SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# MANDATORY FIVE-YEAR REVIEW GUIDANCE

Version 2.0

August 2026

sciencebasedtargets.org /science-based-targets @sciencetargets info@sciencebasedtargets.org

# ABOUT SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a UK charity, with a subsidiary SBTi Services Limited, which hosts our target validation services. Partner organizations who facilitated SBTi's growth and development are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

# DISCLAIMER

Although reasonable care was taken in the preparation of this document, the Science Based Targets initiative (SBTi) affirms that the document is provided without warranty, either expressed or implied, of accuracy, completeness or fitness for purpose. The SBTi hereby further disclaims any liability, direct or indirect, for damages or loss relating to the use of this document to the fullest extent permitted by law.

The SBTi does not accept any liability for any claim or loss arising from any use of or reliance on any data or information.

“Science Based Targets initiative” and “SBTi” refer to the Science Based Targets initiative, a private company registered in England number 14960097 and registered as a UK Charity number 1205768.

# VERSION HISTORY

| Version | Change/update description | Release date | Effective dates |
|---|---|---|---|
| Version 1 | • Initial document | July 18, 2025 | December 18, 2025 |
| Version 1.1 | • Clarifications of review waiver process<br>• Reference to Mandatory Five-Year Review Manual<br>• Clarification on the review process | December 11, 2025 | December 18, 2025 |
| Version 2.0 | • Added option to bypass mandatory five-year review<br>• Simplification of trigger date calculation<br>• Expansion of extension cases and allowance for partial target updates during extension period<br>• Update of applicable target statuses | August 13, 2026 | August 13, 2026 |

# CONTENTS

# PURPOSE OF THIS GUIDANCE

This document outlines requirements for the mandatory five-year review process applicable to companies participating in the SBTi system that wish to retain an active target status on the SBTi Target Dashboard. The mandatory review ensures alignment with the latest SBTi Criteria and Standards, enabling companies to maintain an active status and uphold their science-based targets (hereafter referred to as 'targets').

**Details on how to complete and submit the review are available within the Mandatory Five-Year Review Manual.**

### Scope

This document provides explanatory information on a pre-existing SBTi requirement and does not introduce any new or normative elements.

This guidance applies to all organizations classified as corporate or small and medium-sized enterprises (SMEs) with validated targets under SBTi Criteria and Standards (referred to as 'companies' within the SBTi system) prior to Corporate Net-Zero Standard Version 2. Financial institutions and specific target types—such as net-zero, forest, land, and agriculture (FLAG), and no-deforestation commitments—are excluded from this review guidance at this time.

Further information for financial institutions is expected in Q4 2026.

### References and definitions

Target Review: The act of reviewing previously validated science-based targets against the latest version of the SBTi Criteria. If not in line with the latest version of the SBTi Criteria, a target update is required.

Target Update: To change, edit, or bring up to date a previously validated science-based target, either entirely or in part, due to a triggered event.

For a full list of definitions, please refer to the SBTi Glossary.

Relevant resources:

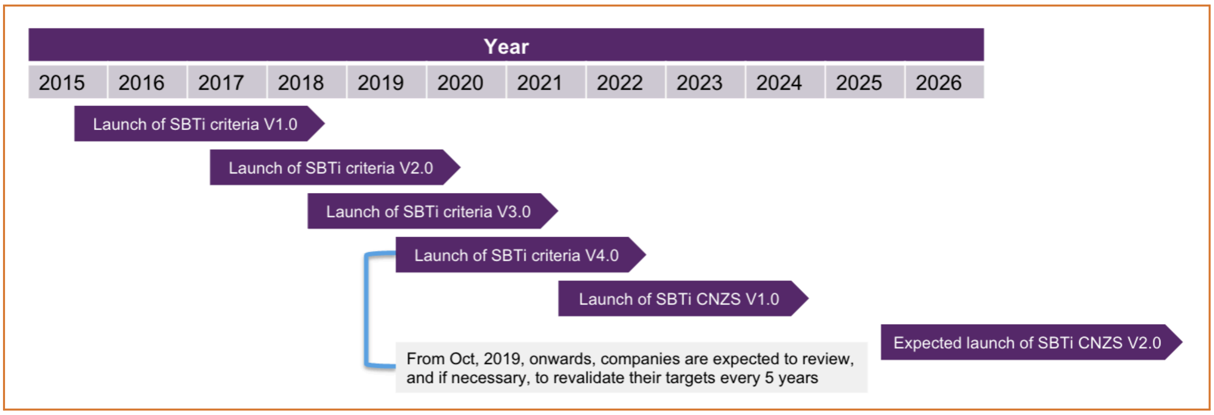
- Mandatory Five-Year Review Manual
- SBTi Corporate Near-Term Criteria
- SBTi Corporate Net-Zero Standard
- SBTi communications guide for companies and financial institutions taking action
- SBTi Target Dashboard
- SBTi sector-specific guidelines
- SBTi Commitment and Target Statuses

# 1. MANDATORY FIVE-YEAR REVIEW

## 1.1 Overview of the review

To date, companies in the SBTi system have set targets under different versions of the SBTi Near-Term Criteria as illustrated in *Figure 1,* and since its initial publication, under different versions of the SBTi Corporate Net-Zero Standard. These targets may have different timeframes and target years.

*Figure 1. Validity of the SBTi Criteria and Standards*




The mandatory five-year review was first introduced as criterion 22 of [SBTi Criteria 4.0] (released in April 2019, and mandatory from October 2019), see Figure 2. The specific criterion number and wording may differ across versions of the SBTi Criteria over time. In the current version of the [SBTi Corporate Near-Term Criteria], it is included as criterion 26, see Figure 3.

*Figure 2. Extract of the SBTi Near-Term criteria V4.0, criterion 22*

| |
|---|
| C22 - Mandatory target recalculation:<br>To ensure consistency with the most recent climate science and best practices, targets must be reviewed, and if necessary, recalculated and revalidated, at a minimum every 5 years. The latest year in which companies with already approved targets must revalidate is 2025. Companies with an approved target that requires recalculation must follow the most recently applicable criteria at the time of resubmission. |

*Figure 3. Extract of the SBTi Near-Term criterion V5.3.1, criterion 26*

| |
|---|
| C26 - Mandatory target review:<br>Companies shall review all active targets, at a minimum, every 5 years to ensure consistency with the latest SBTi criteria. If targets do not meet SBTi criteria, then they shall be updated and revalidated. Companies with targets approved in 2020 or earlier shall review all active targets by 2025. Companies shall follow the most recent applicable criteria at the time of resubmission. |

The mandatory review ensures targets remain aligned with the latest SBTi Criteria and Standards. Companies with targets validated in or before 2020 are subject to review starting in 2025, and targets validated after 2020 will follow a five-year cycle.

As the SBTi system is voluntary, the mandatory five-year review is a requirement only for companies wishing to continue in the SBTi system. Companies may decide to opt out of the SBTi system; however, they will be required to adhere to the target status rules outlined in the applicable guidance at that time (see Section 3).

### 1.2 Process overview

Companies should complete and submit the mandatory five-year review form within six months of the trigger date, as detailed within the Mandatory Five-Year Review Manual. If target updates are required, these must be submitted to SBTi Services within 12 months of the same trigger date.

All companies are encouraged to complete the mandatory five-year review form, however it can be bypassed for companies who know an update is required and prefer to proceed directly to submit new targets. The mandatory five-year review form must be completed to receive a waiver, target update extension, or for the outcome that new targets are not required.

The following section provides further details and examples of the mandatory five-year review process.

#### 1.2.1 Trigger date

Companies shall review their validated targets every five years, confirming conformance with the latest SBTi Criteria and Standards. The trigger date shall commence at the end of the month, five years after the most recent publication of validated targets.

Example:

- *Mar 2021: First validation published, base year of 2020 and target year of 2028.*
- *Jan 2022: Update validation for scope 1 ambition only, all targets reviewed.*
- *Aug 2023: Update validation for scope 2 ambition only, all targets reviewed.*
- *Aug 31, 2028: Mandatory five-year review is triggered.*
- *Feb 28, 2029: Mandatory five-year review form is due.*

##### 1.2.1.1 Trigger date notification

Companies will receive an email six months prior to the trigger date to prepare for the mandatory five-year review. To confirm your trigger date, email info@sciencebasedtargets.org.

##### 1.2.1.2 Trigger date review

If your company does not agree with, or would like more clarification about the provided trigger date, email targetstatus@sciencebasedtargets.org to request a review.

#### 1.2.2 Review form deadline

The mandatory five-year review form should be submitted to SBTi Services within six months of the trigger date. This step is encouraged for all companies, but may be bypassed for companies who know an update is required and prefer to proceed directly to submit new targets. The new target submission would be due twelve months after the trigger date.

### 1.2.3 Review waiver

Companies nearing a target year, within 24 months of the trigger date, may request a waiver and bypass completion of the mandatory five-year review. If approved, the company should set new targets when required based on the target year.

Any waiver requests should be made within the six-month review period through the designated mandatory five-year review form.

In the below example, the company is eligible to request a review waiver:

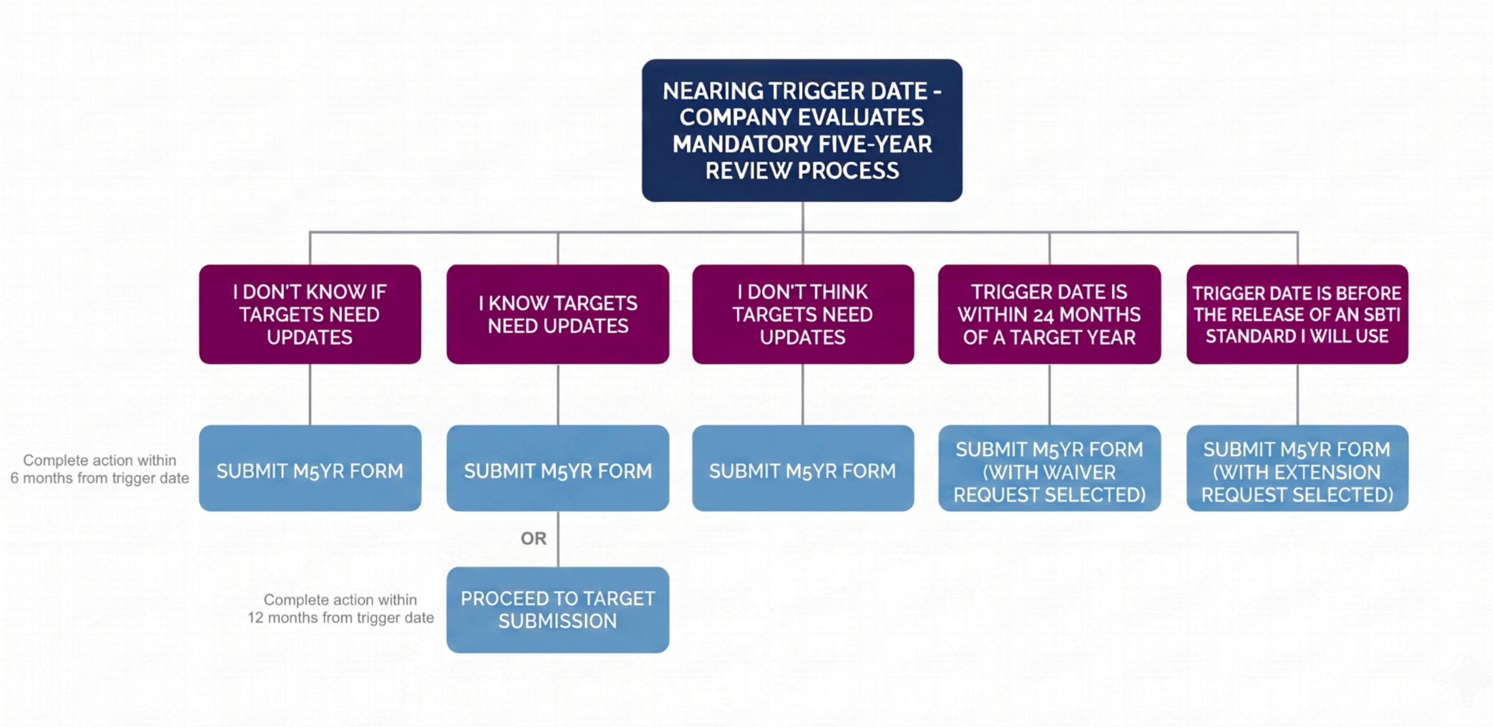
- *Jul 2021: First validation published, base year of 2020 and target year of 2028.*
- *Jul 31, 2026: Mandatory five-year review is triggered.*
- *Jan 31, 2027: Mandatory five-year review form is due, but since the target year is 2028, the company is eligible for the review waiver. The company will submit new targets before the end of 2029 to maintain active status in the SBTi system.*

### 1.2.4 Completed cycle

All targets validated under previous versions of SBTi Criteria and Standards will undergo review until all targets have been updated to the latest version of the SBTi Criteria and Standards, including the Corporate Net-Zero Standard Version 2.

### 1.2.5 Summary of review options

When a company nears their trigger date, they can follow the decision tree to determine next steps regarding the mandatory five-year review.



### 1.3 Review process

Companies who do not proceed directly to updating targets must submit their mandatory five-year review responses and supporting materials via the mandatory five-year review form, as described in the Mandatory Five-Year Review Manual, within six months of the trigger date.

Forms will be reviewed within 30 business days of the submission date which includes identification of any deviations from the current SBTi Criteria and Standards. Companies will receive one of the following outcomes:

1. **Review completed: new targets not required**—Existing targets meet the latest Criteria; targets may remain as is.

2. **Review completed: new target(s) required**—One or more targets do not meet the latest Criteria; target(s) must be submitted for the specified scope(s), due within 12 months of the trigger date.

3. **Waiver granted**—The company's nearest target year falls within 24 months of the trigger date and a waiver to bypass the five-year review has been approved; the company must set targets by the deadline based on the nearest target year.

4. **Review completed: target extension granted**—SBTi Services has approved an extension to the update deadline; the company must submit target(s) by the extended deadline.

# 2. SETTING TARGETS

### 2.1 Target requirements

To remain in the SBTi system, companies must set new, and/or update existing targets, to comply with SBTi requirements. These must be submitted within 12 months of the trigger date.

- **Requirement 1**: Companies must set new targets aligned with the latest SBTi Criteria and Standards. This includes any updated core requirements in Near-Term Criteria versions and sector-specific guidance. See SBTi Near-Term Criteria V5.3.1, criterion 26 in Section 1.1.
- **Requirement 2**: Address any specific requirements in SBTi policies, guidance, or exceptions. It is the company's responsibility to assess relevancy of any SBTi requirements.

### 2.2 Non-compliance

Companies have up to 12 months from the trigger date of the mandatory five-year review to address any gaps and submit all required targets. The interim step of the mandatory five-year review must be completed within six months of the trigger date if the company seeks the outcome of a waiver, extension, or that new targets are not required.

If a company fails to fulfill one or more of these requirements within 12 months of the trigger date, the company's target status will be updated to Expired, as detailed in Section 3.

### 2.3 New targets extension

Companies may request an extension to set new targets, permitted only when anticipating the release of an SBTi Standard that the company will use to submit targets. The company may extend its target update until the publication of the SBTi Standard, up to 18 additional months from the original update due date, but cannot exceed this period. SBTi Services will provide the length of the extension as an outcome of the mandatory five-year review.

Companies are permitted to update their scope 1 and 2 targets during the extension period to align with the latest SBTi ACA methodology as needed. However, the extension timeline is still enforced to complete the full target update.

Extension requests are made within the mandatory five-year review form, and must be submitted within six months of the trigger date.

SBTi Services may grant extensions on a case-by-case basis.

An example of the update extension is below:

- *Aug 2020: First validation covering all scopes, base year of 2019 and target year of 2030.*
- *Dec 31, 2025: Mandatory five-year review is triggered.*
- *Feb 2026: Mandatory five-year review form is submitted, which includes an extension request to set targets in line with a mandatory sector-specific Standard.*
- *Mar 2026: Company receives confirmation that the original targets are no longer in line with the latest SBTi Criteria and Standards, and target updates are required. Extension is granted for a maximum of 18 months, with a new target submission due date of June 30, 2028.*

# 3. STATUS UPDATES

To ensure transparency and accountability, SBTi Services maintains the SBTi Target Dashboard, reflecting the status of companies' targets and commitments. This will include conformance with the mandatory five-year review and target update requirements in this guidance.

The SBTi Commitment and Target Statuses document updates some of the company-level statuses and introduces target-level statuses. It will supercede the Commitment Compliance Policy from September 24, 2026

## 3.1 Expired target status

The 'Expired' target-level status is directly linked to the mandatory five-year review in the following scenarios:

1. Twelve months have passed since the trigger date of the mandatory five-year review, and either the form was not completed or a new target submission was not received.

2. The deadline established by the mandatory five-year review outcome has passed without a new target submission. Includes any deadline resulting from a granted waiver or extension which is beyond twelve months from the trigger date.

In both scenarios, the relevant targets would be indicated as Expired.

# 4. DOCUMENT GOVERNANCE

**Validity and revision**

This document has been approved by the SBTi Executive Leadership team and shall be reviewed at a minimum annually by the SBTi and SBTi Services based on feedback from stakeholders and other streams of input.

**Responsibilities**

The drafting of this document has been a combined effort of the SBTi and SBTi Services. Document ownership sits with the SBTi, and the operationalization is through SBTi Services.

SBTi Services is a wholly-owned subsidiary of the SBTi, responsible for the target validation and update process, as well as maintaining the companies' commitment and target statuses on the SBTi Target Dashboard.

**Complaints**

Complaints arising from the content of the SBTi mandatory five-year review can be submitted in two formats.

Complaints on the SBTi Criteria and Standards should follow the SBTi Complaints Procedure available on the SBTi website.

Complaints arising during the actual target review and update process or the outcome thereof (i.e., regarding the actions or decisions taken by SBTi Services) shall be addressed to SBTi Services, using the SBTi Services Complaints Standard Operating Procedure.

# ANNEX 1: MANDATORY FIVE-YEAR REVIEW EXAMPLE TEMPLATE

Refer to the Mandatory Five-Year Review Manual for details on how to submit the review to SBTi Services including full information on the process and requirements.

| SBTi Corporate Near-Term Criteria V5.3.1 requirement | Assessment point | Evidence required |
|---|---|---|
| Companies shall adhere to the Greenhouse Gas (GHG) Protocol's base year recalculation principles | Companies shall reflect all structural, methodological, and data changes completed since the base year in a recalculated base year inventory. Structural changes completed within two years before the date of submission and changes cumulatively below the 5% recalculation threshold are exempt from this requirement. | Written confirmation |
| NT C1: Organizational boundary | Parent companies shall confirm the inclusion of the emissions of all subsidiaries in their targets, or confirm that the exclusion of any subsidiaries is reflected within NT C5. | Written confirmation |
| NT C2: Greenhouse gasses | Companies shall confirm all seven GHGs are included in the targets as required by the GHG Protocol Corporate Standard, or confirm that the exclusion of any GHGs is reflected within NT C5. | Written confirmation |
| NT C3: Scope 1 and 2 | Companies shall confirm the targets cover at least 95% of company-wide scope 1 and 2 emissions as defined by the GHG Protocol Corporate Standard. | Written confirmation |
| NT C4: Scope 3 | A scope 3 target is set if scope 3 emissions are 40% or more of total scope 1, 2, and 3 emissions.<br><br>A scope 3 ‘use of sold products’ target is set if the company is involved in the sale or distribution of natural gas and/or other fossil fuels. | Demonstration that total scope 3 emissions equal less than 40% of total emissions, plus written confirmation that there is no involvement in the sale or distribution of fossil fuel products. |

| SBTi Corporate Near-Term Criteria V5.3.1 requirement | Assessment point | Evidence required |
|---|---|---|
| NT C5: Scope 1, 2, and 3 allowable exclusions | Total exclusions from the reporting company's scope 1 and 2 inventory and target boundary combined must not exceed 5% of the total scope 1 and 2 emissions calculated, AND total exclusions from the reporting company's scope 3 inventory must not exceed 5% of the total scope 3 emissions calculated. | Confirmation of 0t$CO_2$e excluded from the previous inventory OR provision of the quantitative list and justification of any exclusions from the scope 1 and 2 inventory in t$CO_2$e, estimated the emissions in t$CO_2$e excluded for each scope.<br><br>Confirmation of 0t$CO_2$e excluded from the previous inventory, OR quantitatively list and justify any exclusions from the scope 3 inventory estimated as the absolute t$CO_2$e from the omitted activity/activities per category and provide percentage exclusion relative to scope 3 total. |
| NT C6: Scope 3 coverage | Companies shall confirm that scope 3 targets cover a minimum of 67.0% of reported and excluded scope 3 emissions. | Confirmation that coverage is based on excluded plus reported scope 3 emissions, and that coverage below 67.0% has not been rounded up. |
| NT C7: Method validity | Targets must be modeled using the latest version of methods and tools approved by the SBTi. Targets modeled using previous versions of the tools or methods may only be submitted to the SBTi for validation within six months of the publication of the revised method or sector-specific tools. | Targets meet the latest version of the methods and tools approved by the SBTi through the mandatory review criteria |

| SBTi Corporate Near-Term Criteria V5.3.1 requirement | Assessment point | Evidence required |
|---|---|---|
| | | here. Companies with SDA targets shall submit the latest version of the SBTi Target-Setting Tool or relevant sector-specific tool to confirm minimum ambition is met. |
| NT C8: 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 progress against a science-based target. The GHG Protocol requires measuring and reporting scope 2 emissions using both approaches. However, a single and consistent approach must be used for setting and tracking progress toward a science-based target (e.g., using a location-based approach for both target setting and progress tracking). | A single and consistent approach is used to set and track progress toward the scope 2 target. |
| NT C9: Scope 3 inventory | Companies shall complete a scope 3 inventory covering gross scope 3 emissions for all their relevant emissions sources according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. | Company review and written confirmation of alignment to SBTi GHG Accounting Criteria Assessment Table for all GHG Protocol scope 3 categories. |
| NT C10: Bioenergy accounting | $CO_2$ emissions from the combustion, processing and distribution phase of bioenergy - as well as the land-related emissions and removals associated with bioenergy feedstocks - shall be reported in line with GHG Protocol requirements. Furthermore, these emissions shall be included in the target boundary when setting a science-based target. | Companies must confirm they have followed the GHG Protocol Guidance on bioenergy accounting and the bioenergy emissions are included in the target boundary. |
| NT C11: Carbon credits | Company confirms the use of carbon credits are not counted as emissions reductions toward the progress of companies' near-term science-based targets. | Written confirmation |

| SBTi Corporate Near-Term Criteria V5.3.1 requirement | Assessment point | Evidence required |
|---|---|---|
| NT C12: Avoided emissions | Company confirms that avoided emissions are not counted toward near-term science-based emissions reduction targets. | Written confirmation |
| NT C13: Base and target years | The choice of base year must be no earlier than 2015. Scope 1 and scope 2 targets must use the same base year. | Evidenced through provision of the previously submitted base year. |
| NT C15: Level of ambition for scope 1 and 2 targets | Scope 1 and scope 2 targets are consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. | Target ambition meets minimum 1.5°C outputs of the SBTi Target-Setting Tool. |
| NT C17: Intensity targets for scope 1 and 2 | Intensity targets covering scope 1 and 2 emissions are only eligible when they are modeled using an approved 1.5°C sector pathway applicable to companies' business activities.<br><br>Intensity targets covering scope 1 and/or 2 emissions which are not modeled using an applicable 1.5°C sector pathway are not permitted. | Any intensity targets covering scope 1 and/or 2 are demonstrated to be modeled using an eligible sector pathway. |
| NT C18: Level of ambition for scope 3 emissions reduction targets | Scope 3 targets (covering total required scope 3 emissions or individual scope 3 categories) are aligned with methods consistent with the level of decarbonization required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures.<br><br>Economic intensity targets must use a GEVA metric. | Target ambition meets minimum scope 3 outputs of the SBTi Target-Setting Tool.<br><br>For economic intensity targets, written confirmation of the type of GEVA metric used. |
| NT C20: Combined scope targets | Targets that combine scopes (e.g., 1+2 or 1+2+3) are permitted if the SBTi can review the ambition of the individual target components and confirm that each meets the relevant ambition criteria. | Target components all meet minimum ambition levels and criteria. |
| NT C22: Sale, | Companies that sell, transmit, or distribute natural gas (or other fossil fuel | Submission of at least one |

| SBTi Corporate Near-Term Criteria V5.3.1 requirement | Assessment point | Evidence required |
|---|---|---|
| transmission, distribution of oil, natural gas, coal, as well as other fossil fuels | products) shall set separate emissions reduction targets for scope 3 category 11 “use of sold products” - covering emissions from the combustion of the sold, transmitted or distributed fossil fuels - 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, irrespective of the share of these emissions compared to the total scope 1, 2, and 3 emissions of the company, company's sector classification, or whether fossil fuel sale/distribution is the company's primary business. In order to meet the 67% near-term scope 3 coverage, companies may need to set additional targets covering other scope 3 categories. Customer engagement targets are not eligible for this criterion. | standalone target covering the direct use-phase emissions of the combustion of fossil fuels sold, transmitted or distributed, ambition aligned with an SBTi-approved 1.5°C pathway. |
| NT C23: Companies in the fossil fuel production business or with significant revenue from fossil fuel business lines | The SBTi will not currently validate targets for:<br>● Companies with any level of direct involvement in exploration, extraction, mining and/or production of oil, natural gas, coal or other fossil fuels, irrespective of percentage revenue generated by these activities.<br>● Companies that derive 50% or more of their revenue from the sale, transmission and distribution of fossil fuels, or by providing equipment or services to fossil fuel companies.<br>● Companies with more than 5% revenue from fossil fuel assets (e.g., coal mine, lignite mine, etc.) for extraction activities with commercial purposes. These companies must follow the applicable sector standards if available. | Written confirmation and revenue proportion provided if applicable. |
| NT C24: 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, six months after sector guidance publication. A list of the sector-specific guidance and requirements is available in Table 4 of the Corporate Net-Zero Standard. | Companies are responsible for determining if any SBTi sector-specific guidance is applicable and/or mandatory for them to submit targets under. |
| NT C25: Frequency | The company shall publicly report its company-wide GHG emissions inventory | Evidence from each reporting |

| SBTi Corporate Near-Term Criteria V5.3.1 requirement | Assessment point | Evidence required |
|---|---|---|
| | and progress against published targets on an annual basis. | year since the validation date of GHG inventory and progress against the published targets. |
| NT C27: Triggered target recalculation | Targets shall be recalculated and revalidated when significant changes occur that could compromise the existing target. The following changes shall trigger a target recalculation:<br>● Scope 3 emissions become 40% or more of aggregated scope 1, 2, and 3 emissions.<br>● Changes in the consolidation approach chosen for the GHG inventory.<br>● Emissions of exclusions in the inventory or target boundary change significantly.<br>● Significant changes in company structure and activities (e.g., acquisition, divestiture, merger, insourcing or outsourcing, shifts in goods or service offerings).<br>● Adjustments to data sources or calculation methodologies resulting in significant changes to an organization's total base year emissions or the target boundary base year emissions (e.g., discovery of significant errors or a number of cumulative errors that are collectively significant).<br>● Other significant changes to projections/assumptions used in setting the science-based targets. | Written confirmation that no triggers have occurred. |
| Well-to-wheel (WTW) emission reporting | Transport emissions (including but not limited to categories 4, 6, 7, and 9) shall be calculated on a well-to-wheel basis, including for non-transportation industry companies. | Written confirmation |

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION