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SBTi Services Commitment Compliance Policy

CET-PRO 004 / Version 4.0

October 2024

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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SBTi SERVICES

ABOUT SBTI SERVICES

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

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

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

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

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VERSION HISTORY

Version	Change/update description	Release date	Effective dates
[1.0]		December 2018	From December 2018 to 15 April 2020
[2.0]		April 2020	From 15 April 2020 to 30 Jan 2023
3.0		November 2022	From 31 Jan 2023 onwards
4.0	References to the commitment process updated to reflect the SBTi Services Validation Portal launch. References to Science Based Targets initiative and SBTi Services clarified. References to historic opt-out policy timeline removed due to timeline irrelevance.	October 2024	From 22 October 2024 onwards

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I. Introduction

By setting a commitment, a company or financial institution indicates that it "will work to set a science-based emission reduction target aligned with the Science Based Targets initiative's target-setting criteria".

This protocol establishes the policy for companies and financial institutions to comply with their commitments and clarifies the different commitment statuses.

This Compliance Policy Version 4.0 takes effect on 22 October 2024 and supersedes all earlier versions.

II. Commitment types

Companies and financial institutions can commit to the Science Based Targets initiative by making a **near-term commitment** or a **net-zero commitment** (Endnote 1).

III. Complying with Commitment

Companies and financial institutions commit to setting science-based targets via the SBTi Services Validation Portal.

Companies and financial institutions committed to setting science-based targets will be publicly recognized as "Committed" on the website.

Companies and financial institutions with near-term or net-zero commitments have 24 months to:

1. Develop a science-based target aligned with the Science Based Targets initiative criteria
2. Submit the target for official validation via the SBTi Services Validation Portal.

The 24-month commitment period begins the day that the commitment is made and is due on the last day of the same month, 24 months hence (e.g., a 20 July 2021 commitment would expire 31 July 2023).

Making a new commitment does not change the deadline of the original commitment.

IV. Commitment Status

Commitment status

The Science Based Targets initiative discloses commitment information and publishes the status of the commitment. This information is displayed on the Science Based Targets initiative Target Dashboard and in the data download. The commitment status indicates whether a commitment is still active and within the time frame, has been fulfilled, or has been removed.

Descriptions of commitment status are outlined below.

Active commitments

Companies and Financial Institutions that commit to set science-based targets have 24 months to submit targets to SBTi Services for validation. During this period, the commitment will be listed on the Science Based Targets initiative Target Dashboard as "active."

Companies will continue to be listed as "active" if targets have been submitted within the commitment time frame but are still awaiting target approval.

Extended and pending commitments

There are limited cases in which a commitment will still be considered active outside of the commitment time frame. These commitments may be labeled "extended".

Commitments may be extended due to:

- Legacy extensions - extensions granted through previous policy versions are honored
- Transitory grace period - see Applicability section
- Deviations – deviations from this policy due to technical reasons (see Miscellaneous section)

Target set

A company's commitment is fulfilled when the company submits a target within the commitment time frame and, after completion of the validation process, the company has a target in line with the level of ambition of the commitment approved by SBTi Services.

NOTE: Companies' target submissions must comply with the latest criteria and guidance regardless of the date of commitment.

Removed commitments

Removed commitments will be indicated as such on Science Based Targets initiative Target Dashboard, downloadable data, and other channels as appropriate. Commitments may be removed due to, but not limited to, the following:

- Expired commitment - company did not submit targets within commitment time frame and/or did not reach successful validation of their targets according to their commitment.
- Withdrawn commitment - company withdraws its commitment.
- Company change - company ceases to exist, company merged with or acquired by another company, parent company submits target instead.

Companies with a "removed commitment" status will be changed to "target set" upon successful validation of their targets.

Companies with a removed commitment will not be allowed to commit to the same commitment status again; however, they are welcome and strongly encouraged to submit targets for validation.

V. Miscellaneous

Updating entity information: The Science Based Targets initiative reserves the right to update the name and sector of an entity on the Science Based Targets initiative Target Dashboard in line with changes to the entity. An entity's commitment will remain effective despite name and sector changes.

Extensions: No extensions will be granted on a case-by-case basis.

Deviations: The Science Based Targets initiative reserves the right to pause receiving commitments or to deviate from the time frame described in this policy whenever the

Science Based Targets initiative's ability to ensure the integrity of targets from a particular sector depends on the development or revision of sector-specific resources or other technical developments.

Legacy extensions: Companies with previously granted extensions will have those extensions honored. Legacy extensions may have been granted under special circumstances or given extensions of 12 months in the case of the following limited circumstances: i) companies that committed to Science Based Targets initiative prior to 15 April 2020 or ii) companies previously committed to Science Based Targets initiative that upgraded to BA1.5. Please refer to previous versions of the policy and Endnote 2 for details.

Small and medium enterprises (SMEs): Please note that SMEs cannot set a commitment. SMEs have a streamlined route for target setting that enables them to bypass the initial stage of committing to set a science-based target and the standard target validation process. For further information, please see the Science Based Targets initiative's Frequently Asked Questions for SMEs.

Updating commitments: Companies may increase the ambition of their commitment and can do so via the SBTi Services Validation Portal.

VI. Applicability

New commitments

The new policy applies to all companies making a commitment after 31 Jan 2023.

Active commitments

For companies with commitments that are still active prior to 31 Jan 2023, the Commitment Compliance Policy V3.0 will supersede previous policies starting on 31 Jan 2023.

Expired commitments

Companies with commitments that expire before the new policy enters into force will automatically be granted a one-off six-month grace period to fulfill their commitment. In these cases, the status of their commitment will be marked as "extended" starting on 31 Jan 2023 with the deadline for target submission of 31 July 2023.

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VII. Annex: Endnotes

Endnote 1

Previously, companies could join the Science Based Targets initiative through the Business Ambition for 1.5C Campaign. Through the Business Ambition for 1.5C Campaign, companies were able to commit to Option 1) near-term 1.5C targets across all three scopes, Option 2) net-zero targets, or both Option 1&2.

Companies should pay careful attention to the type of commitment they have made and ensure that targets submitted for validation are compliant with the commitment made.

Table 1: SBTi Services Commitment Types

Commitment types	Description	Sign-on period
Near-Term	Commitment to set near-term target	Ongoing
Net-Zero	Commitment to set net-zero target	28 Oct 2021 - Present
Business Ambition for 1.5C Option 1	Commitment to set near-term 1.5C targets across all scopes	June 2019 - 28 Oct 2021
Business Ambition for 1.5C Option 2	Commitment to set net-zero target	June 2019 - 28 Oct 2021
Business Ambition for	Commitment to set near-term 1.5C targets across all scopes and to set net-zero targets	June 2019 - 28 Oct 2021

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1.5C Option 1 & 2		

Endnote 2

Table 2: Commitment Time Frame Overview

Commitment Types	Sign-on period	Commitment		Timeline for target submission
		Near-Term	Net-Zero	
Near-Term	Ongoing	Yes		24 months
Net-Zero	28 Oct 2021 - Present		Yes	24 months
Business Ambition for 1.5C Option 1	June 2019 - 28 Oct 2021	Yes - 1.5C across all scopes		24 months
Business Ambition for 1.5C Option 2	June 2019 - 28 Oct 2021		Yes	Corporates: 31 Jan 2024 Financial Institutions: 24 months from Financial Institutions Net-Zero launch
Business Ambition for 1.5C Option 1&2	June 2019 - 28 Oct 2021	Yes - 1.5C across all scopes	Yes	Corporates: 31 Jan 2024 Financial Institutions: 24 months from Financial Institutions Net-Zero launch

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