



2026 Science-Based Targets - The reset moment

- Practical target-setting advice
- Reviewing and updating targets: deadlines and expected challenges
- What you can do now to prepare

Prepared by
IMS Transition & Finance

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Are your Science-Based Targets coming up for review?

What are Science-Based Targets?

Science-Based Targets (SBTs) have become the global benchmark for credible corporate decarbonization. Since they were introduced by the Science-Based Targets initiative (SBTi) in 2015, 10,000 companies have set and validated their targets, representing billions in revenue and millions of tonnes of emissions. The SBTi validates targets using a range of standards which have evolved over time (see Appendix 1 for an overview).

Mandatory review of SBTi-validated targets

In 2019, the SBTi introduced a requirement for mandatory target reassessment every 5 years. Since its introduction, 2025 was effectively the first year in which the mandatory review requirement was enforced by the SBTi. **For many, especially early adopters, the first deadlines for reviewing and potentially updating targets are approaching quickly.** Failure to submit the outcomes of a target review can result in the loss of the “approved” status, which may affect CDP ratings, investor perception, and credibility.



What does a target review involve?

A target review involves the reassessment of SBTi approved targets that have been valid for 5 years against current SBTi requirements. A review doesn't automatically mean the targets will need updating. If the review finds that your targets are aligned with current SBTi guidance, confirmation may be sufficient. However, as there have been significant changes to the SBTi criteria over time, it's important to be prepared to update the targets according to the current requirements. It is also critical to be proactive in the reassessment to meet SBTi deadlines and maintain the target validity (see the target review deadlines in our [Practical guide](#)).

Benefits of conducting a target review

- Ensures continued alignment with the latest SBTi criteria and scientific understanding
- Allows companies to maintain SBTi-approved status and avoid last-minute remediation
- Increases confidence in targets among investors, customers, and rating agencies
- Helps identify gaps in Scope 3 coverage and decarbonisation pathways early
- Creates a clear basis for future net-zero and transition planning



Target review: a practical guide

Start early to meet the deadlines

- The target review cycle is triggered **after 5 years** from the initial validation of the targets.
- From the “trigger date”, companies should conduct a review and submit its outcomes within **6 months**.
- If the targets no longer meet the current SBTi criteria, companies will then need to submit updated targets within **12 months from the trigger date**.

Assess the need for updating targets

- Companies approved under older criteria will likely need to align their targets with today's more stringent standards (the main difference can be found in [Appendix 2 - Early criteria vs current requirements](#)).
- Companies should re-evaluate: emissions baseline, organisational boundaries, and Scope coverage, including Scope 3 materiality, the decarbonisation pathway, including climate transition plans.

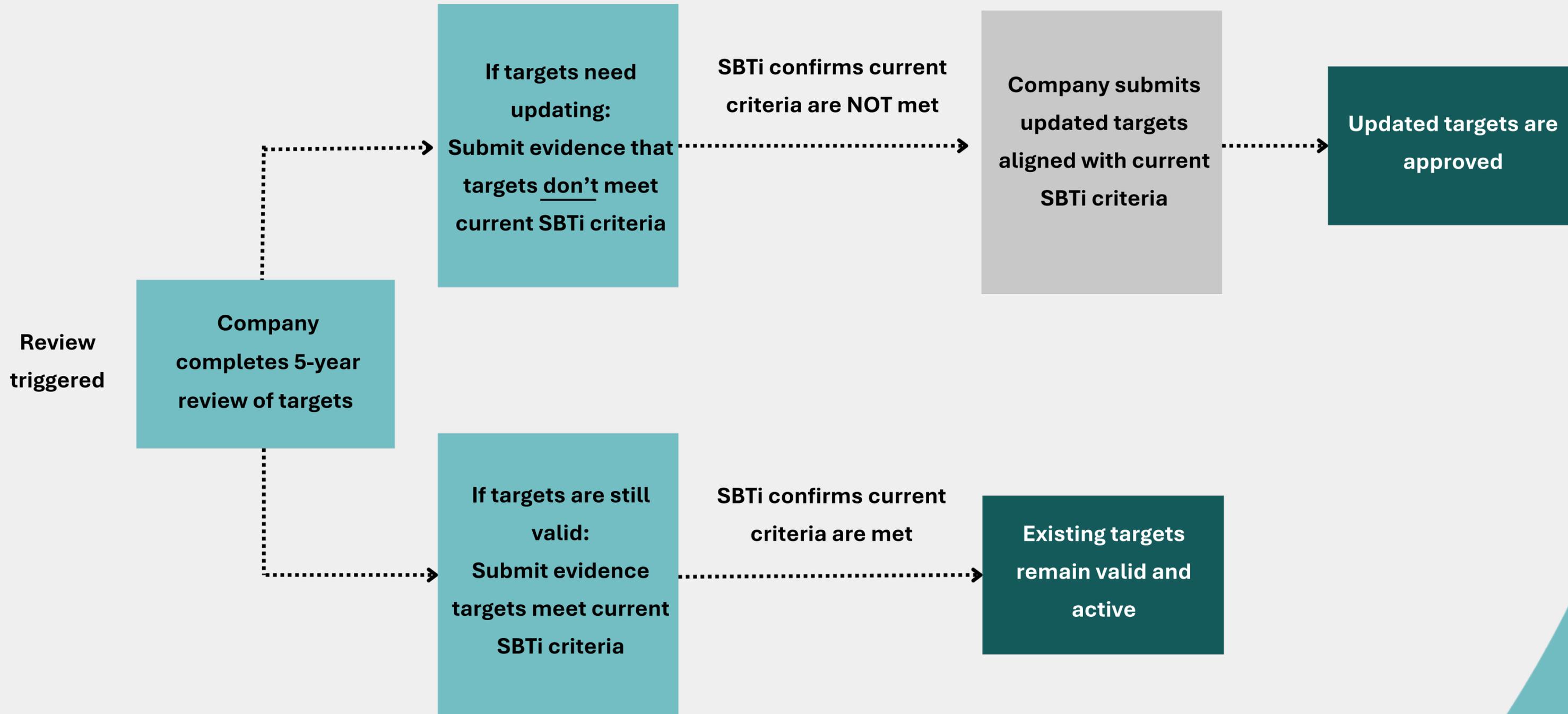
Check if extensions apply to your case

- SBTi allows extensions to the review timeframe in specific cases (e.g. where the target end year falls within **24 months** of the 5-year review).
- Extensions of up to **18 months** (from the original review date) can also be requested if an SBTi sector-specific Standard is anticipated and will be mandatory for a company to use (see [Appendix 1](#) for an overview of current standards).

**5 years from validation
(trigger date)**

**Actions required within 6 months from the
trigger date**

**Actions required within 12 months from the
trigger date**



What are the common challenges?

Whether setting new targets or updating existing ones, companies typically face a set of common challenges during the SBTi validation process:

Data availability, quality and boundaries

Many 2020-era targets were based on incomplete Scope 3 screening or conservative boundary definitions. Organisations now face the task of expanding coverage and ensuring consistent, auditable methodologies.

Evolving baselines

Business growth, divestments, or M&A activity can distort the baselines. Reassessing these in line with current organisational structures is essential before resubmission and may require “re-baselining”.

Shift from ambition to delivery

Targets set under earlier criteria may be aspirational rather than implementation-ready. The SBTi now requires **evidence of implementation and actual emission reduction**, including: clear transition roadmaps, investment plans, and progress metrics.

Sector-specific expectations and FLAG targets

Sector-specific SBTi guidance demands more granular and tailored decarbonisation pathway (for example, for financial institutions, transport, and construction). Companies with material FLAG (Forest, Land, and Agriculture) are required to develop and submit separate **FLAG targets**.



Data quality and availability

Companies seeking validation for new or updated targets must be prepared to provide clear, consistent, detailed and auditable data to support target ambition, scope coverage, and methodologies. The SBTi validation process often entails several rounds of clarification requests, which means you may need to have additional data and supporting evidence ready.

Our recommendations:

- **Be as thorough as possible from the start** and expect in-depth review of targets and several follow-up questions from the SBTi.
- **Ensure data consistency across Scope 1, 2, and 3**, including clear boundary definitions.
- Prepare to **explain base year selection and recalculations**, where relevant.
- Be ready to **provide additional evidence, data and documentation**, which may require coordination with other teams (such as procurement, finance, operations).

“Re-baselining”: what you need to know

Re-baselining may be required when significant changes occur that could affect the validity and consistency of their existing targets of the company. These can include structural or operational changes, such as mergers and acquisitions, or changes in emission calculation methodology. SBTi recommends recalculating targets when there is a 5% or greater change in base year emissions or in the emissions covered within a target boundary.

What to look out for:

- **Data quality and consistency:** ensure data used is compatible, particularly following mergers, acquisitions, or restructuring.
- **Adjusted boundaries and target coverage:** confirm that scopes, organizational boundaries, scopes and coverage thresholds still align with SBTi criteria.
- **Clear tracking and communication:** document the process, record assumptions, so the changes are transparent and justifiable to auditors and stakeholders.

Providing evidence of progress

Recent updates to SBTi standards have placed increased emphasis on demonstrating actual emissions reductions and progress against targets. These include the mandatory annual public disclosure of GHG emissions and progress against approved SBTs. Draft updates to the Net-Zero Standard further reinforce the need for robust, verifiable evidence to demonstrate that reported reductions are real and consistent with SBTi methodologies.

Evidence of progress the SBTi will be looking for includes:

- **A complete, annually updated GHG inventory** (Scopes 1, 2, and relevant 3) in line with the GHG Protocol, showing base year and most recent year emissions and clear coverage percentages.
- **Documentation of your organisational boundary and structure** (e.g., ownership charts, consolidation approach explanation) clearly showing entities and activities included in the targets.
- **Target tracking tables or charts** comparing actual emissions (absolute and/or intensity) against the approved SBT trajectories, including explanations for any deviations or outliers.
- **Public disclosures** (e.g., sustainability report pages, CDP responses) that transparently report emissions, targets, and year-on-year progress in line with SBTi's annual disclosure expectations.

Recent updates on FLAG targets

A recent SBTi consultation on FLAG (Forest, Land, and Agriculture) targets proposed updates to address challenges linked to the original 2025 no-deforestation commitment deadline. The proposed updates primarily address Criteria 1 and 4, to make the requirements more viable and clear while maintaining ambition and alignment with evolving standards. The final revised criteria are expected in early 2026 (with possible delays), following the publication of the Land Sector and Removals Standard by the GHG protocol on 30th January 2026.

Key proposed changes:

- **Deforestation commitment deadline:** Companies setting FLAG targets for the first time may have up to two years from their FLAG target submission to achieve a no-deforestation commitment, with an absolute deadline of December 31, 2030. This would address difficulties for companies joining after the 2025 cutoff, while providing more flexibility.
- **Target date for existing vs. new commitments:** Companies that already set a 2025 or earlier target date may revise their commitment to a later date (no later than 2030) under the new rules, provided they publicly disclose progress made so far.
- **Scope and documentation:** Companies may be required to clearly specify which deforestation-linked commodities and activities are covered, supported by more transparent documentation of plans and progress.

IMS view and next steps

Making the most of the target review process

Revalidating targets is not simply an administrative task; it is an opportunity to re-examine assumptions, reconnect targets to clear transition plans, and demonstrate accountability to investors and regulators.

As SBTi integrates more closely with CDP and ISSB standards, having a **credible, current, and science-aligned target** is increasingly viewed as a **hallmark of governance maturity**. Companies **maintaining SBTi approval are better positioned for investor confidence and regulatory readiness**, while those that lapse risk lower CDP scores and investor scrutiny.

The importance of integrating financial and transition planning

Over the past few years, the link between carbon targets and financial disclosure has strengthened. IFRS S2, CSRD, and CDP's updated questionnaire all require companies to quantify the financial impacts of transition actions and risks.

This convergence means CFOs and sustainability teams must now coordinate on:

- **Capex alignment** with decarbonisation plans;
- **Costed delivery of reduction initiatives**; and
- **Consistent financial and emissions disclosures** across frameworks.

Whether you're updating targets or setting Science-Based Targets for the first time, **getting early buy-in and working together with your finance team** can make the process a lot smoother.

What to do now: actions for 2026

1

Check your SBTi approval date

If your target was approved in 2020 or earlier, a mandatory review must be resubmitted to remain valid.

2

Conduct a Scope 1–3 data review

Validate data consistency & ensure Scope 3 screening and coverage meet current SBTi and CDP expectations.

3

Perform a “target fit” assessment

Assess whether your current decarbonisation pathway remains aligned with updated SBTi requirements.

4

Engage assurance early

Early assurance helps strengthen data credibility and reduces risk during SBTi review or CDP scoring.

5

Link with your transition plan

SBTi targets should inform, and be informed by, your financial transition planning under IFRS S2/CSRD.

How IMS can help

If your SBTi target year ended in 2025, or if you're unsure of your approval status, now is the time to review. IMS can help you reassess your targets against new criteria, secure or maintain SBTi approval, and align your disclosure narrative for the 2026 CDP cycle.

Target review & re-baseline workshops

IMS can support you through the target review process: comparing your targets against the current SBTi criteria, assessing the need for updated targets and helping you navigate re-baselining.

SBTi resubmission and validation support

Getting targets approved or revalidated by SBTi is rarely a linear process, and often involves multiple feedback rounds. IMS supports your team throughout: compiling required documentation, responding to SBTi feedback, and adjusting targets where needed.

Scope 3 diagnostics

IMS can help you navigate the complexity of Scope 3: mapping your value chain, identifying relevant categories, and setting Scope 3 targets (if applicable).

Financial impact and transition plan integration

IMS helps you connect Science Based Targets and net zero ambition with your strategy and financial planning, so that your targets are supported by a clear business plan.

Meet the experts



Graham Sprigg FRSA

Founder of IMS Consulting, with 35 years of experience in the field. Applying his expertise, he supports major companies across Europe and North America, helping them integrate sustainable practices and improve the transparency of their environmental actions.



Mike Tournier

With extensive experience in Environmental Services and Carbon Management, Mike helps businesses large and small to transition to a net-zero future. He has a deep understanding of the regulatory and voluntary frameworks businesses must navigate, including TCFD, ESOS, Carbon Border Adjustment Mechanism, SECR, Green labeling, CDP and SBTi.



Andrew Prosser

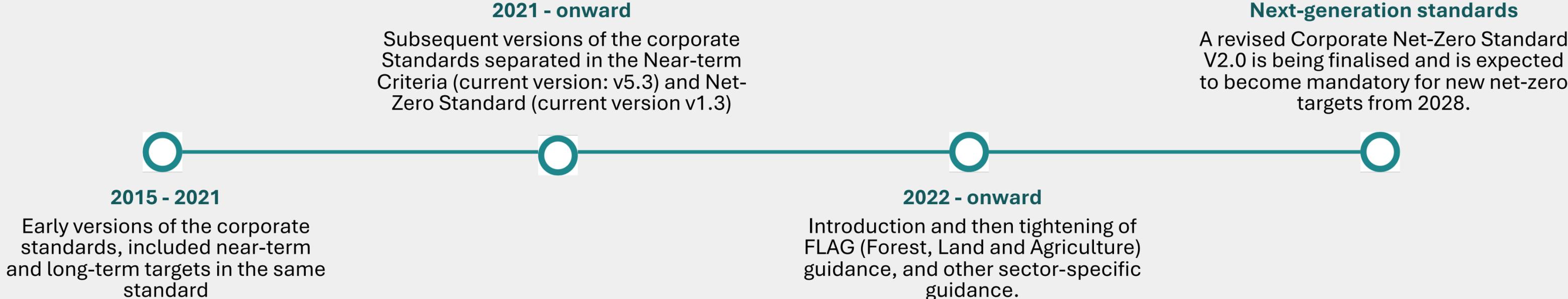
Andrew is an expert on carbon and other environmental impacts. He helps companies reduce and manage their climate impacts, and to develop robust Science-Based Targets and environmental strategies. He has a strong track record of challenging business and government to do better, having worked across most sectors.

Appendices

- **Appendix 1: An overview of SBTi standards - how they evolved over time and current standards**
- **Appendix 2: Early SBTi criteria vs current requirements**

Appendix 1: An overview of SBTi standards - how they evolved over time

Over the years, the SBTi has subsequently updated its criteria to remain aligned with current scientific understanding. Below is a simplified overview of the evolution of the SBTi standards, current versions and upcoming updates.



What are FLAG Targets?

FLAG targets are separate science-based targets that cover greenhouse gas emissions and removals from Forest, Land and Agriculture activities (e.g. land-use change, crop and livestock production, forestry, soil carbon) in a company’s value chain. For companies in land-intensive sectors or with ≥20% of their footprint from FLAG sources, SBTi requires these dedicated FLAG targets in addition to regular SBTs so land-based impacts are explicitly reduced in line with 1.5°C pathways.

An overview of SBTi standards - Current standards

The current structure of SBTi Standards for setting science-based targets includes two “core” corporate standards (the Near-term Standard and the Net-Zero standard) and an overlaid Guidance to set FLAG targets (if relevant). Additional sector-specific guidance documents may apply and are mandatory in certain cases. Sector-specific guidance doesn’t fully replace the “core” standards but may add extra requirements or prescribe specific methodologies.

NEAR-TERM SBTS

- Mandatory foundation
- 5-10 year targets
- Scope 1,2 and relevant Scope 3

Standard in force:

Corporate Near-term Criteria V5.3

Future standards:

Expected future revisions but no confirmed dates

NET-ZERO

- Optional
- Includes both near-term and long-term targets (to 2050)
- Neutralisation of residual emissions

Standard in force:

Corporate Net-Zero Standard V1.3, effective from September 2025

Future standards:

V2.0 is in draft version, expected to become mandatory for new targets from early 2028

FLAG TARGETS

- Only apply if FLAG emissions are material
- Separate FLAG pathways

Standard in force:

FLAG guidance V1.1 in force, currently being revised after an urgent consultation in late 2025

Future standards:

Updated FLAG criteria are expected in early 2026

Appendix 2: Early SBTi criteria vs current requirements

Early adopters of SBTi have likely had their targets approved according to early versions of the SBTi criteria. The SBTi regularly updates its requirements to ensure they remain aligned with current science. Since 2022, SBTi has significantly strengthened its requirements, increasing ambition levels, tightening timelines, strengthening Scope 3 expectations, and introducing more stringent evidence, recalculation, and validation requirements. This means **new adopters, or companies needing to update their targets after their 5 year review, face significantly more stringent criteria:**

Target Ambition

Early Criteria

- “Well-below 2°C” targets were accepted
- Limited Scope 3 ambition category coverage
- Limited requirements for recalculation and supporting evidence

Current Requirements

- 1.5°C alignment required for Scope 1 and 2
- Higher ambition required for material Scope 3 targets
- Shorter, science-aligned timeframes
- Stricter evidence, recalculation, and revalidation requirements

Timeframes

Early Criteria

- Longer-term timelines were accepted.
- Near-term targets typically ranged from 5 to 15 years from the base year.

Current Requirements

- Near-term targets must have a maximum timeframe of 10 years from the base year.
- Stronger emphasis is placed on near-term action.
- Long-term ambition is now addressed primarily through Net-Zero targets.

Target Coverage

Early Criteria

- Near-term targets were required to cover at least 95% of Scope 1 and 2 emissions
- Where Scope 3 emissions represented 40% or more of total emissions, companies were required to set a Scope 3 target covering at least 67% of Scope 3 emissions, with limited guidance on category selection.

Current Requirements

- The 95% minimum coverage (Scope 1 and 2) remains unchanged, but with stricter emphasis on boundary definitions, evidence for exclusions, calculation methodology, and reporting.
- For Scope 3, the 40% threshold remains, but the target must cover the majority of relevant material Scope 3 categories, supported by robust justification.

Methodology and Data

Early Criteria

- Limited prescriptiveness on base year selection
- Less detailed requirements for emissions accounting and documentation.

Current Requirements

- Thorough justification required for base-year selection, especially if the base year has changed.
- Organisational boundaries must be reviewed and updated if needed.
- Targets must align with updated sectoral decarbonisation pathway and accounting rules.

Get in touch

Contact us to find out how we can support you
with setting or reviewing Science-Based Targets

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