

SBTi SERVICES CRITERIA ASSESSMENT INDICATORS: BUILDINGS SECTOR

Version 1.0

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SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



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ABOUT SBTI SERVICES

SBTi Services Limited is a wholly owned subsidiary of the Science Based Targets initiative, a corporate climate action organization and standard-setter that enables companies and financial institutions worldwide to play their part in combating the climate crisis. SBTi Services is a distinct legal entity and operates independently from the standard-setter, the Science Based Targets initiative.

SBTi Services checks and validates climate targets, validating the decarbonization goals of corporations, financial institutions and SMEs worldwide. By validating their climate targets, businesses demonstrate an understanding of their minimum decarbonization requirements by which customers and investors can measure them.

To be validated, companies must create greenhouse gas inventories and apply the Science Based Targets initiative's thorough methodologies for calculating decarbonization targets and submit these to SBTi Services for validation. Validators at SBTi Services check companies' and financial institutions' climate targets with standards developed by the Science Based Targets initiative.

SBTi Services is a trading subsidiary company, with any profits generated from commercial activities passed to its parent the Science Based Targets initiative, a charity registered in England and Wales.

DISCLAIMER

The checklist of Criteria Assessment Indicators provided by SBTi Services Limited (“SBTi Services”) are intended to serve as a general guide for organizations seeking validation against the SBTi Buildings Sector Science-Based Target-Setting Criteria. This checklist outlines key indicators used during the SBTi Services’ target validation process and are based on the most current version of the standard at the time of publication. However, they are not exhaustive, and additional requirements may apply depending on the specific circumstances of each validation.

The use of this checklist does not guarantee compliance with the standard, nor does it constitute a formal approval of SBTi targets. The actual SBTi target validation process conducted by SBTi Services involves a comprehensive review of all relevant factors, and final decisions are based on a detailed assessment by our qualified team.

SBTi Services disclaims all liability for errors or omissions in this checklist or for actions taken in reliance on their content. The checklist may be updated or modified at any time by SBTi Services to reflect changes in standards, guidance or applicable regulations as developed or applied by the Science Based Targets Initiative (“SBTi”) or SBTi Services. Users are encouraged to consult the most recent version and to seek professional advice if necessary.

INTRODUCTION

SBTi Services independently assesses corporate and financial institution science-based emission reduction targets. To support these services, the Criteria Assessment Tables in this document outline the major checks conducted by the SBTi during the validation process, to ensure 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 criteria assessment indicators.

For SBTi services to provide 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 confirms that it has been 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 table in this document expands upon the BUILDINGS SECTOR SCIENCE-BASED TARGET-SETTING CRITERIA v1.0, clarifying the specific qualitative and quantitative indicators of adherence to the criteria.	August 28, 2024	August 28, 2024

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ASSESSMENT OF SBTi CRITERIA FOR BUILDINGS SECTOR TARGETS

Table 1. Buildings Sector Criteria Assessment Table

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
Buildings C1 - Thresholds for in-use operational emissions: Companies whose business activities meet any of the intended user categories in Buildings-C3 and whose in-use operational emissions from owned and/or managed buildings are at least 20% of their total scope 1, 2, and 3 category 1-14 emissions in their chosen base year shall apply these criteria in full and set a target on in-use operational emissions.			
1.1 In-use Operational Emissions Calculations	GHG Accounting	For each applicable user type, companies must calculate and allocate GHG emissions in accordance with the whole building approach. The whole building approach requires companies to include emissions arising from operational energy consumption of all landlord and tenant controlled spaces in their GHG inventory, regardless of the chosen consolidation approach (refer to C6 below). The reported	Provision of a 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 the objective evidence needed for the GHG Accounting Criteria Assessment Indicators. Additional breakdowns must be provided in

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		inventory shall also include fugitive emissions for both tenant and landlord controlled areas.	Questions 2.1 and 2.2 of the submission form.
1.2 Total GHG Inventory Emissions Calculations	GHG Accounting	<p>After allocating emissions per user type in line with the whole building approach, companies must determine the percentage of total scope 1, 2, and 3 in-use emissions that come from owned, operated, and/or managed buildings.</p> <p>Companies must also consider the exclusions from the GHG inventory in determining the total scope 1, 2, and 3 in-use emissions and in determining whether the threshold detailed in C1.3 below is met.</p> <p>The exclusions from the buildings related in-use operational emissions in the base year shall be considered within and part of the total allowable exclusions across the scopes accordingly as stated in near-term criterion NT C5.</p>	<p>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.</p> <p>Provision of total excluded emissions for scope 1, 2 and scope 3 category 1-14 in Question 2.2 of the Buildings Annex.</p>
1.3 Mandatory in-use operational	Sector -Specific	Companies whose business activities meet the intended user categories as mentioned in Buildings C3 below and	Companies must submit targets to the SBTi that are modeled using the official SBTi Buildings target

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
emissions target	Target Setting	whose corresponding in-use operational emissions from owned, operated and/or managed buildings are at least 20% of their total scope 1, 2, and 3 category 1-14 emissions in their chosen base year must set a Buildings In-Use Operational Emissions SDA 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.
<p>Buildings C2 - Thresholds for upfront embodied emissions of new constructed buildings: Companies whose business activities meet any of the intended user categories in Buildings-C3 and whose upfront embodied emissions from new developments or acquisitions of a building as a first owner exceeded 20% of total scope 1, 2, and 3 category 1-14 emissions in any one year within the previous three years shall apply the criteria in full and set a target on upfront embodied emissions.</p>			
2.1 Applicability for developers	Sector-Specific	Companies that fall under the definition and business activities of the developer as defined in Table 5 of SBTi Buildings Explanatory document that choose to account for upfront embodied emissions of the buildings at practical completion treating the buildings as a 'capital good' shall adhere to the threshold requirements outlined in C2. Companies that fall under the definition and business activities mentioned above that do not choose to	Written confirmation and description of key business activities and corresponding emissions in Questions 2.1 and 2.4 of the Buildings Annex.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		account for buildings at their practical completion shall disregard C2 and its associated requirements.	
2.2 Defining the first owner of a building	Sector-Specific	Companies that meet any of the intended user categories as stated in Buildings-C3 that have acquired or purchased buildings either through sale or transfer of ownership by the developer shall be considered a first owner only when it results in the beginning of the building’s use phase.	Written confirmation and description of key business activities and corresponding emissions in Questions 2.1 and 2.5 of the Buildings Annex.
2.3 GHG Inventory Emissions Calculations		Companies that are classified as first owners that account for finished buildings at their practical completion shall report upstream emissions from the extraction, production, and transportation of building materials, including all emissions related to the construction of the building in scope 3 category 2 capital goods. This aligns with the LCA modules A1 to A5 that cover production and construction phases of a building's life cycle which are referred to as ‘upfront carbon’ as per the EN 15978 standard. After allocating emissions from buildings	<p>Written confirmation and breakdown of key scope 3 GHG emissions in Table 3.2 of the submission form and scope 1, 2, 3 categories 1-14 in Question 2.6 of Buildings Annex.</p> <p>Provision of the quantitative list and justification of any exclusions from the scope 3 inventory in tCO₂e in Table 4 and Table 5 of the submission form.</p> <p>Provision of total excluded emissions for scope 1, 2, and 3 category 1-14 in Question 2.6 of the Buildings Annex.</p>

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		<p>developed at their practical completion, companies should calculate the total resulting emissions.</p> <p>Companies must also consider the exclusions from the GHG inventory in determining the total scope 1, 2, and 3 upfront embodied emissions and in determining whether the threshold detailed in C2.4 below is met. The exclusions from the buildings related upfront embodied emissions accounted for in scope 3 category 2 capital goods shall be considered within and part of the total allowable exclusions across total scope 3 emissions as stated in the near-term criterion NT C5.</p>	
2.4 Mandatory upfront embodied emissions target		Companies that meet any of the intended user categories in Buildings-C3 that have had more than 20% of total scope 1, 2, and 3 base year category 1-14 emissions from the above-mentioned sources within the past three years are required to follow all relevant criteria prescribed by the SBTi Buildings Criteria and to set a target on upfront	Companies must submit targets to the SBTi that are modeled using the official SBTi Buildings 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.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		embodied emissions using the buildings target setting tool.	
<p>Buildings C3 - Intended user categorization: Companies shall apply the relevant target-setting criteria for all intended user types that are applicable to their business activities. Companies must also briefly explain their choice of intended user categorization when submitting targets for validation. These criteria and recommendations address the following user categories, whilst acknowledging that classifications might differ between markets and jurisdictions internationally:</p> <ul style="list-style-type: none"> • Developer • Owner-occupier • Owner-lessor • Property manager • Financial institution (FI)* <p>*It is important to note that a company, categorized primarily as a non-FI intended user may undertake activities (i.e. investments) that fall under the FI category. For example, an integrated real estate company.</p>			
3.1 Intended user categorization	Sector-Specific	Companies must disclose and justify their selection of applicability for each intended user categorization(s) listed in buildings C3 (i.e., developer, owner-occupier, owner-lessor, and property manager).	Written explanation in Question 2.1 of the Buildings Annex.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
3.2 Relevant target setting guidance application	Target Setting	Companies must apply the relevant target-setting guidance for all intended user types (i.e., developer, owner-occupier, owner-lessor and property manager) that are applicable to their business activities. Companies shall refer to Buildings C1 and Buildings C2 for assessing target setting applicability and Buildings C4 for all applicable target setting methods.	Written confirmation in Question 2.1 and Sections 4 and 5 of the Buildings Annex alongside corresponding emissions magnitudes in the SBTi Buildings target setting tool.
<p>Buildings C4 - Permitted target-setting methods: Permitted target-setting methods for scope 1, 2 and 3 buildings-related emissions for buildings sector users are laid out in Tables 1a-1d of the SBTi Buildings Criteria document.</p> <p>Owner-occupiers and owner-lessors shall use the buildings in-use operational emissions SDA to set a target on their whole building in-use operational emissions, irrespective of whether these emissions are categorized as scope 1, 2, or 3 emissions.</p>			
4.1 Buildings targets minimum ambition	Sector-Specific	Companies setting buildings SDA or sector-specific absolute contraction targets must ensure target ambition equals or exceeds the minimum 1.5°C ambition alignment output by the “Buildings Sector Tool”, regardless of the scope and category in which the covered emissions are	Written confirmation of target language and ambition in Table 8 and 10 of the submission form and Section 5 of the Buildings Annex. Corresponding emissions boundaries must be entered in the SBTi buildings target setting tool to

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		allocated in the GHG inventory.	demonstrate that the target ambition selected equals or exceeds the requirement.
4.2 Mandatory in-use operational emissions targets	Target Setting	Companies that satisfy Buildings C1 thresholds with in-use operational buildings emissions must utilize the in-use operational SDA as the target setting method as shown in Table 1a of the SBTi Buildings Criteria document.	Provision of GHG inventory data in Table 1, Table 2.1, Table 2.2 and Table 3 of the submission form. Additional breakdowns must be provided in Question 2.1 and Table 1 of the Buildings Annex alongside corresponding emissions magnitudes in the SBTi buildings target setting tool.
4.3 Localized in-use operational emissions targets	Target Setting	Companies setting in-use operational buildings SDA targets must disaggregate total portfolio emissions and floor area according to geography and building typology in order to determine the relevant location and building typology specific reduction requirements prior to aggregation into the overall in-use operational emissions target.	Written confirmation and description in Questions 2.3 and 3.4 with a breakdown of scope 1, 2 and 3 emissions per user type, building type, region, country and sub-region/state in Table 1 of the Buildings Annex. Provision of corresponding emissions magnitudes in the SBTi Buildings target setting tool.
4.4 Fixed intensity targets over	Sector Specific	Companies and FIs with high turnover portfolios that are classified as an owner-occupier, owner-lessor, and/or an	Provision of supporting documents displaying that business planning and recent trajectories in

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
in-use operational emissions		<p>FI may set fixed intensity targets over in-use operational emissions when one of the following conditions is met:</p> <ul style="list-style-type: none"> • Company is an opportunistic fund that acquires older and less efficient buildings and renovates the buildings prior to sale. The company may have no common assets over a 36-month period. • Company is an ‘instant buyer’ such as a real estate company that uses algorithms and technology to buy and resell residential buildings in quick succession. • Company has a historical and/or projected average buildings portfolio turnover ratio over the next 5-10 years of over 70% and the yearly ratio is defined as: $\text{Portfolio turnover ratio}(\%) = \frac{ \text{Divested building floor area (m}^2\text{)} + \text{Acquired building floor area (m}^2\text{)} }{\text{Average portfolio area (m}^2\text{)}} \times 100$ <p>Companies and FIs willing to use fixed intensity targets</p>	<p>activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool. Written confirmation in Questions 4.9, 4.10 and Table 1 of the Buildings Annex alongside corresponding emissions magnitudes in the SBTi Buildings target setting tool.</p>

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		<p>need to demonstrate why/how their portfolio turnover makes target-setting with the SDA not applicable using the examples provided in the explanatory document. Fast growth can be incorporated into the SDA target and growth projections and is not a sufficient justification for high turnover.</p>	
<p>4.5 Applicability of the maintenance targets over in-use operational emissions</p>	<p>Sector Specific</p>	<p>Companies and FI's classified as an owner-lessor, owner-occupier and/or FI that meet the following condition may set a maintenance target covering in-use operational emissions:</p> <ul style="list-style-type: none"> • Corporates and FI's must have a portfolio emissions intensity that is at or below the 2050 sector intensity level of a 1.5°C-aligned pathway for its building typology and geography-specific pathway in the base year. <p>Corporates and FI's must also commit to maintain the base year portfolio emissions intensity through the near-term and long-term target timeframes and only</p>	<p>Provision of in-use emissions, floor area and carbon intensity (kgCO₂e/m²) for each building type and location in the aggregator tab of the SBTi buildings target setting tool to demonstrate that weighted average emissions intensity levels are at or below the 2050 weighted intensity or at or below the lowest 2050 intensity of the relevant pathways.</p> <p>Written explanation in Questions 4.11 and 4.12 of the Buildings Annex detailing how the applicability is met.</p>

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		finance and/or own and/or lease 1.5°C aligned real estate assets.	
4.6 Disclosure of credible and justifiable in-use floor area projections	Sector-Specific	Companies setting in-use operational SDA targets must provide credible and justifiable projections for target year floor area within each specific region selected in the “Buildings Sector Tool” when providing target year projections.	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.
4.7 Upfront embodied emissions SDA targets	Target Setting	Companies setting upfront embodied buildings SDA targets must disaggregate total emissions and floor area into the specific building types by usage (residential, office, retail or other) in order to determine the aggregated emissions reduction ambition.	Written confirmation in Questions 4.5 and 4.6, and breakdown of emissions in Table 1 of the Buildings Annex alongside corresponding emissions magnitudes in the SBTi Buildings target setting tool. The emissions magnitudes in the Buildings target setting tool must match the targets reported in Questions 5.4 and 5.5 of the Buildings Annex and Table 8/Table 10 of the submission form.
4.8 Disclosure of credible and	Sector-Specific	Companies setting upfront embodied SDA targets must provide credible and justifiable projections of target year	Provision of supporting documents displaying that business planning and recent trajectories in

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
justifiable developed floor area projections		floor area for each specific building type selected in the “Buildings Sector Tool” when providing target year projections.	activities, output, revenue or other relevant metrics result in the growth projections included in the target setting tool.
4.9 Lifetime in-use operational emissions targets	Target Setting	Companies setting targets over lifetime in-use operational emissions of sold buildings must select an ambition level that equals or exceeds the minimum ambition output generated by the latest version of the “Science-Based Target Setting Tool” at the time of submission, setting either a 1.5°C absolute reduction target, an economic intensity target or a physical intensity target.	Provision of GHG emissions in Table 3.11 of the submission form. Corresponding emissions boundaries and outputs entered in the SBTi target setting tool to demonstrate that the target ambition selected equals or exceeds the requirement.
4.10 Recalculation criteria	Sector Specific	<p>In the buildings sector the following changes shall be treated as significant changes, each of which triggers a target recalculation:</p> <ul style="list-style-type: none"> • Significant changes in the building typology and/or geographical composition of portfolios.* • New geographies and/or building typologies are added to the portfolio (e.g. through acquisition, development, or business expansion).* 	Agreement to recalculate targets in Question 6.2 of the Buildings Annex if any SBTi-designated significant changes compromise the relevance and consistency of existing targets.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		<ul style="list-style-type: none"> • A significant proportion of the total portfolio floor area, as stated in the base year, has changed the building typology due to major renovations.* • Acquisition or development of new buildings leading to a potential change in whether the condition outlined in Buildings-C2 is met. This may result in the user being defined as a first owner and being eligible to set an upfront embodied emissions target.* <p>The threshold used for defining significant changes is based on whether a building within existing geographies and building types enters or exits the portfolio or a building outside existing geographies and building types enters the portfolio of the SDA target. This is explained further in Section 6.4.2 of the Buildings Sector Science-Based Targets Explanatory Document.</p> <p>*The recalculation criteria outlined above shall apply only</p>	

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		to SDA targets that have followed the sector specific pathways outlined in the Buildings Criteria and Explanatory document. Companies that set targets using the cross-sector approach shall adhere to the main SBTi criteria (NT C27) when determining whether recalculation is triggered.	
<p>Buildings C5 - Choosing pathways: When using the buildings SDAs, users shall select the most appropriate building typology and geographic location for their buildings and shall adhere to the SBTi Buildings Target-Setting Tool in choosing an appropriate pathway (selecting building typologies and geographies), including available guidance for when a named pathway is not available. Buildings that are not covered by the building typologies and/or geographies provided in the latest version of the tool shall use the ‘Other’ pathway.</p>			
5.1 Most appropriate pathway adoption	Target Setting	Companies setting buildings SDA targets must select the most appropriate building typology pathway for their region/geographic location in the latest version of the tool at the time of submission, adopting the ‘Other’ pathway when a named pathway is not available for a specific region/geographic location.	<p>Within Table 1 of the Buildings Annex, companies must provide GHG emissions data with a breakdown of scope 1, 2 and 3 emissions per user type, building type, region, country and sub-region/state.</p> <p>Companies must submit targets to the SBTi that are modeled using the official SBTi Buildings target</p>

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
			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.
5.2 Mixed-use buildings	Target setting	For mixed-use buildings, companies shall use the appropriate floor area and emissions associated with a relevant building typology and set different targets over each relevant building typology. When doing so, companies must ensure the proportional floor areas of the different building typologies sums up to the total floor area of the mixed-use building.	Written confirmation to Questions 4.2.1 and 4.2.2 in the Buildings Annex and provision of corresponding emissions magnitudes in the SBTi Buildings target setting tool.
<p>Buildings C6 - Whole building approach: Companies shall include all emissions arising from operational energy consumption from both landlord and tenant-controlled spaces within target boundaries, regardless of their chosen GHG boundary consolidation approach and consequent allocation of emissions across their inventory.</p> <p>Property managers shall adhere to the whole building approach if they set an SDA target for in-use operational emissions.</p>			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
6.1 Whole building GHG accounting	GHG Accounting	Companies satisfying Buildings C1 and/or C2, and companies whose business activities meet the intended user categories developer, owner-occupier and owner lessor, must adopt the ‘whole building approach’, meaning that the inclusion of emissions arising from operational energy consumption from all landlord and tenant controlled spaces is required in their GHG inventory, regardless of the company’s chosen consolidation approach.	Provision of GHG inventory data in Table 2 and Table 3 of the submission form and written confirmation in Question 2.1. Additional breakdown of emissions in Table 1 of the Buildings Annex alongside corresponding emissions magnitudes in the SBTi buildings target setting tool.
6.2 Whole building GHG accounting for property managers	GHG Accounting	Companies satisfying Buildings C1 and/or C2, and companies whose business activities meet the intended user category property manager that are setting an in-use operational emissions Buildings SDA target must also adopt the ‘whole building approach.’ As mentioned in C6.1, this refers to the inclusion of emissions arising from operational energy consumption in all landlord and tenant controlled spaces within a company’s GHG inventory, regardless of the company’s chosen consolidation approach.	Provision of GHG inventory data in Table 2 and Table 3 of the submission form and written confirmation to Question 2.1 with an additional breakdown of emissions in Table 1 of the Buildings Annex. Corresponding emissions magnitudes must be entered in the SBTi buildings target setting tool.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
<p>Buildings C7 - Fugitive emissions: Companies must include fugitive emissions, from all building types, within their in-use operational emissions and as part of both their GHG inventory and target boundaries.</p>			
7.1 Inclusion of fugitive emissions	GHG Accounting	Companies must include fugitive emissions from all building types within their in-use operational GHG emissions calculations and consequently as part of both their GHG inventory and target boundaries.	Written confirmation to Question 3.1 of the Buildings Annex.
<p>Buildings C8 -Required scope 3 categories: All companies are required to report emissions that are applicable to their user type. For each user type and scope 3 category, these emissions may either be covered in the target boundary of a company's buildings SDA target when the corresponding thresholds for Buildings-C1 or Buildings-C2 are triggered, or in the boundary of a company's cross-sector target where applicable.</p> <p>Companies that trigger Buildings-C1 and/or Buildings-C2 and have less than 40% of their total emissions in scope 3 must cover all required emissions from the user-types included in the threshold determination within their target boundary. Coverage requirements of emissions outside of these applicable buildings-related emissions sources shall follow the cross-sector or eligible sector-specific criteria. The table below shows the relationship between user-type, reporting category, and applicable target-setting methodologies.</p> <p>All emissions categories required per user type are outlined in Table 2. These emissions must be included in either the target boundary of a company's buildings SDA targets if required, or in their cross-sector target when applicable.</p>			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
8.1 Complete appropriate target coverage of relevant buildings-related emissions	Target Setting	Companies satisfying Buildings C1 and/or C2 must cover the buildings-related emissions under the required scope 3 targets as detailed in Table 2 of SBTi Buildings Criteria document. In the instance that a company has less than 40% of its emissions in scope 3 taking into account exclusions, the scope 3 targets must still cover all required emissions from the user-types included in the threshold determination.	Confirmation and breakdown of key scope 3 GHG emissions 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 Table 3.8, Table 3.11 and Table 3.13 of the submission form. Completion of section 2.3, 3.4, and Table 1 of the Buildings Annex alongside corresponding emissions magnitudes in the SBTi buildings target setting tool.
8.2 Scope 3 cross-sector targets	Target Setting	Coverage requirements of emissions outside of these applicable buildings-related emissions sources shall follow the cross-sector or eligible sector-specific criteria. Companies with over 40% of total GHG emissions in scope 3 must set additional scope 3 targets using cross sector methods when the 67% scope 3 coverage requirement is not met by the buildings SDA targets alone in accordance with the SBTi’s general criteria. The Buildings SDA targets set in line with Tables 1a-1d of the Buildings Criteria and other cross-sector targets must on	Submission of the SBTi target setting tool and conformance with the target coverage formula in Table 8 and Table 10 of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
		aggregate meet the 67% minimum scope 3 coverage threshold even when taking into account exclusions.	
Buildings C9 - Base year for upfront embodied emissions: The base year for upfront embodied emissions targets must be no earlier than three years prior to the year of submission of the targets.			
9.1 Sufficiently recent base year	Target Setting	Companies setting upfront embodied emissions targets must choose a base year that is no earlier than 3 years prior to the year of submission.	Written confirmation to Question 2.5 and entry of relevant GHG emissions data in Question 2.6 of the Buildings Annex.
9.2 Representative base year	Target Setting	Companies setting upfront embodied emissions targets must ensure that the chosen base year corresponds to emissions and activity volumes that are representative of the organizational boundary at the time of submission. Companies shall avoid choosing base years where emissions magnitudes and floor area developed are significantly different from those in surrounding years to ensure targets are meaningful, ambitious and achievable.	Provision of supporting documents displaying recent trajectories in emissions, activities, output, revenue or other relevant metrics to justify the choice of base year.
Buildings C10 - Denominator for intensity-based targets: The intensity pathway for the buildings SDAs must be expressed in terms of tCO ₂ e /m ² . For			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
<p>the calculation of intensities, which require a consistent floor area definition as a denominator, the floor area definition used must be applied consistently to a company's GHG accounting and across base and target years. In determining floor area, common areas (e.g. corridors, public lobbies etc.) must be included in accordance with the whole building approach.</p>			
10.1 Suitable intensity metric format	Sector-Specific	Companies setting buildings intensity-based targets must express the emissions intensity in terms of tCO ₂ e/m ² .	Provision of the SBTi Buildings target setting tool with appropriate activity metrics and completion of the Buildings Annex form that is specific to the SBTi Buildings Criteria with all the required information.
10.2 Consistent floor area determination	Sector-Specific	Companies must include all common areas in accordance with the 'whole building approach' in determination of the floor area for use in target setting. Alignment with international standards such as the International Property Measurement Standard is strongly recommended.	Written confirmation of adherence to criteria through signing the submission form and inclusion of all relevant areas in the Buildings Annex.
<p>Buildings C11 - Building lifetime assumptions in use of sold products: Users accounting for scope 3 category 11 use of sold products must disclose the building lifetime assumptions used. If a company chooses to use another lifetime estimate than what is recommended in Buildings R5 of the SBTi Buildings Criteria document, the lifetime assumptions they are using must be explained.</p>			
11.1 Lifetime	GHG	Companies that have acquired or purchased new	Provision of supporting documents displaying the

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
assumptions requirement for existing buildings	Accounting	buildings who are a) classified as a 'first owner' as stated in Buildings C2.2 above, and that b) also sell these new buildings within the building lifetime, shall account for use of sold product emissions from sold buildings by determining the remaining lifetime of the building.	category 11 calculation method and all assumptions made.
11.2 Minimum Lifetime assumptions requirement	GHG Accounting	Companies accounting for the use of sold product emissions related to buildings must disclose the building lifetime assumptions used in calculations. If the minimum building lifetime is not 60 years then the rationale must be explained and grid-decarbonization projections should be included.	Provision of supporting documents displaying the category 11 calculation method and all assumptions made.
<p>Buildings C12 - Target aggregation: When using the buildings SDAs, companies whose portfolios contain assets across multiple geographies and/or typologies must aggregate their targets to obtain overall reduction targets. Targets for in-use operational and upfront embodied emissions must be kept separate.</p> <p>Companies shall provide SBTi target setting tools to justify the sufficient ambition of sub-targets which contribute to aggregated targets.</p>			
12.1 Mandatory	Target	Companies with portfolios spanning across multiple	Confirmation of resulting aggregated target wording

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
target aggregation	Setting	geographies or typologies are required to disaggregate emissions per building typology and region for setting targets along specific pathways. Companies must aggregate the resulting targets into an overall reduction target/targets covering upfront embodied emissions and in-use operational emissions.	and ambition in Questions 5.6 and 5.7 of the Buildings Annex alongside corresponding emissions magnitudes and sub-targets in the SBTi buildings target setting tool.
12.2 Inapplicability of cross-target type aggregation	Target Setting	Companies setting both upfront embodied targets and in-use operational targets must keep the target types separate.	Confirmation of resulting aggregated target wording and ambition in Questions 5.6 and 5.7 of the Buildings annex alongside corresponding emissions magnitudes and sub-targets in the SBTi buildings target setting tool.
<p>Buildings C13 - Disclosing buildings-related emissions with the location-based approach: If the market-based approach is chosen for target-setting, companies must also measure and report their whole building in-use operational emissions using the location-based approach as an additional mandatory disclosure and a separate line item in their annual GHG inventory.</p>			
13.1 Mandatory location-based emissions	Sector-Specific	Companies satisfying Buildings C1 and C2 must commit to calculate and then publicly report location-based buildings related emissions regardless of the choice of	Disclosure of scope 2 location-based emissions in Table 3 of the SBTi submission form and written confirmation of adherence to criteria through

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
disclosure		scope 2 accounting approach for the tracking of target achievement.	signing the submission form.
<p>Buildings C14 - No new fossil fuel equipment: Companies required to use the SBTi Buildings Criteria to set targets shall publicly commit to install no new fossil fuel equipment that is owned or financially controlled by the company in their buildings portfolios from 2030 at the latest.</p> <p>This commitment is focused on fossil fuel systems owned or financially controlled by the target-setting entity that are used in buildings for space heating, cooking, power generation, and hot water. It applies to both existing and new buildings. Emergency and back-up systems, such as those used by the healthcare sector, or specific uses in other sectors where required for regulatory reasons or designated by other local restrictions as critical, are exempt from this commitment. This commitment means that when the current fossil fuel installations in the buildings reach the end of their lifetime, they would not be renewed but instead substituted with technologies that do not demand fossil fuels.</p> <p>Commitment language will be posted on the SBTi website, along with the target language, and should take the following form:</p> <p><i>“[Company X] commits to install no new fossil fuel equipment that is owned or financially controlled by the company in its buildings portfolios from [DATE]”</i></p> <p>Companies that do not own or financially control fossil fuel equipment in their buildings portfolio, may use exemption language that should take the following form:</p>			

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
<i>"[Company X] does not own or financially control any fossil fuel equipment in its buildings portfolio."</i>			
14.1 No new fossil fuel installations commitment	Sector-Specific	<p>Companies satisfying Buildings C1 and C2 must commit to install no new fossil fuel installations in their buildings portfolios from 2030 at the latest. The commitment language should take the following form:</p> <p><i>"[Company X] commits to install no new fossil fuel equipment that is owned or financially controlled by the company in its buildings portfolios from [DATE]"</i></p> <p>Companies may use the exemption language when they do not own or financially control fossil fuel equipment in their buildings portfolio. The commitment language should take the following form:</p> <p><i>"[Company X] does not own or financially control any fossil fuel equipment in its buildings portfolio."</i></p>	Written confirmation of target language inclusion in Questions 4.7 and 4.8 of the Buildings Annex and confirmation of commitment to publicly report targets through signing the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
<p>Buildings C15 (Buildings-FI-C1) - Determining the applicable methods and criteria:</p> <ul style="list-style-type: none"> Equity REITs, defined as real estate companies that own and/or manage income-generating properties and lease them to tenants, shall pursue the regular target validation route for companies and should refer to the criteria in Section 1 of SBTi Buildings Criteria document when setting targets. FIs shall follow the criteria in Section 1 of the SBTi Buildings Criteria document when they also satisfy another intended user category (e.g. owner-occupier), and it is the buildings-related emissions from the activity of that intended user type that is subject to the conditions in Buildings-C1, threshold for in-use operational emissions or Buildings-C2, threshold for upfront embodied emissions of new constructed buildings, not the FIs' financed emissions. FIs with buildings-related emissions in their financed emissions (scope 3 category 15) are asked to refer to the SBTi Financial Institutions Near-Term Criteria for an overview of the methods by relevant asset class, followed by a description of each method. When an FI is required or it chooses to use the SDA methodology for its buildings-related financed emissions, it shall follow the criteria outlined in the Buildings Criteria Section 2, Additional Criteria and Recommendations for Financial Institutions' financed emissions. 			
15.1 Equity REIT submissions	Sector-Specific	Equity REITs must set targets following the criteria for corporate targets as outlined in Buildings C1 and Buildings C2.	Provision of GHG emissions data in Table 1, Table 2 and Table 3 of the submission form. Written confirmation in Question 2.1 and additional breakdown of GHG emissions in Table 1 of the Buildings Annex alongside corresponding

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
			emissions magnitudes in the SBTi buildings target setting tool.
15.2 FI targets owner-lessor	Sector-Specific	FIs that have GHG emissions from buildings they own and occupy for their operations that want to set an SDA intensity target(s) over their scope 1 and 2, and optionally their scope 3 cat-1-14 GHG emissions using the SBTi Buildings Criteria can do so if they meet the requirements set out in Buildings C1 or Buildings C2 above. If so, these FIs shall follow and apply the requirements of the SBTi Buildings Standard where relevant.	FIs must disclose the GHG emissions from the buildings they own and occupy in the GHG inventory table, and must submit the SBTi buildings target setting tool and Buildings Annex alongside their submission.
15.3 FI setting targets on financed emissions from buildings	Sector-Specific	FIs with GHG emissions from financed buildings they own and lease, and/or finance for investment purposes (through equity investment or loans to finance/refinance the acquisition or construction of a building) must follow the Buildings Criteria Section 2 Additional Criteria and Recommendations for Financial Institutions' financed emissions.	FIs must disclose their financed emissions from buildings separately from other sectors in the FI submission form within the GHG inventory and in the table for intensity targets. FIs shall send the SBTi Buildings target setting tool alongside their submission and provide the target language in the target language section of the submission form.

Criteria Assessment Indicator	Applicability	Description	Minimum Documentation Required
<p>Buildings C16 (Buildings-FI-C2) - Whole building approach for FIs: When FIs decide to use the sector-specific intensity convergence (SDA) method for their financed buildings-related operational emissions, they shall abide by the whole building approach, accounting for their proportional share of whole building in-use operational emissions.</p>			
<p>16.1 FI financed emissions inventory</p>	<p>GHG accounting</p>	<p>FIs shall include all in-use operational emissions from the entire building in GHG accounting (“whole building approach”). This requires the quantification of all in-use operational GHG emissions (including fugitive emissions) of buildings in operation, irrespective of the organizational boundaries or control approaches used by various stakeholders in their corporate reporting. This is referred to as the whole building approach in Buildings C6 above.</p> <p>For their financed emissions, FIs shall account for the proportional share of emissions applying PCAF attribution methods for real estate.</p>	<p>Written confirmation that the FI’s financed emissions from buildings follow the requirements set out in Buildings C6 and the appropriate PCAF attribution methods for real estate.</p>

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](#)

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