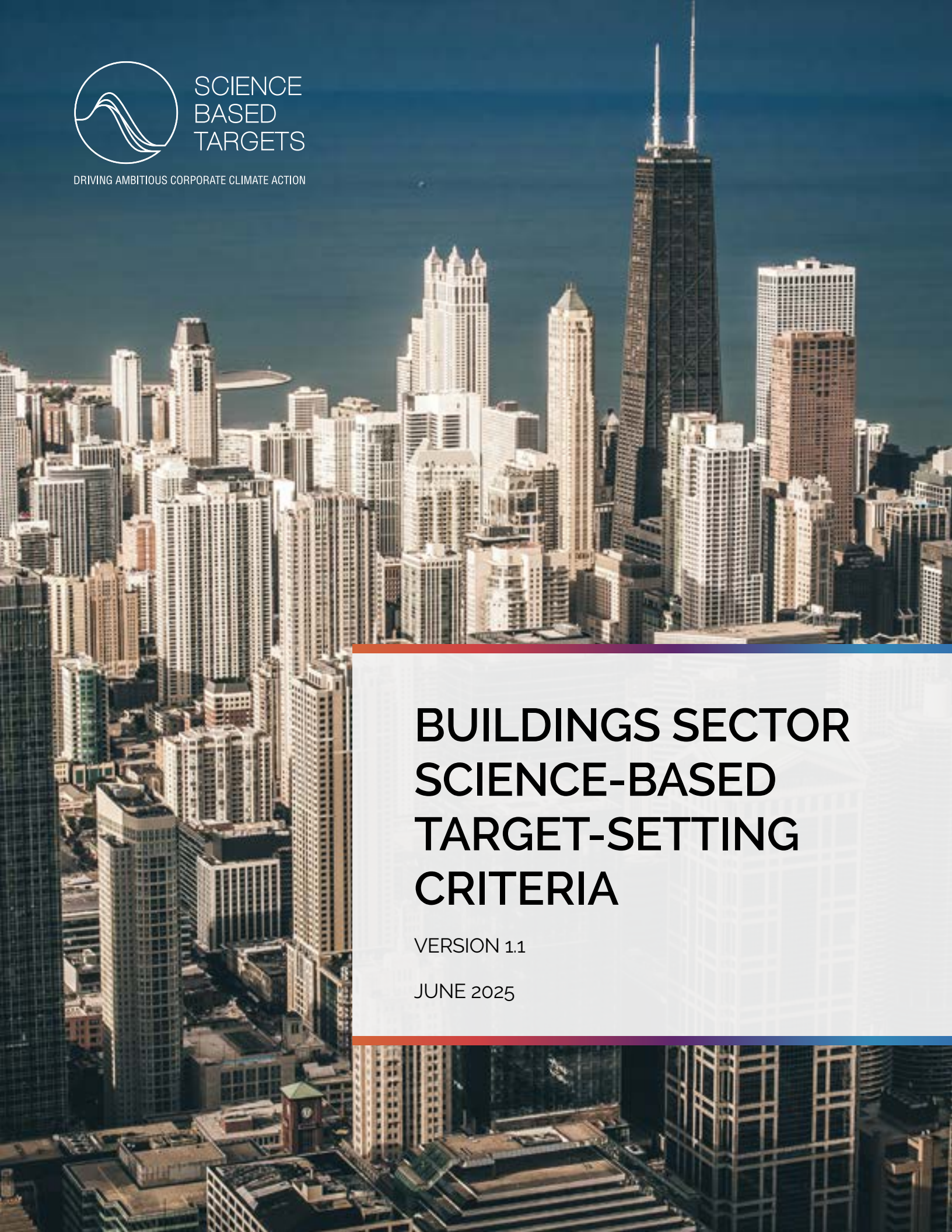
SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



BUILDINGS SECTOR SCIENCE-BASED TARGET-SETTING CRITERIA

VERSION 1.1

JUNE 2025

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 charity, with a subsidiary which will host our target validation services. Our partners 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).

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The SBTi reserves the right to revise this document according to a set revision schedule or as advisable to reflect the most recent emissions scenarios, regulatory, legal or scientific developments, and GHG accounting best practices.

“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).

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VERSION HISTORY

VERSION	CHANGE/UPDATE DESCRIPTION	DATE PUBLISHED	EFFECTIVE DATE
1.0	Release of the final Buildings Sector Science-Based Target-Setting Criteria	August 28, 2024	August 28, 2024 - June 4, 2025
1.1	Minor revisions to correct typographical errors, resolve inconsistencies, and enhance clarity.	June 4, 2025	June 4, 2025

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INTRODUCTION

INTRODUCTION

This document, the SBTi Buildings Criteria Version 1.0, includes all criteria that shall be met for the buildings sector companies' near- and long-term target(s) to be validated by the SBTi, as well as recommendations that are important for transparency and best practice.

These sector-specific criteria supersede the SBTi Corporate Net-Zero Standard Criteria, for the activities defined in the scope and applicability section of this document. Sources not included in the scope and applicability of this document remain subject to the SBTi Corporate Net-Zero Standard, which serve as the basis for this document. Users shall also follow the Greenhouse Gas Protocol (GHGP) Corporate Standard, Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard for their emissions accounting and reporting.

The SBTi Buildings Criteria Version 1.0 should be read in conjunction with the SBTi Buildings Sector Science-Based Targets Explanatory Document Version 1.0, which includes informative guidance; the SBTi Buildings Target-Setting Tool, which helps to formulate intensity-based targets using the Sectoral Decarbonization Approach (SDA) methodology; the Procedure for Validation of SBTi Targets, which describes the underlying process followed by SBTi Services to assess targets; the Buildings Criteria Assessment Indicators, which detail the indicators used to determine conformance and non-conformance with criteria; and the SBTi Glossary, which lists the terms, definitions and acronyms used in this document.

Intended users of the SBTi Buildings Criteria

The building's value chain contains a broad array of actors involved in the design, financing, development, construction, management and occupation of buildings. The SBTi appreciates buildings can be viewed differently to their day-to-day functions, for example, as financial assets or even products themselves. The SBTi Buildings Criteria has been designed with this in mind in order to be applicable to both corporates and financial institutions.

These criteria apply to companies that own, develop, manage or finance real estate and meet the applicability and threshold criteria outlined in this document.

Overview of the development process

The SBTi Buildings Project started in October 2021. The research and drafting phases of the project were completed between December 2021 and May 2023. Once the drafting phase was completed, the deliverables of the Buildings Project were approved by the internal review team on April 30, 2023, and a public consultation was held between May 16, and July 16, 2023. The public consultation was followed by further research and drafting alongside advisory meetings with the Buildings Expert Advisory Group. Once the revision phase was completed, the drafts for pilot testing were approved by the internal review team on October 25, 2023. In line with the Standard Operating Procedures (SOP) for Development of Standards that was adopted by the Board of Trustees in December 2023, the Buildings Project respectively followed the necessary steps, including a pilot testing phase that was held from November 21, 2023 to March 26, 2024, and a non-objection agreement to publish by the SBTi Technical Council on July 26, 2024.

It is important to note that criteria and recommendations are subject to change and may be updated following the SOP for Development of Standards (2023).

Terminology

The term "shall" is used throughout this document to indicate what is required for targets to be in conformance with the criteria, whereas the term "should" is used to describe recommendations. The SBTi recommendations are important for transparency and best practices but are not required and will not be validated. The term "may" is used to indicate an option that is permissible or allowable.

"C" designates a criterion, i.e., it is mandatory. "R" designates a recommendation. Recommendations are important for transparency and best practices but are not required.

Date of application of the criteria

Companies that meet the conditions set out in the criteria section shall apply this criteria in full for new target submissions or re-submissions, at the latest, six months after the SBTi Buildings Criteria V1.0 publication. Existing 1.5ºC building pathways in other SBTi documents and tools will be withdrawn after the six month transition period.

SCOPE AND APPLICABILITY OF THE SBTi BUILDINGS CRITERIA

SCOPE AND APPLICABILITY OF THE SBTi BUILDINGS CRITERIA

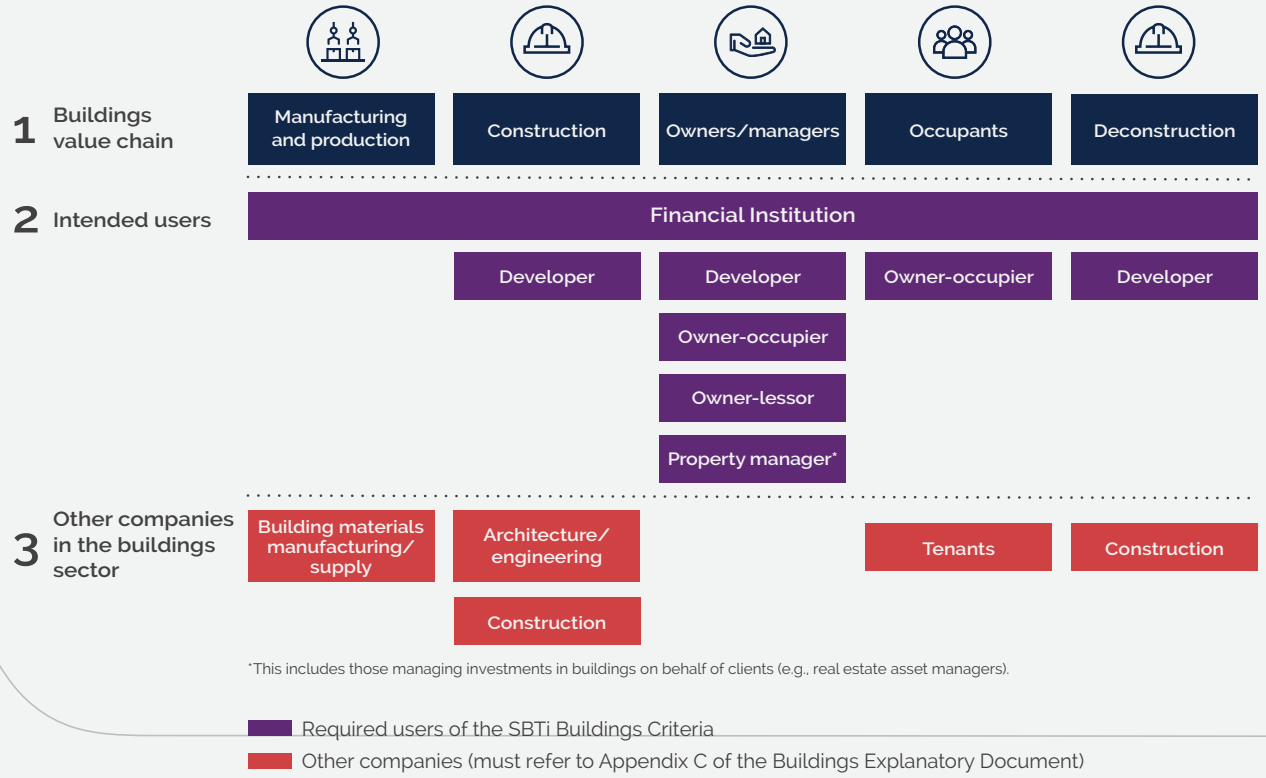
For which users is the criteria mandatory?

These criteria are intended to be used globally by those companies for whom buildings-related emissions are significant in relation to their overall activities (thresholds for in-use operational and upfront embodied emissions of new construct buildings set in Buildings-C1 and/or Buildings-C2) and classify for at least one of the intended user categories outlined in Buildings-C3 (and Figure 1).

Please note that entities identifying as small or medium-sized enterprises (SME) can use either the target validation route for SMEs or the SBTi Buildings Criteria, to set science-based targets. Please note that entities identifying as small or medium-sized enterprises (SME) can use either the target validation route for SMEs or the SBTi Buildings Criteria, if the thresholds included in Buildings-C1 or Buildings-C2 are met, to set science-based targets. Companies that do not satisfy any of the threshold conditions in Buildings-C1 and/or Buildings-C2 and/or do not fit into any of the user categories in Buildings-C3 can still use the SBTi Buildings Criteria, explanatory document and methods to set separate SBTs for their buildings-related emissions, but are not required to do so. The SBTi recommends companies use the most ambitious methods available to set SBTs.

Further information of the thresholds and intended user categories are laid out in the latter sections of this document.

Figure 1. Intended users within the buildings value chain



SECTOR-SPECIFIC CRITERIA AND RECOMMENDATIONS

SECTOR-SPECIFIC CRITERIA AND RECOMMENDATIONS

1.1 COMPANIES REQUIRED TO COMPLY WITH THE BUILDINGS CRITERIA

Buildings-C1 - Threshold for in-use operational emissions

Companies whose business activities meet any of the intended user categories in Buildings-C3 and whose in-use operational emissions from owned and/or managed buildings are at least 20% of their total scope 1, 2 and 3 category 1-14 emissions in their chosen base year shall apply these criteria in full and set a target on in-use operational emissions.

Entities identifying as an SME can use either the target validation route for SMEs or the SBTi Buildings Criteria to set science-based targets.

The conditions above and consequently the following relevant criteria in Section 1 of this document only apply to financial institutions (FIs) when the buildings-related emissions fall in its scope 1, 2 and 3 categories 1-14 (see Section 2 for criteria for setting SDA targets for financial institutions' buildings-related financed emissions).

BUILDINGS-C1			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-C2 - Threshold for upfront embodied emissions of new constructed buildings

Companies whose business activities meet any of the intended user categories in Buildings-C3 and whose upfront embodied emissions from new developments or acquisitions of a building as a first owner exceeded 20% of total Scope 1, 2, and 3 (categories 1-14) emissions in any one year within the three years prior to the year of target submission shall apply the criteria in full and set a target on upfront embodied emissions, in line with the timeframe specified in Buildings-C9.

Entities identifying as SME can use either the target validation route for SMEs or the SBTi Buildings Criteria to set science-based targets.

The conditions above and consequently the following relevant criteria in Section 1 of this document only apply to FIs when the buildings-related emissions fall in its scope 1, 2 and 3 categories 1-14 (see Section 2 for criteria for setting SDA targets for financial institutions' buildings-related financed emissions).

BUILDINGS-C2			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✗

Buildings-C3 - Intended user categorization

Companies shall apply the relevant target-setting criteria for all intended user types that are applicable to their business activities. Companies shall also briefly explain their choice of intended user categorization when submitting targets for validation.

These criteria and recommendations address the following user categories, while acknowledging that classifications might differ between markets and jurisdictions internationally:

- **Developer**
- **Owner-occupier**
- **Owner-lessor**
- **Property manager**
- **Financial institution (FI)***

BUILDINGS-C3			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

(*) The conditions above and consequently the following relevant criteria in Section 1 of this document only apply to FIs when the buildings-related emissions fall in its scope 1, 2 and 3 categories 1-14 (see Section 2 for criteria for setting SDA targets for financial institutions' buildings-related financed emissions). FIs shall follow the criteria of the intended user category that best describes their business activities.

1.2 PERMITTED TARGET-SETTING METHODS

Buildings-C4 - Permitted target-setting methods

Permitted target-setting methods for scope 1, 2 and 3 buildings-related emissions for buildings sector users are laid out in Tables 1a-1d.

Owner-occupiers and owner-lessors shall use the buildings in-use operational emissions SDA to set a target on their whole building in-use operational emissions, irrespective of whether these emissions are categorized as scopes 1, 2 or 3.

Table 1a. Permitted target-setting methods for whole building in-use operational emissions (scopes 1, 2, 3) for corporates

USER TYPE	SCOPE	EMISSIONS COVERED (EXAMPLES)	TARGET-SETTING METHODS						
			Sector-specific methods introduced in the criteria			Methods described in the SBTi Corporate Net-Zero Standard			
			In-use operational SDA	Upfront embodied SDA	Sector-specific absolute reduction	Absolute reduction 1.5°C (scope 3)	Absolute reduction WB2C* (scope 3)	Economic intensity* (scope 3)	Physical intensity (scope 3)
Owner-occupier	**Buildings-related scope 1 and 2**	**In-use operational emissions, as occurred in the reporting year**	✓	✗	✗	✗	✗	✗	✗
Owner-lessor	**Buildings-related scope 1 and 2, and scope 3 category 13**		✓	✗	✗	✗	✗	✗	✗
Developer	**Buildings-related scope 1 and 2, and scope 3 category 8 and/or 13[1]**		✓	✗	✗	✗	✗	✗	✗
Property manager[2]			✓	✗	✗	✓	✗	✓	✓

" Please note that absolute reduction and physical intensity methods are the most relevant target-setting methods for the buildings sector.

1 Buildings-related scope 1 and 2 emissions for developers and property managers can occur in their capacity as owner-occupiers, owner-lessors , or tenants of buildings (e.g., own offices).

2 Buildings-related scope 1 and 2 emissions for developers and property managers can occur in their capacity as owner-occupiers, owner-lessors , or tenants of buildings (e.g., own offices).

Table 1b. Permitted target-setting methods for other scope 1 and 2 emissions

SCOPE	EMISSIONS COVERED (EXAMPLES)	TARGET-SETTING METHODS						
		Sector-specific methods introduced in the criteria			Methods described in the SBTi Corporate Net-Zero Standard			
		In-use operational SDA	Upfront embodied SDA	Sector-specific absolute reduction	Absolute reduction 1.5°C (scope 3)	Absolute reduction WB2C (scope 3)	Economic intensity (scope 3)	Physical intensity (scope 3)
Other scope 1 and 2 of all user types	Direct emissions from all other scope 1 and 2 e.g., company cars, fleet vehicles, fuel and electricity use on construction sites	✗	✗	✗	✓	✗	✗	✗

Table 1c. Permitted target-setting methods for upfront embodied emissions of newly constructed buildings

SCOPE 3 CATEGORY	EMISSIONS COVERED (EXAMPLES)	TARGET-SETTING METHODS						
		Sector-specific methods introduced in the criteria			Methods described in the SBTi Corporate Net-Zero Standard			
		In-use operational SDA	Upfront embodied SDA	Sector-specific absolute reduction	Absolute reduction 1.5°C (scope 3)	Absolute reduction WB2C* (scope 3)	Economic intensity* (scope 3)	Physical intensity (scope 3)
Category 1: Purchased goods and services	Upfront embodied emissions	✗	✗	✗	✓	✗	✓	✓
Category 2: Capital goods	Upfront embodied emissions	✗	✓	✓	✓	✗	✗	✗
Category 14: Franchises	Upfront embodied emissions[3]	✗	✓	✓	✓	✗	✓	✓

" Please note that absolute reduction and physical intensity methods are the most relevant target-setting methods for the buildings sector.

3 Please note that in-use embodied emissions occurring in category 13 downstream leased assets do not form part of the minimum boundary for this category according to the GHG Protocol.

Table 1d. Permitted target-setting methods for other buildings-related scope 3 categories

SCOPE 3 CATEGORY	EMISSIONS COVERED (EXAMPLES)	TARGET-SETTING METHODS						
		Sector-specific methods introduced in the criteria			Methods described in the SBTi Corporate Net-Zero Standard			
		In-use operational SDA	Upfront embodied SDA	Sector-specific absolute reduction	Absolute reduction 1.5°C (scope 3)	Absolute reduction WB2C (scope 3)	Economic intensity (scope 3)	Physical intensity (scope 3)
Category 1: Purchased goods and services	In-use embodied emissions, as occurred in the reporting year	✗	✗	✗	✓	✓[6]	✓	✓
Category 11: Use of sold products	In-use operational emissions in managed spaces, as occurred in the reporting year[4]	✓	✗	✗	✗	✗	✗	✗
	Lifetime in-use operational emissions of sold buildings (in the reporting year)	✗	✗	✗	✓	✗	✓	✓
	Lifetime in-use embodied emissions of sold buildings (in the reporting year)[5]	✗	✗	✗	✓	✓[6]	✓	✓
Category 12: End-of-life treatment of sold products	End-of-life emissions of sold buildings (in the reporting year)	✗	✗	✗	✓	✓	✓	✓
Category 13: Downstream leased assets	In-use embodied emissions from renovation or retrofit activities purchased by a tenant, as occurred in the reporting year[7]	✗	✗	✗	✓	✓[6]	✓	✓

4 For property managers. May also be categorized under scope 3 category 13 downstream leased assets.

5 Please note that in-use embodied emissions occurring in category 11 use of sold products do not form part of the minimum boundary for this category according to the GHG Protocol.

6 Allowing the well-below 2°C method for in-use embodied emissions can help to encourage renovations over new building construction as this method requires less steep emissions reductions than the 1.5°C upfront embodied emissions SDA method.

7 Please note that in-use embodied emissions occurring in category 13 downstream leased assets do not form part of the minimum boundary for this category according to the GHG Protocol.

BUILDINGS-C4			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-C5 - Choosing pathways

When using the buildings SDAs, users shall select the most appropriate building typology and geographic location, and shall adhere to the SBTi Buildings Target-Setting Tool on choosing an appropriate pathway (selecting building typologies and geographies), including available guidance for when a named pathway is not available.

Buildings that are not covered by the building typologies and/or geographies provided in the latest version of the tool shall use the 'Other' pathway.

Note: 29% of SBTi-CRREM in-use operational pathways, included in the Buildings Target-Setting Tool, were tested using real-world data via pilot testing by volunteer companies. All these pathways have gone through a public consultation phase organized by CRREM and have been reviewed by the SBTi in 2022. CRREM-SBTi in-use operational pathways were published on CRREM's webpage in January 2023 and have been used for climate risk assessment purposes since then. The SBTi will monitor the efficacy of the untested pathways during the validation process, which may cause slight delays or requests for additional information. In the event of the SBTi Buildings Target-Setting Tool giving errors, outputting unexpected or incorrect values such as negative reduction rates, please visit the SBTi buildings webpage for possible updates. If needed, contact buildings@sciencebasedtargets.org providing as many details as possible including any tools used.

BUILDINGS-C5			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

1.3 GHG ACCOUNTING AND TARGET BOUNDARIES

Buildings-C6 - Whole building approach

Companies shall include all emissions arising from operational energy consumption from both landlord and tenant-controlled spaces within target boundaries, regardless of their chosen GHG boundary consolidation approach and consequent allocation of emissions across their inventory. The significance threshold and allowable exclusions apply as per the SBTi's general criteria, and can include building-related emissions targets.

Property managers shall adhere to the whole building approach if they set an SDA target for in-use operational emissions.

BUILDINGS-C6			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓[8]

Buildings-C7 - Fugitive emissions

Companies shall include fugitive emissions, from all building types, within their in-use operational emissions and as part of both their GHG inventory and target boundaries.

BUILDINGS-C7			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-R1 - Location-based accounting approach

Companies should adopt the location-based approach when setting an in-use operational SDA target.

BUILDINGS-R1			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

8 Mandatory when setting an in-use operational target using the SDA.

Buildings-C8 - Required scope 3 categories

All companies are required to report emissions that are applicable to their user type. For each user type and scope 3 category, these emissions may either be covered in the target boundary of a company's buildings SDA target when the corresponding thresholds for Buildings-C1 or Buildings-C2 are triggered, or in the boundary of a company's cross-sector target where applicable.

Companies that trigger Buildings-C1 and/or Buildings-C2 and have less than 40% of their total emissions in scope 3 shall cover all required emissions from the user-types included in the threshold determination within their target boundary. Coverage requirements of emissions outside of these applicable buildings-related emissions sources shall follow the cross-sector or eligible sector-specific criteria. The table below shows the relationship between user type, reporting category, and applicable target-setting methodologies.

All emissions categories required per user type are outlined in Table 2. These emissions shall be included in either the target boundary of a company's buildings SDA targets if required, or in their cross-sector target when applicable.

Table 2. Required near-term targets over scope 3 categories for buildings sector criteria users

INTENDED USER	SCOPE 3 CATEGORY	EMISSIONS (EXAMPLES)
Developer	**Category 1:** Purchased goods and services and/or **Category 2:** Capital goods	Upfront embodied emissions of new buildings
	Category 11: Use of sold products	Lifetime in-use operational emissions of sold buildings (in the reporting year)
Owner-occupier	**Category 2:** Capital goods	Upfront embodied emissions of new buildings acquired in the reporting year - only if first owner of a building
Owner-lessor	**Category 2:** Capital goods	Upfront embodied emissions of new buildings purchased in the reporting year - only if first owner of a building
	Category 13: Downstream leased assets	In-use operational emissions in tenant-controlled spaces in the reporting year (where not already in scope 1 or 2 using the whole building approach)
Property manager[9]	**Category 11:** Use of sold products	In-use operational emissions in buildings managed for clients, as occurred in the reporting year (where not in scope 1, 2, or other scope 3 category)

9 Some property managers may choose to include emissions from tenant-controlled spaces in scope 3 category 13 (downstream leased assets) instead of category 11, under interpretation of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, 2011. In this case, the same principles would apply to the user's target boundary, i.e., category 13 would be required for these users.

BUILDINGS-C8			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-C9 - Base year for upfront embodied emissions targets

The base year for upfront embodied emissions targets shall be no earlier than three years prior to the year of target submission.

BUILDINGS-C9			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✗

Buildings-R2 - Additional disclosure of upfront embodied emissions of completed developments

Developers using method 1 (accounting for the amount of construction completed that year) for accounting and target setting should report the upfront embodied carbon intensity of their completed developments as an additional disclosure to increase transparency and data availability in the sector.

BUILDINGS-R2			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✗

Buildings-R3 - Upfront embodied emissions of franchises

Users in the scope of the criteria that are also franchisors should include an optional scope 3 target on the upfront embodied emissions of new buildings constructed as franchises.

BUILDINGS-R3			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-C10 - Denominator for intensity-based targets

The intensity pathway for the buildings SDAs shall be expressed in terms of $kgCO_2e/m^2$. For the calculation of intensities, which require a consistent floor area definition as a denominator, the floor area definition used shall be applied consistently to a company's GHG accounting and across base and target years. In determining floor area, common areas (e.g., corridors, public lobbies, etc.) shall be included in accordance with the whole building approach.

BUILDINGS-C10			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-R4 - Calculating floor area

Companies should align to international standards when calculating the floor area, such as the International Property Measurement Standard (IPMS).

BUILDINGS-R4			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-C11 - Building lifetime assumptions

Users accounting for scope 3 category 11 use of sold products shall provide the building lifetime assumptions used as part of the evidence provided in the submission. If a company chooses to use another lifetime estimate than what is recommended in Buildings-R5, the lifetime assumptions they are using shall be explained.

BUILDINGS-C11			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✗	✗	✗

Buildings-R5 - Recommendation for building lifetime assumptions

Users accounting for scope 3 category 11 use of sold products should use a minimum building lifetime figure of 60 years in their calculations.[10]

BUILDINGS-R5			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✗	✗	✗

Buildings-R6 - Grid decarbonization

Users should use projections for future grid decarbonization in the determination of their use of sold products emissions. Projections used should be referenced and justified. Where grid decarbonization projections are not considered in calculations, justification for this omission should be provided in the submission.

BUILDINGS-R6			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✗	✗	✗

10 60 years is the indicative lifetime as per EN15978 and RICS Guidance.

1.4 TARGET AGGREGATION AND VALIDATION

Buildings-C12 - Target aggregation

When using the buildings SDAs, companies whose portfolios contain assets across multiple geographies and/or typologies shall aggregate their targets to obtain overall reduction targets. Targets for in-use operational and upfront embodied emissions shall be kept separate.

Companies shall provide SBTi target-setting tools to justify the sufficient ambition of sub-targets which contribute to aggregated targets.

BUILDINGS-C12			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-R7 - Base years for upfront embodied and operational in-use emissions

Companies should keep both the selected base year data and the method used to calculate a base year consistent across scopes 1, 2 and 3, for use of the pathways and all buildings-related target-setting.

Companies using different base years for different targets or a rolling base year may be required to provide additional evidence in validation to prove that it meets the 67% requirement for scope 3 target coverage.

BUILDINGS-R7			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

1.5 ADDITIONAL DISCLOSURE TO INCREASE TRANSPARENCY

Buildings-C13 - Disclosing buildings-related emissions with the location-based approach

If the market-based approach is chosen for target-setting, companies shall also measure and report their whole building in-use operational emissions using the location-based approach, as an additional mandatory disclosure as a separate line item in their annual GHG inventory.

BUILDINGS-C13			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-R8 - Additional disclosure for increased transparency

Companies should disclose the following information to improve transparency on how emissions reductions were achieved in each reporting year:

- Emissions reductions from decarbonization of assets, (i.e., by using the like-for-like approach).
- Absolute emissions from assets divested in the reporting period.

BUILDINGS-R8			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✗

Buildings-R9 - Disclosure of absolute emissions

In order to demonstrate that intensity targets also lead to absolute emissions reductions, and to demonstrate progress through sufficiency measures, companies whose targets are expressed in intensity terms should publish the absolute emissions reductions that will be achieved by their targets.

BUILDINGS-R9			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

1.6 ADDITIONAL COMMITMENTS

Buildings-C14 - No new fossil fuel equipment

Companies required to use the SBTi Buildings Criteria to set targets shall publicly commit to install no new fossil fuel equipment that is owned or financially controlled by the company in their buildings portfolios from 2030, at the latest.

This commitment is focused on fossil fuel systems owned or financially controlled by the target-setting entity that are used in buildings for space heating, cooking, power generation and hot water. It applies to both existing and new buildings. Emergency and back-up systems, such as those used by the healthcare sector, or specific uses in other sectors where required for regulatory reasons or other local restrictions as critical, are exempt from this commitment. This commitment means that when the current fossil fuel installations in the buildings reach the end of their lifetime, they would not be renewed but instead replaced with technologies that do not demand fossil fuels.

Commitment language will be posted on the SBTi website, along with the target language, and shall take the following form:

> "[Company X/FI name] commits to install no new fossil fuel equipment that are owned or financially controlled by the company in its buildings portfolios from [DATE]."

Companies that do not own or financially control fossil fuel equipment in their buildings portfolio may use exemption language that should take the following form:

> "[Company X/FI name] does not own or financially control any fossil fuel equipment in its buildings portfolio."

Companies may provide additional context for their commitment as part of their annual reporting. The content of this additional information is not validated by the SBTi.

BUILDINGS-C14			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

Buildings-R10 - Energy efficiency commitments

Users setting targets over buildings related emissions should make a public commitment to implement energy efficiency improvements. These commitments should be inclusive of all buildings in scope of their emissions reduction targets. Additional commitments over energy efficiency improvements are not within the scope of the SBTi target validation process.

BUILDINGS-R10			
DEVELOPER	OWNER-OCCUPIER	OWNER-LESSOR	PROPERTY MANAGER
FIs SHALL FOLLOW THE REQUIREMENTS OF THE SUITABLE USER CATEGORY (FOR SCOPES 1, 2 AND 3 CATEGORIES 1-14)			
✓	✓	✓	✓

ADDITIONAL CRITERIA AND RECOMMENDATIONS FOR FINANCIAL INSTITUTIONS' FINANCED EMISSIONS

ADDITIONAL CRITERIA AND RECOMMENDATIONS FOR FINANCIAL INSTITUTIONS' FINANCED EMISSIONS

These sector-specific criteria are in addition to the SBTi's Criteria for Financial Institutions. The SBTi strongly recommends that FIs thoroughly review the SBTi Financial Institutions' Near-Term Criteria and SBTi Financial Sector Near-Term Science-Based Targets Explanatory Document before developing targets.

FIs shall adhere to all relevant criteria and recommendations in Section 1 above when submitting their targets for validation.

2.1 TARGET-SETTING

Buildings-FI-C1 - Determining the applicable methods and criteria

- Equity REITs, defined as real estate companies that own and/or manage income-generating properties and lease them to tenants, shall pursue the regular target validation route for companies and shall refer to the criteria in Section 1 of this document when setting targets.
- FIs shall follow the criteria in Section 1 when they also satisfy another intended user category (e.g., owner-occupier), and it is the buildings-related emissions from the activity of that intended user type that is subject to the conditions in Buildings-C1, threshold for in-use operational emissions, or Buildings-C2, threshold for upfront embodied emissions of new constructed buildings, not the FIs' financed emissions.
- FIs with buildings-related emissions in their financed emissions (scope 3 category 15) are asked to refer to the SBTi Financial Institutions' Near-Term Criteria for an overview of the methods by relevant asset class, followed by a description of each method.
- When an FI is required to or chooses to use the SDA methodology for its buildings-related financed emissions, it shall follow the criteria outlined in the Buildings Criteria Section 2, Additional Criteria and Recommendations for Financial Institutions' Financed Emissions.

Buildings-FI-C2 - Whole building approach for FIs

When FIs decide to use the sector-specific intensity convergence (SDA) method for their financed buildings-related operational emissions, they shall abide by the whole building approach, accounting for their proportional share of whole building in-use operational emissions.

2.2 UPFRONT EMBODIED EMISSIONS DISCLOSURE

Buildings-FI-R1 - Upfront embodied emissions disclosure

FIs should disclose the financed upfront embodied carbon intensity of buildings they acquire as owners, or re/finance as an additional disclosure, to increase transparency and data availability in the sector.

TARGET MAPPING FLOWCHARTS FOR USERS OF THE SBTi BUILDINGS CRITERIA

TARGET MAPPING FLOWCHARTS FOR USERS OF THE SBTi BUILDINGS CRITERIA

DISCLAIMER

The target mapping flowcharts provided in this section are intended to serve as indicative tools to assist users in understanding and applying the criteria. These maps are illustrative and should not be considered exhaustive or definitive. Users are responsible for ensuring that the targets submitted for validation adhere to all relevant criteria as outlined in Sections 1 and Section 2 in this document.

INSTRUCTIONS

The target mapping flowcharts provided in this section are designed to help users understand and apply the criteria effectively. Special footnotes are added when emissions exceed the minimum boundary defined by the GHG Protocol. The classification of users within the scope of these criteria is outlined in Buildings-C3.

Users in the scope of the criteria may navigate through the flowcharts to explore how to estimate GHG emissions, their reporting and what target-setting methods are required and/or apply.

Figure 2. Simplified illustration of the flowcharts

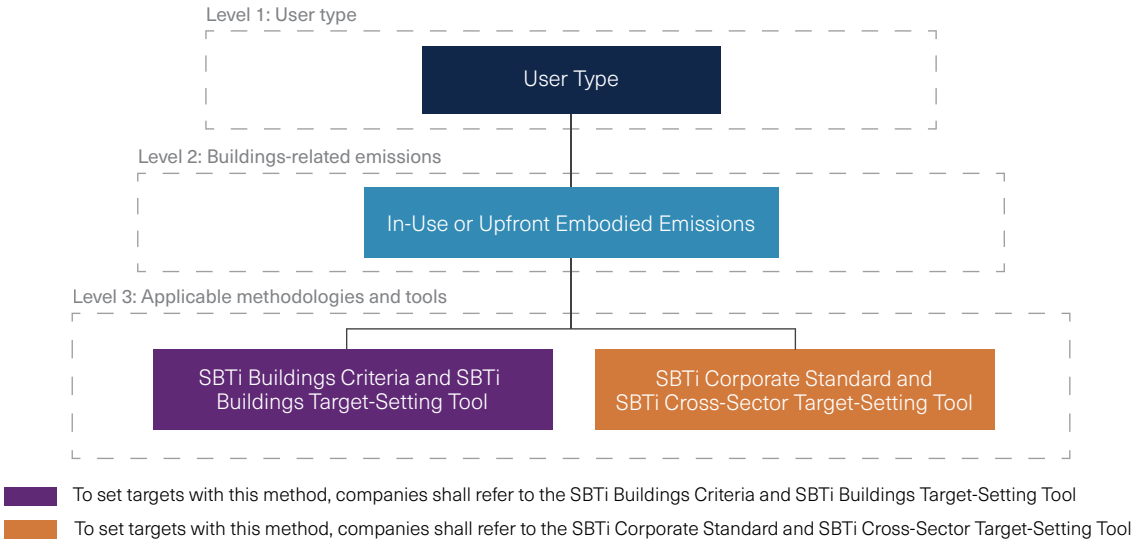
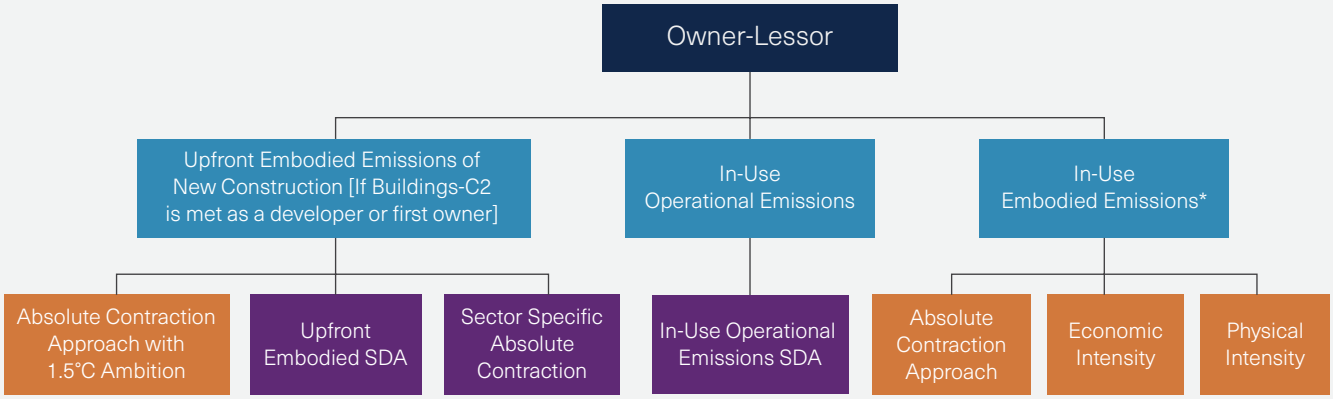


Figure 3. Target mapping flowchart for owner-lessor

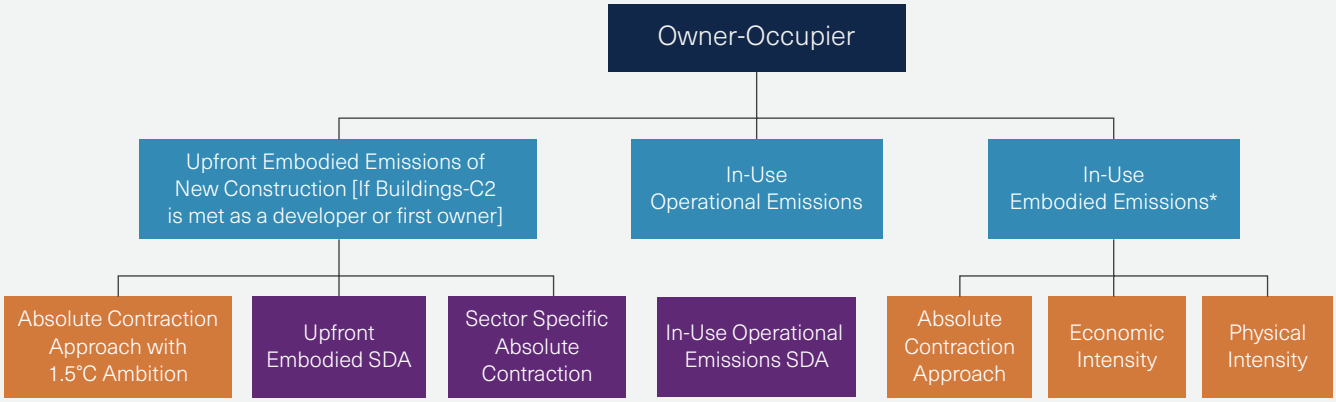


To set targets with this method, companies shall refer to the SBTi Buildings Criteria and SBTi Buildings Target-Setting Tool

To set targets with this method, companies shall refer to the SBTi Corporate Standard and SBTi Cross-Sector Target-Setting Tool

* Note that some portion of the in-use embodied emissions occurring may not form part of the minimum boundary according to the GHG Protocol.

Figure 4. Target mapping flowchart for owner-occupier

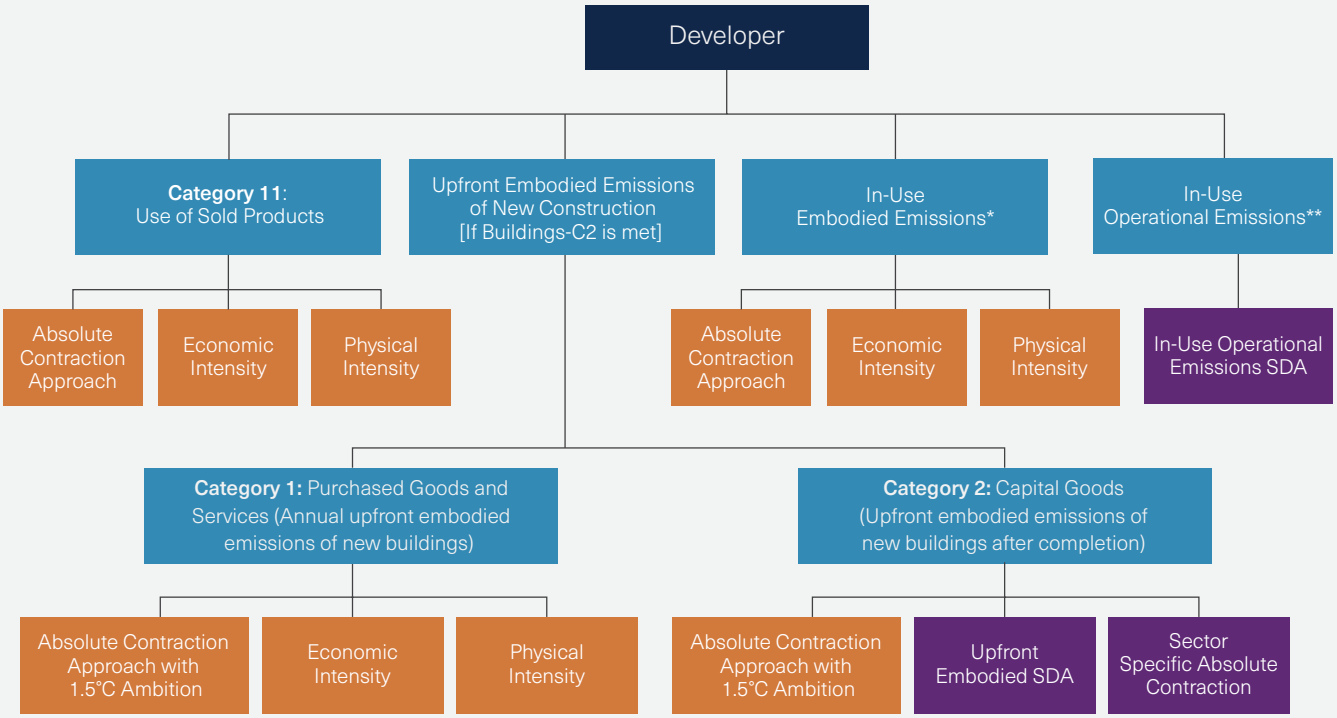


To set targets with this method, companies shall refer to the SBTi Buildings Criteria and SBTi Buildings Target-Setting Tool

To set targets with this method, companies shall refer to the SBTi Corporate Standard and SBTi Cross-Sector Target-Setting Tool

* Note that some portion of the in-use embodied emissions occurring may not form part of the minimum boundary according to the GHG Protocol.

Figure 5. Target mapping flowchart for developer

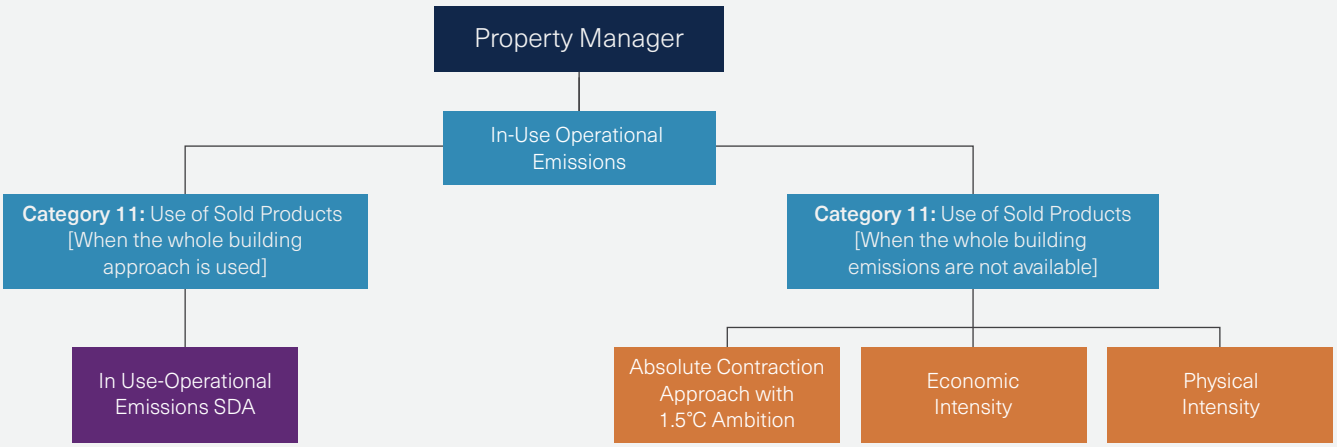


To set targets with this method, companies shall refer to the SBTi Buildings Criteria and SBTi Buildings Target-Setting Tool

To set targets with this method, companies shall refer to the SBTi Corporate Standard and SBTi Cross-Sector Target-Setting Tool

* Note that some portion of the in-use embodied emissions occurring may not form part of the minimum boundary according to the GHG Protocol.
**If Buildings-C1 is met, the developer will be further classified as owner-lessor and/or owner-occupier and/or property manager.

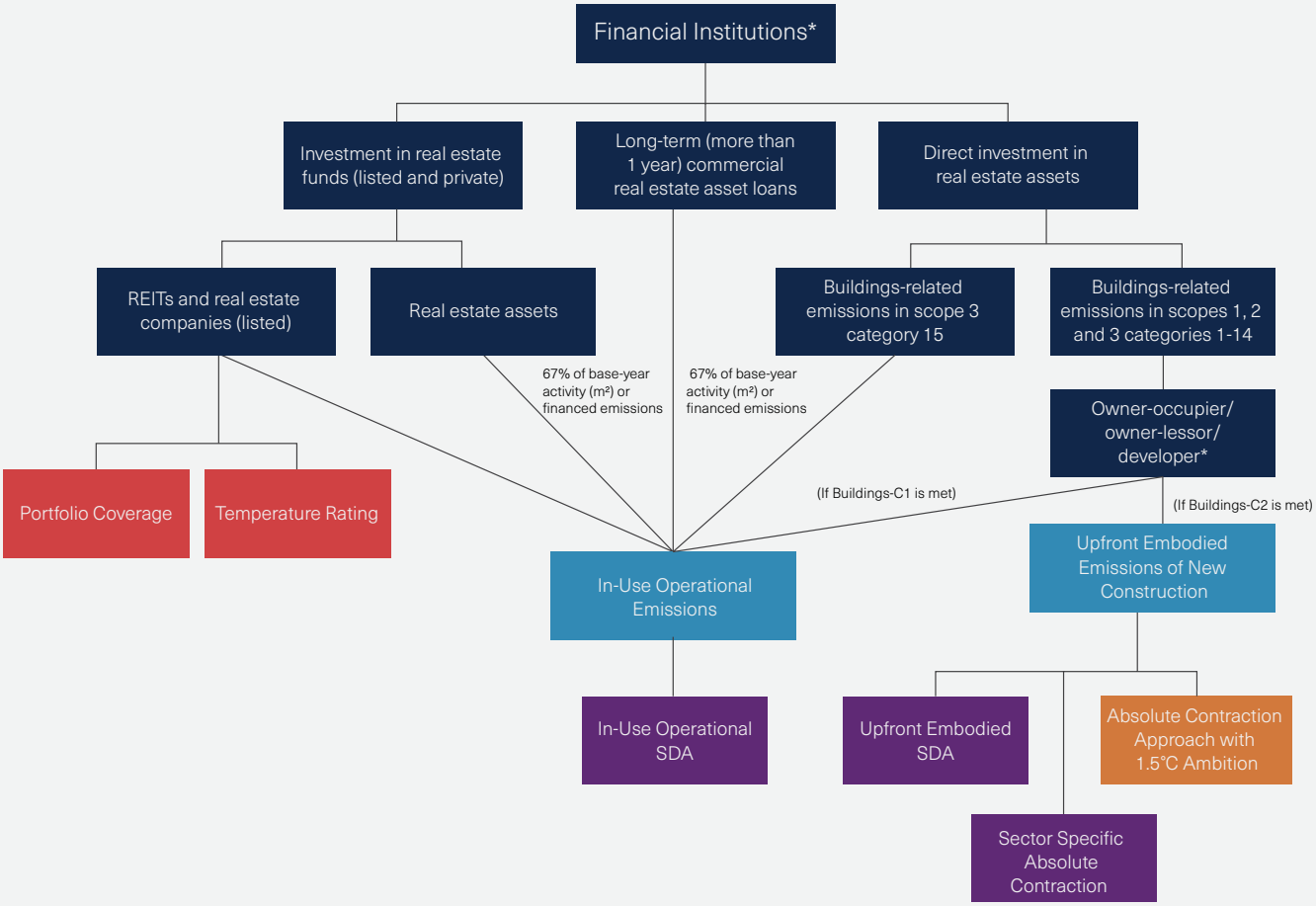
Figure 6. Target mapping flowchart for property manager



To set targets with this method, companies shall refer to the SBTi Buildings Criteria and SBTi Buildings Target-Setting Tool

To set targets with this method, companies shall refer to the SBTi Corporate Standard and SBTi Cross-Sector Target-Setting Tool

Figure 7. Target mapping flowchart for FIs



To set targets with this method, companies shall refer to the SBTi Buildings Criteria and SBTi Buildings Target-Setting Tool

To set targets with this method, companies shall refer to the SBTi Corporate Standard and SBTi Cross-Sector Target-Setting Tool

To set targets with this method, companies shall refer to the SBTi Financial Institutions' Near-Term Criteria

* For simplicity, the flowchart only covers required FI activities. For optional activities, FIs may use either methods described in the Financial Institutions' Near-Term Criteria or Buildings Criteria depending on the activity. For more information, see the Financial Institutions' Near-Term Criteria.

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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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