STANDARD OPERATING PROCEDURE FOR THE VALIDATION OF SBTi TARGETS

Version 1.0

June 2025

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.

VERSION HISTORY

Version	Change/update description	Release date	Effective dates
Version 1.0	First publication of the SOP for Validation of SBTi Targets.	June 2025	June 2025 to June 2026

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SUMMARY

This Standard Operating Procedure (SOP) is established under the governance framework of SBTi Services Limited ("SBTi Services"). The SOP defines the objectives, roles, organizational structure, and procedures necessary to ensure the quality, consistency, and impartiality of the validation process for the assessment of GHG emissions reduction targets submitted by organizations.

SBTi Services acts as the validation body responsible for executing this SOP, with its registered office located at First Floor, 10 Queen Street Place, London, England, EC4R 1BE. The Target Validation Team, housed within SBTi Services, systematically evaluates submitted targets and supporting documentation to ensure conformity with the Science Based Targets initiative's ("SBTi") criteria, including conformance with the Corporate Net-Zero Standard and other applicable sectoral guidelines. Validation activities assess whether targets are credible based on the information provided by organizations and appropriate for their intended purpose but do not extend to verification of GHG inventories or achieved emissions reductions.

To promote transparency and accessibility, all relevant documentation related to the validation process, including submission requirements, is publicly available on the SBTi Services website (www.sbtiservices.com). SBTi Services operates within a well defined governance structure to uphold impartiality, accountability, and transparency in decision-making. Key roles and responsibilities are clearly delineated, supported by policies addressing conflict of interest management, grievance handling, and adherence to Standard Operating Procedures (SOPs), fostering credibility and trust among stakeholders.

This SOP provides a framework for the validation of corporates, financial institutions, and Small and Medium Enterprises (SMEs) targets, ensuring alignment with current SBTi criteria, standards, and guidance. It delineates the relationship between SBTi Services and its customers (validation service users), outlining the obligations and responsibilities of both parties, as well as conditions for service provision, documentation requirements, and operational procedures.

Formal approval of this SOP is the responsibility of the independent Validation Council, with its adoption overseen by the SBTi Services Board. This structured governance approach ensures consistent, impartial, and high-quality validation services.

1. Scope and Revision

This document applies to all personnel engaged in the validation of SBTi targets submitted to SBTi Services. This includes:

- **SBTi Services Personnel:** Members of the organization, including the Board and the Validation Council.
- **Eligible Organizations:** Corporates, financial institutions and Small and Medium Enterprises (SMEs) qualified to participate[1] in the Science Based Targets initiative.

Excluded from the scope of this document are:

- Validation of targets submitted by cities, local governments, public sector institutions, educational institutions, or non-profit organizations not qualified to participate in the Science Based Targets initiative.
- Companies who have not completed the registration process, or have been rejected from the registration.

This SOP shall be reviewed annually, according to the SBTi Services Quality Manual.

2. Impartiality and Confidentiality

Impartiality and confidentiality are core to SBTi Services, ensuring objective, unbiased, and independent validation processes.

SBTi Services safeguards sensitive information, ensuring data is handled securely and used solely as specified in validation contracts. These measures uphold the integrity, transparency, and credibility of all validation activities. More information can be found in the SBTi Services Quality Manual.

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[1] Refers to companies who have successfully completed the Registration Process. For more information on how to get registered using the SBTi Services validation portal, please check the Registration Manual

3. Definitions

For a full list of definitions, please refer to the SBTi Glossary. Additional terms which are not included in the SBTi Glossary, have been detailed below.

Corporate: An organization type which refers to an entity that does not meet the eligibility criteria as a Financial Institution, nor the criteria for the tailored Small and Medium-sized Enterprises (SME) validation route.

Criteria Assessment Indicators (CAI) - verifiable criteria which will be used to evaluate submitted information during the target validation process. For every requirement in the SBTi standards and guidance, there should be a minimum of one corresponding indicator that supports the determination of conformity with each criterion on a "yes / no" basis. In many circumstances, it may be necessary to divide a requirement within the SBTi standard and guidance into two or more indicators to support the assessment of conformity. Each CAI includes a description of the corresponding minimum requirements and of the documentation needed to demonstrate conformity to each SBTi criterion.

Customer - user of SBTi Services services.

Financial Institutions: The SBTi defines a financial institution as an entity that generates 5% or more of its revenue from investment, lending, or insurance activities.
This includes but is not limited to banks, asset managers and private equity firms, asset owners and insurance companies, and mortgage real estate investment trusts (REITs). Real economy companies that have more than 5% of revenue from financial activities are encouraged to use SBTi to set targets on those activities in addition to their corporate targets. Currently, public financial institutions are not covered within the SBTi framework.

Impartiality - presence of objectivity in assessing the presented information.

Registration process - The standardized procedure through which companies and financial institutions submit applications to engage with SBTi Services Limited. It includes the collection, submission, and assessment of key business, financial, and sustainability-related information.

SBTi Communications Team - team responsible for the SBTi and SBTi Services communications.

Small and medium-sized enterprises (SMEs): Businesses that maintain revenues, assets, or a number of employees below a certain threshold.

Target validation team - team responsible for evaluating and validating companies targets within SBTi Services and ensuring conformance with SBTi requirements, through the Quality Management team.

Target operations team - team responsible for the registration and onboarding process of customers within SBTi Services

Validation process - assessment and confirmation that an organization's emissions reduction goal is scientifically robust, achievable, and aligned with the SBTi Standard and sectorial requirements.

Validation schedule- shared with corporates and financial institutions at the start of the validation process. It contains information about the steps and timeline of the validation process.

Validation body - body which performs validation.

Validity period - period in time during which the GHG emissions reduction targets hold validity from SBTi Services against the SBTi's standards and guidance, as indicated in the final validation statement.

Validation statement - declaration by the validation body of the outcome of the validation process.

4. References

Relevant references:
- SBTi Corporate Near-Term Criteria
- SBTi Corporate Net-Zero Standard
- SBTi Financial Institutions' Near-Term Criteria
- Legacy Procedure for Validation of SBTi Targets
- [Registration Manual](#)
- [Standard Operating Procedure for Complaints](#)
- [Standard Operating Procedure for Allegations](#)
- [Standard Operating Procedure for Appeals](#)

5. ROLES AND RESPONSIBILITIES

5.1 Target Validation Team

The Target Validation Team is responsible for assigning qualified personnel to perform a review of submitted information and generate queries in order to assess validations and adherence to the SBTi's standards and guidance, in accordance with this SOP. Key responsibilities include:

- Ensuring that all documentation required for the validation process is clear and publicly accessible.
- Conducting validations against the SBTi standards, guidance, and Criteria Assessment Indicators.
- Performing all validation activities internally, with no outsourcing to external entities.

5.1.1 Roles within the Target Validation Team

- **Lead Reviewers (Reviewer or LR in this document):** Conduct detailed reviews of submitted data and documents, prepare validation reports, and ensure conformance with SBTi standards and guidance.
- **Peer Reviewers (PR):** Provide a secondary independent review of data and documents to confirm conformance and support Reviewers in the assessment process.
- **Validator (also known as Validation Management Representatives or VMR):** Oversee the entire validation process, ensuring adherence to the SOP and SBTi requirements, and signing off on validation decisions for Corporates. This includes coordination with other SBTi Services teams to maintain the integrity and efficiency of operations. These are senior validation team members, including managers or senior team members.
- **Financial Institutions Target Validation Team:** signing off on validation decisions for Financial Institutions.

5.2 Quality Management Team

The Quality Management Team provides oversight to the validation process and ensures conformance with internal and external requirements. Its responsibilities include:

- Conducting periodic audits of validation activities to maintain consistency and integrity.
- Handling complaints and appeals from stakeholders involved in the validation process.
- Ensuring appropriate due diligence and resolution of allegations against organizations with validated targets.

5.3 Target Operations Team

The Target Operations Team is responsible for customer onboarding and operations, outside of the validation process. This includes reviewing company applications through the registration process, processing commitments, as required in the SBTi Services Commitment Compliance policy, providing support to companies as required on SBTi Services processes, and responding to technical inquiries about the application of SBTi standards.

In addition, the Target Operations Team has a range of responsibilities associated with target submissions:

- Assigning validation submissions to personnel in the Target Validation Team
- Compiling information for the publication of targets via the SBTi Target Dashboard.
- Managing contracts and invoicing processes including supplier onboarding requests
- The Target Operations Management team oversees the team's duties and adherence to the responsibilities described in this SOP and SBTi Services policies.

5.4 SBTi Services Customers

SBTi Services customers include corporates, financial institutions and small and medium enterprises (SMEs) engaging SBTi Services for target validation.

Customers are responsible for submitting accurate and complete submission information along with the required supporting documents which align with the latest applicable SBTi standards and guidance.

Customers shall also:

- Respond within the time frames set for the validation process as outlined in the SBTi Services validation contract.
- Perform self assessments to update and recalculate targets as needed to comply with revisions to SBTi standards and guidance or GHG accounting methods.

Customer adherence to transparency, accuracy, and consistency in all submissions is essential to ensure an efficient and seamless validation process.

6. PROCEDURE

6.1 Eligibility

Companies requesting to participate in the Science Based Targets initiative, including validation, shall complete the registration process via the SBTi Services Validation Portal to determine eligibility. If the company is registered and deemed eligible to proceed, they will receive confirmation of their assigned type (corporate, financial institution or SME) as well as their pricing tier.

In cases of rejection due to incomplete or incorrect information, companies will have the opportunity to address the issue and resubmit the registration when they are ready.

Refer to the Registrations Manual for information on requirements and procedure.

6.2 Validation Scope

The objective of SBTi Services validation process is to provide a rigorous, consistent assessment of targets submitted by corporates, financial institutions and SMEs against the SBTi standards and guidance.

All validation activities are conducted remotely by SBTi Services, following a standardized process for all validation types outlined in 'Section 8. *VALIDATION PROCESS*' of this SOP.

The SBTi Services scope for validation of targets includes, but is not limited to, the following topics (full further information on validation scopes can be found in Annex 1):

- Organizational boundaries and consolidation approaches
- Sector, activities, and geographies of the organization
- Reporting of all GHG emissions, including correct allocation across scopes, bioenergy reporting, and beyond minimum boundary emissions or exclusions

- Use of appropriate base years and target years
- Accurate use of SBTi's target-setting methodologies
- Target coverage, ambition, timeframes, and activity inclusion
- Exclusion of carbon credits and avoided emissions
- Communication, reporting, and neutralization requirements
- Additional corporate sector-specific requirements
- Additional FI-specific requirements

Validation assessment indicators for corporates and financial institutions are outlined in the [SBTi Services Criteria Assessment Indicators (CAI)](). Validation assessment indicators for SMEs are detailed in the Criteria Assessment Indicators for [Small and Medium Enterprises (SME)]().

Revisions to near-term and net-zero standards, as well as associated sector-specific guidance, are managed by the SBTi. SBTi Services coordinates the development of, and updates to related CAI so that updates reflect the latest SBTi standard and guidance developments. This ensures continued alignment with the SBTi standards and guidance applicable at the time of submission. Corporates, financial institutions, and SMEs are required to regularly monitor the SBTi Services website. All modifications to CAI will be posted at the [Resources]() section.

6.3 Validation Types

The following table includes information on the validation services provided for corporates, financial institutions and SMEs, where each company follows criteria specific to their operations, ensuring alignment with the latest SBTi standards and guidance. All validation processes are conducted within the SBTi Services Validation Portal.

SBTi SERVICES

Table 1. Validation types performed by SBTi Services

Validation Type	Description of Validation	Validation time[2]
Full Target Validation	This is the initial validation required for customers to have their targets assessed against SBTi standards and guidance. The type of validation (corporate, FI, or SME) is based on information provided during the registration phase and in other parts of the validation portal.	**SMEs:** Estimated within 60 business days after submission of the required information **Corporates:** 40 - 60 business days from contract start date, depending on service type **Financial institutions:** 60 business days from contract start date
Target Update Validation	Customers may revise and recalculate approved targets to ensure alignment with the latest climate science, best practices, and organizational changes. This streamlined process addresses updates for: ● Aligning with the SBTi's standards and guidance.	**SMEs:** Estimated within 60 business days after submission of the required information

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[2] Validation timelines begin on the contract start date. The total duration may be impacted by concurrent processes, such as complaints or appeals reviews, as well as any unforeseen circumstances arising during the validation, which will be promptly communicated. For SMEs, validation times may vary based on the number of companies in the validation queue, as the team follows a "first come, first served" approach, or if additional clarifications regarding the submitted information are required.

	• Adjusting targets due to structural changes, updated methodologies, or baseline years.	**Corporates:** 40 - 60 business days from contract start date, depending on service type
		Financial institutions: 60 business days from contract start date
Mandatory Five-Year Target Review Validation	This mandatory process ensures that target ambitions are still in alignment with the latest science and that targets are compliant with the following CAI: • C26 (ref. Corporate Near-term Criteria) • C32 (ref. Corporate Net-Zero Standard), also applicable to SMEs • FI-C21 (ref. FI Near-Term Criteria)	**SMEs:** Estimated within 60 business days after submission of the required information
		Corporates: 40 business days from contract start date
		Financial institutions: 60 business days from contract start date
Triggered Recalculation Validation	Previously validated targets need to be updated to fulfill the following CAI: • C27 (ref. Corporate Near-term Criteria), • C33 (ref. Corporate Net-Zero Standard), also applicable to SMEs	**SMEs:** 3 business days after contract start date

	● FI-R14 (ref. FI Near-Term Criteria). ● Increasing the ambition of current targets. ● Only affected targets are reassessed, unless recalculation requires review of other targets. Companies that have undergone triggered recalculations whose targets remain in line with the SBTi criteria in effect at the time of the last validation are not required to resubmit for validation. Non-affected active targets are exempt from resubmission unless required by new or updated SBTi standards and guidance.	**Corporates:** 40 business days from contract start date
		Financial institutions: 60 business days from contract start date
Non-compliance allegations Investigations	SBTi Services may conduct compliance reviews based on third-party allegations or as part of random audits. These reviews verify specific aspects of validated targets to ensure continued compliance.	N/A

6.4 Pre-Validation

Before the validation, the SBTi Services Target Operations Team works with the customer to accept submission documents into the process. Customers shall provide all required pre-assignment information, outlined in the SBTi Services Registration Manual, before validation activities commence.

6.4.1 Contractual Agreement

As part of the process for submitting targets for validation, the customer shall enter into a contract with SBTi Services. The contract formalizes the terms, conditions, and scope of validation services. Customers must pay all fees according to the contract's terms. The signed contract indicates formal acceptance of the terms of this document. This contracting stage is a step built into the submission process in the Validation Portal.

6.5 Assignment of Validation Team

The Target Operations Team assigns a dedicated team to each customers' submission, consisting of a Reviewer and a Peer Reviewer. For more details on how SBTi Services ensures its personnel have the necessary competencies, to perform validations. Please consult 'Principle *2. Competency'* in the SBTi Services Quality Manual.

6.5.1 Conflict of Interest and Impartiality

SBTi Services carries out validations objectively and impartially, by ensuring the validation process is carried out independently and without any influence, by not providing consulting services and by ensuring its personnel perform the validation free of potential influences. If a customer detects impartiality may be at risk during its validation process, they may request a replacement of assigned team members within five working days of the Validation Schedule sent, provided justification is given, in alignment with *'Principle 1. Impartiality and Independence'* of the SBTi Services Quality Manual.

7. SERVICE CONSISTENCY

SBTi Services strives to deliver consistent, competent, and impartial validation services to its customers by implementing the measures described in *'Section 4. Consistency'* of the SBTi Services Quality Manual and minimizing any risks associated with the process.

7.1 Competency and Training

SBTi Services personnel responsible for validation are carefully selected to ensure they possess the core competencies necessary to perform their duties. Additionally, an introductory training program enhances their knowledge by equipping them with the required skills and competencies to perform their roles effectively.

Find out more in *'Section 2. Competency'* of the SBTi Services Quality Manual.

7.2 Pre-Validation Communication

Customers shall provide all required information, outlined in the SBTi Services Registration Manual, and have their registration submitted and accepted via the Validation Portal, before they can commence with submitting targets for validation.

7.3 Case-Specific Assessments and Planning

Each submission is carefully assessed prior to the beginning of the validation process, to identify key issues that require attention. These include considerations related to geographic location, industry-specific practices, organizational activities, and other relevant factors.

This ensures the Reviewer is able to consider all relevant emissions sources and activities when evaluating a company's submission and applying the relevant SBTi standards and guidance.

Validation processes are planned based on the type of company being assessed. This tailored approach ensures that the needs of different types of companies are addressed effectively, including corporates, financial institutions, and small and medium-sized enterprises (SMEs).

7.4 Validation Process Reviews

During the validation process, the team reviews the information provided by the company and compares it against the company's publicly available information and sector practices.

This comparison ensures that the company's targets and claims accurately reflect realities of its industry, aligning with and adhering to established benchmarks and publicly available data.

7.5 Transparency and Communication

SBTi Services prioritizes transparency and accessibility by making relevant procedures, comprehensive guidance, and the latest versions of applicable SBTi criteria assessment indicators publicly available on its official website. This centralized resources hub enables stakeholders to easily access critical information, ensuring they have the tools needed to align with SBTi standards.

See section *3. Transparency* of the SBTi Services Quality Manual.

8. VALIDATION PROCESS

Validation is performed in accordance with this document and the specific steps described in the Validation Schedule (see Section 8.1.1). Compliance evaluation is undertaken against the SBTi's standards and guidance. Any revisions to the original Validation Schedule sent by SBTi Services must be documented, communicated to the customer, and agreed upon in writing.

Information submitted by organizations in the validation process, through the validation process or via email will be retained in accordance with our contractual requirements.

8.1 Target Validation for Corporates and Financial Institutions

8.1.1 Validation Schedule

A Validation Schedule is shared with corporates and financial institutions (described as "companies" in this section) at the start of the validation process, it includes:

- Validation activities and timeline (adapted based on company type)
- Identification of assessment points (CAI relevant to the company)
- Delineation of responsibilities between the customer and SBTi Services Validation Team

The validation schedule includes the following stages, with timelines dependent on the organization and validation type outlined in Section 6.3.

8.1.3 Assessment Stage

The Reviewer begins the assessment stage by engaging with the company, confirming the validation scope, steps, and schedule. The Reviewer will also request clarifications and highlight any non-conformities at this time. Sub-steps in the Assessment Stage are outlined below.

8.1.3.1 Initial Review

The Reviewer undertakes an introductory review of the submitted documents and publicly available documents (e.g., sustainability reports, financial reports, verified emissions

reports). This review[3] focuses on accuracy of information provided, completeness of the GHG inventory provided, and consistency of the submitted information with that of other companies in the same sector.

Queries are created where the Reviewer requires clarification, common topics include GHG accounting methods, assumptions, data interpretation and target language or formulation. At the initial review stage potential non-conformities with SBTi standards and guidance and applicable CAI are also identified. Relevant information gathered during the validation process is recorded and stored in a dedicated folder for the organization.

8.1.3.1 Validation Call

The Reviewer organizes a call during the beginning of the assessment stage to address queries, non-conformities and clarifications. The call is also an opportunity for the company to raise questions.

8.1.3.2 Peer Review

The Peer Reviewer conducts a secondary independent review of the submission and Reviewer's evaluation, including any information provided by the company. The Reviewer documents and sends further queries raised by the Peer Reviewer to the company.

8.1.4 Evaluation Stage

Following the Assessment Stage, the company has a pre-determined number of business days to implement the necessary actions to close any non-conformities identified and submit any required clarifications or corrections to the Reviewer. Failure to meet specified deadlines will result in potential rejection of the submission.

If all queries and non-conformities are resolved during the Assessment Stage, the validation process skips the Evaluation Stage and proceeds directly to the Decision Stage (See 8.1.5).

8.1.4.1 Interim Report

If any queries or non-conformities remain unresolved by the end of the Assessment Stage, the Reviewer prepares an interim report which details the outstanding issues and shares it

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[3] Target validation assessments are performed through a limited assurance approach, which results in the issue of a Validation Statement.

with the company. The interim report indicates the company has entered the Evaluation Stage.

8.1.5 Decision Stage

8.1.5.1 Clarifications and/or Corrections Review

Once received, the independent Reviewer reviews any additional information submitted to clarify the previous queries or supporting documents shared or correct the submission form or applicable target setting tool. The Peer Reviewer will raise any issues with the Reviewer, and they should agree on a recommendation, upon correction of the issues raised by the Peer Reviewer.

8.1.5.2 Recommendation

The Reviewer drafts a recommendation which is reviewed by the Validator in the case of corporate validations, and by the Financial Institutions Target Validation Team (FI TVT) for financial institution validations.

The recommendation includes confirmation of conformance to SBTi standard and guidance requirements, documentation and resolution of non-conformities, and any other relevant information for the Validator or FI TVT to complete the review.

If the Validator or FI TVT need further clarifications, the Reviewer will request further information from the company. Once resolved, the Reviewer will issue a second recommendation to the Validator or FI TVT.

8.1.6 Validation Decision

Impartiality during this stage is ensured as Validators, who are responsible for making validation decisions for Corporates, do not conduct validations themselves and decisions for Financial Institutions cases are made collectively by the FI TVT team. The Validator or FI TVT then makes a decision based on the Reviewer and Peer Reviewer's recommendation.

Validation decisions can take two forms:

- **Approval:** Submitted targets meet all applicable SBTi requirements of standards and guidance.
- **Rejection:** Submitted targets did not meet SBTi requirements or had unresolved issues, and/or the company missed the Reviewer's deadline.

If a company voluntarily decides not to continue with the target validation process, the Reviewer will end the process as soon as this is formally communicated in writing from the company. A letter will be issued confirming the closing of the target validation process. If the company also committed to set targets and decides to withdraw it, then the Committed status will be changed to "Removed", following the requirements in the SBTi Services Commitment Compliance Policy.

8.1.7 Validation Decision Statement

According to the final validation decision, the Reviewer prepares the Validation Statement. The validation process concludes once the Validation Statement is communicated to the customer.

SBTi Services includes a publication date of any approved targets on the SBTi's Target Dashboard when sending the Validation Statement.

Customers can request to amend the publication date. However, approved targets must be announced within six months of the validation decision date. In cases where a company requests not to publish a target within six months, the targets will no longer be valid[4], and the customer will need to resubmit targets for validation.

8.1.7.1 Validation Statement

The Validation Statement includes, but is not limited to, the following information:

- Customer and SBTi Services names

- Validation scope, standard and guidance validated against, validation decision and date

- SBTi Services logo[5], address, and communication guidelines

8.1.7.2 Validation Report

For corporates, the Validation Report includes an overview of the company's GHG inventory, the approved targets, the conformance status with applicable CAI and standard requirements, and relevant details for any future actions.

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[4] SBTi Services Criteria Assessment Indicators, NT C28 and FI C22
[5] Validation statement for FI includes SBTi logo

For financial institutions the final report includes the approved targets and the summary of actions.

8.2 Target Validation for Small and Medium-Sized Enterprises

Validation is performed in accordance with the Validation Schedule (see Section 8.1.1), as well as the SBTi's standards and guidance.

A Reviewer completes the validation process. A Validator reviews the Reviewer's work to confirm adherence to established procedures and standards while mitigating conflicts of interest.

8.2.1. Portal Screening

The validation process begins with a first assessment of the information submitted by the SME through the SBTi Services Validation Portal.

This first screening confirms key quantitative data such as target ambition, coverage, base years, and timeframe are in conformance with the SBTi requirements.

Any entries that fall outside the regular screening criteria are flagged for additional review.

8.2.2. Qualitative and Emissions Review

The Reviewer manually reviews qualitative responses and the emissions profile provided by the SME.

Qualitative responses include explanations of target-setting methodologies, justification for base years, and ambition alignment.

The emissions profile includes scope 1, scope 2, and, if applicable, scope 3 emissions, ensuring adherence to SBTi's requirements on GHG emissions.

8.2.3. Query Process

If any entries are unclear, incomplete, or incorrect, the Reviewer will send the necessary queries to the SME to request additional information or clarification.

Queries will specify the exact issues, referencing the relevant sections of the submission or supporting documentation.

The SME must respond promptly with accurate and complete information to avoid delays in the validation process.

8.2.4. Resolution of Queries

Once all queries are resolved, and if no further issues remain, the Reviewer will continue to the final step. If additional information is needed, the query process is repeated until all issues are satisfactorily addressed.

8.2.5. Decision

The Reviewer submits a validation decision recommendation along with the reviewed materials to a Validator for decision.

The validator ensures that the validation complies with the SBTi's standards and guidance, and that all issues raised during the query and review processes have been resolved.

8.2.6. Decision Review Queries

Additional queries raised at this stage by the Validator will be communicated to the SME by the Reviewer, along with requests for clarification or additional information as needed.

Once the SME resolves the queries, the Reviewer will be able to resubmit the validation recommendation to the Validator for a final decision.

Final Validation Decision and Validation Statements for SMEs are handled as described in *8.1.6 Validation Decision* and *8.1.7.1 Validation Statement*.

9. POST VALIDATION

9.1 Communicating the Validation Decision

When communicating internally or externally regarding an approved target, the customer should follow the SBTi's guidelines: SBTi communications guide for companies and financial institutions taking action. Any questions on how to most effectively implement these guidelines should be directed towards the SBTi's Communications Team: communications@sciencebasedtargets.org. The SBTi will take action to address communications found to contravene these guidelines.

9.1.2 Target Language

The SBTi has specific guidance for target wording to increase comparability and transparency when communicating approved targets.

Companies are required to follow specific guidelines for target wording and SBTi Services reserves the right to not approve targets that deviate from these requirements. What may appear to be minor nuances may significantly alter the target's intention.

Annex 2 provides required target template wording for each type of target and mandatory target templates for sector-specific targets.

9.2 Complaints, Allegations and Appeals

SBTi Services has implemented dedicated complaints, allegations and appeals processes to address concerns raised by any of its customers, potential customers or other stakeholders.

Customers dissatisfied with SBTi Services' staff conduct, validation processes, or decisions may file a complaint following the Complaints or Appeals Procedures. Concerned parties who want to raise an allegation against companies with validated targets may follow the dedicated process for allegations.

Please see *'Section 7. Integrity* of the SBTi Services Quality Manual.

9.3 Target Status

To ensure transparency and accountability, all validated targets and commitments are published on the SBTi's Target Dashboard.

Note that the rules and procedures around the *'Committed'* status have been operationalised through the Commitment Compliance Policy (January 2023).

Companies found to be out of conformance with SBTi standard or guidance requirements (for example, through an allegation) will see their statuses on the SBTi Target Dashboard updated accordingly. This ensures an accurate representation of a company's status in the SBTi system for stakeholders.

9.4 Removing a Target

SBTi Services has the right to revoke a company's target validation decision, if, during any of the following validations, a company fails to demonstrate conformance with the requirements of the SBTi standard, applicable guidance, or related CAI, in any of the following validation types:

  A. Targets Update Validation,
  B. Triggered Recalculation Validation,
  C. New Targets Validation,
  D. Non-compliance allegation investigation

Or, if it comes to light that a company has falsified information. SBTi Services will remove the validated targets from the SBTi Dashboard, unless the company is able to correct the non-conformity before the validation process is concluded.

The company will be promptly informed of the decision in a letter, which will outline the reason for the removal, its consequences, and any available alternatives to rectify the situation.

ANNEX 1

Table 2. SBTi Services scope[6]

Small and medium sized enterprises (SMEs)	Corporates	Financial Institutions (FIs)
Organizational boundaries per consolidation approach	Organizational boundaries per consolidation approach	Organizational boundaries per consolidation approach
Sector and activities of organization	Sector and activities of organization	Sector and activities of organization
Geographies in operation of organization	Geographies in operation of organization	Geographies in operation of organization
Reporting of all GHG emissions	Reporting of all GHG emissions	Reporting of GHG emissions
Correct allocation of GHG emissions requirements for all scopes	Correct allocation of GHG emissions requirements for all scopes	Correct allocation of GHG emissions requirements for all scopes
Correct reporting of exclusions	Correct reporting of bioenergy	Correct reporting of bioenergy
Use of appropriate base year	Correct reporting of exclusions or optional emissions	Correct Portfolio Target Boundary
Correct minimum target ambition	Reporting of scope 2 methodology in line with Science Based Targets initiative requirements	Correct target coverage requirements
Correct target timeframes	Use of appropriate base year	Correct reporting of exclusions or optional emissions
Exclusion of carbon credits or avoided emissions	Use of appropriate Science Based Targets initiative target setting methodology	Reporting of scope 2 methodology in line with Science Based Target initiative requirements
Correct communication, reporting, and review requirements	Correct target coverage requirements	
Confirmation of neutralisation requirements as applicable	Correct minimum target ambition	

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[6] The scope of the validation is determined based on the type of organization, their operation and activities and the applicable SBTi standards and guidance. This table shows a non-exhaustive illustrative list for each type of organization.

	Correct target timeframes	Use of appropriate base year
	Exclusion of carbon credits or avoided emissions	Progress to date is not achieved
	Correct communication, reporting, and review requirements	Use of appropriate Science Based Targets initiative target setting methodology
	Confirmation of neutralisation requirements as applicable	Correct target activity inclusion and coverage requirements
		Correct minimum target ambition
		Correct target timeframes
		Exclusion of carbon credits or avoided emissions
		Fossil fuel finance target inclusion
		Correct communication, reporting, and review requirements

ANNEX 2

Table 3. Required target language templates

Target type	Required target language	
	Scopes 1 and 2	**Scope 3**
Precision of percent reductions	*For clarity and transparency, percentage emissions reductions shall be expressed to one decimal point, with the exception being if the first decimal point is 0 for all target ambitions. Then, for example 42.0% should instead be written as 42%.*	
Financial years	*If a company chooses to use a financial year, a financial year must be used for both the base year and target year.* *Fiscal years shall follow the date range that a company uses for reporting purposes.*	
Absolute targets	[Company name] commits to reduce absolute scope 1 and 2 GHG emissions [percent reduction]% by [target year] from a [base year] base year.	[Company name] commits to reduce absolute scope 3 GHG emissions from [name scope 3 categories] [percent reduction]% by [target year] from a [base year] base year.
Intensity targets	[Company name] commits to reduce scope 1 and 2 GHG emissions [percent reduction]% per [team] by [target year] from a [base year] base year.	[Company name] commits to reduce scope 3 GHG emissions from [name scope 3 categories] [percent reduction]% per [team] by [target year] from a [base year] base year.[1]

Base year and target year are the same	*Not applicable.*	*If a company has the same base year and target year for scope 1 and 2 and scope 3, it is preferable to not repeat the specific years for the scope 3 language. Instead, companies should use the language* "within the same timeframe" *for the scope 3 target timeframe portion of the target language.*
Combined scope 1, 2 and 3 targets	[Company name] commits to reduce absolute scope 1, 2 and 3 GHG emissions [percent reduction]% by [target year] from a [base year] base year. *The SBTi recommends that for combined scope 1, 2 and 3 targets when the scope 1+2 and scope 3 ambition differs, not only the combined scope 1+2+3 target is published, but also the disaggregate scope 1+2 and scope 3 target language for transparency.* *For example*, [Company name] commits to reduce absolute scope 1,2 and 3 GHG emissions [percent reduction] % by [target year] from a [base year] base year. Within this target, [Company name] commits to reduce absolute scope 1 and 2 GHG [percent reduction] % by [target year] from a [base year] base year and reduce absolute scope 3 GHG [percent reduction] % by [target year] from a [base year] base year.
Intensity target covering a subset of scope 1 and 2 emissions and an absolute target covering the remaining emissions	[Company name] commits to reduce scope 1 and 2 emissions [percent reduction]% per [team]% by [target year] from a [base year] base year. [Company name] commits to reduce all other scope 1 and 2 emissions [% reduction] by [target year] from a [base year] base year.	

Net-zero targets	Net-zero target wording is made up of three components: (i) Overarching net-zero target, (ii) near-term science-based target and (iii) long-term science-based target. Companies can express their overarching net-zero target as follows: [Company name] commits to reach net-zero GHG emissions across the value chain by [insert latest long-term SBT target date] from a [insert base year] base year. Alongside the overarching net-zero target wording, companies must also report on their near-term and long-term science-based targets adhering to the relevant wording conventions for the target type and scope coverage.	
Maintenance Net-zero Targets	Companies who set a long-term target which needs to be maintained whilst another long-term target is completed to reach a state of net-zero are encouraged to set the following target language: [Company name] commits to maintain a minimum of [percent reduction]% absolute scope 1 and 2 GHG emissions from [near-term target year] through [net zero year] from a [base year] base year.	
Renewable electricity procurement targets	*For companies that have not yet achieved 100% renewable electricity:* [Company name] commits to increase active annual sourcing of renewable electricity from [percent]% in [base year] to [percent]% by 2030. **OR** *If 100% RE is reached before 2030:*	*Not applicable*

	[Company name] commits to increase active annual sourcing of renewable electricity from [percent]% in [base year] to [percent]% by [target year] and to continue active annual sourcing of 100% renewable electricity through 2030. *For companies already sourcing 100% renewable electricity:* [Company name] commits to continue active annual sourcing of 100% renewable electricity through [target year].	
Engagement targets	*Not applicable.*	[Company name] commits that [percent]% of its suppliers/customers [by spend/ revenue/ emissions] covering [name scope 3 categories], will have science-based targets by [target year].
Emissions beyond the minimum boundary	*Not applicable.*	Companies may request to include targets to reduce optional scope 3 emissions in the target language. For companies that wish to include a supplemental/optional target on optional scope 3 emissions, the below needs to be followed:

		● The optional scope 3 target will be assessed separately by the SBTi review team compared to the mandatory scope 3 target(s). Should the target be approved, the target language covering the optional scope 3 target should be separated in a standalone sentence from the rest of the target language. ● In the GHG inventory submitted to the SBTi, the mandatory scope 3 emissions representative of the minimum boundary shall be included in the inventory table. For a definition of optional emissions for each scope 3 category, please see Table 5.4 on page 34 and section 5.5 "Descriptions of scope 3 categories" of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. [Company name] commits to reduce scope 3 GHG emissions beyond the minimum boundary from [name scope 3 categories] [percent reduction]% by [target year] from a [base year] base year. *Targets covering emissions beyond the minimum boundary need to be separated from the rest of the target language.* *For example: [Company name] commits to reduce absolute scope 3 GHG*

		emissions from use of sold products [percent reduction]% by [target year] from a [base year] base year. [Company name] also commits to reduce use of sold products GHG emissions beyond the minimum boundary [percent reduction]% by [target year] from a [base year] base year.
Use of bioenergy	*If a company is using bioenergy or plans to do so in future years, the following footnote is required to be included in target language:* "*The target boundary includes land-related emissions and removals from bioenergy feedstocks."*	
Companies that sell, transmit, or distribute fossil fuel products	*Not applicable.*	*These companies shall set emission reduction scope 3 targets for the "use of sold products" category. See SBTi Criteria 22 for near-term targets for more information.* *[Company name] commits to reduce absolute scope 3 GHG emissions from use of sold products for [insert (sold AND/OR distributed) fossil fuels] [percent reduction]% by [target year] from a [base year] base year.*
Maintenance of zero emissions	*If a company has zero scope 1 emissions, they may commit to maintain this. In certain geographies, it is possible to have zero scope 2 emissions without active*	*Not applicable.*

	renewable energy procurement. *In both cases, they must use the following target language:* [Company name] commits to maintain zero absolute scope [1 or 2] GHG emissions from [base year] through [target year].	
Renewable heat/steam procurement targets	*Companies may set a scope 2 target over purchased heat or steam. The target language is the same as for renewable electricity procurement targets, replacing 'electricity' with 'heat' or steam'.*	*Not applicable.*
Economic intensity targets (previously referred to as 'GEVA' targets)	*The currency index should be used in the target language. For example, use 'USD', not '$'.* [Company name] commits to reduce [name scopes] GHG emissions [percent reduction]% per [currency index] value added by [target year] from a [base year] base year.	
Equivalency of absolute and intensity approaches	*If a company chooses to disclose the (intensity/absolute) equivalent of their (absolute/intensity) target, they must still measure their reduction according to the (absolute/intensity) target approach used to model the target.*	

	If a company wants to state the equivalent intensity metric reductions of targets modeled against an absolute reduction approach, the target must be stated as follows: [Company name] commits to reduce absolute [enter scopes] GHG emissions [percent reduction]% from a [base year] base year, equivalent to a(n) [percent reduction]% reduction per [team] by [target year]. *If a company wants to state the equivalent absolute reductions of targets modeled against a sectoral decarbonization approach, the target must be stated as follows:* [Company name] commits to reduce [enter scopes] GHG emissions [percent reduction]% per [team] by [target year] from a [base year] base year, equivalent to a(n) [percent reduction]% absolute reduction.

Table 4. Sector-specific target language templates

Target type	Mandatory target language
Absolute target using the FLAG pathway[7]	[Company name] commits to reduce [enter scopes] FLAG GHG emissions [% reduction] by [target year] from a [base year] base year.* *The following footnote is required to be included in target language:* *Target includes Forest, Land and Agriculture (FLAG) emissions and removals.
Buildings sector target	[Company name] commits to reduce [enter scopes] GHG emissions [percentage reduction]% per square meter by [target year] from a [base year] base year.

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[7] For more information about the SBTi FLAG pathway, please click here.

Cement intensity target	[Company name] commits to reduce [enter scopes] GHG emissions [% reduction] per ton of cementitious product by [target year] from a [base year] base year.
Maritime sector target	[Company name] commits to reduce well-to-wake GHG emissions [percentage] per [tonne nautical mile or GT nautical mile] from [vessel type] operations by [target year] from a [base year] base year.
Power sector target	[Company name] commits to reduce [enter scopes] emissions from [source: e.g., power generation/all sold electricity] [percentage] per MWh by [target year] from a [base year] base year.
Steel intensity target	[Company name] commits to reduce [enter scopes] GHG emissions [% reduction] per ton of steel by [target year] from a [base year] base year.