

SBTi Finance - Consultation Survey for Three New Resource Drafts (JUNE 2023)

Welcome to SBTi Finance's public consultation survey!

As the SBTi continues to drive ambitious climate action and expands its resources for Financial Institutions (FIs), we welcome you to this public consultation survey and we invite you to share your valuable feedback on the following documents:

1. [CONSULTATION DRAFT: SBTi Near-Term Financial Sector Science Based Targets Guidance V2](#)
2. [CONSULTATION DRAFT: SBTi Financial Institutions Net-Zero \(FINZ\) Standard Conceptual Framework and Initial Criteria](#)
3. [CONSULTATION DRAFT: SBTi Fossil Fuel Finance Position Paper](#)

Survey Objectives

This public consultation is open for 60 days, from 15 June to 14 August 2023. It forms a vital part of SBTi's process to develop and publish a FINZ Standard, a new Fossil Fuels Financing policy and update and improve SBTi's Near-Term framework for FIs.

The primary aims of this consultation survey are to:

- Gather input from external stakeholders on the clarity of the SBTi Finance draft resources
- Understand views of the SBTi's direction of travel regarding FIs
- Engage directly and indirectly with external stakeholders to build support and identify areas of improvement.

What to expect from the survey

The initial part requests contact information. On the next pages, the survey is arranged into three modules:

- CD: SBTi Near-Term Financial Sector Science Based Targets Guidance V2
- CD: SBTi FINZ Standard Conceptual Framework and Initial Criteria
- CD: SBTi Fossil Fuel Finance Position Paper

Before starting the survey, please review the corresponding publication(s) you wish to provide feedback on.

You can select which survey(s) you wish to respond to. In each module you will be asked to submit a response to key questions, (this pdf, summarizes all the survey questions). It is also possible to provide open-ended feedback at the end of the survey that may not have been captured by previous questions. Please also note, you are not required to answer all the survey questions and you can skip certain questions, should you wish.

All information SBTi receives from respondents will be treated with care and kept confidential. Results of this consultation will only be communicated in aggregated form. All feedback will be analyzed and used to inform the final document. However, when analyzing the data, it is helpful for SBTi to know which responses are from which stakeholder group, so we kindly ask you provide us with information about your organization.

For queries relating to this survey, please contact SBTifinance@wri.org

We thank you for your contribution and look forward to receiving your responses!

Your contact Information

1. Please provide your contact information.

First Name

Last Name

Organization name

Position/title

Contact email address

2. Which best describes the sector you work in? Please select the option that applies best to your role (e.g., if in an Asset Management department at a bank, please choose Asset Management).

- a) Asset Owner
- b) Asset Management
- c) Private Equity
- d) Bank
- e) Insurer/Reinsurer
- f) Corporate/Industry
- g) NGO
- h) Professional Services
- i) Academia
- j) Other

3. What country is your organization headquartered in or if you are responding in a personal capacity please select the country where you are based?

(drop down)

4. What is the status of your organization with respect to the Science Based Targets initiative?

- a) My organization has validated Science-Based Targets
- b) My organization has committed to setting Science-Based Targets
- c) My organization is considering committing to set Science-Based Targets
- d) My organization is familiar with Science-Based Targets but is not considering committing to set any
- e) My organization is unfamiliar with science-based targets
- f) Not applicable

Which Consultation Draft(s) would you like to respond to?

Please note, once you have selected the relevant publication(s) you will not be able to undo your selection.

5. Please select from the following list, the draft publication(s) you would like to complete the consultation survey for:

- CD: SBTi Near-Term Financial Sector Science Based Targets Guidance V2
- CD: SBTi FINZ Standard Conceptual Framework and Initial Criteria
- CD: SBTi Fossil Fuel Finance Position Paper

Survey Module – CD SBTi Near-Term Financial Sector Science Based Targets Guidance V2

Part 1 - Scope 1 and 2 Target Time Frame and Ambition

- 6. For FI-C6 (Base and Target Years), do you agree with the proposed change in scope 1+2 timeframe criteria?**
- a) Strongly agree
 - b) Somewhat agree
 - c) Neutral
 - d) Somewhat disagree
 - e) Strongly disagree
 - f) No opinion/No answer
- 7. For FI-C8 (Level of Ambition), do you agree with the proposed change in scope 1+2 ambition criteria?**
- a) Strongly agree
 - b) Somewhat agree
 - c) Neutral
 - d) Somewhat disagree
 - e) Strongly disagree
 - f) No opinion/No answer

Part 2 - Scope 3 Target Setting Requirements

- 8. For FI-C17.1 (Sectoral Decarbonization Approach Targets), do you agree with the proposed change in SDA target ambition criteria?**
- a) Strongly agree
 - b) Somewhat agree
 - c) Neutral
 - d) Somewhat disagree
 - e) Strongly disagree
 - f) No opinion/No answer
- 9. For FI-C17.3 (Portfolio Temperature Rating Targets), do you agree with the proposed change in Temperature Rating target ambition criteria?**
- a) Strongly agree

- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree

10. For FI-C17.4 (Fossil Fuel Finance Targets); Section 5.4.4; Tables 5.1, 5.5, 6.1; and Section 6.1.4; do you agree with offering FIs the option to set targets based on the criteria from the [Fossil Fuel Finance Position Paper](#)?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

11. For FI-C17.4 (Fossil Fuel Finance Targets); Section 5.4.4; Tables 5.1, 5.5, 6.1; and Section 6.1.4; do you agree that it is feasible to set near-term targets to cover investments and/or lending to the fossil fuel sector based on the criteria from the [Fossil Fuel Finance Position Paper](#)?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

12. For FI-C17.4 (Fossil Fuel Finance Targets); Section 5.4.4; and Tables 5.1, 5.2, 5.5, 6.1; do you agree that the addition of a fourth target-setting method option (i.e., Fossil Fuel Finance targets) helps address FI challenges with near-term target coverage requirements and effectively address FIs' fossil fuel related activities? For additional text comments, please provide them in the upcoming [comment box](#).

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

13. In Table 5.2 (Required, optional, and out-of-scope activities and applicable methods), do you agree with including the 95% minimum coverage requirement for loans to companies in the

fossil fuel sector within the 67% minimum coverage requirement for loans to companies in all sectors, other than electricity generation? For additional text comments, please provide them in the upcoming [comment box](#).

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

14. In Table 5.2 (Required, optional, and out-of-scope activities and applicable methods), do you agree with including the 67% minimum coverage requirement for commercial real estate loans within the 67% minimum coverage requirement for loans to companies in all sectors, other than electricity generation? For additional text comments, please provide them in the upcoming [comment box](#).

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

15. Do you agree that the proposed revisions to Table 5.2 (Required, optional, and out-of-scope activities and applicable methods) that are summarized in Appendix G make the minimum coverage requirements clearer? For additional text comments, please provide them in the upcoming [comment box](#).

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

16. If you answered (strongly) agree or disagree for any of the last four questions and/or have separate feedback regarding the coverage requirements in the draft Version 2 of the Near-Term Financial Sector Science Based Targets Guidance, please provide any comments/explanation in the below [comment box](#).

[Comment box](#)

17. In Section 5.3 (Defining the Boundary of Portfolio Targets), do you believe that FIs should be able to set targets based on loan outstanding OR loan commitment amounts?

- a) Outstanding loan amount only
- b) Loan commitment amount only
- c) Either, i.e., at the discretion of the target-setting entity
- d) No opinion/No answer
- e) Other

18. In Section 5.3, do you agree with the SBTi description of investments administered (e.g., on behalf of third parties) under advisory mandates?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

19. In Section 5.4.1 and Appendix B, do you agree with the option to set a low-emissions intensity maintenance target up to 2030 for electricity generation project finance portfolios?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

20. In Section 5.4.1 and Appendix C, do you agree with the option to set a low-emissions intensity maintenance target up to 2030 for investment/lending portfolios of real estate assets?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

21. A summary of revisions can be found in Appendix G of the draft Version 2. Do you have any other comments on the draft Version 2 of the Near-Term Financial Sector Science Based Targets Guidance?

Survey Module - CD SBTi FINZ Standard Conceptual Framework and Initial Criteria

Part 1 - Organization and Portfolio Boundary

22. Currently in the SBTi Finance Near-Term framework, 3rd party asset management activities are optional for Banks. As part of FINZ C1, within net-zero targets, which approach do you believe is most appropriate for addressing asset management activities within Bank groups?

- a) Blanket exclusion for third party asset management
- b) No exclusion; it should be covered
- c) Phased approach to inclusion e.g., a commitment to cover third party asset management within a two-year period must be disclosed in the target language.
- d) No opinion/No answer
- e) Other

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

23. For FINZ C3, which of the proposed options for addressing scope 3 category 1-14 would you prefer?

- a) Option A: FIs cover Scope 3 Categories 1-14 regardless of significance relative to category 15, i.e., scope 3 cat 1-14 should always be addressed separately to the portfolio emissions
- b) Option B: FIs cover Scope 3 Categories 1-14 if the associated emissions represent more than 33% of all Scope 3 emissions, following the SBTi Corporate Net-Zero Standard
- c) No opinion/No answer
- d) Other

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

24. For FINZ C7, how confident are you of being able to provide at least an emissions screening for all in-scope financial activities where GHG accounting standards have been developed? This includes financed emissions (investment and lending) and facilitated (e.g., insurance related activities).

- a) Very confident
- b) Somewhat confident
- c) Neutral
- d) Not confident
- e) Really not confident
- f) No opinion/No answer

25. For FINZ C8, which of the proposed options do you think is most suitable for defining the boundary expansion process?

- a) Option A: The next target recalculation period – or sooner
- b) Option B: A 12-month grace period following the publication of the method
- c) Option C: An 18-month grace period following the publication of the method
- d) Any of the above options
- e) None of the above
- f) No opinion/No answer

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

Part 2 - Target Disclosure and Transparency Criteria – General Target Criteria

26. In the Near-Term Framework, the SBTi defines specific coverage thresholds within each asset class (Section 5.3, Table 5.2) but does not have coverage thresholds that apply across all asset classes (i.e., does not address the materiality of one asset class relative to others). Do you agree that the SBTi should move to this more holistic approach to defining boundaries across all asset classes in the FINZ Framework (Section 5.1.1., Figure 8)?

- a) Definitely yes
- b) Probably yes
- c) Neutral
- d) Probably no
- e) Definitely no
- f) No opinion/No answer

27. For FINZ C10: which option do you think is most suitable for establishing targets on different types of financial activities?

- a) Option A: Different financial activities should always be addressed by separately disclosed targets
- b) Option B: Different financial activities may be combined into one portfolio level target e.g., financed emissions from lending and investing activities and facilitated emissions from insurance activities may be aggregated into an overall portfolio alignment target.
- c) No opinion/No answer

28. The SBTi has proposed grouping different financial assets (see Figure 7) into financial activities to better define the range of on and off-balance sheet activities that ultimately have

to be addressed with net-zero targets. Do you support this categorization, or would you propose alternative means to categorize different financial activities?

- a) Support categorization
- b) Propose alternative means to categorize different financial activities (please explain)
- c) No opinion/No answer

Part 3 - Target Disclosure and Transparency Criteria – Near Term Target Criteria

29. For FINZ C12, what is the most appropriate timeline for near-term target-setting?

- a) Option A: Portfolio-level near-term target deadlines are within 5 years of the date of target submission to the SBTi
- b) Option B: Portfolio-level near-term targets are uniformly set for 2030 and at 5-year intervals after that until the long-term net-zero target year (at latest, 2050)
- c) Either of the two proposed options (A,B) detailed
- d) No opinion/No answer

30. For FINZ C14, when establishing a coverage boundary across all financial activities, and providing more discretion to FIs to take action on their most materially relevant activities first, what types of financial activities should be mandatory to align with near-term targets?

- a) No opinion/No answer

Comment box: Please list

31. For FINZ C15, defining this rate of alignment over time, what is the most suitable approach for FIs to define near-term target-setting across their portfolios?

- a) Option A
- b) Option B
- c) Option C
- d) Other
- e) No opinion/No answer

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

32. For FINZ C16, do you think FIs should have discretion on how they meet portfolio alignment targets (Option A) or is a separate target required for net-zero aligned finance, which would

require the establishment of separate ambition thresholds for the categories of transition and net-zero aligned financing (Option B)?

- a) Option A
- b) Option B
- c) No opinion/No answer

Comment box: Please explain your reason for selecting Option A or B

33. For FINZ C17, which of the proposed options for establishing minimum alignment thresholds should the SBTi implement? Option A which focuses only on portfolio emissions, or Option B which would also establish minimum requirements in terms of a relevant financial metric for the portfolio?

- a) Option A
- b) Option B
- c) No opinion/No answer

Comment box: Please explain your reason for selecting Option A or B

Part 4 - Long-term Target Criteria

34. For FINZ C20, do you agree that long-term targets and subsequent net-zero claims need both proposed types of targets (portfolio alignment and portfolio emissions)?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

Comment box: Please explain your choice (excluding No opinion/No answer)

35. For FINZ C20, what, if any, other long-term targets should the SBTi require of FIs to ensure the credibility of their net-zero goals?

- a) None
- b) Carbon credits / beyond value chain mitigation targets
- c) Nature related targets
- d) No opinion/No answer
- e) Other

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

36. For FINZ C22, which option for alignment do you agree with?

- a) Option A: 100% net-zero aligned finance across in-scope flows by 2050
- b) Option B: At least 95% net-zero aligned finance across in-scope flows by 2050
- c) Option C: At least 90% net-zero aligned finance across in-scope flows by 2050
- d) Any of the previous options (A, B, C)
- e) None
- f) No opinion/No answer

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

37. For FINZ C22, if Options B or C were selected in the previous question, what are the minimum conditions you would propose for the entities and activities that are not net-zero aligned?

- a) No opinion/No answer
- b) None
- c) All other financial flows must be at least covered by a credible 1.5°C ambition and transition plan
- d) Other

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

Part 5 - Portfolio Neutralization Criteria

38. For FINZ C27, which of the proposed options do you think best reflects the role of FIs in neutralizing residual portfolio emissions?

- a) No opinion/No answer
- b) Option A: portfolio holdings should be responsible for neutralizing their own emissions.
- c) Option B: financial institutions may also neutralize emissions on behalf of portfolio companies.
- d) Other

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

39. For FINZ C28, do you agree that residual portfolio emissions could also be neutralized through the purchase and retirement of carbon removal credits by FIs, or only through the use of an FI's financial activities (lending, investing, underwriting etc.)?

- a) No opinion/No answer

- b) Option A - Yes, FIs should have the ability to also purchase removal credits to neutralize residual portfolio emissions in addition to directly financing / facilitating the removal of carbon through its financial services.
- c) Option B - No, neutralization must be undertaken by FIs who directly finance or facilitate an equivalent amount of carbon removals to balance residual portfolio emissions

Comment box: If you selected Option A or B, please explain the reasoning.

40. For Criteria FINZ C29, how should the boundary of neutralization be defined?

- a) No opinion/No answer
- b) Within the same asset class
- c) Within the same activity or sector
- d) Within the same end-user: corporate/consumer/sovereign
- e) Other

Comment box: Please explain the reason for your selected answer (excluding No opinion/No answer)

Part 6 - Monitoring, Reporting and Recalculation

41. For FINZ C35, would you support using an annual time-weighted approach to measure the portfolio indicators (GHG emissions and target indicators)?

- a) No opinion/No answer
- b) Option A: Yes
- c) Option B: No

Comment box: If you selected Option A or B please explain your reasoning.

42. For FINZ C39 would you support requiring attribution reporting of portfolio indicators (GHG emissions and target indicators) so FIs disclose more detail on the reasons for changes in emissions and target indicators?

- a) No opinion/No answer
- b) Option A: Yes
- c) Option B: No

If you selected Option A or B please explain your reasoning.

43. In the context of portfolio alignment approaches, what metrics does your firm current employ to evaluate alignment at the sector/portfolio level? Please select all that apply:

- a) N/A
- b) Absolute emissions
- c) Revenue based emissions Intensity
- d) Production based emissions intensity
- e) Binary Science Based Target status of entity
- f) Binary 1.5°C alignment under credible climate taxonomy of activity
- g) Temperature rise metric
- h) Historical emissions trend
- i) Other

Comment box, if other is selected please list the additional types of metrics used.

44. Do you have any other comments on the Consultation Draft of the SBTi Financial Institutions Net-Zero (FINZ) Standard Conceptual Framework and Initial Criteria for Financial Institutions V1?

Comment box.

Survey Module – CD Fossil Fuel Finance Position Paper

45. Is the 5% revenue threshold for defining a fossil fuel company the right threshold?

- a) It should be lower
- b) Agree with 5%
- c) It should be higher
- d) Neutral
- e) No opinion/No answer

46. Do you agree the scope of this position paper should differentiate between certain types of fossil fuels (i.e. thermal/metallurgical coal, light/medium/heavy oil, wet/dry gas)?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

If you would like to provide further reasoning for your answer, please explain.
Comment box.

47. If SBTi should differentiate between different types of coal, which type(s) do you think these criteria should apply to?

- a) All coal
- b) Just thermal coal
- c) Neutral / no opinion
- d) Other

48. Do you agree the definition of “Abatement” used in these criteria is adequate?

- e) Strongly agree
- f) Somewhat agree
- g) Neutral
- h) Somewhat disagree
- i) Strongly disagree
- j) No opinion/No answer

Comment box: If you would like to provide further reasoning for your answer, please explain.

49. Do you agree abated fossil fuels should be included in FI SBTs?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

50. For exit criteria related to financial flows provided in support of the coal value chain, is “high- and high-middle income countries /other countries” list the right delineation for phase out of coal by 2030/2040 respectively?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

If not, what would you consider would be the right delineation?
Comment box.

51. If, in the previous question regarding high- and high-middle income countries/other countries delineation for phase out of coal by 2030/2040 respectively, please click on any alternative you believe should be considered in place of “high- and high-middle income countries /other countries”?

- a) OECD vs. Non-OED (per HLEG)
- b) G7 vs. Non-G7
- c) G20 vs. Non-G20
- d) Other, please explain.

52. Referring to Annex 2, is the SBTi Fossil Fuel Finance Position Paper Value Chain too extensive or too narrow in scope for oil and gas?

- a) Fossil Fuel Finance Position Paper Value Chain is too extensive in scope
- b) Fossil Fuel Finance Position Paper Value Chain is too narrow in scope
- c) It's just right
- d) Neutral
- e) No opinion/No answer

Comment Box. If you would like to provide further reasoning for your answer, please explain.

53. Are the requirements set out in Table 3 feasible for an FI to comply with?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

Comment box: If you would like to provide further reasoning for your answer, please explain.

54. Do you agree that other organizations' disclosure requirements (e.g., Taskforce for Climate Related Financial Disclosures) should be used provided they have sufficient granularity?

- a) Strongly agree
- b) Somewhat agree
- c) Neutral
- d) Somewhat disagree
- e) Strongly disagree
- f) No opinion/No answer

55. Do you have any other comments on the Draft Fossil Fuel Finance Position Paper?

Closing

Thank you for completing the survey! Please let us know if you have any additional feedback or suggestions.

56. Comment Box: Open feedback or suggestions