

# GETTING STARTED GUIDE FOR THE SBTI NET-ZERO STANDARD

Version 3.1

April 2022

Version	Release date	Purpose	Updates on earlier version
1.0	15/07/2021	Road test	-
1.1	23/07/2021	Road test	Clarification on 5–10-year timeframe for near-term SBTs, timeline updates, minor updates to spelling and grammar, minor updates to Appendix III.
2.0	20/09/2021	Public consultation	Updated to remove references to the road test. Renamed to “Getting Started”.
3.0	26/10/2021	Net-Zero Standard launch	Inclusion of “Getting Ready for Net-Zero Validation”. Updates to scope 3 boundary criteria. General clarity and design updates.
3.1	1/4/2022	Updates after Standard launch	Updates related to the FLAG sector, ICT sector, sector pathway release dates, terminology for methodologies and removal of any references to Voluntary Ambition Updates.

## ABOUT THE GETTING STARTED GUIDE

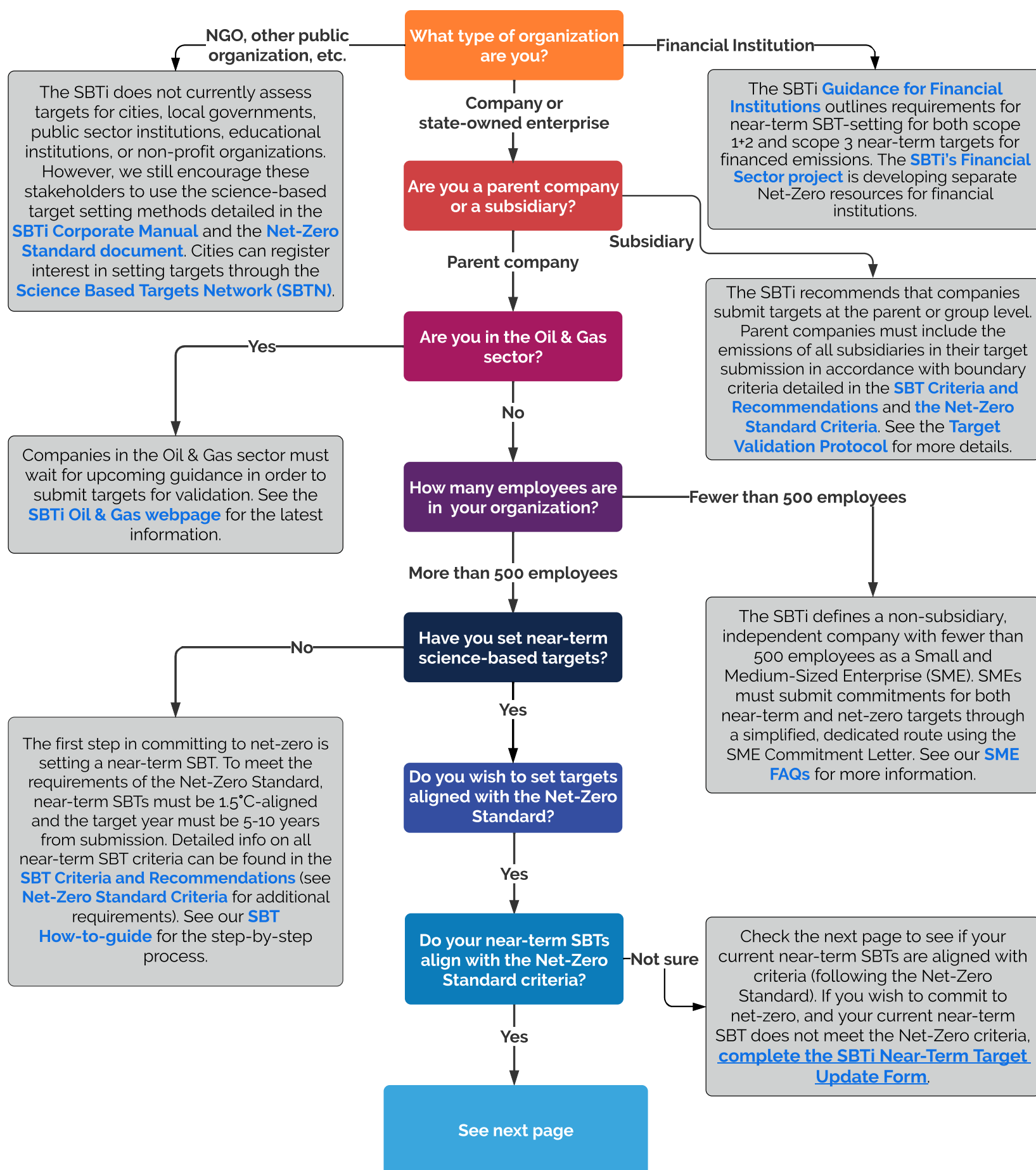
This document is designed as a simple, easy-to-use guide for companies to support companies in setting net-zero targets aligned to the SBTi's Net-Zero Standard.

It is complementary to both the SBTi Corporate Net-Zero Standard document and the Net-Zero Standard Criteria. Companies should also refer to the SBTi's Corporate Manual and the SBTi criteria when setting targets.

The table below outlines the sections contained within this document.

Page #	Title	Description
1	Getting Started with the SBTi's Net-Zero Standard (1/2)	This section walks companies through organisational level checks to understand whether they are eligible to set net-zero targets under the SBTi's Net-Zero Standard.
2	Setting near-term science-based targets for net-zero	This section describes key differences between near-term science-based target criteria in the Net-Zero Standard in comparison to previous versions of SBTi criteria to understand whether companies meet the new requirements.
3	Getting Started with the SBTi's Net-Zero Standard (2/2)	This section explains the first steps towards getting ready to model long-term science-based targets.
4	Setting long-term science-based targets for net-zero	This section describes the methods that companies can use to set long-term targets and how they can be applied.
5	Key criteria for near and long-term science-based targets	The section summarizes the target boundary, time frame, method eligibility and minimum ambition requirements for near-term and long-term science-based targets.
6	Planned 1.5°C pathways for science-based targets	This section describes the status of sector-specific pathways that the SBTi has, or is in the process of developing, that companies can use to set both near and long-term science-based targets aligned to 1.5°C.
7-9	Sector-specific requirements for setting long-term science-based targets	This table, split into three pages, describes the SBTi's sector-specific requirements related to the use of target-setting methodologies and minimum ambition levels.
10	Getting ready for net-zero target validation (1/3)	This section is aimed at companies that already have validated near-term science-based targets. These questions are essential checks that companies must go through before beginning the validation process.
11	Getting ready for net-zero target validation (2/3)	This section is aimed at companies that already have validated near-term science-based targets. It describes conditions that are important for companies to review to understand if they have triggered a target recalculation.
12	Getting ready for net-zero target validation (3/3)	This section is aimed at companies that already have validated near-term science-based targets. Companies may not be required to update their targets based on the answers to these questions but doing so will help align with best practice and the latest climate science.

## GETTING STARTED WITH THE SBTI'S NET-ZERO STANDARD



## SETTING NEAR-TERM SCIENCE-BASED TARGETS FOR NET-ZERO

To align with the Net-Zero Standard, your company's current near-term science-based targets must meet the near-term criteria in the [Net-Zero Standard](#) and [current SBTi Criteria](#). These criteria are more ambitious than the previous SBTi Criteria (version 4.2) to ensure that the right actions are taken in the short-term to limit warming to 1.5°C and reach net-zero by 2050. These criteria will apply to all companies setting science-based targets, regardless of whether they aim to align with the Net-Zero Standard, from July 2022.

- ☐ Version 4.2 of SBTi criteria
- ☒ Near-term SBT criteria within the Net-Zero Standard

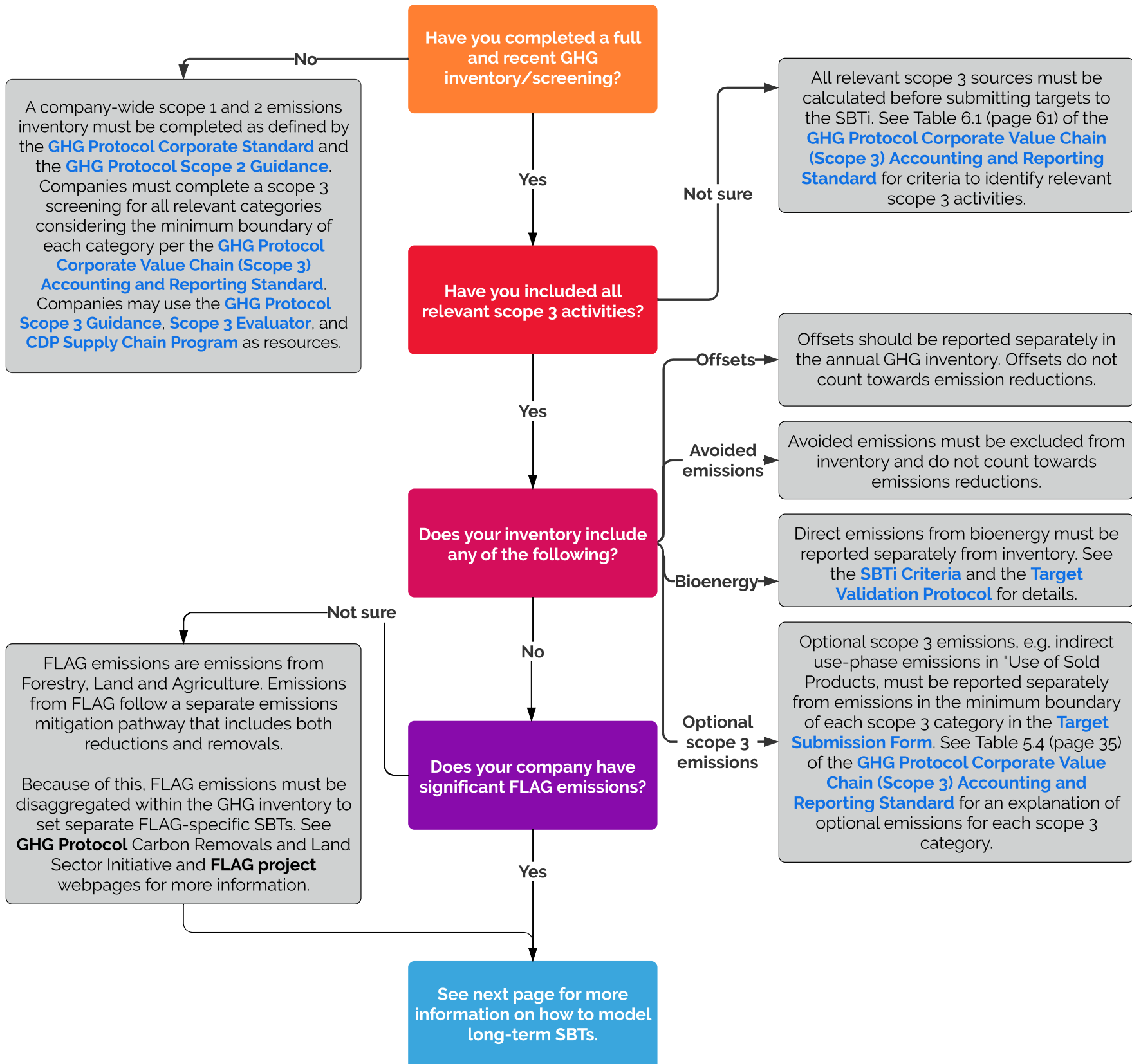
<p><b>What temperature goal should your company align its scope 1 &amp; 2 targets to?</b></p>	<p><b>Well-below 2°C minimum</b></p> <p>In V4.2 of SBTi criteria, companies could use the Absolute Contraction Approach (ACA) to set well-below 2°C targets.</p> <p>Companies in the following sectors could use sector-specific intensity convergence methods to set well-below 2°C targets: power, transport, buildings, iron &amp; steel, cement, aluminum, pulp &amp; paper.</p>	<p><b>1.5°C minimum</b></p> <p>Any company (except those in the power and FLAG sectors) can use the cross-sector absolute reduction method to set 1.5°C targets.</p> <p>Only companies in the power sector may currently use sector-specific intensity convergence methods to set 1.5°C targets. See the Planned 1.5°C Pathways (page 6) for more details.</p>
<p><b>What is the target time frame for your near-term SBTs?</b></p>	<p><b>5-15 years from submission</b></p> <p>In V4.2 of SBTi criteria, companies could set SBTs with a 5-15 year time frame from the submission.</p>	<p><b>5-10 years from submission</b></p> <p>Near-term SBTs must have a 5-10 year time frame from submission. <b>Companies that already have validated SBTs are not required to update targets to meet the reduced time frame requirements.</b></p>
<p><b>What temperature goal should your company align its scope 3 targets to?</b></p>	<p><b>2°C minimum</b></p> <p>In V4.2 of SBTi criteria, companies could set scope 3 targets consistent with the level of decarbonization required to keep global temperature increase to 2°C.</p>	<p><b>Well-below 2°C minimum</b></p> <p>Near-term SBT scope 3 targets must be aligned with well- below 2°C or more ambitious scenarios. Supplier engagement targets are eligible.</p>

### For more details see:

1. [Foundations of SBT Setting](#)
2. [SBTi Corporate Manual](#)
3. [SBTi Criteria](#)
4. [Target Validation Protocol](#)
5. [SBTi Tool](#)
6. [SDA paper](#)
7. [Sector specific guidance](#)

## GETTING STARTED WITH THE SBTI NET-ZERO STANDARD

After ensuring near-term science-based targets align with the Net-Zero Standard requirements, companies should then focus on the next steps towards setting long-term science-based targets. This section explains the first steps towards getting ready to model your long-term science-based targets.





SETTING LONG-TERM NET-ZERO SCIENCE-BASED TARGETS

Companies must set long-term science-based targets that align to 1.5°C for a year no later than 2050 as part of their net-zero commitment. These targets cover a minimum of 95% of scope 1 & 2 emissions, and 90% of scope 3 emissions. See the next page for more information on criteria. This page describes the methods that companies can use to set long-term targets and how they can be applied.

Method name	More about the method	What type of company can use it?	Which emission scopes does it apply to?
Cross-sector absolute reduction	<p>Absolute emissions are reduced by an amount that is, at minimum, consistent with the cross-sector pathway. Also referred to as “absolute contraction”.</p> <p>The minimum reduction is calculated as an overall amount (e.g., 90% overall for the cross-sector pathway).</p>	All companies, except for companies in power or FLAG sectors.	All scopes
Sector-specific absolute reduction	<p>Absolute emissions are reduced by an amount that is, at minimum, consistent with a sector-specific pathway.</p>	Food, Land and Agriculture (FLAG), Iron & Steel, Cement and Buildings (services & residential).	All scopes
Sector-specific intensity convergence	<p>Physical emissions intensity targets are calculated based on all companies in a sector converging to a sector-specific emissions intensity by 2050 or sooner (2040 for the power sector). Also referred to as “physical intensity convergence” or “SDA”</p> <p>For long-term targets, the target emissions intensity is equal to the sector’s emissions intensity in 2050 (2040 for the power sector).</p>	Recommended for companies in heavy-emitting sectors, or companies with a significant proportion of emissions attributed to heavy-emitting sectors. See box for planned commodity pathways and pg. 6 for other sector pathways.	All scopes
		<div>Planned commodity pathways</div> <div><div><ul style="list-style-type: none"><li>• Beef</li><li>• Chicken</li><li>• Dairy</li><li>• Corn</li></ul></div><div><ul style="list-style-type: none"><li>• Pork</li><li>• Palm oil</li><li>• Rice</li><li>• Wheat</li></ul></div><div><ul style="list-style-type: none"><li>• Soya</li><li>• Wood fiber</li></ul></div></div>	
Renewable electricity	<p>Companies actively procure at least 80% renewable electricity by 2025 and 100% renewable electricity by 2030.</p>	All companies	Scope 2
Scope 3 economic intensity reduction	<p>Economic emissions intensity is reduced by an amount that is, at minimum, consistent with limiting warming to 1.5°C. The minimum reduction is calculated as an overall 97% reduction.</p>	All companies	Scope 3
Scope 3 physical intensity reduction	<p>Physical emissions intensity is reduced by an amount that is, at minimum, consistent with 1.5°C. The minimum reduction is calculated as an overall 97% reduction.</p>	All companies	Scope 3

## KEY CRITERIA FOR NEAR- AND LONG-TERM SCIENCE-BASED TARGETS

The table below is a summary of the target boundary, time frame, method eligibility and minimum ambition requirements for near- and long-term SBTs. For more detail on absolute activity pathways and physical intensity convergence pathways see the Net-Zero Standard document.

			Scope 1 and 2			Scope 3			
Near-term science-based targets	Target boundary		95% coverage of scopes 1 + 2			If scope 3 >40% of total emissions: boundary to cover min. 67% of scope 3.			
	Target year		5 – 10 years from date of submission			5 – 10 years from date of submission			
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and min. ambition	• 4.2% linear annual reduction (LAR)	• Depends on sector and company inputs	• 80% RE by 2025 • 100% RE by 2030	• 2.5% LAR	• Depends on sector and company inputs (SDA)	• e.g. 80% of suppliers by emissions by 2025	• 7% year-on-year (both options)
Long-term and net-zero science-based targets	Target boundary		95% coverage of scopes 1 + 2			90% coverage of scope 3			
	Target year		2050 or sooner (2040 for the power sector)			2050 or sooner			
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and min. ambition	• 90% reduction (cross-sector pathway) • 72% reduction for FLAG • Other sector pathways vary	• Sector / commodity pathways vary	• 100% RE	• 90% reduction (cross-sector pathway) • 72% reduction for FLAG • Other sector pathways vary	• Sector / commodity pathways vary	• Methods are not eligible for long-term SBTs	• 97% reduction (both options)

Not eligible











































1.5°C ambition


Well-below 2°C ambition





## PLANNED 1.5°C PATHWAYS FOR SCIENCE-BASED TARGETS


The SBTi has developed various 1.5°C pathways for science-based targets in high-emitting sectors for near and long-term targets. Additional 1.5°C pathways are due to be published, or are still in the scoping phase.


IPCC SECTOR	SBT SECTOR	PATHWAY		GUIDANCE	
		Sector-specific pathway eligible for			Documents to support target setting process
		NEAR-TERM SBTs	LONG-TERM SBTs		
AFOLU	Timber / wood fiber	 June 2022		 June 2022	
	Land and agriculture	 June 2022		 June 2022	
	Agricultural commodities	 June 2022		 June 2022	
BUILDINGS	Buildings	 Q3 2022		 Q3 2023	
INDUSTRY	Iron and steel	 April 2023		 April 2023	
	Cement	 June 2022		 June 2022	
	Chemicals	 August 2023	 August 2023	 August 2023	
TRANSPORT	Road and rail transport				
	Maritime transport	 Q2 2022	 Q2 2022	 Q2 2022	
	Aviation	 Q3 2022	 Q3 2022	 Q3 2022	
OTHER ENERGY	Oil and gas				
ELECTRICITY AND HEAT	Power generation				
OTHER SECTORS	Apparel and footwear				
	ICT				


 1.5°C sector pathway(s) available

 1.5°C sector pathway(s) planned

 Sector uses cross-sector pathway

 Guidance complete

 Guidance release date known

 Guidance planned, no timeline available

## SECTOR-SPECIFIC REQUIREMENTS FOR SETTING LONG-TERM SCIENCE-BASED TARGETS

Sector-specific guidance and methods for long-term SBTs are currently available for many sectors. All new sector-specific guidance that becomes available will be uploaded to the sector development page on the SBTi website. The SBTi has sector-specific requirements related to the use of target-setting methodologies and minimum ambition levels.

Sector	Eligible methods	Guidance/Notes
<a href="#">Apparel and footwear</a>	See "All other sectors".	Optional guidance is available for companies in the apparel and footwear sector.
<b>Buildings</b>	When setting long-term SBTs, companies in these sectors are recommended to set absolute or intensity targets using the residential buildings pathway, service buildings pathway, or cross-sector pathway (absolute targets only).	Real Estate Investment Trusts (REITs) wishing to set targets must specify if they are a mortgage-based REIT or an equity-based REIT. Equity REITs must pursue the regular target validation route for companies. Mortgage REITs must instead utilize the Financial Institutions guidance for setting SBTs.  The SBTi is developing guidance for companies and sectors of the built environment.
<b>Cement</b>	When setting long-term SBTs, companies are recommended to set absolute or intensity targets using the cement pathway, or cross-sector pathway (absolute targets only).	The SBTi is developing guidance for companies in the cement sector.
<a href="#">Chemicals</a>	See "All other sectors".	The SBTi is developing guidance for companies in the chemicals sector.
<a href="#">Financial Institutions</a>	The SBTi is developing a Net-Zero Standard for financial institutions and cannot validate targets for this sector before the guidance is completed.	The initiative defines a financial institution as one engaging in investment activities as part of its core functions. These include the following: 1. Asset management/asset owners 2. Retail and commercial banking activities 3. Insurance companies (when functioning asset managers) 4. Mortgage real estate investment trusts (REITs) Additionally, if at least 5% of a company's revenue comes from activities such as those described above, they would be considered a financial institution.

## SECTOR-SPECIFIC REQUIREMENTS FOR SETTING LONG-TERM SCIENCE-BASED TARGETS

Sector	Eligible methods	Guidance/Notes
<a href="#">Forest, Land-use &amp; Agriculture (FLAG)</a>	Companies with significant FLAG emissions will be required to set FLAG targets separate from their SBTs that cover all non-FLAG emissions. FLAG targets must use the FLAG-sector pathway (absolute targets) or a commodity pathway (intensity targets). Commodity pathways will be available for beef, dairy, pork, chicken, roundwood, rice, soy, palm oil, maize, and wheat. Forestry and timber companies will be required to use the intensity convergence method for roundwood.	The FLAG sector guidance is expected to be finalized in June 2022.
<b>Fossil Fuel Sale/ Transmission/ Distribution</b>	In addition to guidance for the primary sector, scope 3 targets must be set on scope 3 category 11 "use of sold products" emissions using absolute contraction.	Companies must set targets for scope 3 category 11, irrespective of the share of these emissions compared to the total scope 1, 2 and 3 emissions of the company. Separate scope 3 targets may need to be set in this case.
<a href="#">Information and Communication Technology Providers</a>	See "All other sectors".	Optional guidance is available for companies in the ICT sector.
<b>Iron and Steel</b>	When setting long-term SBTs, companies in these sectors are recommended to set absolute or intensity targets using the iron and steel pathway, or cross-sector pathway (absolute targets only).	The SBTi is developing guidance for companies in the steel sector.
<a href="#">Oil and Gas</a>	The SBTi is developing a new methodology for companies in the oil and gas sector to set science-based targets. Currently, the SBTi is unable to accept commitments or validate targets for companies in the oil and gas or fossil fuels sectors.	Companies in this sector include – but are not limited to – integrated oil and gas companies, integrated gas companies, exploration and production pure players, refining and marketing pure players, oil products distributors, gas distributors and retailers and traditional oil and gas service companies. Please see the Oil and Gas sector page on our website for more information.

## GETTING READY FOR NET-ZERO TARGET VALIDATION

This section is aimed at companies that already have validated near-term science-based targets that would like to submit long-term targets as part of a net-zero commitment. The following questions are essential checks that companies must go through before beginning the validation process.

QUESTION	RESPONSE	ACTION
1. Do your current near-term science-based targets meet the Net-Zero Standard's ambition requirements?	Yes, my scope 1 & 2 targets align with 1.5°C and my scope 3 targets align with at least well-below 2°C	Go to question 4.
	No, my scope 1 & 2 targets do not align with 1.5°C and / or my scope 3 targets do not align with at least well-below 2°C	Go to next question.
2. Did you company commit to the Business Ambition for 1.5°C campaign via Option 2?	Yes	Go to next question.
	No	Please resubmit your near-term targets for validation using this form to align with 1.5°C in scope 1 & 2, and at least well-below 2°C in scope 3.
3. Do your validated targets align with at least well-below 2°C?	Yes	Go to next question.
	No	Please resubmit your near-term targets for validation using this form to align with at least well-below 2°C.
4. If your target was validated more than five years ago, have you reviewed your targets in compliance with the SBTi's "mandatory target recalculation" criteria?	Yes, and we've found that our targets need to be recalculated and revalidated.	Please resubmit your near-term targets for validation using this form .
	Yes, and we are confident our targets are consistent with best practice and the latest climate science.	Go to next question.
	No	Please review your targets to check they are consistent with best practice and the latest climate science.
	N/A, my target was validated less than 5 years ago.	Go to next question.
5. Do you wish to make any other amendments to your current near-term SBTs? E.g. addition of targets, change in base year, amend base year inventory.	Yes	Go to next page.
	No	

## GETTING READY FOR NET-ZERO TARGET VALIDATION

This section is aimed at companies that already have validated near-term science-based targets that would like to submit long-term targets as part of a net-zero commitment. The following conditions are important for companies to review to understand if they have triggered a target recalculation.

Since submitting your near-term SBTs to the SBTi, have any of the following occurred:	RESPONSE	
The base year or target year of your target has changed	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO
Significant changes to your base year inventory. The SBTi uses a 5% materiality threshold across scopes 1 to 3 to determine significance (N.B. this excludes organic growth).  <i>This could have occurred due to significant organizational changes from mergers, acquisitions, or divestitures, or for other reasons such as improved data availability.</i>	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO
Scope 3 emissions became 40% or more of overall scope 1, 2, and 3 emissions.	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO
Exclusions in the inventory or target boundary have changed significantly and/or exceeded allowable exclusion limits (more than 5% of scope 1 and 2 emissions and/or more than 33% of scope 3 emissions).	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO
Significant changes in company structure and activities that would affect the company's target boundary or ambition (e.g. acquisitions, divestitures, mergers, insourcing or outsourcing, shifts in product or service offerings).	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO
Significant changes in data used to calculate the targets such as growth projections (e.g. the discovery of significant errors or several cumulative errors that are collectively significant).	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO
Other changes to projections/assumptions used with science-based target setting methods.	<input type="checkbox"/>	YES
	<input type="checkbox"/>	NO

**If you answered YES to ANY of the above, you have triggered a target recalculation, and we ask that you recalculate and resubmit your near-term science-based targets for revalidation using this form.\***

\*Please note that companies are eligible to resubmit near-term targets as part of a net-zero package submission.



## GETTING READY FOR NET-ZERO TARGET VALIDATION

This section is aimed at companies that already have validated near-term science-based targets that would like to submit long-term targets as part of a net-zero commitment. Although companies may not be required to update their targets based on the answers to these questions, doing so will help align with best practice and the latest climate science. Considering these questions will help prepare for the validation process and ensure it runs as smoothly as possible.

QUESTION	RESPONSE	ACTION
Are your targets still representative of your business model and realistic given your current mitigation strategy?	Yes	Go to next question.
	No	Go to next question.
Do your near-term SBTs use a base year before 2015?	Yes	If the base year of your near-term target is before 2015, you may want to update the base year of your targets to align with the new net-zero criteria that targets use a base year of 2015 or later.
	No	Go to next question.
Would you like to update the timeframe of any of your near-term targets? In particular, are you approaching your near-term target date?	Yes	Companies should assess whether they are on track to meet rapidly approaching targets. If you would like to update the timeframe of your targets, use the target resubmission process.
	No	Go to next question.
Companies do not have to set near-term scope 3 targets if scope 3 emissions represent less than 40% of total emissions. Does this situation apply to your company?	Yes	Companies in this situation may wish to set near-term scope 3 targets as part of their net-zero commitment to complement their long-term targets.
	Yes, but we've already set scope 3 targets.	Go to next question.
	N/A, my company's scope 3 emissions represent more than 40% of total emissions so we are required to have a scope 3 target.	Go to next question.
Did your company model targets using intensity methods (in particular using the Sectoral Decarbonization Approach)?	Yes	Please check that your targets still meet the ambition requirements of the current SBTi Tool. If they do not meet updated requirements, we encourage you to consider resubmitting your targets.
	No	Go to next question.
Have you reviewed any sector-specific guidance to check for applicable updates?	Yes, and there have been developments in my sector that impact my targets.	We encourage you to update and resubmit your targets to meet updated sector requirements.
	Yes, and there haven't been any developments in my sector that impact my targets.	Congratulations! You've completed all the necessary checks on your validated near-term SBTs to prepare you for net-zero target validation.
	No	The SBTi encourages you to review our <a href="#">sector guidance page</a> and the SBTi criteria for sector-specific requirements before proceeding.