SBTI CORPORATE NET-ZERO STANDARD CRITERIA

Version 1.0

Version	Release date	Purpose	Updates on earlier version
1.0, SBTi Corporate Net-Zero Standard Criteria	28/10/21	Launch of V1	Note that the criteria will be subject to revisions to improve readability of the document.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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NET-ZERO CORPORATE STANDARD CRITERIA

Version 1.0 | October 2021

Background to the Net-Zero Standard Criteria

The Net-Zero Standard Criteria were developed through extensive stakeholder consultation, in collaboration with the Net-Zero Expert Advisory Group. The Net-Zero Standard Criteria include all criteria that must be met for net-zero target(s) to be validated by the SBTi. This document also includes recommendations which are important for transparency and best practice but are not required.

Although this document contains all criteria for setting near-term science-based targets, companies should refer to the SBTi Criteria as their primary reference when setting near-term science-based targets. The SBTi Criteria document may include additional recommendations for near-term targets that are not included in this document. It is important to note that near-term criteria and recommendations are subject to SBTi's annual update of corporate criteria.

These criteria apply only to companies that are not classified as financial institutions and Small and Medium Enterprises (SMEs). Financial institutions can set targets using the SBTi guidance and criteria for financial institutions. SMEs should use the streamlined process to set targets in line with climate science.

In addition, companies must follow the GHG Protocol Corporate Standard, Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The Target Validation Protocol describes the underlying principles, process, and criteria followed to assess targets and to determine conformance with Criteria[1]. The SBTi strongly recommends that companies review the Target Validation Protocol that further details SBTi criteria compliance and non-compliance before developing targets.

Disclaimer

While every effort is made to keep companies informed of the latest criteria and recommendations, the initiative reserves the right to make adjustments as needed to reflect the most recent emissions scenarios, partner organization policies, and greenhouse gas accounting practices.

The initiative also reserves the right to withdraw the validation of an approved target if it becomes apparent that incorrect information was communicated during the target validation process that results in any of the criteria existing during the assessment not being met, or if

[1] The TVP currently only applies to near-term SBT criteria but is expected to be updated to include net-zero targets in the coming months.

requirements following the approval of the target are not respected (i.e., target progress reporting and recalculations).

Unless otherwise noted (including specific sections), all criteria apply to scopes 1, 2, and 3.

Terminology

This document explains the criteria, which are requirements that companies must follow, and recommendations, which companies should follow, to align with the Net-Zero Standard. This document uses precise language to indicate requirements, recommendations, and allowable options that companies may choose to follow.

- The terms "shall" or "must" are used throughout this document to indicate what is required for targets to be in conformance with the Net-Zero Standard.
- The term "should" is used to indicate a recommendation, but not a requirement.
- The term "may" is used to indicate an option that is permissible or allowable.

The terms "required" or "must" are used in the guidance to refer to requirements. "Can" and "is encouraged" may be used to provide recommendations on implementing a requirement or "cannot" may be used to indicate when an action is not possible.

Criteria and recommendations

Target boundary

Organizational boundary

C1 — Organizational boundary: It is recommended that companies submit targets only at the parent- or group level, not the subsidiary level. Parent companies must include the emissions of all subsidiaries in their target submission, in accordance with the boundary criteria above. In cases where both parent companies and subsidiaries submit targets, the parent company's target must also include the emissions of the subsidiary if it falls within the parent company's emissions boundary given the chosen inventory consolidation approach[2].

R1 – Setting organizational boundaries: The SBTi strongly recommends that a company's organizational boundary, as defined by the GHG Protocol Corporate Standard, is consistent with the organizational boundary used in the company's financial accounting and reporting procedures.

GHG coverage

C2 — Greenhouse gases: The targets must cover all relevant GHGs as required per the GHG Protocol Corporate Standard.

[2] This criterion applies only to subsidiaries. Brands, licensees, and/or specific regions or business divisions of a company will not be accepted as separate targets unless they fall outside of a parent company's chosen consolidation approach.

Scope coverage

C3 — Scope 1 and Scope 2: The targets must cover company-wide scope 1 and scope 2 emissions, as defined by the GHG Protocol Corporate Standard.

C4 — Scope 3: If a company's relevant scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions, scope 3 must be included in the near-term science-based targets. All companies involved in the sale or distribution of natural gas and/or other fossil fuels shall set scope 3 targets for the use of sold products, irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions of the company. All companies shall include emissions from all relevant scope 3 categories in long-term science-based targets.

Emissions coverage

C5 — Scope 1 and 2 significance thresholds: Companies may exclude up to 5% of scope 1 and scope 2 emissions combined in the boundary of the inventory and target[3].

C6 — Scope 3 emissions coverage for near-term targets: Companies must set one or more emission reduction targets and/or supplier or customer engagement targets that collectively cover(s) at least two-thirds (67%) of total scope 3 emissions considering the minimum boundary of each category in conformance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

C7 — Scope 3 emissions coverage for long-term targets: The boundary of long-term science-based targets shall cover at least 90% of total scope 3 emissions. Exclusions in the GHG Inventory and target boundary must not exceed 10% of total scope 3 emissions.

R2 — Targets covering optional scope 3 emissions: Targets to reduce scope 3 emissions that fall outside the minimum boundary of scope 3 categories are not required but are encouraged when these emissions are significant. Companies may cover these emissions with a scope 3 target, but such targets cannot count towards the thresholds defined in C6 and C7 for scope 3 emissions (i.e., these targets are above and beyond the company's scope 3 targets). For reference, consult page 48 in the GHG Protocol Scope 3 Standard and the Target Validation Protocol for a list of products that generate direct and indirect use-phase emissions.

Method validity (near and long-term targets)

C8 — Method validity: Targets must be modelled using the latest version of methods and tools approved by the initiative. Targets modelled using previous versions of the tools or

[3] Where a company's scope 1 or 2 emissions are deemed immaterial (i.e., under 5% of total combined scope 1 and 2 emissions), companies may set their SBT solely on the scope (either scope 1 or scope 2) that covers more than 95% of the total scope 1 and 2 emissions. The company must continue to report on both scopes and adjust their targets as needed, in accordance with the GHG Protocol's principle of completeness and as per C32 and C33.

methods may only be submitted to the SBTi for validation within 6 months of the publication of the revised method or the publication of relevant sector-specific tools.

Emissions accounting requirements

C9 — Scope 2 accounting approach: Companies shall disclose whether they are using a location- or market-based accounting approach as per the GHG Protocol Scope 2 Guidance to calculate base year emissions and to track performance against a science-based target. GHG Protocol requires measuring and reporting scope 2 emissions using both approaches. However, a single and consistent approach shall be used for setting and tracking progress toward a SBT (e.g., using location-based approach for both target setting and progress tracking).

C10 – Scope 3 screening: Companies must complete a scope 3 inventory covering gross scope 3 emissions for all its emissions sources as set out as the minimum boundary of each scope 3 category per the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard[4].

C11 — Bioenergy accounting: CO_2 emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals[5] associated with bioenergy feedstocks, shall be reported alongside a company's GHG inventory. Furthermore, CO_2 emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals associated with bioenergy feedstocks shall be included in the target boundary when setting a science-based target (in scopes 1, 2, and/or 3, as relevant) and when reporting progress against that target.

Land-related emissions accounting shall include CO_2 emissions from direct land use change (LUC) and non-LUC emissions, inclusive of N_2O and CH_4 emissions from land use management. Including emissions associated with indirect LUC is optional.

Companies are expected to adhere to any additional GHG Protocol Guidance on bioenergy accounting when released in order to maintain compliance with C11.

C12 — Carbon credits: The use of carbon credits must not be counted as emission reductions toward the progress of companies' near-term or long-term science-based targets. Carbon credits may only be considered to be an option for neutralizing residual emissions (see C28) or to finance additional climate mitigation beyond their science-based emission reduction targets (see R10).

C13 — Avoided emissions: Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward near term or long-term science-based emission reduction targets.

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[4] For a definition of the minimum boundaries of scope 3 categories and emissions sources that fall outside the minimum boundaries, see Table 5.4 (page 35) of the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
[5] The positive impact of exceeding zero emissions due to biogenic removals shall not be accounted for in a company's target formulation or as progress towards SBTs. In addition, removals that are not directly associated with bioenergy feedstock production are not accepted to count as progress towards SBTs or to net emissions in a company's GHG inventory.

R4 – Biofuel certification: The SBTi recommends that companies using or producing biofuel(s) for transport should support their bioenergy GHG accounting with recognized biofuel certification(s) to disclose that the data on land-related emissions and removals represents the relevant biofuel feedstock production.

R5 — Bioenergy data reporting: The SBTi recommends that companies report direct biogenic CO_2 emissions and removals from bioenergy separately. Emissions and removals of CO_2 associated with bioenergy shall be reported as net emissions according to C11, at a minimum, but companies are encouraged to also report gross emissions and gross removals from bioenergy feedstocks.

Net-Zero Target Formulation

Net-zero definition

C14 — State of net-zero emissions: Companies shall set one or more targets to reach a state of net-zero emissions, which involves: (a) reducing their scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and; (b) neutralizing any residual emissions at the net-zero target date and any GHG emissions released into the atmosphere thereafter.

Structure

C15 — Net-zero target structure: Companies that aim to reach a state of net-zero emissions in a timeframe that exceeds 10 years, shall set both, near-term and long-term science-based emission reduction targets according to the requirements and recommendations described in this standard. If a company's near-term target meets the ambition requirements of a long-term target, then a long-term target is not required.

Timeframe

C16 — Base year: The company shall use the same base year for its long-term science-based targets as its near-term SBTs. The base year must be no earlier than 2015[6].

C17 — Target year(s): Near-term targets must cover a minimum of 5 years and a maximum of 10 years from the date the target is submitted to the SBTi for official validation. Long-term targets shall have a target year no later than 2050. For companies in sectors that reach net-zero before 2050 (e.g., power generation), long-term SBTs covering relevant activities must have a target year no later than the sector's year of net-zero in eligible 1.5˚C pathways.

C18 — Progress to date: The minimum forward-looking ambition of near-term targets is consistent with reaching net-zero by 2050 at the latest, assuming a linear absolute reduction,

[6] For targets submitted for an official validation in the first half of 2022, the valid target years are 2026-2031 inclusive. For targets submitted in the second half of 2022, the valid target years are between 2027 and 2032 inclusive.

linear intensity reduction, or intensity convergence between the most recent year and 2050 (not increasing absolute emissions or intensity)[7].

R6 — Consistency: It is recommended that companies use the same base years for all near-term targets.

Ambition

Scope 1 and 2 near- and long-term targets

C19 — Level of ambition for scope 1 and 2 targets: At a minimum, scope 1 and scope 2 targets must be consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. This applies to both near-term and long-term targets

C20 — Absolute targets: Absolute targets for scope 1 and scope 2 are eligible when they are at least as ambitious as the minimum of the approved range of emissions scenarios consistent with the 1.5°C goal or aligned with the relevant 1.5°C sector-specific absolute pathway (long-term targets only).

C21 — Intensity targets: Intensity targets for scope 1 and scope 2 emissions are eligible when they are modelled using an approved sector pathway applicable to companies' business activities.

Scope 3 near- and long-term targets

C22 — Level of ambition for scope 3 emissions reductions targets: At a minimum, near-term scope 3 targets (covering the entire value chain or individual scope 3 categories) must be aligned with methods consistent with the level of decarbonization required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures. For long-term scope 3 targets, this minimum ambition is increased to 1.5°C.

C23 – Supplier or customer engagement targets: Near-term targets to drive the adoption of science-based emission reduction targets by their suppliers and/or customers are in conformance with SBTi criteria when the following conditions are met:

- Boundary: Companies may set engagement targets around relevant and credible upstream or downstream categories.
- Formulation: Companies shall provide information in the target language on what percentage of emissions from relevant upstream and/or downstream categories is covered by the engagement target or, if that information is not available, what percentage of annual procurement spend is covered by the target[8].

[7] For targets submitted for validation in 2022, the most recent inventory data submitted must be for 2019 at the earliest. Historically, the SBTi has only allowed two years prior as valid most recent year inventories, however, due to the COVID-19 pandemic, the SBTi will accept 2019 inventories in 2022.
[8] If measuring coverage by spend, the company should provide an estimate of the emissions coverage associated with that spend for validation purposes to demonstrate that criterion C23 has been met, by the supplier or customer target alone or together with other scope 3 target(s).

- Timeframe: Companies' engagement targets must be fulfilled within a maximum of 5 years from the date the company's target is submitted to the SBTi for an official validation[9].
- Level of ambition: The company's suppliers/customers shall have science-based emission reduction targets in line with SBTi resources.

C24 – Absolute targets (scope 3): Absolute targets for scope 3 are eligible when they are at least as ambitious as the minimum of the approved range of emissions scenarios consistent with the well-below 2°C goal (near-term targets), the 1.5°C goal (long-term targets), or aligned with the relevant 1.5°C sector-specific absolute pathway (long-term targets only).

C25 – Intensity targets (scope 3): Intensity targets for scope 3 are eligible when they are modelled using an approved sector-specific physical intensity pathway where applicable to companies' business activities or using eligible physical intensity or economic intensity approaches. This applies to both, near-term and long-term targets. Intensity targets on upstream scope 3 categories must reflect both supply-side and demand-side mitigation levers, where specified by sector-specific guidance.

R7 – Supplier engagement: Companies should recommend that their suppliers use the SBTi guidance and tools available to set science-based targets. SBTi validation of supplier science-based targets is recommended but not required. It is recommended that suppliers classified as SMEs, submit targets through the SME streamlined route.

Combined targets (near and long-term targets)

C26 — Combined scope targets: Targets that combine scopes (e.g., 1+2, 1+2+3) are permitted if the SBTi can review the ambition of the individual components of the target and confirm that each individual component meets the relevant ambition criteria.

Renewable electricity targets (near and long-term targets)

C27 — Renewable electricity: Targets to actively source renewable electricity at a rate that is consistent with 1.5°C scenarios are an acceptable alternative to scope 2 emission reduction targets. The SBTi has identified 80% renewable electricity procurement by 2025 and 100% by 2030 as thresholds (portion of renewable electricity over total electricity use) for this approach in line with the recommendations of RE100. Companies that already source electricity at or above these thresholds shall maintain or increase their use of renewable electricity to qualify.

R8 — Purchased heat and steam: For science-based target modeling purposes using the SDA, it is recommended that companies model purchased heat and steam related emissions as if they were part of their direct (i.e., scope 1) emissions.

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[9] For targets submitted for an official validation in the first half of 2022, the valid target years are up to 2026 inclusive. For those submitted in the second half of 2022, valid target years are up to 2027 inclusive.

R9 — Efficiency considerations for target modeling: If companies are using a method that does not already embed efficiency gains for the specific sector, market, and the decarbonization projected for the power sector based on 1.5°C scenario, it is recommended that these factors be considered when modeling electricity-related scope 2 targets.

Beyond value chain mitigation

R10 — Beyond value chain climate mitigation: Companies should take action or make investments outside their own value chains to mitigate GHG emissions in addition to their near-term and long-term science-based targets. For example, a company could provide annual support to projects, programs and solutions that provide quantifiable benefits to climate, especially those that generate additional co-benefits for people and nature. Companies should report annually on the nature and scale of those actions pending further guidance.

Neutralization

C28 — Neutralization of unabated emissions to reach net-zero: Companies shall remove carbon from the atmosphere and permanently store it to counterbalance the impact of any unabated emissions that remain once companies have achieved their long-term science-based target, and thereafter.

R11 — Neutralization milestones: Companies should disclose information such as planned milestones and near-term investments that demonstrate the integrity of commitments to neutralise unabated emissions at net-zero.

Target formulation

C29 — Target formulation: Companies shall publicly set a net-zero target, that clearly and transparently communicates each of the relevant components of the target, including: (a) net-zero target year; (b) magnitude of emissions reductions that will be achieved for near-term and long-term SBTs; (c) base year.

Reporting, Recalculation and Target Validity

Reporting

C30 — Frequency: The company shall publicly report its company-wide GHG emissions inventory and progress against published targets on an annual basis.

C31 — Reporting completeness: Companies shall publicly report information pertaining to progress against validated targets, including separately reporting emissions and removals in the annual GHG Inventory, as specified by current SBTi Criteria.

R12 — Where to disclose: There are no specific requirements regarding where the inventory and progress against published targets should be disclosed, as long as it is publicly available. The SBTi recommends disclosure through standardized, comparable data platforms such as CDP's climate change annual questionnaire, though annual reports, sustainability reports and the company's website are acceptable.

Recalculation and target validity

C32 — Mandatory target recalculation: To ensure consistency with the most recent climate science and most current SBTi criteria, targets must be reviewed, and if necessary, recalculated and revalidated, at a minimum every 5 years. For companies with targets approved in 2020 or earlier, targets must be reviewed and revalidated, if necessary, by 2025. Companies with an approved target that requires recalculation must follow the most recent applicable criteria at the time of resubmission.

C33 — Triggered target recalculation: Targets shall be recalculated, as needed, to reflect significant changes that could compromise relevance and consistency of the existing target. The following changes shall trigger a target recalculation:

- Scope 3 emissions become 40% or more of aggregated scope 1, 2 and 3 emissions (this criterion only applies to near-term SBTs)
- Emissions of exclusions in the inventory or target boundary change significantly
- Significant changes in company structure and activities (e.g., acquisitions, divestitures, mergers, insourcing or outsourcing, shifts in goods or service offerings)
- Significant adjustments to the base year inventory or changes in data to set targets such as growth projections (e.g., discovery of significant errors or several cumulative errors that are collectively significant)
- Other significant changes to projections/assumptions used in setting the science-based targets.

C34 — Target validity: Companies with approved targets must announce their target publicly on the SBTi website within 6 months of the approval date. Targets unannounced after 6 months must go through the approval process again unless a different publication time frame has been agreed in writing with the SBTi.

R13 — Validity of target projections: The SBTi recommends that companies check the validity of target-related projections on an annual basis. The company should notify the SBTi of any significant changes and report these major changes publicly, as relevant.

Sector-specific guidance

C35 — Requirements from sector-specific guidance: Companies must follow requirements for target setting and minimum ambition levels as indicated in relevant sector-specific methods and guidance at the latest, 6 months after the sector guidance publication. A list of the sector-specific guidance and requirements is available below, in the [Target Validation Protocol](), and the [SBTi Corporate Manual]().

Fossil fuel sales, distribution, and other business

C36 – Companies in the fossil fuel production business or with significant revenue from fossil fuel business lines: Companies involved in exploration, extraction, mining and/or production of oil, natural gas, coal as well as other fossil fuels cannot get their targets validated at this stage, irrespective of percentage revenue generated by these activities. Companies which derive 50% or more of their revenue from fossil fuels cannot have their targets validated at this time and must follow the respective sector methodology once published.

C37 — Sale, transmission, distribution of oil, natural gas, coal as well as other fossil fuels: Companies that sell, transmit, or distribute natural gas or other fossil fuel products shall set emission reduction scope 3 targets for the "Use of sold products" category that are at a minimum consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. Customer engagement targets as described in C23 are not applicable for this criterion. More guidance is detailed in C36 on the 50% revenue threshold for companies with fossil fuel activities.

Sector guidance for long-term science-based targets

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

Table 1 Sector-specific guidance for long-term SBTs.

Sector	Eligible methods	Guidance/Notes
Apparel and Footwear	See "All other sectors"	Optional guidance is available for companies in the Apparel and Footwear sector.
Buildings	When setting long-term SBTs, companies in these sectors are recommended to set absolute or intensity targets using the residential buildings pathway, service buildings pathway, or cross-sector pathway (absolute targets only).	Real Estate Investment Trusts (REITs) wishing to set targets must specify if they are a mortgage-based REIT or equity-based REIT. Equity REITs must pursue the regular target validation route for companies. Mortgage REITs must instead utilize the Financial Institutions guidance for setting SBTs. The SBTi is in the scoping phase of developing guidance for companies and sectors of the built environment.
Cement	When setting long-term SBTs, companies are recommended to set absolute or intensity targets using the cement pathway, or cross-sector pathway (absolute targets only).	The SBTi is in the scoping phase of developing guidance for companies in the cement sector.
Chemicals	See "All other sectors"	The SBTi is in the scoping phase of developing guidance for companies in the chemicals sector.
Financial Institutions	The SBTi is developing a Net-Zero Standard for financial institutions and cannot validate targets for this sector before the guidance is completed.	The initiative defines a financial institution as one that engages in investment activities as part of its core functions. These include, but are not limited to, the following: 1. Asset management/asset owners 2. Retail and commercial banking activities 3. Insurance companies (when functioning asset managers) 4. Mortgage real estate investment trusts (REITs)

		In addition, if at least 5% of a company's revenue comes from activities such as those described above, they would be considered a financial institution.
Forest, Land-use & Agriculture (FLAG)	Some companies will be required to set FLAG targets that are separate from their SBTs covering all other emissions. FLAG targets must use the FLAG-sector pathway (absolute targets) or a commodity pathway (intensity targets). Commodity pathways will be available for beef, dairy, pork, chicken, roundwood, rice, soy, palm oil, maize, and wheat. Forestry and timber companies will be required to use the intensity convergence method for roundwood.	The FLAG sector guidance is expected to be finalized in March 2022.
Fossil Fuel Sale/ Transmission/ Distribution[10]	In addition to guidance for the primary sector, scope 3 targets must be set on scope 3 category 11 "use of sold products" emissions using absolute contraction.	Companies must set targets for scope 3 category 11, irrespective of the share of these emissions compared to the total S1+S2+S3 emissions of the company. Separate scope 3 targets may need to be set in this case.
Information and Communication Technology Providers	See "All other sectors"	Optional guidance is available for companies in the ICT sector.
Iron and Steel	When setting long-term SBTs, companies in these sectors are recommended to set absolute or intensity targets using the iron and steel pathway, or cross-sector pathway (absolute targets only).	The SBTi is in the scoping phase of developing guidance for companies in the steel sector.
Oil & Gas	The SBTi is developing target-setting methods for oil & gas companies and cannot validate targets for this sector before the guidance is completed.	For target validation by the SBTi, "Oil & Gas" includes, but is not limited to, integrated Oil & Gas companies, Integrated Gas companies, Exploration & Production companies, Refining and Marketing companies, Oil Products Distributors, Gas Distribution and Gas Retailers. The SBTi will assess companies on a

[10] This information is only applicable to companies that receive less than 50% of their revenue from fossil fuel sale, transmission, or distribution. For companies that receive 50% or more of their revenue from these activities, please refer to the Oil & Gas section above

		case-by-case basis to determine whether companies will be classified as Oil & Gas companies for SBTi validation, and if so, reserve the right to not move forward with their validation until after the SBTi Oil & Gas sector development has been completed.
Power Generation	The intensity convergence method must be used by power generation companies, as specified in the Guidance for Electric Utilities.	Companies in the power sector with scope 3 emissions that represent 40% or more of overall emissions must set an intensity target covering all sold electricity (including purchased and resold electricity in scope 3 category 3), in addition to a target covering power generation in scope 1. Companies in this sector must set targets to reach net-zero no later than 2040.
Transport services (Aviation/ shipping/ trucks/ cars) **Transport (Original Equipment Manufacturers/ Automakers)**	When setting long-term SBTs, companies in these sectors are recommended to set absolute or intensity targets using the aviation pathway, maritime transport pathway, or cross-sector pathway (absolute targets only). The target boundary must cover well-to-wheel emissions (WTW), as specified in the SBTi transport resources. Companies may not set intensity targets covering scope 3 category 6 (business travel) using the aviation sector pathway	Refer to the SBTi Transport guidance for a description of all transport sub-sectors covered by the SDA Transport tool and to learn about best practices in target-setting for transport activities. *Well-to-wheel boundary (transport services and OEMs):* Companies setting targets for transport-related emissions should cover well-to-wheel emissions (WTW) in their target boundary to accurately capture emissions shifts between the tank-to-wheel (TTW) and the well-to-tank (WTT), for example, due to changes in power train technologies. *Tested vs. Real emissions (OEMs):* Original equipment manufacturers must convert their base year emissions figures for the use-phase of their products into real emissions with the use of global standards when available (e.g., Worldwide Harmonized Light Vehicle Test Procedure -WLTP). In the absence of a normalized test procedure for certain vehicle types, companies are invited to present and justify their own estimates/simulations based on fuel consumption-specific

		duty cycles to the SBTi.
All other sectors	When setting long-term SBTs, companies in all other sectors are recommended to set absolute targets using the cross-sector pathway. Sector-specific absolute or intensity targets may be used instead for emissions allocated to a relevant sector.	Companies should allocate emissions to relevant activities as per the Greenhouse Gas Protocol, where guidance is available. Emissions in scopes 1, 2, or 3 allocated to activities with a sector-specific pathway (e.g., steel production) may be covered by a sector-specific absolute or intensity target, except for upstream scope 3 categories where supply-side mitigation is important and not reflected by the pathway.