

SBTi FOREST, LAND AND AGRICULTURE (FLAG) PROJECT FAQs

VERSION 4.0

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Frequently Asked Questions on the SBTi FLAG Project were updated based on the FLAG queries received since the publication in September 2022. Please contact FLAG@sciencebasedtargets.org for additional questions not answered here.

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1 WHAT IS FLAG AND OTHER KEY QUESTIONS

What is FLAG?

The SBTi Forest, Land and Agriculture (FLAG) Project is the approach (including a tool and guidance) for companies in land-intensive sectors to set near-term science-based targets in line with the goals of the Paris Agreement.

FLAG target timeframes are consistent with the SBTi's regular validation route; near-term targets cover a period of 5-10 years, while the net-zero target year should be 2050 or earlier.

Land-intensive sectors may be sectors that produce or source materials from forestry or agriculture, or sectors that have an impact on land-use change through their activities.

When is a company required to set a FLAG science-based target?

The Science Based Targets initiative (SBTi) requires companies that meet either of the following two criteria to set a FLAG science-based target:

- i) Companies with land intensive activities in their value chain from the following FLAG-designated sectors are required to set FLAG targets:
 - Forest and Paper Products – Forestry, Timber, Pulp and Paper
 - Food Production – Agricultural Production
 - Food Production – Animal Source
 - Food and Beverage Processing
 - Food and Staples Retailing
 - Tobacco
- ii) Companies in any other SBTi-designated sector that have FLAG-related emissions that total more than 20% of overall emissions across scopes 1, 2 and 3.

If my company is required to set a FLAG science-based target, will I also have an 'energy and industry' (non-FLAG) target?

Yes. FLAG targets cover forests, land, and agriculture (see the [SBTi FLAG Guidance](#) for details), while a company's energy and industrial target covers all other fossil-based emissions.

FLAG-relevant emissions and removals include those related to agriculture (to farm gate, excluding processing), land-use change and land management, including forestry (to yard, excluding processing).

If my company is not required to set a FLAG science-based target, but has some FLAG emissions, where should those emissions be included?

For companies with some FLAG emissions but not required to set a FLAG target (<20% FLAG emissions and not in FLAG sector), they have two options:

- Option 1. These companies can still choose to set a separate FLAG target for those emissions. This is the only way a company could also count FLAG removals as part of that target.
- Option 2: Include FLAG-related emissions together with energy/industry (non-FLAG) targets for a complete GHG inventory. No removals may be included if the target is not a separate FLAG target.

How does my company account for removals in FLAG?

FLAG science-based targets include land-based removals. The specific guidance for accounting for land-based removals is included in the GHG Protocol [Land Sector and Removals Guidance](#) (draft version). The SBTi FLAG and GHG Protocol teams are working closely to ensure that targets and accounting guidance are aligned.

2 FLAG TIMELINE

Should companies submit traditional energy/industry science-based targets at the same time as their FLAG targets?

Yes. All targets, including long-term targets, will need to be submitted together as of April 30, 2023. If a company meets either of FLAG-C1 applicability criteria, FLAG targets are not legitimate without their energy/industry target counterpart, and vice versa.

What is the deadline for companies with current science-based targets (SBTs) to include FLAG targets?

Companies with existing, validated SBTi targets and who meet the requirements to set FLAG targets (see FLAG-C1 in the [SBTi FLAG Guidance](#)), must add a FLAG target within six months after the release of the final version of the GHG Protocol Land Sector and Removals Guidance.

Can a company, required to set a FLAG target according to FLAG-C1, update their targets without including a FLAG near-term target submission from May 2023 onward?

Starting in May 2023, the inclusion of FLAG targets for new target submissions is mandatory for all companies required to set separate FLAG targets. New submissions to the target validation include all updates to existing targets.

Companies that meet FLAG criteria as per FLAG-C1 and that wish to set net-zero targets must also include FLAG near-term (5-10 years from submission) targets from May 2023.

3 WHAT IS INCLUDED IN A FLAG SCIENCE-BASED TARGET?

Where can I learn more about the methods used and the data underlying the FLAG work?

The FLAG methods addendum and other FLAG resources can be accessed [here](#). The principal reference for the FLAG sector approach is: Roe, S., Streck, C., Obersteiner, M., et al. (2019). Contribution of the land sector to a 1.5 °C world. *Nat Clim Chang* 9:817–828. doi: 10.1038/s41558-019-0591-9. The principal reference for the FLAG commodity approach is: Smith, P., Dali N., Giel, L., Daan, P., Coraline, B., Detlef, V., Elke, S., Mathijs, H., Lidewij van den B. (2016). 'Science-Based GHG Emissions Targets for Agriculture and Forest Commodities.' University of Aberdeen, Ecofys, and PBL.

Are avoided emissions included?

The SBTi and FLAG Project follow the accounting guidance of the GHG Protocol. This guidance operates on the inventory accounting approach rather than a project accounting approach. Avoided emissions based on product or material use or substitution are not included in inventory accounting. However, the term 'avoided emissions' is also confused with 'avoiding deforestation'.

In inventory accounting, the way that 'avoided deforestation' is included is, in year 1 a company sources from lands that have been deforested in the last 20 years and needs to include those associated emissions in their inventory. That same company, in year 2, sources from lands with no deforestation in the last 20 years and this will reflect a reduced volume of emissions from avoiding deforestation in their supply chain and thus, in their GHG inventory. (Note: due to a technicality, there will still be carry-over emissions from deforestation in year 1 due to the 20-year legacy emissions factor.)

How is land use change included in FLAG? What is considered under land use change?

Emissions from land use change are included in both the FLAG sector and commodity pathways. Following GHG Protocol guidance, land use change emissions are accounted for using a 20-year allocation.

Land use change refers to the conversion of any land from one form to another, for example from forest to pasture, or from peatlands to agricultural fields. Conversion of natural forest to planted forests is accounted for in the same way as land use change, even though both land uses are forest land.

Replanting forest land is not considered a land use change. All land-use change must be accounted for in FLAG, including land-use change occurring in sectors other than forestry and agriculture.

Do the commodity pathways account for growth in production?

Yes, future production estimates are included in the pathways. Furthermore, because the commodity pathways are based on emissions intensity, companies are required to set targets based on their estimated future production.

Does the beef commodity approach also include leather?

FLAG has a separate commodity pathway for leather.

Why is the target for the FLAG sector pathway 30.3% reduction from 2020 to 2030 if the science says we need to halve emissions by 2030?

This target is based on the best available literature (see Roe et al 2019 for a thorough review of the academic literature and integrated assessment models on which the FLAG pathway is built). While as a global average, emissions must be halved by 2030, some sectors are expected to decarbonize faster or slower than others, which is why not all sectors have a 50% by 2030 rate of reduction. In particular, significant agricultural emissions of nitrous oxide and methane are expected to continue.

Will other commodities be added?

Other commodities will be considered in future developments. The commodities currently covered were selected based on data availability and carbon intensity. Targets for emissions from all other commodities should use the FLAG sector pathway at this time.

Is aquaculture included in FLAG?

FLAG does not include a specific commodity pathway for aquaculture, but FLAG emissions related to feed for aquaculture should be included in accounting and can merit setting a FLAG target.

Do maritime fishing operations need to set FLAG science-based targets?

No. Even though maritime / wild-caught fishing often falls under a 'required' FLAG target sector, maritime fishing / wild-caught fishing operations are not required to set FLAG targets because there are not generally FLAG-related emissions associated with this activity. Please see this [guidance](#) document for the seafood industry developed by SBTi partners.

Does the timber and wood fiber pathway cover pulp and paper companies?

Yes. The timber and wood fiber pathway covers emissions ‘up to yard’ for pulp and paper companies. Other ‘non-FLAG’ emissions (i.e., direct process emissions) from pulp and paper are covered under our SBTi industrial sector resources, including the pulp and paper pathway.

Can overachievement of a FLAG science-based target be used to meet an energy/industry target?

No. FLAG and energy/industry targets are separate. FLAG emission reductions and removals may be used only toward a FLAG target.

What emissions and removals are covered by FLAG science-based targets, and what is the emissions boundary?

Please refer to Table 4 in the [SBTi FLAG Guidance](#) for a full list of emissions covered. The emissions boundary extends to ‘farm gate’ and does not include processing emissions (see FLAG Criterion 5).

Which greenhouse gasses does FLAG cover and what Global Warming Potential (GWP) conversion is used?

FLAG targets are set using carbon dioxide equivalents (CO₂e). GWP100 factors are used, per IPCC Assessment Report 6 (2022), to account for non-CO₂ greenhouse gasses. GWP* is not used.

Are biogenic emissions from wastewater treatment covered by FLAG?

FLAG does not cover biogenic emissions from wastewater treatment at this time.

How are fertilizers being handled between SBTi FLAG and SBTi Chemicals guidance?

All companies: Companies that use fertilizers should include these emissions (both upstream production and volatilization from use) in their GHG inventories as appropriate. They should also incorporate these emissions into their energy/industry target or FLAG target. Current databases sometimes group fertilizer-use emissions with other sources of land emissions and so they may be difficult to isolate. If companies can separate fertilizer-use emissions from other land emissions, they can be included in their traditional SBTi target (energy/industry). If not, they may be included in the FLAG target.

Fertilizer companies: FLAG pathways are not appropriate for fertilizer companies’ direct fertilizer production emissions. However, fertilizer manufacturers have the option to use FLAG pathways to

account for their scope 3, category 11 Use Phase targets until specific chemical sector pathways are available. The SBTi will update the FLAG Guidance to align with future developments on the SBTi chemical sector's work as needed.

Specific pathways for the [chemical sector](#) are currently under development in the SBTi framework. This is expected to include pathways relevant to fertilizer companies, specifically for the production of the ammonia used in synthetic fertilizers. In the meantime, companies should use SBTi cross-sector methods.

Is mining included in FLAG?

Mining is covered by SBTi industrial targets, not FLAG. In cases where land use change associated with mining brings FLAG emissions above the 20% emissions threshold (FLAG-C1), mining companies would also need FLAG targets.

What is considered 'in supply chain' for a company?

In supply chain emissions (and removals) are those that are included within scope 1, 2 and 3 boundaries per the GHG Protocol Land Sector and Removals Guidance.

Removals

Do FLAG science-based targets include both emission reductions and removals?

Yes, FLAG targets are net reduction targets that include removals. However, companies are still required to report emission reductions and removals separately. Reporting removals is optional.

Does my company need to separate emissions and removals to calculate a FLAG science-based target?

Companies set net FLAG targets – land-related emissions combined with removals, when both are included in a company's inventory. However, as part of the target validation process, companies must report emissions reductions and removals accounting separately. This is important to maintain focus on reducing cumulative emissions to the atmosphere, while separately increasing CO₂ removals. Companies shall deliver both emissions reductions and removals during implementation.

Are removals included in near-term targets outside of FLAG?

The SBTi only includes removals in FLAG targets. Energy/industry targets include emission reductions only.

Could land related reductions/removals be used to meet company energy/industry science-based targets?

No.

Is forest restoration occurring outside of working lands accounted for as removals?

Removals associated with actions occurring on working lands, (e.g., forest restoration from silvopasture) are included in the FLAG sector target. However, reforestation outside of working lands is otherwise excluded from targets because these efforts generally fall outside of company supply chains. Models will be updated as needed to align with GHG Protocol guidance on this topic.

Is it possible to only include and set targets on emissions while a company works on obtaining the data to account for removals?

Yes, reporting removals is optional and a company may not report any if they do not have the appropriate data available, including for scope 3. A company should have traceability throughout the value chain to be able to include removals in their inventory.

Including removals within a FLAG target after obtaining the appropriate data would require a target recalculation.

FLAG science-based targets versus bioenergy targets

Why is the SBTi FLAG Guidance separate from emissions related to bioenergy?

FLAG does not include emissions from biofuels/ bioenergy.

The SBTi general guidance specifies what reporting and target setting companies need to do for bioenergy specifically (C10, [SBTi Criteria and Recommendations for Near-Term Targets](#)).

FLAG and bioenergy are currently separate for two reasons. First, the SBTi bioenergy criterion predated the FLAG Project, and the SBTi is taking a stepwise approach to updating it. Second, many companies

that have bioenergy emissions (and removals) are not companies in the land sector but rather companies in transportation, aviation, and other sectors. If bioenergy were included in FLAG targets, then these companies would be obliged to set separate FLAG targets for what is usually a very small portion of their GHG inventory.

Are Bioenergy and Carbon Dioxide Capture and Storage (BECCS) included in FLAG?

No. Although BECCS are included in the underlying Roe et al 2019 data, they are excluded under FLAG as it is not appropriate to assign these removal requirements exclusively to the agriculture and forestry sectors. BECCS are included in the SBTi general criteria and recommendations under the bioenergy criteria.

No-deforestation commitments

Does the no-deforestation target date need to be 2025, or can it be earlier?

Deforestation targets dates for FLAG can be earlier than 2025, but no later than 2025. In cases where a company chooses to use the fiscal year for their reporting, and the fiscal year 2025 ends later than December 31, 2025, then the fiscal year 2024 is the latest possible target date for the no-deforestation commitment.

Does the no-deforestation cutoff date need to be 2020 exactly, or can it be earlier?

Deforestation cut off dates can be earlier than 2020, but no later than 2020.

Will ecosystem conversion beyond deforestation be considered?

All deforestation and conversion are included in GHG emissions accounting and FLAG target setting. However, the additional requirement to have a specific deforestation commitment applies only to deforestation, not to conversion. Yet, the SBTi recommends that companies set a zero-land conversion and peat burning target across their value chains, and also recommends meeting these targets as soon as possible (see [SBTi FLAG Guidance](#)).

What commodities are targeted by the no-deforestation commitment?

The FLAG guidance highlights the most critical deforestation-linked commodities: beef, palm oil, soy, cocoa, and timber & wood fiber. However, this is not an exhaustive list, not every commodity is relevant to every company. Each company should consider the most relevant deforestation-linked commodities

within their operations and supply chains and prioritize those first, while eventually halting all deforestation in their supply chain.

Can a different wording be used for the no-deforestation commitment?

No. The following wording must be used: “[Company X] commits to no-deforestation across its primary deforestation-linked commodities, with a target date of [no later than December 31, 2025].”

How will the SBTi review achievement of no-deforestation targets?

A company's data reliability on no-deforestation commitments depends on the verification procedures applied at the company's level – which is out of the scope of the review process of the SBTi target validation team. However, for the sake of transparency, the SBTi requires that companies publicly report information against published no-deforestation commitments on an annual basis. A summary of actions undertaken by the company describing achievement of no-deforestation must be made publicly available no later than 6 months from the target date (e.g. December 31, 2025).

In addition, when revalidating FLAG targets, companies must report the summary of actions to the SBTi accompanied by relevant supporting documentation, demonstrating achievement of no-deforestation commitments. Relevant documentation may include: CDP Forests questionnaire responses, copies of certifications, copies and/or description of tools, market mechanisms and measures (e.g. public policies, monitoring systems and supply chain interventions) supporting the company's target achievement.

4 HOW TO SET A FLAG SCIENCE-BASED TARGET

If a company already has SBTs and is required to set a separate FLAG target, must they update their energy/industry SBT?

Yes, companies setting FLAG targets will need to update their energy/industry targets as all land-based emissions must be separated from the energy/industry emissions.

How should companies separate out FLAG and energy/industry emissions, particularly the separation of to-farm-gate emissions from processing emissions?

Companies should prioritize the use of primary data as much as possible. Companies using data from suppliers should ask for adequate data disaggregation instead of overall emission factors. However, the use of databases is often necessary to assemble GHG inventories, especially for companies with complex supply chains; several widely used databases already split to-farm-gate emissions from processing emissions, but others don't yet. Companies should follow the most up-to-date GHG Protocol guidance. In particular, the GHG Protocol's compilation of emissions accounting resources is a useful starting point. It can be found at the bottom of the [GHG Protocol Land sector and Removals guidance](#) page or can be downloaded directly here: [List of Land Sector Calculation Resources](#).

What is the expected reduction rate for the sector pathway?

For the sector pathway, the minimum reduction rate is 3.03% per year. Table 8 of the [SBTi FLAG Guidance](#) lists the different reduction rates for each pathway included in the FLAG Guidance.

The reduction rate is based on the 2020-2030 target period as per the FLAG modeling. However, the specific reduction rate will depend on a company's base year and target year.

Is FLAG required for commodities not included in the commodity pathway?

Yes, companies in FLAG designated sectors or with FLAG related emissions totalling 20% or more of their overall emissions, must set FLAG targets regardless of the commodities. Commodities not included in the commodity pathways must be included in the sector pathway. The commodity pathways may only be used for the exact commodities.

How does the SBTi review companies' baseline data?

A company's data reliability for GHG emissions used to formulate targets depends on the verification procedures applied at the company's level – which is out of the scope of the review process of the SBTi target validation team. The target validation team does, however, act as a safeguard to ensure that no target is approved which does not meet [the SBTi Criteria](#) and guidance. This includes due diligence performance as part of the ambition validation process to check quality (e.g. representativeness, completeness) of the baseline data and alignment with the GHG Protocol.

The SBTi has been working to address data limitations and identify potential measures to enhance overall data quality and accountability of companies' progress against their targets, including through the [measurement, reporting and verification \(MRV\) project](#), which was started in December 2021. It's essential, though, that this should be viewed as a complement to - not a substitute for - data verification under corporate environmental accounting, which should be driven by adequate regulatory action.

Why is the SBTi requiring detailed commodity data even when the sectoral approach is used?

Regardless of the use of the sector approach, the quality of the baseline data is of paramount importance for the FLAG target development. As such, even if the overall FLAG target is netted, it must rely on appropriate data to ensure that companies can track their progress and concretely contribute to reducing emissions.

Thus, companies must provide a sufficient insight into the level of data granularity on which they are basing their FLAG targets.

The SBTi is looking at data quality attributes such as completeness and accuracy – as data quality improvements are part of the [SBTi MRV work](#). For example, the total amount of emissions must include all the emissions associated with the products or commodities in a company's supply chain, and the emissions coverage must be correct.

The data provided must also have an appropriate level of accuracy, which means that, at a minimum, critical data used to calculate the emissions must include appropriate emission factors. Critical data may, for instance, be data corresponding to very large amounts of a single commodity, and commodities known as high carbon footprints, or deforestation linked.

Can 'FLAG companies' continue to use the supplier engagement approach?

Supplier engagement targets are not included as a mode for FLAG target setting at this time.

Companies can still consider supplier engagement targets for their energy/industry (non-FLAG) scope 3 targets. Please see additional information on supplier engagement targets in the most recent SBTi [Target Validation Protocol for Near-term Targets](#).

Can the FLAG and energy/industry base year be different?

No, energy/industry and FLAG targets base years must be consistent.

Using FLAG tools

Are there specific criteria for using the FLAG Sector or the FLAG Commodity pathway?

Yes. The FLAG Sector pathway and subsequent tool is the default target-setting tool. Companies with emissions associated with one of the ten available agricultural commodity pathways that account for 10% or more of a company's total FLAG emission (across all scopes) may use the commodity pathway for that commodity.

The use of FLAG commodity pathways for processing or demand companies requires target recalculation in future versions of the guidance, as demand-side levers will be reassessed. For this reason, the SBTi recommends that companies considered demand side use the FLAG sector pathway to set targets.

Companies with emissions related to timber and wood fiber accounting for 10% or more of their FLAG emissions are required to use the commodity pathway for timber and wood fiber (available in the commodity tool).

How are 'demand side' and 'supply side' companies distinguished for the purposes of defining which companies can use the commodity pathways without revision?

The SBTi recommends that companies use the following guidelines to define supply- and demand-side actors within the FLAG value chains:

- Companies with the majority of their FLAG emissions falling in scope 3 of their inventory are generally considered demand companies.
- Companies selling directly to end-use customers or governments are generally considered demand companies.
- Companies with significant business activities categorized as consumer product goods are generally considered demand companies.

- Companies with significant FLAG emissions in scope 1 are generally considered supply companies.
- Companies whose primary business activity is agricultural or forestry commodity production are generally considered supply-side companies.

For companies that engage in business-to-business transactions post-production (e.g. commodity aggregation and trading, transport, and processing) as well as vertically integrated companies, the delineation is less clear. Therefore, for FLAG Guidance version 1.0, the SBTi recommends that these companies use the FLAG sector pathway as a precautionary approach while waiting for FLAG version 2.0 to address demand-side levels more appropriately in the commodity intensity pathways.

If my company uses a number of different commodities, one of which may be over 10% but the others are under 10%, would we use the pathway for the 10%+ commodity or the default FLAG pathway?

The company can decide whether to use the commodity tool only for commodities accounting for 10% or more of their total FLAG emissions and the sector tool for other commodities, or use the sector tool for all commodities. However, any company with timber and wood fiber comprising more than 10% of their emissions must use the timber commodity pathway.

If my company uses both pathways (FLAG Sector and FLAG Commodity), would the commodity-based FLAG emissions reductions need to be translated into an absolute target?

For clarity, companies using both commodities and sector pathways are encouraged to consolidate targets into one combined (absolute) FLAG target using the aggregator tool.

Do companies need to separate land use change emissions from other emissions in target setting?

Land use change emissions (LUC) are included in the main FLAG target and are not targeted separately. Disaggregated LUC emissions are requested within the target submission process.

Do small and medium enterprises (SMEs) set FLAG targets?

No. SMEs should continue to use the SME guidance from the SBTi.

5 FLAG AND NET-ZERO

Can companies set long-term (net-zero) science-based targets for FLAG?

Yes, companies can set long-term (net-zero) FLAG targets. The current long-term FLAG pathway is developed for agriculture only; a long-term FLAG pathway for forestry will come in future updates. Long-term (net-zero) FLAG targets are set using the [SBTi Corporate Net-Zero Standard](#) and [Net-Zero Tool](#) only. The SBTi FLAG Guidance and Tool are NOT suitable for setting long-term FLAG targets.

Can AFOLU removals be used to meet net-zero neutralization targets?

Further guidance on net-zero neutralization is forthcoming from the SBTi. Please see the [Net-Zero Standard](#) for further details, as well as the [SBTi Beyond Value Chain Mitigation FAQ](#).

Removals occurring within the supply chain and contributing to the FLAG target cannot be used to meet net-zero neutralization targets.

What is the difference between removals in net-zero and FLAG? Why is there no cap or limit on the use of removals in FLAG targets?

Under net-zero 'neutralization', neutralization is expected to come largely from outside of supply chain activities to compensate for residual emissions in a company's supply chain that cannot be abated. Under FLAG, removals may only be included from within the supply chain, so they are self-limited by this criterion and a 'cap' is not needed.

6 FLAG AND GHG PROTOCOL

What is the difference between FLAG and the GHG Protocol Land Sector and Removals guidance?

The GHG Protocol Land Sector and Removals Guidance provides details on how to account for land-related emissions and removals. The SBTi FLAG Guidance and Tool outline how companies should set science-based targets for mitigation of land-related emissions and removals.

How are FLAG and GHG Protocol aligned?

The SBTi FLAG and GHG Protocol Land Sector and Removals Guidance teams have been working closely together and will continue to do so to ensure that target setting, and emissions accounting are as aligned as possible. Any updates needed based on the final GHG Protocol Land Sector and Removals Guidance will be made in a FLAG Guidance version update. Companies that set FLAG targets prior to the release of the final GHG Protocol Land Sector and Removals Guidance will not need to set new FLAG targets outside of their regular SBTi target update cycle.

Will companies setting a FLAG target using the draft version of the GHG Protocol Land Sector and Removals Guidance be required to update their target after the final release of the GHG Protocol guidance?

No, companies setting FLAG targets using the draft version of the GHG Protocol Land Sector and Removals Guidance will not need to update their FLAG targets outside of their regular SBTi target update cycle.

For scope 3 inventory, can companies use the GHG Protocol Scope 3 Standard?

The GHG Protocol Land Sector and Removals Guidance ([draft version](#)) addresses FLAG emissions and removals inventories across scopes, including scope 3. This new guidance should be used for GHG accounting within FLAG.

How should companies account for FLAG-related emissions?

Companies should use the GHG Protocol Land Sector and Removals Guidance to account for FLAG emissions. While awaiting finalization of GHG Protocol Guidance, see Table 3 in the [SBTi FLAG Guidance](#) for additional resources.

7 FLAG AND THE FINANCIAL SECTOR

How does FLAG guidance apply to Financial Institutions (FIs)?

Companies from the financial sector are required to set FLAG targets if their FLAG related emissions account for 20% or more of their overall emissions. Alignment between the finance sector and the SBTi FLAG Guidance will be undertaken in the future.

8 FLAG AND CARBON CREDITS

Are carbon credits included in FLAG?

Carbon credits issued outside of a company's supply chain cannot be used to meet FLAG targets, as the SBTi is focused on achieving the necessary science-based mitigation within a company's supply chain. Emissions reductions and carbon removals within the supply chain are included in FLAG as part of a company's inventory accounting; neither emissions reductions nor carbon removals within the supply chain need to be verified as a carbon credit. Any sale or purchase of carbon credits should be handled in a company inventory following GHG Protocol guidance to avoid double counting.

Can insets be used to meet FLAG science-based targets?

Because the term 'insets' is not well defined, it is not used in the FLAG guidance. Emissions reductions and carbon removals within the supply chain are included in FLAG as part of a company's inventory accounting; neither emissions reductions nor carbon removals within the supply chain need to be verified as a carbon credit. Emissions reductions or removals that occur outside of a company's supply chain are not covered by FLAG and would require a re-allocation of the pathways under Roe et al 2019 to the corporate sector.

How does the SBTi FLAG Project protect the carbon rights of farmers and forest owners?

While beyond the scope for FLAG science-based emissions reduction target setting, the SBTi FLAG Project team has added a section on implementation guidance within the SBTi FLAG Guidance document, outlining the best practices when companies engage supply chains to reduce emissions and increase removals. These practices include fairly compensating farmers/forest owners for their work, respecting human and land rights, informing them of their carbon rights and ensuring that farmers have access to carbon markets to choose how they are compensated for this additional commodity.