

**Science Based Targets initiative  
Business Ambition for 1.5°C  
Guidelines and Frequently Asked Questions  
Version 1.6 - November 2021**

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## Section 1 - About Business Ambition for 1.5°C

### 1. Which organizations are behind this campaign?

*Business Ambition for 1.5°C* is a campaign led by the [Science Based Targets initiative](#) (SBTi) in partnership with the [UN Global Compact](#) and the [We Mean Business coalition](#).<sup>1</sup> Find out more about the campaign [here](#).

### 2. When and why was Business Ambition for 1.5°C launched?

Business Ambition for 1.5°C was officially launched in June 2019. In response to the [Intergovernmental Panel on Climate Change \(IPCC\) Special Report on Global Warming of 1.5°C](#), in April 2019 the SBTi raised the minimum level of ambition accepted from 2°C to well-below 2°C and released a set of new [resources](#) that enable companies to set targets consistent with the ambition required to limit global warming to 1.5°C and well-below 2°C above pre-industrial levels. Business Ambition for 1.5°C was launched shortly after to drive the adoption of science-based targets in line with the most ambitious goal of the Paris Agreement -1.5°C.

### 3. What has the Business Ambition for 1.5°C achieved so far?

The Business Ambition for 1.5°C campaign is the world's largest and fastest-growing group of companies committed to taking urgent climate action aligned with 1.5°C and net-zero. The success of the campaign and the growing urgency for action as per the latest climate science, led the SBTi to launch a new strategy - making 1.5°C-aligned targets the new standard. Also, hundreds of companies have committed through the campaign to reach science-based net-zero emissions by no later than 2050, supporting the SBTi in the development of its [Net-Zero Standard](#).

However, with the increasing urgency of the climate crisis, the numbers of companies with net-zero targets must now swell from hundreds to thousands. More and more companies need to take bold climate action, to ensure we halve global emissions before 2030.

With this objective, from October 29th, 2021, companies that wish to join the Business Ambition for 1.5°C campaign must commit to set a net-zero science-based target aligned with the SBTi Net-Zero Standard.

The 950+ leading companies that have joined Business Ambition for 1.5°C before October 29<sup>th</sup>, 2021 will remain part of the campaign and must work towards fulfilling their commitment(s). Companies that committed to set 1.5°C science-based targets across scopes ("Option 1" in the previous Business Ambition for 1.5°C Commitment Letter) are encouraged to increase ambition and commit to decarbonizing value chain emissions

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<sup>1</sup> The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi call to action is one of the We Mean Business Coalition commitments.

before 2050 using the SBTi Net-Zero Standard, through signing the new SBTi Commitment Letter.

#### 4. How does the UNFCCC Race to Zero link to the SBTi Business Ambition for 1.5°C?

Business Ambition for 1.5°C is an official partner of the [UNFCCC Race to Zero](#). Race to Zero is a global campaign led by the High-Level Champions for Climate Action to rally leadership and support from businesses, cities, regions, and investors for a healthy, resilient, zero carbon recovery.

In joining the Business Ambition for 1.5°C, a company will also join the Race to Zero, with the exception of oil and gas companies, airports, and companies with >50% coal or at risk of non-parent approach. These companies will not be able to join at this time. If a company has a query Race to Zero may be contacted at [racetozero@unfccc.int](mailto:racetozero@unfccc.int). All members of the Race to Zero are committed to the same overarching goal: achieving net-zero emissions by 2050 at the very latest. These ‘real economy’ actors join 120 countries in the [largest ever alliance](#) committed to this goal.

### **Section 2 - Communications**

#### 5. Where and how will my commitment be communicated?

After sending your signed SBTi Commitment Letter committing to set a net-zero target and passing the initial screening and due diligence process, you will receive formal confirmation from the SBTi and your commitment will be published on the [SBTi Companies Taking Action webpage](#). This webpage shows the list of companies that have committed to set a net-zero target to date.

The commitment will also be listed on the [UN Global Compact](#) webpage, where your company’s name and your business leader will be added to the list of visionary leaders that are part of the campaign

Finally, it will also be published on the [Race to Zero website](#) provided your company is not an oil and gas company, airport, or company with >50% coal or at risk of non-parent approach.

#### 6. Can I use the Business Ambition for 1.5°C and SBTi logos?

If you are committed to Business Ambition for 1.5°C, you are welcome to use both Business Ambition for 1.5°C and SBTi logos that will be shared with you in the communications pack. Please note the Business Ambition for 1.5°C logo should always be accompanied by the SBTi logo. The use of the SBTi logo alone is reserved for companies with approved targets but you are welcome instead to use the wording: “We have committed to set a science-based target through the Science Based Targets initiative.”



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### **Section 3 – Science-based target setting**

#### **7. What does reaching net-zero emissions mean?**

The SBTi released in September 2020 the “[Foundations for science based net-zero target setting in the corporate sector](#)” paper, which provides clarity on the definition of net-zero emissions and credibility principles.

Informed by the IPCC SR1.5, the SBTi has defined net-zero emissions in the corporate sector. According to this definition, reaching net-zero emissions for a company means achieving a state in which the activities within the value-chain of a company result in no net impact on the climate from greenhouse gas emissions. This is achieved by reducing value-chain greenhouse gas emissions, in line with 1.5°C pathways, and by balancing the impact of any remaining greenhouse gas emissions with an appropriate amount of carbon removals.

In October 2021 the SBTi launched the first ever [Net-Zero Standard](#), with detailed criteria and guidance for corporate net-zero targets, and which companies committing to Business Ambition for 1.5°C are expected to follow. For more information, please refer to [the SBTi Net-Zero webpage](#).

#### **8. I already have a public commitment to reach net-zero emissions. Do I need to commit to set a net-zero target in accordance with the SBTi Net-Zero Framework and join the Business Ambition for 1.5°C campaign?**

Companies that have already publicly announced their commitment to reach net-zero emissions before 2050 are strongly encouraged to commit to set a net-zero target aligned with the SBTi Net-Zero Framework and join the Business Ambition for 1.5°C. By doing so, companies ensure their net-zero commitments follow the necessary [scientific rigour](#) to deliver the necessary decarbonization.

Without a common science-based definition of what constitutes a net-zero target, companies and stakeholders cannot be sure their long-term climate targets are credible or ambitious enough.

Additionally, by joining the campaign, companies are using their influence to incentivize other companies to follow suit and national governments to set supportive policies and targets for a net-zero emissions economy.

#### **9. How will targets be measured and tracked?**

Under the SBTi criteria, all companies with approved science-based targets are required to annually report their company-wide GHG emissions to ensure that progress towards delivering their targets is tracked. The inventory must be disclosed publicly, for example through CDP’s annual questionnaire and/or the company’s sustainability report.



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**10. My organization is an SME; can it join the Business Ambition for 1.5°C campaign?**

For the purposes of target validation by SBTi, an SME (small-and-medium sized enterprises) is defined as a non-subsiary, independent company with fewer than 500 employees.

SMEs will be welcomed to join the Business Ambition for 1.5°C campaign from January 2022 onwards. To do so, SMEs will need to set a net-zero target by choosing the pre-determined option in the SME science-based Target Setting Form.

Note that organizations classified as Financial Institutions (FIs) should not follow the SMEs SBTi route, regardless of the number of employees.

**11. My organization is a financial Institution; can it join the Business Ambition for 1.5°C?**

The SBTi Net-Zero Standard for Financial Institutions is planned to be developed in 2022. For the time being, financial institutions can commit to set a net-zero target and join the Business Ambition for 1.5°C campaign and once the Net-Zero Standard for FIs is launched, they will have up to 24 months to validate their net-zero targets.

**The information below only applies to companies committed to the Business Ambition for 1.5° campaign before October 29<sup>th</sup>, 2021.**

**Section 4 - Commitment Letter and Communications**

**1. I signed for Business Ambition for 1.5°C before October 29th, 2021. Will I still be part of the campaign?**

All companies committed to Business Ambition for 1.5°C before October, 29th, 2021, will continue to be part of the campaign. Companies committed to Option 1 are encouraged to increase their ambition by committing to set a net-zero target aligned with the SBTi Net-Zero Standard, by signing the new SBTi Commitment Letter.

**2. Where and how will my commitment be communicated?**

Your commitment will be published on the SBTi website, in a downloadable PDF on the Companies Taking Action page.

On the UN Global Compact website, your company and business leader will be added to the list of visionary leaders that are part of the campaign. Your company will also be added to the UNFCCC Race to Zero campaign and added to the [Global Climate Action Portal](#), assuming your company is eligible (no oil and gas companies, airports and companies with >50% coal or at risk of non-parent approach may join at this time).



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### 3. Can I use the Business Ambition for 1.5°C and SBTi logos?

If you are committed to Business Ambition for 1.5°C, you are welcome to use both the Business Ambition for 1.5°C and SBTi logos that will be shared with you in the communications pack. Please note the Business Ambition for 1.5°C logo should always be accompanied by the SBTi logo. The use of the SBTi logo alone is reserved for companies with approved targets but you are welcome instead to use the wording: “We have committed to set a science-based target through the Science Based Targets initiative”.

## Section 5 – Expectations on science-based target setting

As per the options in the previous Business Ambition for 1.5°C Commitment Letter:

### 4. What are the expectations around scope 1 and scope 2 for companies making this commitment?

For Scope 1 and 2, companies are expected to align with the [SBTi criteria and recommendations](#) and align the level of ambition as follows:

- a) For Option 1: By setting scope 1 and scope 2 emission reduction targets aligned with 1.5°C scenarios (e.g. linear annual reduction rate of 4.2% per year for absolute reduction targets), following relevant [criteria and recommendations by the SBTi](#);
- b) For Option 2: By setting scope 1 and 2 emissions reduction targets aligned at a minimum with the SBTi minimum level of ambition of well-below 2°C, following the [criteria and recommendations developed by the SBTi](#).

Companies setting 5 to 15 year science-based targets (SBTs) aligned with a well-below 2°C trajectory will be expected to decarbonize more aggressively when setting their next SBT to ensure their mitigation strategy aligns with their 2050 net-zero goal. *Note that from 15 July 2022 onwards, the SBTi will no longer validate targets in line with well-below 2°C. This will apply to all targets, including from companies that chose Option 2. Please consult Section 6 of this document for more details.*

### 5. What are the expectations around scope 3 for companies making this commitment?

In line with the SBTi [criteria](#), companies are expected to set scope 3 targets when scope 3 represents 40%, or more of the total company emissions (scope 1, scope 2 and scope 3). When this is the case, companies can align scope 3 ambition to 1.5°C through any of the following options:

- a) For Option 1: By setting scope 3 reduction targets that are consistent with the ambition required to limit warming to 1.5°C (i.e. linear annual absolute reduction rate of 4.2% per year), following other relevant [criteria and recommendations developed by the SBTi](#) for scope 3 targets;
- b) For Option 2: By setting a goal to reach net-zero value-chain emissions by 2050 and interim scope 3 targets in line with the [SBTi criteria and recommendations](#). Through this option, companies are not expected to set scope 3 targets aligned with the ambition required to limit warming to 1.5°C (i.e. linear annual reduction rate of 4.2% per year).



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**6. What does setting 1.5°C-aligned emission reduction targets mean?**

The SBTi has translated the scenarios and pathways underlying the [IPCC Special Report on 1.5°C](#) into a set of resources that companies can use to model 1.5°C-aligned targets. This includes a technical [paper](#) providing details about how IPCC SR15 pathways are being used by the SBTi to inform our target-setting criteria and validations protocols, and a [science-based target setting tool](#).

For more information about emissions reductions target setting in the SBTi criteria, validation process and available resources, please consult the [step by step guide](#).

**7. How much time do companies have to align their targets to the level of ambition they have committed to?**

The table below summarizes necessary steps and timelines for companies at different stages of their SBTi journey.

	<b>Companies joining the SBTi for the first time</b>	<b>Companies with an existing SBTi commitment</b>	<b>Companies with approved SBTs</b>	<b>SMEs</b>
<b>Science-based targets timeframe</b>	Have up to 24 months to develop, submit for official validation, receive validation and publicly communicate your targets. For more info, please consult the <a href="#">paper</a> .	Have until the end of your existing commitment period (i.e. 24 months from the date the commitment letter has been signed). An extension of up to 12 months can be offered, with the expectation that by the end of the 12 additional months targets have been submitted for official validation and have been validated.	Have 12 months to:  <u>For Opt 1:</u> If your Scope 1 and Scope 2 targets are 2°C or well-below 2°C, you shall upgrade your level of ambition to 1.5°C alignment.  Scope 3 targets also need to meet the 1.5°C level of ambition i.e. 4.2% absolute linear reduction year on year.  <u>For Opt 2:</u> If your Scope 1 and Scope 2 targets are 2°C, you shall upgrade your level of ambition to well-below 2°C at a minimum.	Must fill in the SME science-based Target Setting Form at the same time of signing and submitting the Business Ambition for 1.5°C commitment letter.



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			<p>Scope 3 targets need to be aligned as a minimum with the SBTi criteria and recommendations.</p>	
<p><b>Net-zero targets timeframe</b></p>	<p>Business Ambition for 1.5°C companies committed to Option 2 will have until January 2024, to obtain net-zero target validation.</p>			

**Section 6 - Implications of the SBTi new strategy (launched 15 July 2021)**

In response to increasing urgency for climate action and the success of science-based targets to date, the SBTi is unveiling a new strategy to increase minimum ambition in corporate target setting from ‘well below 2°C’ to ‘1.5°C’ above pre-industrial levels. From 15 July 2022, the SBTi will only validate targets aligned with 1.5°C for Scope 1 and 2 and a minimum level of ambition of well-below-2°C for Scope 3. All companies that submit targets from this date, including companies committed to the SBTi through Business Ambition for 1.5°C, will need to align to the new criteria. [Here](#) you can find a summary of the main changes to the criteria.

On 24 August 2021, the SBTi hosted a webinar to introduce the changes. Please refer to the [recording](#) and [presentation slides](#) for further information.

**8. Will companies committed to set Net-Zero targets (Option 2) in the Business Ambition for 1.5°C campaign before October 29, 2021, need to update their ambition to 1.5°C?**

Yes, any company that wants the SBTi to validate its net-zero target will need to align its science-based emissions reduction targets with 1.5°C eventually. The timeline depends on the company’s situation:



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- Companies with well-below-2C (WB2C) targets approved in 2020 or before need to update their near term SBT to align with new criteria by 2025 at the latest.
- Companies with WB2C targets approved in 2021 need to update their near-term SBT to align with new criteria within 5 years of approval.
- Companies that don't have targets set yet must submit near-term SBTs for approval within 24 months of their Business Ambition for 1.5°C commitment. Depending on when their commitment is due and their targets are developed, companies need to either:
  - Align with the current Version 4.2 SBTi criteria, which allows WB2D targets, by 14 July 2022.
  - Align with the new Version 5 SBTi criteria, which does not allow WB2D targets for Scope 1 and 2. After 15 July 2022, all targets submitted for validation need to be aligned with Version 5 of the criteria.

In addition, Business Ambition for 1.5°C companies committed to Option 2 will have until January 2024, to obtain net-zero target validation.