

# Science Based Targets initiative Commitment Compliance Policy

CET-PRO 003 / Version 3.0

November 2022

## I. Introduction

The Science Based Targets initiative (SBTi) is committed to ensuring publicly committed companies and financial institutions deliver on their commitment to develop science-based emissions reductions targets in line with the latest climate science.

By signing the [SBTi Commitment Letter](#), a company or financial institution indicates that it “will work to set a science-based emission reduction target aligned with the SBTi’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 3.0 takes effect on 31 Jan 2023 and supersedes all earlier versions.

## II. Commitment Types

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

## III. Complying with Commitment Letter

Companies and financial institutions commit to setting science-based targets by signing the SBTi Commitment Letter.

Companies and financial institutions committed to setting science-based targets will be publicly recognized as "Committed" on our [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 SBTi criteria
2. Submit the target to the SBTi for official validation by booking a target validation slot via the [SBTi booking system](#) and submitting a completed target submission form.

The 24-month commitment period begins the day that the commitment letter is signed 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).

Signing a new commitment letter does not change the deadline of the original commitment.

## IV. Commitment Status

### Commitment status

The SBTi discloses commitment information and publishes the status of the commitment. This information is displayed on the SBTi 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 the SBTi for validation. During this period, the commitment will be listed on the SBTi 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 the SBTi.

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 SBTi 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 SBTi reserves the right to update the name and sector of an entity on the SBTi 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 SBTi reserves the right to pause receiving commitments or to deviate from the time frame described in this policy whenever the SBTi’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 SBTi prior to 15 April 2020 or ii) companies previously committed to SBTi 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 [SBTi’s Frequently Asked Questions for SMEs](#).

**Updating commitments:** Companies may increase the ambition of their commitment and can do so by submitting a new SBTi Commitment Letter and notifying [commitments@sciencebasedtargets.com](mailto:commitments@sciencebasedtargets.com) of the upgrade.

## VI. Applicability

### New commitments

The new policy applies to all companies signing the SBTi Commitment Letter 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.

### Opt-out of new policy

If a company with an active or expired commitment signed under the previous policy would like to opt out of this new policy, it can do so by withdrawing its commitment before 31 Jan 2023. The company must formally notify [commitments@sciencebasedtargets.org](mailto:commitments@sciencebasedtargets.org) before the new policy enters into force and the commitment will be eliminated from the SBTi Target Dashboard by 31 Jan 2023. If a company does not opt out it is therefore considered that it is adhering to the new policy.

## VII. Document History

Version	Change/Update Description	Date published	Effective Dates
<a href="#">1.0</a>		December 2018	From December 2018 to 15 April 2020
<a href="#">2.0</a>		April 2020	From 15 April 2020 to 30 Jan 2023
<b>3.0</b>	Alignment of commitment deadlines, simplification of commitment types, and introduction of commitment status	November 2022	From 31 Jan 2023 onwards

## VIII. Annex: Endnotes

### Endnote 1

Previously, companies could join the SBTi 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 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 1.5C Option 1 & 2	Commitment to set near-term 1.5C targets across all scopes and to set net-zero target	June 2019 - 28 Oct 2021

## 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