization maritime transport activity projections	Sector-Specific Target Setting	Companies setting maritime transport sector SDA targets must disclose credible and justifiable projected target year metric gigaton-nautical miles or metric tonne-nautical miles transported corresponding to scope 1 and 2 emissions.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.
6.3 Disclosure of current value chain maritime transport activity	Sector-Specific Target Setting	Companies setting maritime transport sector SDA targets over WTW maritime transport emissions where TTW are also reported in scope 3 must disclose corresponding base year and most recent year metric gigaton-nautical	Written confirmation as per Table 8 of the submission form and provision of associated 'SBT Maritime Transport Tool'.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		miles or metric tonne-nautical miles transported.	
6.4 Disclosure of credible and justifiable value chain maritime transport activity projections	Sector-Specific Target Setting	Companies setting maritime transport sector SDA targets over maritime transport TTW emissions reported in scope 3 must disclose credible and justifiable corresponding projected target year metric gigaton-nautical miles or metric tonne-nautical miles transported.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.

Power Sector

Table 9. Power Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Power C1 - Applicability of Power SDA targets: The power sector guidance "SETTING 1.5°C-ALIGNED SCIENCE-BASED TARGETS: QUICK START GUIDE FOR ELECTRIC UTILITIES" and associated power sector SDA targets are applicable to and mandatory for companies that derive 5% or more of their scope 1 and 2 GHG emissions (tCO_2e) from electricity generation activities which are not wholly from renewable sources.			
1.1 Appropriate activities for self-generation power SDA targets	Sector-Specific	Companies must have electricity generation emissions within their organizational boundary, corresponding to scope 1 emissions that are 5% or more of total scope 1 and 2 emissions, in order to be eligible to set scope 1 power SDA targets.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
1.2 Mandatory scope 1 power SDA targets	Sector-Specific	Companies with electricity generation emissions within their organizational boundary corresponding to ≥5% of total scope 1 and 2 emissions must set a scope 1 power SDA target.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
1.3 Mandatory all sold electricity power SDA targets	Sector-Specific	Companies that buy and resell electricity alongside generation activities in their organizational boundary must also set an all sold electricity power SDA target.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form as well as confirmation and breakdown of key scope 3 GHG emissions in category 3, corresponding to purchased and resold electricity, in Table 3.3 of the submission form alongside corresponding emissions magnitudes in the target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
1.4 Inappropriate activities for self-generation power SDA targets	Target Setting	Companies that generate electricity from 100% renewable sources must model their scope 1 and 2 targets using the absolute reduction method.	Written confirmation of business activities in Question 1.4.5 and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
1.5 Appropriate activities for only all-sold electricity power SDA targets	Target Setting	Companies that generate electricity from 100% renewable sources but also purchase and resell electricity must still set an all-sold electricity power SDA target. Such companies should not include the self-generation emissions and MWh activity in the determination of emissions intensity.	Written confirmation of business activities in Question 1.4.5 and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
Power C2- All-Sold Electricity Emissions Targeted: Companies setting power sector SDA targets must cover emissions from the generation of all sold electricity through a scope 1 target covering self-generated electricity alongside a scope 1 and scope 3 category 3 target covering self-generation and purchased and resold electricity's generation emissions.			
2.1 Expanded target boundary covering insignificant non-power sector emissions	Target Setting	Companies setting power sector SDA targets with ≥95% of total scope 1 and 2 emissions from electricity generation may include the remaining scope 1 and 2 GHG emissions in the self-generation and all-sold electricity power SDA target boundaries, but must cover all electricity generation emissions in this case.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
2.2 Expanded target boundary covering heat	Target Setting	Companies may include emissions from heat generated and sold as well as emissions from purchased electricity for own use within both the self-generation and all-sold electricity power SDA target boundaries, but must cover all electricity generation emissions in this case.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
2.3 Additional targets covering significant non-power sector emissions	Target Setting	Companies must set ACA or other relevant SDA targets over scope 1 and 2 emissions not covered by power sector SDA targets if electricity generation emissions constitute between 5% and 95% of total scope 1 and 2 emissions and are covered power sector SDA targets to ensure total scope 1 and 2 coverage is at least 95%.	Written description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 and confirmation of target boundary in Table 9.1 of the submission form, alongside corresponding emissions magnitudes in the target setting tools.
2.4 Insignificant power sector emissions and SDA applicability	Target Setting	Companies must not set power sector SDA targets if electricity generation emissions constitute <5% of total scope 1 and 2 GHG emissions.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form.
2.5 Upstream scope 3 power sector emissions and SDA target coverage	Target Setting	Companies setting power sector SDA targets over scope 1 and 2 emissions with electricity generation emissions in scope 3 category 3, corresponding to purchased and resold electricity, must cover them with another power sector SDA target covering all-sold electricity, scope 1 and scope 3 category 3 generation emissions. This supersedes SBTi Near-Term Criterion 4, 6 and 18.	Provision of breakdown of key scope 3 GHG emissions in category 3, corresponding to purchased and resold electricity, in Table 3.3 and confirmation of target boundary in Table 9.1 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
Power C3 - Suitable Baseline For Meaningful Targets: Companies setting power sector SDA targets must ensure the selected base year is representative of current business activities and consistent across scope 1, 2 and 3.			
3.1 Representative baseline for meaningful target ambition	Target Setting	Companies setting power sector SDA targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies should avoid choosing base years where	Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		emissions magnitudes and the total MWh generated are significantly different from those in surrounding years, because of the significant impacts of activity levels on resulting target ambition.	
Power C4 - Disclosing Activity Projections To Set Ambitious Targets: Companies setting power sector SDA targets must disclose and report base year, most recent year and target year self-generated and purchased and resold electricity activity data and justification of growth projections to determine minimum target ambition.			
4.1 Disclosure of current organization activity	Sector-Specific	Companies setting power sector SDA targets must disclose base year and most recent year MWh of electricity generated corresponding to scope 1 and 2 emissions.	Provision of activity data in Table 8 of the submission form and the SBTi target setting tool.
4.2 Disclosure of credible and justifiable organization activity projections	Sector-Specific	Companies setting power sector SDA targets must disclose credible and justifiable projected target year MWh generated corresponding to scope 1 and 2 emissions.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.
4.3 Disclosure of current upstream power sector activity	Sector-Specific	Companies setting power sector SDA targets over electricity generation emissions reported in scope 3 category 3, corresponding to purchased and resold electricity, must disclose corresponding base year and most recent year MWh of electricity purchased and resold.	Provision of activity data in Table 8 of the submission form and the SBTi target setting tool.
4.4 Disclosure of credible and	Sector-Specific	Companies setting power sector SDA targets over electricity generation emissions reported in scope 3	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
justifiable upstream activity projections		category 3, corresponding to purchased and resold electricity, must disclose credible and justifiable corresponding projected target year MWh of electricity purchased and resold.	displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.
Power C5 - Distributed And/Or Sold Fossil Fuels: Companies setting power SDA targets frequently also own assets involved in the distribution of transmission of, and/or the sale of fossil fuel products. Emissions from the combustion of any such distributed, transmitted and/or sold fossil fuel products must be reported in scope 3 category 11, the use of sold products, and such companies must set cross-sector absolute reduction targets over 100% of these emissions 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.			
5.1 Inclusion of fossil fuel emissions	GHG Accounting	The combustion of fossil fuels distributed or transmitted must be accounted for in GHG inventory and target boundary, even if they are not sold directly by the reporting company.	Reporting of combustion emissions in Table 3.11 of the submission.
5.2 Target coverage of fossil fuel emissions	Target Setting	Companies must disclose if this criterion is relevant and, if so, must submit a scope 3 target that covers 100% of downstream fossil fuels.	Submission of at least one target covering the direct use-phase emissions of the combustion of fossil fuels sold, transmitted or distributed.
5.3 Assessment of ambition over fossil fuel emissions	Target Setting	The ambition must be at a minimum aligned with the 1.5°C ambition threshold.	Alignment of the ambition of the target with a SBTi-approved 1.5°C pathway.

Steel Sector

Table 10. Steel Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Steel C1 - Use of system boundary: Where the iron & steel SDA is used for target-setting, the emissions covered shall align with the iron & steel core boundary as defined in this document. The intensity denominator is hot rolled steel. Steelmakers that choose to use the absolute contraction method rather than the SDA to set targets for activities within the iron & steel core boundary shall include all activities within the boundary in this target.			
1.1 Iron & steel core boundary target coverage	Target Setting	Companies setting iron & steel SDA targets must cover ⩾95% of all iron & steel core boundary activity emissions in the target boundary, regardless of whether the activities occur within the organizational boundary, upstream or downstream in the value chain.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form as well as confirmation and breakdown of key scope 1, 2 and 3 GHG emissions inside and outside the iron & steel core boundary in the Steel Annex and Table 3 of the submission form. Provision of target setting tool with corresponding emissions magnitudes.
1.2 Hot rolled steel activity reporting	Sector-Specific Target Setting	Companies setting iron & steel SDA targets must use metric tonnes of hot rolled steel as the denominator in determining the emissions intensity for target setting, where the metric tonnes of hot rolled steel covers that which is produced internally, upstream and downstream for which iron & steel core boundary activities' emissions are reported in scope 1 and 2, scope 3 category 1 and scope 3 category 10 respectively.	Provision of activity data in Table 8 of the submission form and the SBTi target setting tool with corresponding emissions magnitudes for the base and most recent year.
Steel C2 - Limitations in use of iron & steel SDA: The iron & steel SDA may be used for target-setting covering emissions included in the iron & steel core boundary where the final product is steel. If scope 1 and 2 emissions from activities in the iron & steel core boundary make up less than 95% of a company's total scope 1 and 2 emissions, then the remainder shall be covered by a different target using the SBTi's cross-sector methods or relevant sector-specific methods. If scope 1 and 2 emissions from activities in the iron & steel core boundary make up more than 95% of the company's total scope 1 and 2 emissions, the company may include those emissions within the core boundary and target.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
2.1 Additional targets covering significant non-steel sector emissions	Target Setting	Companies setting iron & steel SDA targets where iron & steel core boundary activity emissions constitute between 5% and 95% of total scope 1 and 2 emissions must set eligible cross-sector absolute reduction or SDA targets over scope 1 and 2 emissions not covered by iron & steel SDA targets to ensure total scope 1 and 2 coverage is ≥95%.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tool and target boundary in Table 9.1.
2.2 Insignificant steel sector emissions and SDA applicability	Target Setting	Companies must set eligible cross-sector absolute reduction targets or SDA targets rather than iron & steel SDA targets for scope 1 and 2 emissions if iron & steel core boundary activity scope 1 and 2 emissions constitute <5% of total scope 1 and 2 GHG emissions.	Written confirmation and description of key scope 1 and 2 business activities in Table 1, Table 2.1 and Table 2.2 of the submission form, alongside corresponding emissions magnitudes in the target setting tools and target boundary in Table 9.1.
Steel C3 - Near-term scope 3 coverage: purchased intermediate products: Where the iron & steel core boundary is used by iron & steelmakers for near-term target-setting, company science-based targets shall include suppliers’ upstream emissions for purchased intermediate products falling within the iron & steel core boundary, irrespective of whether the share of these emissions compared to the total scope 1, 2 and 3 emissions of the company is above 40%, and irrespective of the scope 3 coverage reached by other scope 3 targets.			
3.1 Upstream scope 3 steel sector emissions and SDA target coverage	Target Setting	Companies setting iron & steel SDA targets with iron & steel core boundary activity emissions in scope 3 category 1, related to purchased intermediate products, must cover them in the overall iron & steel SDA target covering all iron and steel core boundary activity emissions. Total coverage of all iron & steel core boundary activity emissions must equal or exceed 95%.This supersedes SBTi Near-Term Criterion 4, 6 and 18	Written confirmation and breakdown of key scope 3 GHG emissions in category 1, related to purchased intermediate products in Table 3.1 of the submission form, alongside corresponding emissions magnitudes in the target setting tool and the Steel Annex.
Steel C4 - Near-term scope 3 coverage: sold intermediate products: Where the iron & steel SDA is used by steelmakers for near-term target-setting,			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
science-based targets shall include downstream emissions associated with the further processing of sold intermediate products falling within the iron & steel core boundary, irrespective of whether the share of these emissions compared to the total scope 1, 2 and 3 emissions of the company is above 40%, and irrespective of the scope 3 coverage reached by other scope 3 targets.			
4.1 Downstream scope 3 steel sector emissions and SDA target coverage	Target Setting	Companies setting iron & steel SDA targets with iron & steel core boundary activity emissions in scope 3 category 10, related to sold intermediate products, must cover them in the overall iron & steel SDA target covering all iron and steel core boundary activity emissions. Total coverage of all iron & steel core boundary activity emissions must equal or exceed 95%. This supersedes SBTi Near-Term Criteria 4, 6 and 18. This does not supersede SBTi Near-Term Criterion 22, meaning emissions related to sold coke or other fossil fuels must be covered in totality targets with ambition equalling or exceeding an appropriate 1.5C pathway.	Written confirmation and breakdown of key scope 3 GHG emissions related to sold intermediate products in Table 3.10 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
Steel C5 - Near-term scope 3 target covering category 3: upstream fuel- and energy-related emissions: Near-term iron & 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” according to the GHG Protocol.			
5.1 Mandatory scope 3 category 3: fuel- and energy-related activities emissions targeting	Target Setting	Companies considered ‘steelmakers’ or ‘ironmakers’ by the definitions on page 9 of the guidance document "Steel Science-Based Target-Setting Guidance v1.0" must include a scope 3 target that covers all scope 3 category 3: fuel- and energy-related activities emissions emissions. This supersedes SBTi Near-Term Criterion 4, 6 and 18.	Written confirmation and breakdown of key GHG emission sources in scope 3 category 3: fuel- and energy-related activities emissions in Table 3.3 of the submission form, alongside corresponding emissions magnitudes in the target setting tool.
Steel C6 - Forecast growth:			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Where the iron & steel SDA is used for target-setting, the company shall provide, in their target submission, justification of the growth projection used to calculate the target, including public or internal documents where growth projections are mentioned if relevant.			
6.1 Representative baseline for meaningful target ambition	Target Setting	Companies setting iron & steel SDA targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies should avoid choosing base years where emissions magnitudes and metric tonnes of hot rolled steel are significantly different from those in surrounding years, because of the significant impacts of activity levels on resulting target ambition.	Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.
6.2 Disclosure of current activity	Sector-Specific Target Setting	Companies setting iron & steel SDA targets must disclose base year and most recent year metric tonnes of hot rolled steel produced in total, summing that produced internally and in the value chain, as well as the scrap ratio (the proportion of the aggregated tonnes of hot rolled steel that is produced from scrap for each year).	Written confirmation as per target setting tool and Table 8 of the submission form.
6.3 Disclosure of credible and justifiable activity projections	Sector-Specific Target Setting	Companies setting iron & steel SDA targets must disclose credible and justifiable projected target year metric tonnes of hot rolled steel produced and the scrap ratio corresponding to iron & steel core boundary emissions in their GHG inventory.	Written confirmation as per Question 3.2.2 of the submission form. Provision of supporting documents displaying that business planning and recent trajectories in activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.
Steel C7 - Target Wording: Where the iron & steel SDA is used by iron- or steelmakers for target-setting, the fact that the target calculation depends on the scrap share shall be included in the target wording.			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
7.1 Scrap ratio impacts stated in the target language	Sector-Specific Target Setting	Companies setting iron & steel SDA targets must publicly disclose that target calculation depends on the scrap ratio in the target wording, including in future target reporting. This wording must take the form: "As this target calculation depends on the scrap ratio projection, [Company name] will publish the scrap ratio associated with this target annually starting from the base year."	Written confirmation in Table 8 of the submission form.
Steel C8 - Annual emissions and scrap input reporting: Where the iron & steel SDA is used by iron- or steelmakers for target-setting, annual disclosure of both the emissions and scrap ratio aligned with the boundary of the target is mandatory.			
8.1 Public annual scrap ratio reporting	Sector-Specific Measurement, reporting and verification	Companies setting iron & steel SDA targets must commit to publicly disclose their scrap ratio in the base year and all subsequent reporting years.	Written confirmation in Table 8 of the submission form.
8.2 Public annual target boundary emissions reporting	Sector-Specific Measurement, reporting and verification	Companies setting iron & steel SDA targets must commit to publicly disclose the iron & steel core boundary emissions in the target boundary corresponding to the metric tonnes of hot rolled steel produced.	Written confirmation in Question 5.1.2 of the submission form.
Steel C9 - Justification in the case of decreasing scrap ratio: Iron- or steelmakers planning a reduction in their scrap ratio included in their target shall submit justification of this scrap ratio reduction when submitting their target for validation, and disclose the fact that the calculation was based on a decreasing scrap ratio in public documents.			
9.1 Justification of decreasing scrap	Sector-Specific	Companies must disclose the projected target year scrap ratio to the SBTi and where the scrap ratio is	Provision of supporting documents displaying that business planning and recent trajectories in

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
ratio	Target Setting	projected to decrease across the target timeframe, companies must justify such projections and plans.	activities, output, revenue or other relevant metrics result in the scrap ratio projections included in the target setting tool.
9.2 Public disclosure of decreasing scrap ratio and target impacts	Sector-Specific Measurement, reporting and verification	Companies considered ‘ironmakers’ and/or ‘steelmakers’ as defined on page 9 of the guidance “Steel Science-Based Target-Setting Guidance v1.0” planning a reduction in their scrap ratio, included in their target, must publicly disclose the fact that the ambition calculation was based on a decreasing scrap ratio.	Written confirmation in Question 5.1.2 and Question 5.1.3 of the submission form.

Transport Sector

Table 11. Transport Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Transport C1 - Emissions allocation eligibility: For all companies using the "TRANSPORT SCIENCE-BASED TARGET SETTING GUIDANCE" to set transport SDA targets, the emissions covered must be in scope 3, related to transportation activities outside of the company's organizational boundary.			
1.1 Appropriate activities	Sector-Specific	Companies setting transport SDA targets must only cover scope 3 GHG emissions from relevant transportation activities as the most ambitious currently available pathway is insufficiently ambitious for scope 1 and 2 emissions target setting.	Written confirmation as per Table 8 and Table 9.1 of the submission form and provision of "Sectoral Decarbonization Approach - Transport Tool" documents with all the required information as indicated in the in tool.
Transport C2 - Optional or Mandatory Transport SDA Targets: The transport sector guidance "TRANSPORT SCIENCE-BASED TARGET SETTING GUIDANCE" and associated transport sector SDA targets are applicable to and optional for companies with scope 3 GHG emissions (tCO2e) from passenger and/or freight transportation activities, as listed in the 'type of transport-related emissions' column in Table 1 of the guidance.			
2.1 Appropriate activities for transport sector scope 3 SDA targets	Sector-Specific	Companies must have WTW emissions reported in any of categories 4, 6, 7 or 9 from 2-3 Wheelers, Light duty vehicles, Buses, Mini-buses, Medium freight trucks, Heavy freight trucks, Urban rail, Non-urban rail or Rail activities to be eligible to set transport sector SDA targets.	Written confirmation in Section 2.5 alongside emissions breakdowns in Table 3 of the submission form.
Transport C3 - WTW Emissions Coverage of Each Transport Category: Companies setting transport sector SDA targets must cover complete WTW transport emissions in the respective target boundaries, disaggregating overall transport emissions and activity into each relevant transport category for target calculation.			
3.1 Upstream scope 3 transport sector emissions	Target Setting	Companies setting transport sector SDA targets over scope 3 transport activities must report and target the transport activity emissions on a WTW basis.	Written confirmation and breakdown of key scope 3 GHG emissions in each relevant category in Table 3 of the submission form, alongside corresponding

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
and SDA target coverage			emissions magnitudes in the “Sectoral Decarbonization Approach - Transport Tool”.
3.2 Disaggregation of emissions and activity into transport category target boundaries	Target Setting	Companies setting scope 3 transport SDA targets, must model targets for respective transport categories and their specific WTW emissions and passenger-kilometers or metric tonne-kilometers transported in the base year, most recent year and target year.	Written confirmation in Table 8 and Table 9.1 of the submission form and provision of “Sectoral Decarbonization Approach - Transport Tool” documents with all the required information as indicated in the in tool.
3.3 Aggregation of sub-targets for official target language	Target Setting	Companies setting transport SDA targets may aggregate all sub-targets over the different available transport categories to result in target language which must align with either of the following formats. i) “[Company Name] commits to reduce Well-to-Wheel scope 3 GHG emissions from [transport category(ies)] covering [scope 3 category(ies) name(s)] X% per [activity metric] by [target year] from a [base year] base year.” ii) “[Company Name] commits to reduce Well-to-Wheel absolute scope 3 GHG emissions from [transport category(ies)] covering [scope 3 category(ies) name(s)] X% by [target year] from a [base year] base year.” Companies only making public the aggregated target must still make relevant sub-target emissions reductions to achieve targets.	Written confirmation in Table 8 and Table 9.1 of the submission form and provision of “Sectoral Decarbonization Approach - Transport Tool” documents with all the required information as indicated in the in tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Transport C4 - Base Year Suitability: Companies setting transport sector SDA targets must ensure the selected base year is representative of current business activities and consistent across scope 1, 2 and scope 3.			
4.1 Representative baseline for meaningful target ambition	Target Setting	Companies setting transport sector SDA targets must ensure the base year chosen corresponds to emissions and activity volumes that are representative of the organization's normal activities at the time of submission. Companies should avoid choosing base years where emissions magnitudes and passenger-kilometers or metric tonne-kilometers are significantly different from those in surrounding years, because of the significant impacts of activity levels on resulting target ambition. Companies should return to the SBTi to recalculate targets if the targets are later determined to be calculated based on an unrepresentative or unsuitable base year.	Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.
Transport C5 - Activity Disclosure and Projections: Companies setting transport sector SDA targets must disclose and report base year, most recent year and target year activity data, in terms of passenger-kilometers or metric tonne-kilometers transported depending on the transport category, with credible and justifiable growth projections to determine minimum target ambition which must be aligned with or exceed their specific WB2C pathway convergence curve's minimum ambition.			
5.1 Disclosure of current value chain transport sector activity	Sector-Specific	Companies setting transport sector SDA targets over transport WTW emissions reported in scope 3 must disclose corresponding base year and most recent year passenger-kilometers or metric tonne-kilometers purchased.	Written confirmation as per target setting tool and Table 8 of the submission form.
5.2 Disclosure of credible and	Sector-Specific	Companies setting transport sector SDA targets over transport WTW emissions reported in scope 3 must	Provision of supporting documents displaying that business planning and recent trajectories in

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
justifiable activity projections		disclose credible and justifiable corresponding projected target year passenger-kilometers or metric tonne-kilometers purchased. The projected activity for each transport category must correspond to the expected target year activity of that specific transport category.	activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.

REFERENCES

GHG Protocol

GHG Protocol Corporate Standard

GHG Protocol Scope 2 Guidance

GHG Protocol Corporate Value Chain (Scope 3) Standard

GHG Protocol Scope 3 Calculation Guidance

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION