

SCIENCE BASED TARGETS INITIATIVE

England & Wales · Charity number 1205768

Details

Other names SBTI

Status Registered

Legal form Charitable company

Company number [14960097](#)

Registered 2023-11-16

Register [View on the Charity Commission register](#)

Contact

Address 66 Lincoln's Inn Fields
London
WC2A 3LH

Phone 02071310910

Email info@sciencebasedtargets.org

Website <https://sciencebasedtargets.org/>

Activities

Objects: THE CHARITY EXISTS TO FURTHER THE CHARITABLE PURPOSES OF:1.1 PROMOTING FOR THE PUBLIC BENEFIT THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT; AND 1.2 ADVANCING EDUCATION FOR THE PUBLIC BENEFIT IN THE SUBJECT OF CLIMATE CHANGE INCLUDING BY UNDERTAKING AND PROMOTING RESEARCH IN THIS SUBJECT AND MAKING THE USEFUL RESULTS OF SUCH RESEARCH AVAILABLE TO THE PUBLIC; IN PARTICULAR, BUT NOT EXCLUSIVELY, BY DEVELOPING STANDARDS, GUIDANCE, TOOLS AND RESOURCES TO ENABLE THE ASSESSMENT OF BUSINESSES' AND INSTITUTIONS' TARGETS TO REDUCE GREENHOUSE GAS EMISSIONS AND THE PERFORMANCE OF PRODUCTS, ENTITIES, AND FINANCIAL PORTFOLIOS AGAINST GREENHOUSE GAS EMISSION LIMITS INFORMED BY SCIENCE.

Activities: 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 a

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-26	£22,199,368	£9,882,497	£12,593,560	38

Trustees

Name	Role	Appointed
Aniruddha Dasgupta		2023-09-18
Anna Elizabeth Turrell		2025-05-01
Arun Kumar Nanda		2025-05-01
FRANCESCO STARACE		2023-09-18
Gonzalo Munoz Abogabir		2025-05-01
Ivan Duque Marquez		2023-09-18
Manuel Pulgar-Vidal		2023-09-18
Maria Mendiluce Villanueva		2023-09-13
Stacey Mitchell		2023-12-14

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Accounts

SCIENCE BASED TARGETS INITIATIVE, (LIMITED BY GUARANTEE), CONSOLIDATED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED 31 DECEMBER 2024).

The Science Based Targets initiative (SBTi)

Annual Report and Consolidated Financial Statements

For the period ended 31 December 2024

REGISTERED COMPANY NUMBER: 14960097 (England and Wales)
REGISTERED CHARITY NUMBER 1205768

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Administrative Details of the Charity, its Trustees and Advisers

Board of Trustees

Francesco Starace - Chair of the Board, and Chair of the Finance, Risk, Audit and Governance Committee (appointed on 18 September 2023)

Ester Baiget - Trustee (appointed on 24 August 2023)

Aniruddha Dasgupta - Trustee, member of the Finance, Risk, Audit and Governance Committee (appointed on 26 June 2023)

Iván Duque Márquez - Trustee (appointed on 24 August 2023)

María Mendiluce Villanueva - Trustee, member of the Nominations Committee (appointed on 26 June 2023)

Stacey Mitchell - Trustee, member of the Finance, Risk, Audit and Governance Committee (appointed on 14 December 2023)

Manuel Pulgar-Vidal - Trustee, member of the Nominations Committee (appointed on 26 June 2023)

Nicolette Bartlett - Trustee (appointed on 26 June 2023 - resigned on 28 March 2024)

Sherry Anne Madera - Trustee (appointed on 28 March 2024 - resigned on 10 September 2024)

Chief Executive Officer

Luiz Amaral - until 30th July 2024

Sue Jenny Ehr (Interim) - 1st August 2024 onwards

Executive Leadership Team

Alberto Carrillo Pineda - Chief Technical Officer

Alex Buss - Chief Operating and Finance Officer

Anita Sheth - Compliance Director

Luisa Pastore - Director of Communications

Tracy Wyman - Chief Impact Officer

Will Grazebrook - Head of Legal

Independent Auditors: Crowe UK LLP, 4th Floor, St James House, St James Square, Cheltenham, GL50 3PR, UK.

Company number: 14960097

Charity number: 1205768

Registered address: First Floor, 10 Queen Street Place, London, England, EC4R 1BE

Solicitors: Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH, UK

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Trustees' Report (including Strategic Report)

The Trustees, who are also the directors of Science Based Targets initiative (“SBTi”, the “Charity”), present their report and the consolidated financial statements for the Charity and its subsidiaries for the accounting period ended 26 December 2024. However, in accordance with Section 390 of the Companies Act 2006, the financial statements of the group and Charity have been prepared up to 31 December 2024. The Trustees' Report is also the Directors' Report as required by S.415 of the Companies Act 2006.

The Trustees' report incorporates the “Strategic Report” required by S.414A of the Companies Act 2006. The consolidated financial statements comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Charity's Articles of Association, “Accounting and Reporting by Charities; Statement of Recommended Practice” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) - “SORP 2019” and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Executive Summary - Strategic Report

During the reporting period, the scale and scope of SBTi's activities evolved. Significant progress was made towards the organisation's objective of enabling companies and financial institutions worldwide to play their part in combating the climate crisis.

By the end of 2024, more than 6,900 corporates, financial institutions and small & medium size enterprises had set science-based greenhouse gas emission reduction targets, and by the end of the reporting period a further 2,775 had committed to set targets..

Companies with validated targets represent a 64% increase on the 4,200 companies with validated targets at the end of 2023.

Additionally, in the reporting period, the SBTi transitioned to independence and transformed its governance.

Urgency of the SBTi's mission

The latest climate science sends a clear warning that temperature rise must be dramatically curbed to avoid the catastrophic impacts of climate change.

Through the 2015 Paris Agreement, governments across the world committed to limiting global temperature rise to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change (IPCC) subsequently warned that global warming must not exceed 1.5°C above pre-industrial temperatures to avoid the catastrophic impacts of climate change.

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To achieve this, greenhouse gas (GHG) emissions must halve by 2030 – and drop to net-zero by 2050.

Business has a critical role to play in driving down greenhouse gas emissions and building the resilient, thriving net-zero economy we urgently need. This action must be grounded in science.

The world needs a race to the top, led by pioneering companies. This will empower peers, suppliers and customers to follow suit.

Science-based targets show companies and financial institutions by how much and how quickly they need to reduce greenhouse gas emissions to prevent the worst effects of climate change.

Objectives and Activities

The SBTi:

- Defines and promotes best practice in emissions reductions and net-zero targets in line with climate science.
- Develops standards, tools and guidance to enable companies and financial institutions to set science-based targets in line with science.

The SBTi's wholly-owned subsidiary, SBTi Services, assesses and validates companies' and financial institutions' targets.

Together, the SBTi group mobilises the private sector to take the lead on urgent climate action and enables companies and financial institutions to understand how much, and how quickly, they must decarbonise to prevent the worst impacts of climate change.

Action is needed in key sectors, many of which require tailored approaches to setting emission-reduction targets. The SBTi provides clarity and guidance on these journeys, including for the heavy emitting sectors such as buildings, steel, cement, and finance.

By the end of 2024, almost 7,000 companies and financial institutions were leading the transition to a net-zero economy by having science-based emissions reduction targets validated by the SBTi group.

The SBTi exists to further the charitable purposes of:

1. Promoting for the public benefit the conservation, protection and improvement of the physical and natural environment
2. Advancing education for the public benefit in the subject of climate change including by undertaking and promoting research in this subject and making the useful results of such research available to the public; in particular, but not exclusively, by developing standards, guidance, tools and resources to enable the assessment of businesses' and institutions'

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targets to reduce greenhouse gas emissions and the performance of products, entities, and financial portfolios against greenhouse gas emission limits informed by science.

The development of the SBTi

During the reporting period, the SBTi notably expanded its impact as a result of step-changes in its governance, its operational capacity and capability, and its technical completeness. This resulted in a surge of companies setting and committing to set science-based targets.

The SBTi has focused on three main areas of organisational development:

- 1. Robust standards development.** The SBTi's Standard Operating Procedure for the Development of Standards ("SOP") provides the organisation with a formal process which must be followed for the development and revision of all standards and has been critical for the ongoing credibility of its standard-setting. The SOP was formally adopted by the Board in December 2023. In addition, the SBTi's Technical Council sits as a deliberation and technical decision-making body with a broad range of independent representation, reviewing, approving and making recommendations on the adoption of SBTi standards, guidance and methods. The SBTi is also working towards membership of a recognised standards body to ensure the credibility of its standards.
The initiation, research and initial drafting phase of a major revision of the SBTi's Corporate Net-Zero Standard was a key focus during this period, with an initial draft released for public consultation March 2025. Additionally, in July 2024, the SBTi published the Financial Institutions Net-Zero Standard Consultation Draft, opened a public consultation and pilot testing with 15 financial institutions. During the reporting period it also carried out two public consultations for a chemicals standard.
- 2. Ongoing engagement and impact.** The SBTi increased engagement with SBTi standards across the global corporate accountability ecosystem and ensured inclusive stakeholder engagement during the standard development process (see above) through leveraging Expert Advisory Groups, meetings, public consultations, and pilot testing. Stakeholder engagement activities met target thresholds and diversity criteria, ensuring inclusivity for stakeholders affected by the standards.
- 3. Increased organisational capacity and capability.** During the reporting period, the SBTi achieved strategic, operational and financial autonomy with a clear, independent governance structure.

Achievements and performance

The SBTi had another successful year of operations and hit several significant milestones in furtherance of its objectives.

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By the end of 2024, almost 7,000 companies and financial institutions were taking ambitious climate action by setting emissions reduction targets in line with SBTi standards and having them validated by the SBTi group.

Company Mobilisation: The SBTi initially set an internal target to achieve 5,000 companies mobilising for climate action through validated science-based targets or commitments by 2025. As this target became achievable, the SBTi raised the goal to 10,000 companies with established targets, or commitments to set them, by 2025. In a strong indication of both the private sector's growing appetite to decarbonise and the deployability of our standards via professionalised validation services, the SBTi nearly reached this revised target one year ahead of schedule in 2024. By the time of this report's publication in Q1 2025, the 10,000 target had already been surpassed.

Validated Targets: By the end of the reporting period, more than 6,900 companies had set either near- or long-term science-based targets and had them validated by the SBTi group. This represents a year-on-year increase compared to 2023 of nearly 65% across the globe, with all regions representing high double digit growth in validated targets.

Net-Zero Targets: As of the close of the reporting period, the targets of more than 1,400 companies had been validated in line with the SBTi's flagship Corporate Net-Zero Standard. Released in 2021, this world-first standard provided a robust framework to ensure that companies' net-zero targets are consistent with what is required to achieve net-zero no later than 2050 (or 2040 for the power sector and maritime transport). Appetite for net-zero targets expanded substantially in the reporting period, with an 87% increase in the number of net-zero targets validated compared with the previous year.

Commitments: The SBTi recorded a 30% growth in commitments made by organisations during 2024, with 2,900 pledging to setting science-based targets within 24 months from committing to set them. Commitments demonstrate an organisation's intention to develop targets and submit these for validation, with organisations not yet holding validated targets.

Service digitisation: As part of its strategy to digitise its services and improve customer experience, the SBTi deployed the first release of its technology plan in October 2024. The first key pillar in this programme was to establish a separate SBTi Services webpage to act as a central repository of all information and services related to science-based target setting and making science-based target commitments. The second pillar was to launch the first iteration of the SBTi's Validation Portal, enabling companies to register for validation services online, thereby streamlining the process and making it more user friendly. More than 2,200 companies successfully used the new SBTi Services Validation Portal to register with the SBTi in the first two months/ within the reporting period. Expansions to the Validation Portal are planned for 2025.

Queries: Reflective of the exceptional demand for target validation services, the SBTi receives high volumes of enquiries from corporates and financial institutions. The response teams aim to

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provide swift, comprehensive and clear responses to all enquiries to fast track corporate climate action. In the reporting period, the SBTi responded to more than 6,000 email queries from external stakeholders, reducing the average response time by more than 50%.

Structure, Governance and Management

The SBTi was formed as an initiative in 2015 between five founding organisations; CDP Worldwide, the United Nations (UN) Global Compact, the We Mean Business Coalition (WMB), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The SBTi incorporated as a UK company limited by guarantee in June 2023 and was subsequently registered as a charity by the Charity Commission for England and Wales in November 2023. The objects and powers of the SBTi are set out in its Articles of Association (“the Articles”), together with provisions relating to the governance of the SBTi.

Under the Articles, four of the founding partners (CDP Worldwide, WMB, WRI and WWF) serve as the company members of the SBTi. Legal responsibility for the operation of the SBTi sits with the Board of Trustees (“the Board”), which at the date of this report comprises three Representative Trustees (appointed, subject to Board approval, by each of WMB, WRI and WWF as company members of the SBTi) and four Independent Trustees. The UN Global Compact also appoints a Permanent UN Advisor who attends but does not vote at Board meetings. CDP Worldwide retains a right under the Articles to appoint a Representative Trustee; this position is vacant at the date of this report.

The successful transfer of the SBTi’s activities, assets and employees from its founding partners to the new SBTi entities was largely completed in December 2024.

Recruitment and training of Trustees

Each of the company members of the SBTi may appoint one Representative Trustee to the Board, subject to the approval of the existing Board members. Independent Trustees are recruited globally from persons with the requisite skills and experience to successfully deliver the SBTi’s objectives and may be recruited from finance, industry, public bodies or the non-profit sector. SBTi’s Nominations Committee identifies individuals for appointment as Trustees and makes recommendations to the Board of Trustees for their consideration. The Board of Trustees takes the formal decision to appoint.

Formal induction and training is provided to Trustees to enable them to comply with their legal and regulatory duties. The Board is supported by the SBTi’s Legal, Compliance and Executive Leadership Teams, including by way of specialist external counsel.

Changes to officers since incorporation

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After the incorporation of the SBTi, Ms Ester Baiget and Mr Ivan Duque Marquez were appointed as Trustees on 24 August 2023, Mr Francesco Starace was appointed as chair on 18 September 2023, and Ms Stacey Mitchell was appointed on 14 December 2023.

Ms Sherry Anne Madera was appointed on 28 March 2024 and stepped down as a Trustee on 10 September 2024. Ms Nicolette Bartlett, a Trustee since incorporation, resigned as a Trustee on 28 March 2024. The SBTi is grateful for their contributions.

Ms Sue Jenny Ehr was appointed as Company Secretary on 28 September 2023 and is currently serving as Interim CEO.

Executive Leadership Team (“ELT”)

The ELT is currently led by the Interim CEO after Luiz Amaral stepped down in July 2024, having held the role of CEO since before the SBTi’s incorporation. The Trustees delegate the day-to-day management of the SBTi to the CEO and other members of the ELT in accordance with a Scheme of Delegation. The ELT comprises senior employees from across the SBTi’s departments. They report to the CEO, who in turn reports to the Trustees. The CEO delegates certain financial duties to the COO, and certain general duties to all ELT members. Responsibility for setting SBTi staff salaries is delegated to the CEO and the CEO’s salary is determined by the Board, mainly using market data and benchmarking against comparable organisations.

Finance, Risk Audit and Governance (“FRAG”) Committee

The Board of Trustees has delegated authority to the FRAG Committee to advise the Trustees on compliance with their legal duties, the Charity Governance Code and other applicable governance requirements, including managing conflicts of interest. The FRAG Committee is also responsible for monitoring and reviewing the effectiveness of the SBTi’s risk management systems, particularly regarding financial risk, including financial systems, controls and policies.

Technical Council

The SBTi Technical Council is an independent deliberation and technical decision-making body, appointed and overseen by the SBTi’s Board of Trustees. The Council has delegated authority to review and approve SBTi standards and other normative documentation. The members sit for a renewable term of two years, including a Chair who acts as liaison between the Council and the Board. This group operates exclusively in the public interest.

The scope of the Technical Council covers all normative documentation, including SBTi principles, standards, mitigation pathways and methods that inform emission and non-emission benchmarks used across SBTi standards, and other normative documents that supplement SBTi standards

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(including annexes, guidelines, position papers, technical policies, etc.). The Technical Council reviews and approves, and recommends that the Board adopts, normative elements of the SBTi framework.

Nominations Committee

The primary purpose of the Nominations Committee is to identify individuals for appointment as Trustees and make recommendations for consideration by the Board, which will take the formal decision to appoint. The Nominations Committee will also identify individuals for appointment to roles on the Technical Council (in accordance with the Technical Council's Terms of Reference) and may be involved in appointments to other Board committees of SBTi at the discretion of the Board. Additionally, the Nominations Committee is also responsible for the selection of the CEO. In each case the formal decision to appoint will be taken by the Board.

Group structure

The SBTi has a wholly owned UK trading subsidiary, SBTi Services Limited, structured as a company limited by shares (**Company number 15181058, date of incorporation 2 October 2023, trading start date 1 July 2024**), whose primary purpose is the validation of corporate, SME, and financial institution emissions reductions targets in line with SBTi Standards and guidance. The funds generated help to support SBTi's charitable purposes and activities.

The SBTi also has a wholly owned subsidiary in Germany (**SBTi gGmbH, incorporated on 27 June 2024, trading start date 1 October 2024**) which employs German-based staff of the SBTi and SBTi Services Limited. In certain jurisdictions, where it is not financially or administratively prudent for the SBTi to incorporate entities to employ staff directly, the SBTi uses an Employer of Record to employ staff.

Key risks and uncertainties

The Board of Trustees has overall responsibility for the system of internal budget and risk control for the SBTi. This includes ensuring that there are reasonable procedures in place for the identification and management of major operational risks, including fraud and other irregularities. The FRAG Committee is the governance body with delegated responsibility from the Board for the oversight of the organisations' SBTi's Risk and Issues Register.

The below are the priority risks that SBTi actively looks to mitigate and manage. The Executive Leadership Team reviews and updates the Risk and Issues Register on a regular basis to ensure accurate prioritization and mitigation progress.

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Risk title	Risk description	Actions in process
1. Strategy and planning	Challenges in maintaining market presence	<p>Enhance relationships and collaboration with key organisations and other standard-setters and work towards interoperability for ease of adoption.</p> <p>Enact a comprehensive engagement programme with specific industry sectors to identify and mitigate barriers to entry.</p> <p>Regularly audit and update SBTi Standards to address critical gaps, issues and needs.</p> <p>Implement a task force that assesses, prioritises, and resolves issues that cause companies difficulty adopting SBTi standards.</p>
	Foundational science is updated; for example, 1.5C carbon budget being recalibrated	The SBTi's Research Team remains close to IPCC to proactively prepare.
2. Reputation	Risk of companies with science-based targets not decarbonising in line with validated targets	Include Renewals and Progress against Targets in the Corporate Net Zero Standard and interim documentation.
	Deviation from scientific evidence affecting SBTi's credibility	Technical Team and Technical Council ensure SBTi maintains the highest level of scientific rigour in all standards, tools and guidance.
	Negative stakeholder sentiment resulting from perceived lack of response from the SBTi to external events	Ongoing proactive approach to communications, including building relationships with key stakeholders, extensive consultation processes,

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		and support of external consultancies.
3. Data and technology	Delays in major IT projects	Working with a reputable supplier on project delivery. Fortnightly Steering Committee meetings with representation from all relevant stakeholder groups to consider and address project risks and issues; updating plans based on learnings.
	Exposure to cyber risks	External expert review followed by implementation of ISO 27001.
	Data security and accuracy	Implementation of digital working methods during 2025 with the minimisation of manual intervention.
4. Funding	Funding dependencies on philanthropic donors and Gift Aid from SBTi Services	Expand and diversify sources of funding. Curate and enhance relationships with existing donors. Head of Fundraising joins SBTi in Q1 to build and maintain the pipeline. Maintain and enhance existing donor relationships.
5. Governance	Ensuring that the UK Charity Commission requirements are fully embedded in all structures and processes	The Trustees have received external training on their fiduciary duties and Charity Commission requirements. The Trustees have received training on, and shall follow, the SBTi's Standard Operating Procedure for the Development of Standards. Continue to deploy, enhance, and update policies, processes and procedures, with appropriate training

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		being rolled out across the organisation.
6. Internal management	Culture alignment and development	Appointment of permanent CEO and utilisation of People Engagement Advisory Committee to allow for broad employee inputs.
	Staff retention	Sector-competitive compensation and benefits with career development.

Financial Review

The SBTi closed the reporting period in a solid financial position, however it is important to stress that there were several unusual and non-recurring items in this outcome.

Firstly, an extended accounting period from June 2023 to Dec 2024 was used, as permitted. Secondly, the costs of the initiative were largely incurred by the founding partners before the SBTi’s incorporation and were transitioned to the SBTi over time. Thirdly, the commercial revenue generating activity within SBTi Services Ltd only commenced in the last six months of the reporting period. Finally, SBTi received a non-recurring grant from a partner organisation in connection with activities previously incubated within the partner organisation. Value for this transaction for the year is \$10.2M USD, and it includes a contingent asset of \$3M USD that is payable each quarter until 1 October 2028.

On an ongoing basis, the SBTi has three different sources of income (please note the table below in page 13 includes the detail of this):

- **Core philanthropic funding** in the form of grant funding to cover core costs, broader organisational development and capacity-building.
- **Project-specific funding** in the form of grant funding for specific time-limited projects.
- **Validation service fees** (via its trading subsidiary, SBTi Services) to recover the cost of operating and continuing to enhance our target validation service and companies’ experience.

Fundraising

The SBTi has achieved its fundraising goal for the accounting period with a combination of project-specific and core funding grants from key funders. Funders support the SBTi’s mission to ensure

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companies have the tools to take science-based climate action. Fundraising is performed by the SBTi’s employees, in line with relevant policies and procedures. The SBTi does not fundraise with vulnerable people or the general public and has not received any complaints regarding its fundraising activities.

Our funders since incorporation

- IKEA Foundation: Core
- Laudes Foundation: Project-specific
- Climate Arc - Rockefeller Philanthropy Advisors: Project-specific

In addition, in 2024 the SBTi received a non-recurring grant from a partner organisation in connection with activities previously incubated within the partner organisation, categorised as core funding.

The SBTi is most grateful for the support of its funders during this period of transition and growth.

Income received from companies and institutions, whether as funding or validation fees, has no influence on decisions surrounding their targets.

Where our money comes from

In the accounting period ended 31 December 2024 our group income can be categorised as follows:

	Amounts in 000/USD	%
Validation service fees	7,010	24.6%
Core funding	20,754	72.8%
Project-specific funding	754	2.6%
Total	28,518	100%

Reserves

The SBTi group has a reserves policy of three months’ cost for the charitable activities, a policy which is reviewed annually and approved by the Board. At 31 December 2024 the group held unrestricted reserves of \$15M USD and is in compliance with its policy.

To help with calculating the required reserves, the SBTi evaluates how to protect the continuity of our work, how to engage unexpected opportunities, as well as covering unforeseen expenditure or unanticipated liabilities.

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With unrestricted funds totalling \$15M USD, and fixed assets of less than \$1M USD, SBTi has free reserves of \$14M USD.

Further financial disclosures

The SBTi has made no investments and has no liability arising from obligations to a defined benefit pension scheme or pension assets, and no funds in deficit. The SBTi makes small grants to not-for-profits in furtherance of its charitable objectives. The SBTi makes no use of volunteers and undertakes no social investment. No assets were held as custodian trustee during the reporting period.

Total grant expenditure in the year was \$458k USD, to fund SBTi dedicated resources. The restricted funds take into account some project specific developments that are part of [SBTi]'s technical workplan.

Subgrants were made to support the SBTi's charitable activities; these covered staff costs that were held in the partners and project specific subgrants that supported the workplan from our Technical Team.

GRANTS PAYABLE

	Grants to institutions	Grants to individuals	Support Costs	Total
	\$	\$	\$	\$
WWF-UK	22,500	-	-	22,500
We Mean Business Coalition	90,519	-	-	90,519
SFC Smart Freight Centre	44,933	-	-	44,933
World Resources Institute	268,438	-	-	268,438
Climate Action Associates	31,839	-	-	31,839
	<u>458,230</u>	<u>-</u>	<u>-</u>	<u>458,230</u>

At 31 December 2024 the Group held funds restricted for specific purposes and this totalled \$347k USD.

Going concern

Based on the cash position at the end of 2024, and detailed operational and cashflow projections, including reasonable forecasts of income and enhanced cost controls, the Trustees consider that the SBTi has adequate resources to continue as a going concern for at least 12 months following approval of these financial statements.

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Plans for future periods

In the upcoming year, the SBTi expects to welcome its new permanent CEO to advance its mission and impact.

The SBTi plans to continue development of two significant standards, Financial Institutions Net Zero Standard (FINZ) and the Corporate Net Zero Standard Version 2 (CNZS). Both standards will be developed according to the Standard Operating procedure. The FINZ standard is intended to be published in 2025.

Corporate Net Zero Standard Version 2

We are updating the Corporate Net-Zero Standard to support more companies to set targets and make corporate climate action more effective, to accelerate the pace of decarbonization.

- The draft standard sets out a science-based, innovative and pragmatic framework to support corporate action post 2030 that is consistent with commercial approaches.
- It aims to be both more rigorous and practical – in line with feedback from businesses about what they need.

Key changes:

- The draft splits out scope 1 and scope 2
- More than half of businesses we've surveyed have told us that scope 3 is a major barrier to setting a net-zero target. The draft standard introduces both flexibility and actionability to setting targets and reporting progress to help tackle this.
- The draft standard recognizes the increasing number of companies engaging in transition planning, and provides an explicit link between commitments and plans.
- Investment in permanent carbon removals and related carbon credits can complement corporates' efforts to reduce their own carbon footprint - but should never be a substitute for this.

In addition:

- It's critical that more SMEs and businesses in developing nations set targets. Many have told us they would value a simpler process tailored to the capabilities and resources that they have. The draft outlines a reduced set of requirements to help businesses like these take action.
- The draft will also require regular tracking of progress to keep companies on course and improve targets where necessary.
- The feedback we gather from consultations, our expert working groups and pilot testing will all inform changes ahead of its final approval. We encourage everyone to participate.

SCIENCE BASED TARGETS INITIATIVE, (LIMITED BY GUARANTEE), CONSOLIDATED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED 31 DECEMBER 2024).

- The SBTi will also take steps to ensure a smooth transition from the current to new standard:

Auditors

Under section 487 (2) of the Companies Act 2006, Crowe LLP will be deemed to have been reappointed 28 days after these Financial Statements were sent to Members or 28 days after the latest date prescribed for filing the accounts with the Registrars whichever is the earliest

Trustees' responsibilities

The Trustees, who are also the Directors of the SBTi for the purposes of Company Law, are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare Financial Statements for each financial year.

Under Company Law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public benefit disclosure

The Trustees have complied with their duty under Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

SCIENCE BASED TARGETS INITIATIVE, (LIMITED BY GUARANTEE), CONSOLIDATED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED 31 DECEMBER 2024).

Statement of compliance with section 172(1) of the Companies Act 2006

The SBTi's Board of Trustees must act in the way they consider, in good faith, would be most likely to promote the SBTi's success to achieve its charitable objectives. In carrying out their duties, the Trustees have regard to (without limitation) the following matters:

a) The likely consequences of any decision in the long term

The Trustees consider the financial and operational sustainability of the organisation in all their decision-making. The Trustees are mindful of the long-term results of the organisation's work and align their decisions to the long-term strategic aims of the SBTi.

b) The interests of the SBTi's employees

The Trustees recognise that attracting, developing and maintaining a highly-skilled workforce is critical to the success of the SBTi's strategic aims. The Trustees, therefore, through regular consultation and collaboration with senior staff, strive to promote a positive working culture, and to encourage professional development of SBTi staff. The Trustees are committed to ensuring a fair and safe working environment, as well as diversity, inclusion and equity in the workplace.

c) The need to foster the SBTi's business relationships with suppliers, partners, and others

The Trustees acknowledge that a key factor to delivering the SBTi's charitable purposes and strategic aims is to build strong and lasting relationships with suppliers, partners and other stakeholders. The Trustees foster excellent working relationships between the SBTi and the industry and are supported by senior management in applying risk management strategy and compliance with regulatory requirements of conduct in their business partnerships and interactions.

d) The impact of the SBTi's operations on the community and the environment

The Trustees ensure that the SBTi is strongly committed to the safeguarding of communities and the environment. This is at the heart of the SBTi's charitable objectives. Trustees consider the effects of the SBTi's operations and procedures on communities and individuals it works with and the environmental impact. Staff help to ensure that internal safeguarding policy is upheld across the organisation. The Charity is planning its own report on its environmental impact with the aim of setting targets via its own process for smaller medium-sized enterprises, while undertaking a comprehensive assessment of its own carbon footprint for the longer-term purpose of establishing reduction targets and revising its environmental policies and processes. Further progress will be included in next year's report.

e) The desirability of the SBTi maintaining a reputation for high standards

The SBTi's core values are reflected throughout its policies, procedures, and risk management

SCIENCE BASED TARGETS INITIATIVE, (LIMITED BY GUARANTEE), CONSOLIDATED FINANCIAL STATEMENTS, FOR THE PERIOD ENDED 31 DECEMBER 2024).

strategy. The Trustees ensure that the SBTi maintains a strong reputation for its high standards in all aspects of its operations, from internal employee resources to external publications. The SBTi's position in the industry is reliant on the quality of its work, transparency, integrity and accountability. The SBTi maintains compliance with regulatory standards and has complaints procedures covering all aspects of the organisation.

The Trustees' regard for the above matters is factored into all of their decision-making, policies, procedures and through the SBTi's mission, values, culture, and governance, as well as its stakeholder engagement practices.

Statement of disclosure to auditors

In so far as the Trustees are aware

- there is no relevant information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on the 21st of March 2025 and signed on their behalf by

DocuSigned by:

1E4460DB7C6B479...
Francesco Starace
Chair, SBTi Board of Trustees

DocuSigned by:

25FE9828A956454...
Stacey Mitchell
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCIENCE BASED TARGETS INITIATIVE

Opinion

We have audited the financial statements of Science Based Targets Initiative (the "charitable company") and its subsidiaries (the "group") for the period ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCIENCE BASED TARGETS INITIATIVE

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCIENCE BASED TARGETS INITIATIVE

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, Risk, Audit and Governance Committee about their own identification and assessment of the risks of irregularities, sample testing on grant income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and Companies House, and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 26 March 2025

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2024**

	Note	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
INCOME AND ENDOWMENTS FROM:				
Charitable activities	3	20,754,475	754,185	21,508,660
Other trading activities	4	7,010,831	-	7,010,831
Investment income	5	67,402	-	67,402
TOTAL INCOME		<u>27,832,708</u>	<u>754,185</u>	<u>28,586,893</u>
EXPENDITURE ON:				
Raising funds	6	2,615,091	-	2,615,091
Charitable activities	7	9,775,201	407,283	10,182,484
TOTAL EXPENDITURE		<u>12,390,292</u>	<u>407,283</u>	<u>12,797,575</u>
NET INCOME		15,442,416	346,902	15,789,318
NET MOVEMENTS IN FUNDS		15,442,416	346,902	15,789,318
TOTAL FUNDS BROUGHT FORWARD	17	-	-	-
TOTAL FUNDS CARRIED FORWARD	17	<u>15,442,416</u>	<u>346,902</u>	<u>15,789,318</u>

CONTINUING OPERATIONS

All of the above results are derived from continuing operations.

**SCIENCE BASED TARGETS INITIATIVE (Registered Number: 14960097)
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

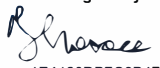
	Note	Group 2024 \$	Charity 2024 \$
FIXED ASSETS			
Intangible assets	13	789,272	-
Investments			
Shares in subsidiaries	14	-	13,616
		789,272	13,616
CURRENT ASSETS			
Debtors	15	6,246,661	5,833,314
Cash at bank and in hand		10,164,035	6,796,636
		16,410,696	12,629,950
CREDITORS - amounts falling due within one year	16	(1,410,650)	(822,648)
NET CURRENT ASSETS		15,000,046	11,807,302
TOTAL NET ASSETS		15,789,318	11,820,918
FUNDS			
Unrestricted funds	18	15,442,416	11,474,016
Restricted funds	19	346,902	346,902
TOTAL FUNDS		15,789,318	11,820,918
Charity's Surplus for the Period			11,820,918

The financial statements were approved by the Board of Trustees on 21 March 2025 and were signed on its behalf by:

Francesco Starace

.....

..... - Trustee

DocuSigned by:

1E4460DB7C6B479...

Stacey Mitchell

.....

..... - Trustee

DocuSigned by:

25FE9828A956454...

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

	2024		
	\$		
Cash Flows from operating activities			
Net cash provided by operating activities	<u>10,932,333</u>		
Cash flows from investing activities:			
Purchase of intangible fixed assets	(835,700)		
Interest received	67,402		
Net cash used in investing activities	<u>(768,298)</u>		
Change in cash and cash equivalents in the reporting period	10,164,035		
Cash and cash equivalents at the beginning of the reporting period	<u>-</u>		
Cash and cash equivalents at the end of the reporting period	10,164,035		
RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2024		
	\$		
Net income for the reporting period (as per the statement of financial activities)	15,789,318		
Adjustments for:			
Amortisation charges	46,428		
Interest received	(67,402)		
Increase in debtors	(6,246,661)		
Increase in creditors	1,410,650		
Net cash provided by operating activities	<u><u>10,932,333</u></u>		
ANALYSIS OF CHANGES IN NET FUNDS			
	At	Cash flow	At
	26/06/2023		31/12/2024
Net cash			
Cash at bank	<u>-</u>	<u>10,164,035</u>	<u>10,164,035</u>
	<u>-</u>	<u>10,164,035</u>	<u>10,164,035</u>
Total	<u><u>-</u></u>	<u><u>10,164,035</u></u>	<u><u>10,164,035</u></u>

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

1. General information

The charitable company is a private company, limited by guarantee (the liability of each member is limited to £1), incorporated and domiciled in the England and Wales. The address of its registered office is First Floor, 10 Queen Street Place, London, EC4R 1BE. The registered number of the company is 14960097. The registered number of the charity is 1205768.

The charity was incorporated on 26 June 2023, and commenced activity on 1 December 2023. This is the first set of financial statements the Group and Charity have produced.

The charity's accounting reference date is the 26 December 2024, however the financial statements have been prepared to the 31 December 2024 under s390 Companies Act 2006.

The financial information presented is for the period ended 31 December 2024. The functional and presentational currency is US dollars (\$).

2. Accounting Policies

2.1 Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historic cost convention.

Science Based Target Initiatives meets the definition of a public benefit entity under FRS 102.

A separate Statement of Financial Activities, and income and expenditure account, for the parent charitable company is not presented as part of these financial statements as permitted by section 408 of the Companies Act 2006. The net result of the Parent Charity is disclosed on page 23.

2.2 Preparation of the financial statements on a going concern basis

The financial statements have been prepared on the assumption that the group is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves and the expected level of income and expenditure for 12 months from authorising these financial statements. There are no material uncertainties about the group's ability to continue as a going concern.

2.3 Preparation of consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Charity and its wholly owned subsidiaries, SBTi Services Limited and Science Based Targets Initiatives (SBTi) gGmbH, on a line by line basis. The accounts are adjusted, where appropriate, to conform to group accounting policies; intra-group transactions and balances are eliminated fully on consolidation.

2.4 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received and the amount can be measured reliably.

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. Income from grants is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Investment income is included in the Statement of Financial Activities in the period in which it is receivable. Interest receivable is included when receivable and the amount can be measured reliably, normally upon notification of interest paid by the bank.

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

Income from other trading activities includes services provided by the subsidiary companies, net of VAT.

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Governance costs are included in support costs and include the costs of the annual statutory audit.

Support costs which cannot be directly attributed to particular headings have been allocated to activities on a basis consistent with the use of resources.

2.6 Intangible fixed assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised over its estimated useful life of 3 years.

2.7 Financial instruments

All loans, investments and short term deposits held by the group are classified as basic financial instruments. These financial instruments are initially recorded at the transaction price and are subsequently measured at their settlement value.

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors are recognised at the settlement amount due.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

2.8 Pension costs

The group operates a defined contribution pension scheme. Pension costs charged to the Statement of Financial Activities represent the contributions payable by the group during the period. These contributions are invested separately from the group's assets.

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the group for particular purposes. The cost of raising and administering such funds are charges against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.10 Lease commitments

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

2.11 Critical accounting estimates and judgements

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Main areas of estimates and judgement are considered to be timing and recognition of grant income.

2.12 Foreign

Monetary assets and liabilities denominated in foreign currencies are translated into US dollar (\$) at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.13 Taxation Status

As a registered charity, the charity is exempt from Corporation Tax in respect of its investment and charitable income and in respect of capital gains as any surplus income and gains are applied for charitable purposes.

The charity's trading subsidiary company pays available taxable profits to the Charity as gift aid donations by a deed of covenant. Their charge to corporation tax in the period is £nil.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Grants received	20,754,475	754,185	21,508,660
Total income from charitable activities	<u>20,754,475</u>	<u>754,185</u>	<u>21,508,660</u>

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Services - trading subsidiary	7,010,831	-	7,010,831
	<u>7,010,831</u>	<u>-</u>	<u>7,010,831</u>

5. INVESTMENT INCOME

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Bank Interest	66,584	-	66,584
Other Interest Received	818	-	818
	<u>67,402</u>	<u>-</u>	<u>67,402</u>

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

6. RAISING FUNDS

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Trading activities - subsidiary	2,615,091	-	2,615,091
	<u>2,615,091</u>	<u>-</u>	<u>2,615,091</u>

7. CHARITABLE ACTIVITIES COSTS

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Other costs:			
Staff welfare, training and equipment	1,919,044	58,278	1,977,322
Professional, legal, consultancy and recruitment fees	2,241,163	-	2,241,163
Contractors	161,536	-	161,536
Insurance	28,187	-	28,187
Advertising	3,537	-	3,537
Travel expenses	263,121	339	263,460
Subscriptions	192,945	-	192,945
Computer running costs	335,649	-	335,649
Meeting Costs	167,404	-	167,404
Bank Charges	8,905	-	8,905
Rent, office costs	149,084	-	149,084
Technical Council Member	186,043	-	186,043
Foreign exchange gain	(3,163)	-	(3,163)
Grants to institutions	367,711	90,519	458,230
Total other costs	<u>6,021,166</u>	<u>149,136</u>	<u>6,170,302</u>
Staff costs	3,647,874	258,147	3,906,021
Support Costs	106,161	-	106,161
	<u>9,775,201</u>	<u>407,283</u>	<u>10,182,484</u>

8. SUPPORT COSTS

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Governance Costs	106,161	-	106,161
	<u>106,161</u>	<u>-</u>	<u>106,161</u>

**SCIENCE BASED TARGETS INITIATIVE
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

GOVERNANCE COSTS

	Unrestricted Funds 2024 \$	Restricted Funds 2024 \$	Total Funds 2024 \$
Auditors remuneration - audit fee	30,708	-	30,708
Auditors remuneration - non audit work	75,453	-	75,453
	<u>106,161</u>	<u>-</u>	<u>106,161</u>

9. GRANTS PAYABLE

	Grants to institutions \$	Grants to individuals \$	Support Costs \$	Total \$
WWF-UK	22,500	-	-	22,500
We Mean Business Coalition	90,519	-	-	90,519
SFC Smart Freight Centre	44,933	-	-	44,933
World Resources Institute	268,438	-	-	268,438
Climate Action Associates	31,839	-	-	31,839
	<u>458,230</u>	<u>-</u>	<u>-</u>	<u>458,230</u>

The value of grants committed at the balance sheet date, but not yet paid, is \$Nil.

10. STAFF COSTS

	Consolidated \$	Charity \$
Wages and Salaries	3,461,322	2,172,557
Social Security costs	1,738,221	1,212,356
Pension costs	213,292	142,943
	<u>5,412,835</u>	<u>3,527,856</u>

The staff costs of the Charity and the charitable subsidiary, included in Charitable Activities, totalled \$3,906,021 for the period. The staff costs of the trading subsidiary, included within Raising Funds, totalled \$1,506,814 in the period.

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The average number of headcount employees was:

	2024
Science Based Targets Initiative	23
SBTi Services Limited	13
Science Based Targets Initiative (SBTi) gGmbH	2
	38
	38

Number of staff whose emoluments (excluding pension contributions) exceeded \$75,000 (£60,000) in the period:

	2024
\$70,000 - \$87,499	8
\$87,500 - \$99,999	3
\$100,000 - \$112,499	5
\$112,500 - \$124,999	3
\$125,000 - \$137,499	2
\$137,500 - \$149,999	1
\$150,000 - \$162,499	2
\$162,500 - \$174,999	4
\$175,000 - \$187,499	1
\$187,500 - \$199,999	2
\$200,000 - \$212,499	0
\$212,500 - \$224,999	0
> \$225,000	2
	33
	33

The key management personnel of the charity comprise the Chief Executive Officer, Chief Technical Officer, Deputy to the Chief Technical Officer, Chief Operating Officer, Director of Communications, Chief Impact Officer and Compliance Director.

	2024
	\$
Total employee benefits to key management	627,400
	627,400

11. TRUSTEES EXPENSES AND REMUNERATION

During the period the charity reimbursed, or paid on behalf of the trustees, travel expenses totalling \$2,208.79 for two trustees to attend board meetings and other official events. These expenses were incurred solely in the course of their duties as trustees.

12. NET INCOME/EXPENDITURE

	2024
	\$
Operating lease costs	147,384
Auditors' remuneration	30,708
Auditors' remn - non-audit	-
Auditors' remn - taxation	75,453
	253,545
	253,545

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13. INTANGIBLE FIXED ASSETS - GROUP

Held by the trading subsidiary:	Software Development Costs \$	Total \$
Cost:		
Additions	835,700	835,700
At 31 December 2024	<u>835,700</u>	<u>835,700</u>
Depreciation:		
Charge for the period	46,428	46,428
At 31 December 2024	<u>46,428</u>	<u>46,428</u>
Net book value at 31 December 2024	<u><u>789,272</u></u>	<u><u>789,272</u></u>

14. FIXED ASSET INVESTMENTS

	2024 \$
CHARITY Historical cost	
Investment in subsidiaries:	
SBTi Services Limited	1
Science Based Targets Initiative (SBTi) gGmbH	13,615
Historical cost at 31 December 2024	<u><u>13,616</u></u>

Investment in subsidiaries: non-charity trading subsidiaries

SBTi Services Limited

Class of share : 1 £1 Ordinary - Holding: 100%

Company number: 15181058

Registered office: First Floor, 10 Queen Street Place, London, United Kingdom, EC4R 1BE

	2024 \$
Income statement	
Turnover	7,010,831
Administrative expenses	(2,568,664)
Amortisation	<u>(46,428)</u>
Profit for the Financial Period	4,395,739
Retained in the subsidiary	<u><u>4,395,739</u></u>

**SCIENCE BASED TARGETS INITIATIVE
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14. FIXED ASSET INVESTMENTS continued

	2024 \$
Balance sheet	
The assets and liabilities of the subsidiary were:	
Fixed assets	789,272
Current assets	5,577,139
Current liabilities	(1,970,671)
Aggregate capital and reserves	4,395,740

Investment in subsidiaries: charitable subsidiaries

Science Based Targets Initiative (SBTi) gGmbH

Class of share : 25,000 €0.50 Ordinary - Holding: 100%

Company number: HRB 267031

Registered office: Kemperplatz 1, 10785, Berlin, Germany

	2024 \$
Income statement	
Turnover	-
Administrative expenses	(427,339)
Loss for the Financial Period	(427,339)
Retained in the subsidiary	(427,339)
Balance sheet	
The assets and liabilities of the subsidiary were:	
Fixed assets	-
Current assets	13,615
Current liabilities	(427,339)
Aggregate capital and reserves	(413,724)

The charity has two wholly owned subsidiaries, SBTi Services Limited and Science Based Targets Initiative (SBTi) gGmbH, which carry out the non-charitable trading activities on behalf of the charity.

15. DEBTORS - GROUP

	2024 \$
Trade debtors	1,782,492
Prepayments and accrued income	2,450,375
Other debtors	1,023,023
VAT	240,771
	5,496,661
Amounts falling due after more than one year:	
Prepayments and accrued income	750,000
Aggregate amounts	6,246,661

Prepayments and accrued income due after more than one year relate to the fixed retention receivable from CDP Worldwide.

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15. DEBTORS - CHARITY	2024
	\$
Prepayments and accrued income	2,250,000
Amounts owed by group undertaking	1,700,397
Other debtors	782,536
VAT	350,381

5,083,314

Amounts falling due after more than one year:
Prepayments and accrued income

750,000

Aggregate amounts

5,833,314

16. CREDITORS - GROUP - amounts falling due within one year

2024

\$

Trade Creditors	726,920
Other creditors	3,493
Accruals	277,974
Deferred Income	402,263

1,410,650

CREDITORS - CHARITY - amounts falling due within one year

2024

\$

Trade Creditors	703,914
Other creditors	3,493
Accruals	115,241

822,648

Deferred Income:

2024

\$

Opening balance	-
Amounts deferred in the year	402,263
Amounts utilised/release in the year	-

Closing balance

402,263

Deferred income relates to validation income were invoices have been raised but deliverables not yet completed.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	2024	2024	2024
	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	\$	\$	\$
Fixed assets	789,272	-	789,272
Current assets	16,063,794	346,902	16,410,696
Current liabilities	(1,410,650)	-	(1,410,650)
	<u>15,442,416</u>	<u>346,902</u>	<u>15,789,318</u>

**SCIENCE BASED TARGETS INITIATIVE
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ANALYSIS OF NET ASSETS BETWEEN FUNDS - CHARITY

	2024 Unrestricted Funds \$	2024 Restricted Funds \$	2024 Total Funds \$
Investments	13,616	-	13,616
Current assets	12,283,048	346,902	12,629,950
Current liabilities	(822,648)	-	(822,648)
	<u>11,474,016</u>	<u>346,902</u>	<u>11,820,918</u>

18. UNRESTRICTED FUNDS

UNRESTRICTED FUNDS - GROUP

	2024 \$
Incoming	27,832,708
Outgoing	(12,390,292)
Transfer - restricted funds	-
At 31 December 2024	<u>15,442,416</u>

UNRESTRICTED FUNDS - CHARITY

	2024 \$
Incoming	20,821,877
Outgoing	(9,347,861)
Transfer - restricted funds	-
At 31 December 2024	<u>11,474,016</u>

19. RESTRICTED FUNDS

	Balances 26 June 2023 \$	Incoming \$	Outgoing \$	Transfers \$	Balances 31 Dec 2024 \$
Climate Arc	-	315,884	(94,813)	-	221,071
Laudes Equity	-	88,051	(64,702)	-	23,349
Laudes Building	-	350,250	(247,768)	-	102,482
	<u>-</u>	<u>754,185</u>	<u>(407,283)</u>	<u>-</u>	<u>346,902</u>

Climate Arc - To validated insurance underwriting climate targets, providing a broad framework for net-zero.

Laudes Equity - To identify ways in which corporations can incorporate equity and fairness considerations in their journey to Net Zero (the Initiative).

Laudes Building - To develop science-based targets that address equity concerns for the full built environment value chain, including industry and investors (the Initiative).

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20. RELATED PARTY TRANSACTIONS

During the year, the Charity carried out transactions with its trading subsidiaries:

During the period, the Charity paid \$1,984,382 amount on behalf of SBTi Services Limited (for staff & contractor costs and other consultancy), at the period end SBTi Services Limited owed \$1,273,058 to the Charity.

The Charity paid \$427,339 on behalf of SBTi gGmbH (for staff and contractor costs), at the period end SBTi gGmbH owed \$427,338 to the Charity.

During the period the Charity entered into transactions with some of its founding members, as set out below:

Grants Received from Related Party Organisations	\$
CDP Financial Settlement	10,254,475
Sub - Grants Paid to Related Party Organisations	\$
WWF UK /China	22,500
We Mean Business Coalition, Inc.	90,519
World Resources Institute	268,438
Costs recharged to the Charity	
WWF UK /China	66,962
World Resources Institute	91,071

21. LEASING COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due:

	2024
	\$
Within one year	44,531
Between one and five years	-
More than five years	-
	44,531

22. PENSION COMMITMENTS

The group contributes towards the employee' pension schemes. Pension contributions totalling \$213,292 were paid in the period, with \$Nil included in creditors at the period end.

23. TRANSFER AGREEMENT

Science Based Targets initiative (SBTi) de-merged from its partner organisations, previously a collaborative initiative between CDP, We Mean Business Coalition, World Resources Institute (WRI), World Wide Fund for Nature (WWF) and the UN Global Compact. SBTi is now an independent organisation alongside its partners and has received a transfer of funding from CDP as follows:

\$7.2m received in December 2024, and a further \$3m to be received in quarterly tranches of \$187.5k until October 2028. Since the year end, one tranche has already been received in January 2025.

A further \$2.5m and \$1m retention amounts to be received after final discussions with CDP has been treat as a contingent asset.