

GETTING STARTED GUIDE FOR THE SBTI NET-ZERO STANDARD

Version 3.0

October 2021

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.

ABOUT THE GETTING STARTED GUIDE

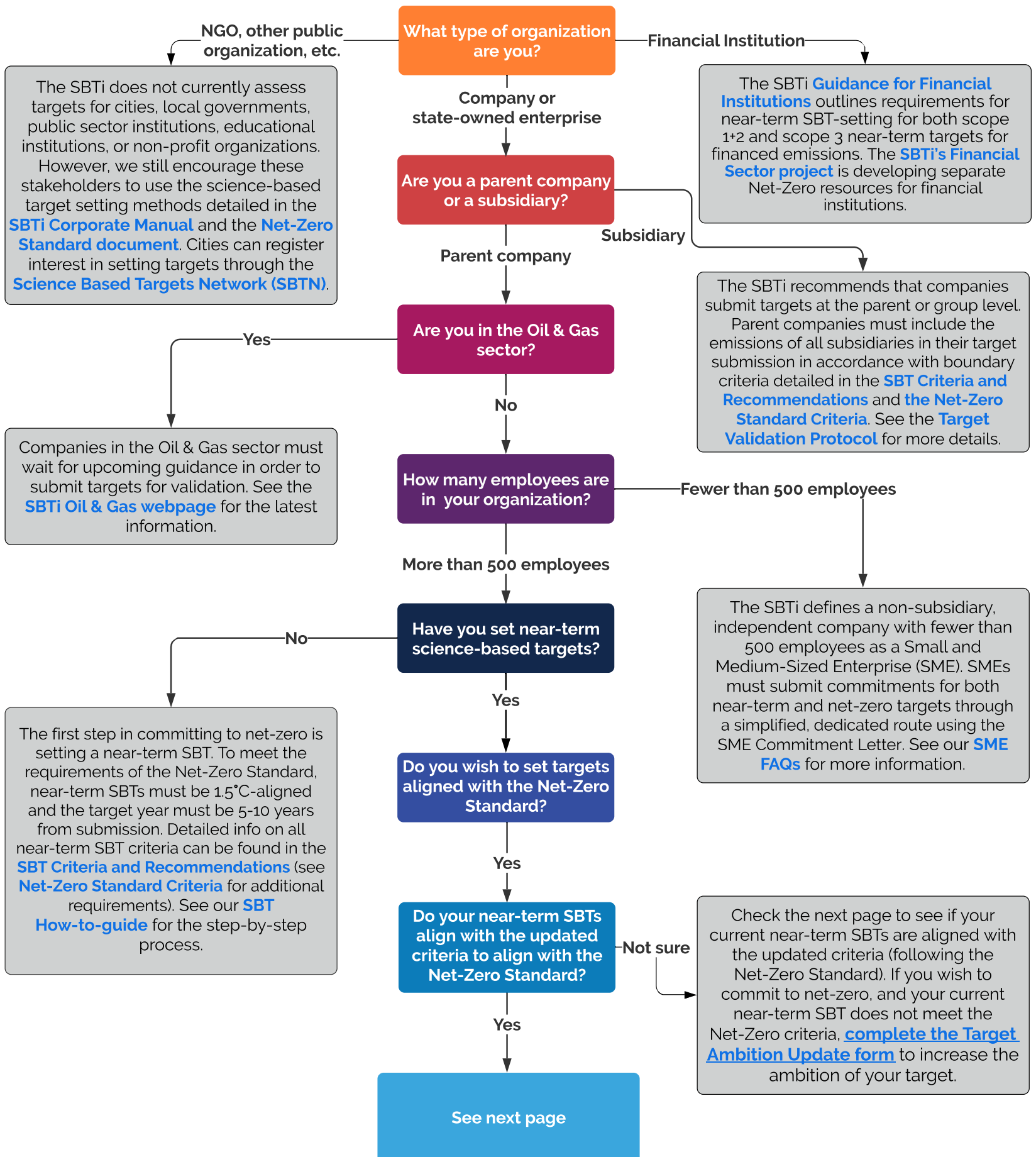
This document is designed as a simple, easy-to-use guide for companies to support companies in setting net-zero targets aligned to the SBTi's Net-Zero Standard.

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.

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

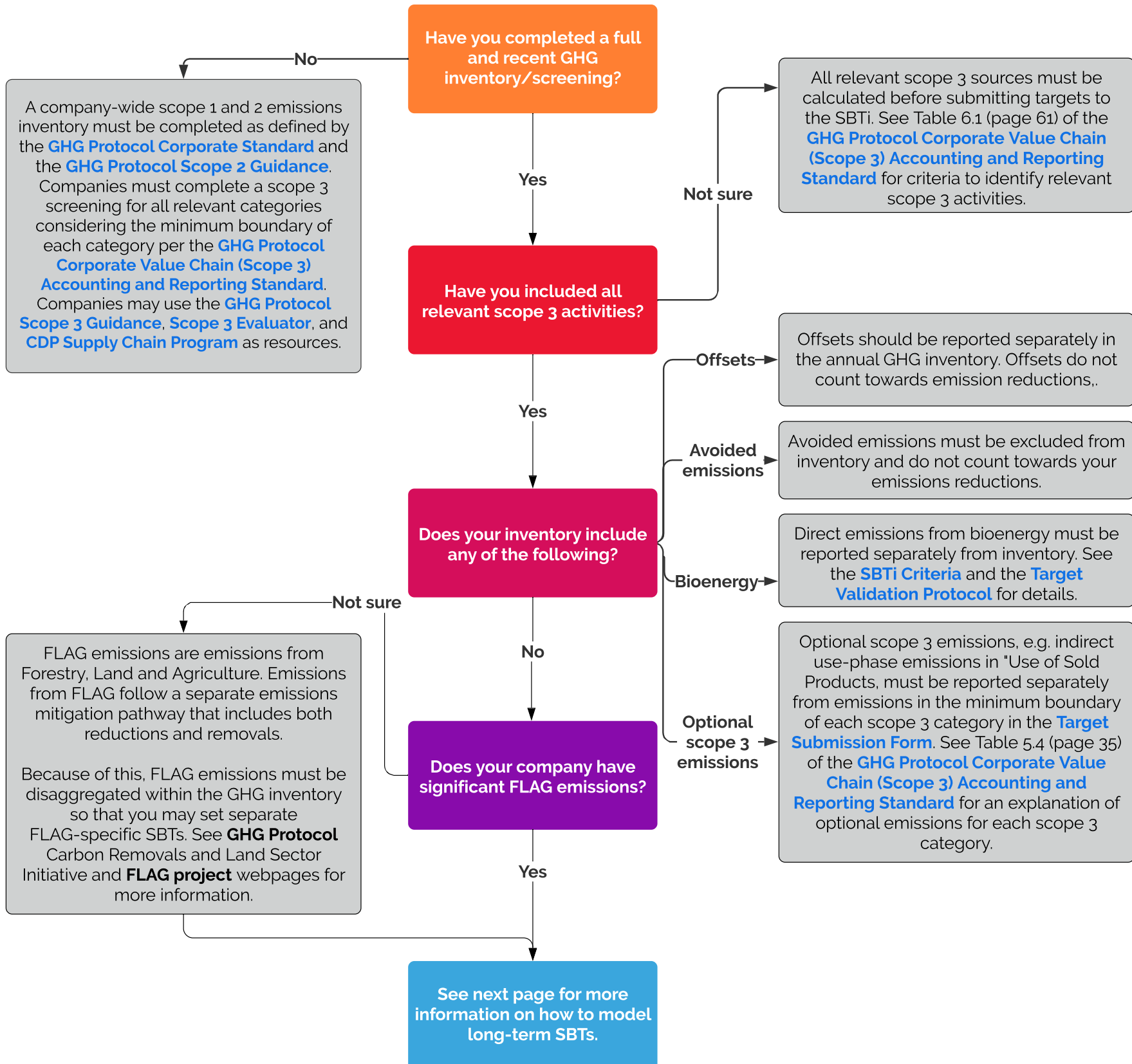
<p>What temperature goal should your company align its scope 1 & 2 targets to?</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; background-color: #9e9e9e; margin: 0;">Well-below 2°C minimum</p> <p>In V4.2 of SBTi criteria, companies could use the Absolute Contraction Approach (ACA) to set well-below 2°C targets.</p> <p>Companies in the following sectors could use the Sectorial Decarbonization Approach (SDA) to set well-below 2°C targets: power, transport, buildings, iron & steel, cement, aluminum, pulp & paper.</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; background-color: #8bc34a; margin: 0;">1.5°C minimum</p> <p>Any company (except those in the power sector) can use the ACA to set 1.5°C targets.</p> <p>Only companies in the power sector may currently use the SDA to set 1.5°C targets. See the Planned 1.5°C Pathways (page 6) for more details.</p> </div>
<p>What is the target time frame for your near-term SBTs?</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; background-color: #9e9e9e; margin: 0;">5-15 years from submission</p> <p>In V4.2 of SBTi criteria, companies could set SBTs with a 5-15 year time frame from the submission.</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; background-color: #8bc34a; margin: 0;">5-10 years from submission</p> <p>Near-term SBTs must have a 5-10 year time frame from submission. Companies that already have validated SBTs are not required to update targets to meet the reduced time frame.</p> </div>
<p>What temperature goal should your company align its scope 3 targets to?</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; background-color: #9e9e9e; margin: 0;">2°C minimum</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> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; background-color: #8bc34a; margin: 0;">Well-below 2°C minimum</p> <p>Near-term SBT scope 3 targets must be aligned with well-below 2°C or more ambitious decarbonization scenarios. Supplier engagement targets are eligible.</p> </div>

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?
Absolute Contraction Approach (ACA)	Companies reduce absolute emissions by an amount consistent with a mitigation pathway. The minimum reduction is calculated as an overall amount (e.g., 90% overall for the cross-sector pathway). Sector-specific pathways are available for buildings, iron & steel, cement, power and FLAG.	All companies can use the ACA to set long-term SBTs except for companies in power or timber/forestry sectors.	All scopes
Physical intensity convergence	All companies in a sector converge to a shared emissions intensity in 2050 (2040 for the power sector). For long-term targets, the target emissions intensity is equal to the sector's emissions intensity in 2050 (2040 for the power sector). Sector-specific pathways are available for buildings, iron & steel, cement and power. See box on the right for planned commodity pathways and pg. 6 for other planned sector pathways.	Recommended for companies in heavy-emitting sectors, or companies with a significant proportion of emissions attributed to heavy-emitting sectors.	All scopes
Planned commodity pathways			
		<ul style="list-style-type: none"> <li style="width: 33%;">• Beef <li style="width: 33%;">• Pork <li style="width: 33%;">• Soya <li style="width: 33%;">• Chicken <li style="width: 33%;">• Palm oil <li style="width: 33%;">• Wood fiber <li style="width: 33%;">• Dairy <li style="width: 33%;">• Rice <li style="width: 33%;">• Corn <li style="width: 33%;">• Wheat 	
Renewable electricity	Using this method, companies set targets to actively procure at least 80% renewable electricity by 2025 and 100% renewable electricity by 2030.	All companies	Scope 2
Economic intensity	Companies reduce economic emissions intensity (e.g., tCO ₂ /unit of value added) by an amount consistent with limiting warming to at least 1.5°C. The minimum reduction is calculated as an overall 97% reduction.	All companies	Scope 3
Physical intensity contraction	Companies define their own emissions intensity metric and set targets to reduce emissions intensity by an amount consistent with limiting warming to 1.5°C for long-term targets. The minimum reduction is calculated as an overall 97% reduction.	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 Contraction	Physical Intensity Convergence	Renewable electricity (scope 2 only)	Absolute Contraction	Physical Intensity Convergence	Supplier or customer engagement
Eligibility and min. ambition		• 4.2% linear annual reduction (LAR)	• Depends on sector and company inputs (SDA)	• 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 Contraction	Physical Intensity Convergence	Renewable electricity (scope 2 only)	Absolute Contraction	Physical Intensity Convergence	Supplier or customer engagement
Eligibility and min. ambition		• 90% reduction (cross-sector pathway) • 80% reduction for FLAG • Other sector pathways vary	• Sector / commodity pathways vary	• 100% RE	• 90% reduction (cross-sector pathway) • 80% 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 is developing various 1.5°C pathways for science-based targets in high-emitting sectors. Additional 1.5°C pathways will be published after the Net-Zero Standard launch, or are still in the scoping phase.

IPCC SECTOR	SBT SECTOR	PATHWAY		GUIDANCE
		NEAR-TERM	LONG-TERM	Guidance documents to support
AFOLU	Forests, land and agriculture (FLAG) pathway	 March 2022		 March 2022
	FLAG commodity pathways	 March 2022	 March 2022	 March 2022
BUILDINGS	Buildings	 December 2021		
INDUSTRY	Iron and steel	 June 2022		 April 2023
	Cement	 December 2021		 June 2022
	Chemicals			
TRANSPORT	Road and rail transport			
	Maritime transport	 January 2022	 January 2022	 January 2022
	Aviation	 December 2021	 December 2021	
OTHER ENERGY	Oil and gas			
ELECTRICITY AND HEAT	Power generation			
OTHER SECTORS	Apparel and footwear			
	ICT			

 1.5°C sector pathway(s) available at Net-Zero Standard launch	 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
Apparel and footwear	See "All other sectors".	Optional guidance is available for companies in the apparel and footwear sector.
Buildings	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 in the scoping phase of developing guidance for companies and sectors of the built environment.
Cement	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 in the scoping phase of developing guidance for companies in the cement sector.
Chemicals	See "All other sectors".	The SBTi is in the scoping phase of developing guidance for companies in the chemicals sector.
Financial Institutions	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 that engages in investment activities as part of its core functions. These include, but are not limited to, 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) If at least 5% of a company's revenue comes from the activities described above, they are considered a financial institution.

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

Sector	Eligible methods	Guidance/Notes
Forest, Land-use & Agriculture (FLAG)	Some companies will be required to set FLAG targets that are separate from their SBTs covering all other 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 March 2022.
Fossil Fuel Sale/ Transmission/ Distribution	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 S1+S2+S3 emissions of the company. Separate scope 3 targets may need to be set in this case.
Information and Communication Technology Providers	See "All other sectors".	Optional guidance is available for companies in the ICT sector.
Iron and Steel	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 in the scoping phase of developing guidance for companies in the steel sector.
Oil and Gas	The SBTi is developing target-setting methods for oil and gas companies and cannot validate targets for this sector before the guidance is completed.	For target validation by the SBTi, "Oil and Gas" includes, but is not limited to, integrated Oil and Gas companies, Integrated Gas companies, Exploration and Production companies, Refining and Marketing companies, Oil Products Distributors, Gas Distribution and Gas Retailers. The SBTi will assess companies on a case-by-case basis to determine whether companies will be classified as Oil and Gas companies for SBTi validation, and if so, reserve the right to not move forward with their validation until after the SBTi Oil & Gas sector development has been completed.

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

Sector	Eligible methods	Guidance/Notes
<p>Power Generation</p>	<p>The intensity convergence method must be used by power generation companies, as specified in the Guidance for Electric Utilities.</p>	<p>Companies in the power sector with scope 3 emissions that represent 40% or more of overall emissions must set an intensity target covering all sold electricity (including purchased and resold electricity in scope 3 category 3), in addition to a target covering power generation in scope 1. Companies in this sector must set targets to reach net-zero no later than 2040.</p>
<p>Transport services (Aviation/ shipping/ trucks/ cars)</p>		<p>Refer to the SBTi Transport guidance for a description of all transport sub-sectors covered by the SDA Transport tool and to learn about best practices in target-setting for transport activities.</p> <p><i>Well-to-wheel boundary (transport services and OEMs):</i> Companies setting targets for transport-related emissions should cover well-to-wheel emissions (WTW) in their target boundary to accurately capture emissions shifts between the tank-to-wheel (TTW) and the well-to-tank (WTT), for example, due to changes in power train technologies.</p>
<p>Transport (Original Equipment Manufacturers/ Automakers)</p>	<p>When setting long-term SBTs, companies in these sectors are recommended to set absolute or intensity targets using the aviation pathway, maritime transport pathway, or cross-sector pathway (absolute targets only). The target boundary must cover well-to-wheel emissions (WTW), as specified in the SBTi transport resources. Companies may not set intensity targets covering scope 3 category 6 (business travel) using the aviation sector pathway.</p>	<p><i>Tested vs. Real emissions (OEMs):</i> Original equipment manufacturers must convert their base year emissions figures for the use-phase of their products into real emissions with the use of global standards when available (e.g., Worldwide Harmonized Light Vehicle Test Procedure -WLTP). In the absence of a normalized test procedure for certain vehicle types, companies are invited to present and justify their own estimates/simulations based on fuel consumption-specific duty cycles to the SBTi.</p>
<p>All other sectors</p>	<p>When setting long-term SBTs, companies in all other sectors are recommended to set absolute targets using the cross-sector pathway. Sector-specific absolute or intensity targets may be used instead for emissions allocated to a relevant sector.</p>	<p>Companies should allocate emissions to relevant activities as per the Greenhouse Gas Protocol, where guidance is available. Emissions in scopes 1, 2, or 3 allocated to activities with a sector-specific pathway (e.g. steel production) may be covered by a sector-specific absolute or intensity target, except for upstream scope 3 categories where supply-side mitigation is important and not reflected by the pathway.</p>

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 your 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 to align with 1.5°C in scope 1 & 2, and at least well-below 2°C in scope 3. You may also be eligible for a Voluntary Ambition Update. Please check page 11.
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 to align with at least well-below 2°C. You may also be eligible for a Voluntary Ambition Update. Please check page 11.
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.
	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 (excluding updates in ambition) 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	Go to next page.
	No, but we'd like to update the ambition of our targets.	Go to next page. If you meet all of the checks on the next page, your company may be eligible for a Voluntary Ambition Update. If not, you will be required to resubmit your targets.

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
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
Scope 3 emissions became 40% or more of overall scope 1, 2, and 3 emissions.	<input type="checkbox"/>	YES
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
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
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
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.*

If you are seeking to update the ambition of your near-term targets, and answered NO to ALL of the above, you may be eligible for a Voluntary Ambition Update.*

*Please note that companies are eligible to resubmit near-term targets as part of a net-zero package submission, or to submit voluntary ambition updates along with their net-zero 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 bucket 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 sector guidance page and the SBTi criteria for sector-specific requirements before proceeding.