



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SCIENCE BASED TARGETS INITIATIVE PUBLIC CONSULTATION ON BEYOND VALUE CHAIN MITIGATION (BVCM): EXCERPT OF CONSULTATION QUESTIONS

Version 1

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CONTENTS

CONTENTS	2
PURPOSE OF THIS DOCUMENT	2
INTRODUCTORY QUESTIONS	3
CONSULTATION TOPIC 1: DEFINING BVCM.....	4
CONSULTATION TOPIC 2: OVERARCHING PROCESS FOR BVCM.....	6
CONSULTATION TOPIC 3: DETERMINING THE NATURE AND SCALE OF THE COMMITMENT TO BVCM.....	6
CONSULTATION TOPIC 4: DEPLOYING RESOURCES AND FINANCE ACROSS BVCM ACTIVITIES	9
CONSULTATION TOPIC 5: BVCM-RELATED CLAIMS.....	10
CONSULTATION TOPIC 6: REPORTING ON BVCM.....	10
CONSULTATION TOPIC 7: INCENTIVES FOR BVCM.....	11
CONSULTATION TOPIC 8: TERMINOLOGY.....	12
CONSULTATION TOPIC 9: ILLUSTRATIVE CASE STUDIES.....	12
CLOSING.....	13

PURPOSE OF THIS DOCUMENT

The Science Based Targets initiative (SBTi) is developing corporate guidance on beyond value chain mitigation (BVCM) to accelerate and scale private sector mitigation finance. From 19th June 2023 to 30th July 2023, the SBTi will hold a 6-week public consultation process on this topic to inform the development of this guidance and related products.

This document contains the consultation questions which have been extracted from the main consultation document. Survey respondents should provide their responses via the online survey [here](#).

All information that the 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 draw up the final proposal. However, when analyzing the data, we need to know which responses are from which stakeholder group, so we kindly ask you to provide us with information about your organization.

INTRODUCTORY QUESTIONS

1. Please provide your contact information:
 - First name
 - Last name
 - Organization name
 - Position/title
 - Contact email
2. What type of organization do you represent? Please select the option that best applies.
 - Carbon market developer
 - Carbon market trader
 - Civil society organization / NGO (non-business member led)
 - Climate change-focused consultancy or solutions provider
 - Corporate
 - Financial institution
 - Indigenous Peoples Representative
 - Individual (i.e., not affiliated with a particular organization)
 - Industry body/ association
 - Media
 - Multi-lateral institution
 - NGO (business member led)
 - Policymaker
 - Research and academia
 - Standards body
 - Small and medium-sized enterprise (SME)
3. If you represent a corporate or an SME, to which sector category below do you belong?
 - Agricultural commodities
 - Apparel and footwear
 - Cement
 - Coal
 - Electric utilities
 - Food, beverage and tobacco
 - Oil and gas
 - Real estate
 - Transport OEMS
 - Transport services
 - Capital goods
 - Chemicals
 - Construction
 - Financial services
 - Metals and mining
 - Paper and forestry
 - Steel
 - Technology
 - Other, please specify

4. What country is your organization headquartered in or if you are responding in a personal capacity, the country where you are based?
5. What is the status of your organization with respect to the SBTi
 - My organization has climate targets validated by the SBTi
 - My organization has committed to set climate targets through the SBTi
 - My organization is considering setting climate targets through the SBTi
 - My organization is familiar with the SBTi but is not considering setting targets
 - My organization is unfamiliar with the SBTi
 - I do not know
 - Not applicable

CONSULTATION TOPIC 1: DEFINING BVCM

In the SBTi Corporate Net-Zero Standard, BVCM is described as: “Mitigation action or investments that fall outside a company’s value chain, including activities that avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere.” There is a need to provide more detailed guidance on what activities and investments would fulfil company commitments to the BVCM recommendation within the SBTi Corporate Net-Zero Standard.

In the BVCM Public Consultation Document, the SBTi has provided a discussion of this topic and a set of consultation questions to inform the development of BVCM guidance.

6. In defining BVCM, do you think that the SBTi should:
 - a) Maintain the definition on BVCM as set out in the Corporate Net-Zero Standard: “Mitigation action or investments that fall outside a company’s value chain, including activities that avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere”?
 - b) Amend the definition that was set out in the Corporate Net-Zero Standard to reflect that mitigation actions or investments may not have guaranteed outcomes: “Mitigation action or investments that fall outside a company’s value chain, including activities that **seek** to avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere”?
 - c) No comment.
 - d) Other, please specify.
7. In your opinion, BVCM should include:
 - a) Quantifiable mitigation only.
 - b) Both quantifiable and unquantifiable mitigation.
 - c) No comment.
8. In your opinion, how important on a scale of 0–100 is it that companies investing in BVCM ensure that mitigation outcomes are additional, i.e., the mitigation would not have occurred in the absence of BVCM activities and investments? (0 being not important and 100 being very important)
9. Linked to the question above, which of the statements below do you support? If neither, please tick other and specify your position:

- a) Companies should only be able to count actions and investments towards their BVCM commitments if they are subject to the same additionality tests as carbon credits.
 - b) The SBTi should incentivize investment into mitigation which might not meet strict additionality requirements but which is currently underfinanced.
 - c) No comment.
 - d) Other, please specify.
10. While the SBTi intends to align with the GHG Protocol, we are interested in perspectives on double claiming between companies investing in BVCM and the corporate scope 1–3 GHG inventories of other companies. In your opinion, how important on a scale of 0–100 is it that companies investing in BVCM avoid double claiming with other companies' scope 1, 2 and 3 GHG inventories? (0 being not important and 100 being very important)
11. Linked to the question above, the SBTi is seeking feedback on perspectives on double claiming in a situation where one company (Company A) makes an investment to deliver a BVCM outcome which occurs in the scope 1, 2 and 3 value chain inventory of another company (Company B). In this situation, which of the below options do you most agree with?
- a) Only one of the companies should be able to claim the mitigation outcome and they should agree which company can claim it (either Company A for BVCM **or** Company B for its science-based target).
 - b) Only Company A should be able to claim the mitigation outcome as BVCM and Company B must not count the mitigation outcome towards the delivery of its science-based target.
 - c) If Company A makes a climate “contribution” claim regarding its BVCM investments, as opposed to what is often referred to as a climate “compensation claim”, then both companies should be able to claim the mitigation outcome (Company A for BVCM **and** Company B for its science-based target). However, if Company A makes a compensation claim in relation to its BVCM investments, then Company B must not count the mitigation outcome towards the delivery of its science-based target.
 - d) Both companies should be able to claim the mitigation outcome regardless of the claim that Company A intends to make about its BVCM activities and investments (Company A can claim the mitigation outcome to fulfil its commitment to BVCM **and** Company B can claim the mitigation outcome towards the delivery of its own science-based target).
 - e) No comment.
 - f) Other, please specify
12. In your opinion, how important on a scale of 0–100 is it that companies investing in BVCM ensure permanence of mitigation outcomes? (0 being not important and 100 being very important)
13. Linked to the question above, which of the statements below do you support? If neither, please tick other and specify your position:
- a) Companies should only be able to count actions and investments towards their BVCM commitments if they have mitigation measures in place to manage the risk of reversals including monitoring of the continued storage of carbon.
 - b) The SBTi should incentivize investment into mitigation with short-lived storage and therefore, given monitoring of permanence represents a barrier for companies, the SBTi should set a lower bar for ensuring permanence of mitigation for BVCM (since it is above and beyond a company’s science-based target).
 - c) No comment.

d) Other, please specify.

14. Is the distinction between BVCM and neutralization of residual emissions described in this document clear? (yes/no)

15. If you have suggestions for how to further clarify the distinction between BVCM and neutralization of residual emissions, please provide them here. (open text)

CONSULTATION TOPIC 2: OVERARCHING PROCESS FOR BVCM

To ensure that the guidance is practical and actionable, the SBTi intends to set out a step-by-step process to guide companies investing in and implementing BVCM.

In the BVCM Public Consultation Document, the SBTi has proposed a four-step overarching process for BVCM and is consulting on this through this public consultation:

1. Set and submit net-zero targets in line with the SBTi Corporate Net-Zero Standard and develop and disclose an associated climate transition plan
2. Determine the nature and scale of the commitment to BVCM
3. Deploy resources and finances to BVCM
4. Disclose and transparently report on BVCM and associated claims

This is visualized in a diagram on page 18 of the public consultation document.

16. Our objective in including this visualization is to provide a clear process to guide companies implementing and investing in BVCM. Do you feel that this process is helpful for the reader?

- a) Very helpful
- b) Somewhat helpful
- c) Not so helpful
- d) Not at all helpful

17. If you have feedback on this process or the diagram, please provide suggestions on how it could be improved. (open text)

CONSULTATION TOPIC 3: DETERMINING THE NATURE AND SCALE OF THE COMMITMENT TO BVCM

The SBTi intends to provide guidance for companies on methods for establishing the nature and scale of their commitment to BVCM – i.e., “how much” BVCM a company should deliver or how much finance a company should deploy in support of BVCM. The SBTi has identified three potential methods for companies to determine the nature and scale of their commitment to BVCM: ton-for-ton; money-for-ton; and money-for-money.

These methods are described in the BVCM Public Consultation Document and the SBTi is seeking feedback through this public consultation process.

18. In your opinion, application of which method(s) would result in the greatest outcomes for climate?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
 - No comment
 - Other, please specify
19. In your opinion, application of which method(s) best reflect corporate climate leadership?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
 - No comment
 - Other, please specify
20. In your opinion, which method(s) would be the most attractive to companies?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
 - No comment
 - Other, please specify
21. In your opinion, application of which method(s) best shield companies from criticism and greenwashing?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
 - No comment
 - Other, please specify
22. In your opinion, what are the key benefits associated with each of the methods described?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
23. In your opinion, what are the key risks associated with each of the methods described?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
24. In your opinion, what is best practice application of each of the methods described?
- Ton-for-ton
 - Money-for-ton
 - Money-for-money
25. For the **ton-for-ton** method, in your opinion, how important is it to **ensure permanence of mitigation outcomes** on a scale of 0–100 (0 being not important and 100 being very important)?

26. For the **money-for-ton** method, in your opinion, how important is it to **ensure permanence of mitigation outcomes** on a scale of 0–100 (0 being not important and 100 being very important)?
27. For the **money-for-money** method, in your opinion, how important is it to **ensure permanence of mitigation outcomes** on a scale of 0–100 (0 being not important and 100 being very important)?
28. For the **ton-for-ton** method, in your opinion, how important is it to **ensure additionality of mitigation outcomes** on a scale of 0–100 (0 being not important and 100 being very important)?
29. For the **money-for-ton** method, in your opinion, how important is it to **ensure additionality of mitigation outcomes** on a scale of 0–100 (0 being not important and 100 being very important)?
30. For the **money-for-money** method, in your opinion, how important is it to **ensure additionality of mitigation outcomes** on a scale of 0–100 (0 being not important and 100 being very important)?
31. For the **ton-for-ton** method, in your opinion, how important is it to **avoidance of double claiming between one company's BVCM activities and other companies' scope 1, 2 and 3 GHG inventories** on a scale of 0–100 (0 being not important and 100 being very important)?
32. For the **money-for-ton** method, in your opinion, how important is it to **avoidance of double claiming between one company's BVCM activities and other companies' scope 1, 2 and 3 GHG inventories** on a scale of 0–100 (0 being not important and 100 being very important)?
33. For the **money-for-money** method, in your opinion, how important is it to **avoidance of double claiming between one company's BVCM activities and other companies' scope 1, 2 and 3 GHG inventories** on a scale of 0–100 (0 being not important and 100 being very important)?
34. For the **ton-for-ton** method, in your opinion, how important is it to **ensure avoidance of double claiming between companies and countries** on a scale of 0–100 (0 being not important and 100 being very important)?
35. For the **money-for-ton** method, in your opinion, how important is it to **ensure avoidance of double claiming between companies and countries** on a scale of 0–100 (0 being not important and 100 being very important)?
36. For the **money-for-money** method, in your opinion, how important is it to **ensure avoidance of double claiming between companies and countries** on a scale of 0–100 (0 being not important and 100 being very important)?
37. For the **ton-for-ton** method, in your opinion, how important is it to **ensure avoidance of leakage** (where this is relevant for the given mitigation activity) on a scale of 0–100 (0 being not important and 100 being very important)?

38. For the **money-for-ton** method, in your opinion, how important is it to **ensure avoidance of leakage** (where this is relevant for the given mitigation activity) on a scale of 0–100 (0 being not important and 100 being very important)?
39. For the **money-for-money** method, in your opinion, how important is it to **ensure avoidance of leakage** (where this is relevant for the given mitigation activity) on a scale of 0–100 (0 being not important and 100 being very important)?
40. For the **ton-for-ton** method, in your opinion, how important is it to **ensure fungibility** between BVCM and unabated emissions on a scale of 0–100 (0 being not important and 100 being very important)?
41. For the **money-for-ton** method, in your opinion, how important is it to **ensure fungibility** between BVCM and unabated emissions on a scale of 0–100 (0 being not important and 100 being very important)?
42. For the **money-for-money** method, in your opinion, how important is it to **ensure** fungibility between BVCM and unabated emissions on a scale of 0–100 (0 being not important and 100 being very important)?
43. Given there are tensions between responsibility and ability to pay, in your opinion, should the SBTi further explore a hybrid option which weights responsibility and ability to pay by considering elements such as profits per tCO₂e unabated emissions, the investment needs for abating value chain emissions and potentially other factors such as historic emissions or regional distribution of emissions? If yes, please provide suggestions if you have them for a methodology that could underpin this hybrid option. (open text)

CONSULTATION TOPIC 4: DEPLOYING RESOURCES AND FINANCE ACROSS BVCM ACTIVITIES

The SBTi intends to provide recommendations for companies on deploying resource and finance to different mitigation activities. We are consulting on a set of six principles that companies should consider when designing their portfolio of BVCM activities and investments.

44. In your opinion, to what extent will the combination of the: (i) six principles for BVCM portfolio design, the (ii) guiding questions, (iii) illustrative examples of aligned mitigation actions, (iv) cross-cutting minimum standards and social safeguards, and (v) case studies in consultation topic 9 be helpful for companies in deciding where to channel their BVCM resources and investments?
 - a) Very helpful
 - b) Somewhat helpful
 - c) Not so helpful
 - d) Not at all helpful
45. In your opinion, what could be improved to better support companies in deciding where to channel their BVCM resources and investments? Is anything missing or redundant?
 - e) The six principles (open text)
 - f) The guiding questions (open text)

- g) The illustrative examples (open text)
- h) The cross-cutting minimum standards and social safeguards (open text)
- i) The case studies in consultation topic 9 (open text)

46. In your opinion, should the SBTi provide more guidance on the operationalization of the principles for BVCM portfolio design? (yes/no/no comment)

47. Please provide recommendations if you have them on how companies might operationalize the principles? (open text)

CONSULTATION TOPIC 5: BVCM-RELATED CLAIMS

The SBTi does not have concrete plans to validate BVCM claims at this point in time, particularly given others are already working to define these sorts of claims.

However, the SBTi expects to include a discussion on the role of claims in the BVCM guidance and to re-emphasize the general principles underpinning best practice claims, for example where companies must ensure that claims: are true and accurate; are clear and relevant to target audience(s); are substantiated with objective, transparent, and up-to-date data; avoid overstating the beneficial environmental impacts of the activities on which the claim is based and avoid creating a false impression or hiding trade-offs; and that they refer to voluntary actions or achievements that go beyond complying with existing legislation or standard business practice.

48. Given that claims are often under the jurisdiction of governments, on a scale of 0–100, how directive do you think the SBTi should be when providing guidance on BVCM claims (a score of 0 would be providing a discussion of the role of claims, a score of 100 would be defining claims)? If you are at a company, it might be useful to consider this question with your legal and marketing teams.

49. Are there other federal, national and/or supra-national government-led efforts on claims that should be highlighted in the document? (open text)

50. Are there important trends in claims that you feel have been missed in the discussion of claims in this document? Please provide a description and references. (open text)

51. Given the emerging regulatory context and the fact that the SBTi will not be validating BVCM claims at this time, what information would be most helpful to companies within this guidance? (open text)

CONSULTATION TOPIC 6: REPORTING ON BVCM

The SBTi will recommend that companies report transparently on BVCM on an annual basis (in line with the GHG inventory reporting period) and is consulting on a long-list of reporting questions.

52. In your opinion, should the SBTi recommend additional reporting questions to the ones provided in Section 6.2 of the public consultation document? If so, please describe your proposal. (open text)
53. In your opinion, should any of the recommended reporting questions be removed? If so, please specify which reporting question should be removed and describe why. (open text)
54. In your opinion, should any of the recommended reporting questions be edited? If so, please specify which reporting question should be edited and describe your proposal. (open text)
55. Where do you recommend companies report against these questions? (multiple tick box)
- Submission to the SBTi which can then aggregate information on a public dashboard
 - In their sustainability reports or websites
 - In their financial report
 - To a reporting initiative such as CDP
 - Other, please specify

CONSULTATION TOPIC 7: INCENTIVES FOR BVCM

To complement the BVCM guidance, the SBTi will also publish a research paper that explores incentives for BVCM over which the broader climate ecosystem has influence, including civil society, academia, policymakers, standard setters, advocacy organizations and multi-lateral organizations. The SBTi is seeking feedback on different barriers and incentives as part of this consultation process.

56. In your opinion, what are the most significant barriers preventing BVCM investment? Please rank the barriers below in terms of their significance (with 1 being the most significant):
- Fear of greenwash accusation
 - Lack of a credible claim for communicating BVCM activities and investments
 - Lack of available funds
 - Lack of consumer demand
 - Lack of customer demand (relevant for business-to-business companies)
 - Lack of investor demand
 - Lack of standardized guidance on minimum standards and best practice
 - Perception of environmental and social risks associated with BVCM
 - Weak financial business case
 - Other
57. In your opinion, which new incentive mechanisms could be most impactful in driving BVCM investment? Please rank the new incentive mechanisms below in terms of their significance (with 1 being the most significant):
- Assessment and certification of BVCM claims by a dedicated body
 - Assessment and certification of BVCM targets by a dedicated body
 - Consumer-facing campaigns to ensure BVCM is considered part of the social license to operate and to spotlight high ambition companies
 - Development of BVCM standards by a dedicated body (i.e., not the SBTi)
 - Integration of BVCM reporting requirements into ESG frameworks such as SASB, GRI and ISSB

- Integration of BVCM reporting requirements into the CDP questionnaire
- Integration of BVCM reporting requirements into the Taskforce on Climate-related Financial Disclosures (TCFD)
- Regulation on BVCM-related claims
- Tax incentives
- Other

58. In your opinion, how might the SBTi incentivize companies to invest in BVCM? (open text)

59. Please provide any additional insights on what could incentivize greater BVCM investment. If you identified other barriers or incentive mechanisms in your ranking above, please describe those here. (open text)

CONSULTATION TOPIC 8: TERMINOLOGY

There is a lack of consistency and standardization of terminology related to BVCM. This lack of consistency creates confusion for corporates and wider stakeholders and creates the risk of greenwash and greenwash accusation. For this reason, the SBTi has included a proposed glossary in the public consultation document and is seeking feedback on the definition of key terms.

60. Do you have any suggested edits to the definitions or sources included in section 8.2 of the public consultation document? Are there any authoritative sources that provide conflicting or misaligned definitions for these terms? Please clearly state the term to which you are referring. (open text)

61. Are there other key terms related to BVCM that you think the SBTi should seek to define and standardize? (open text)

CONSULTATION TOPIC 9: ILLUSTRATIVE CASE STUDIES

The public consultation document includes three illustrative case studies to show how companies from different sectors with differing responsibility, incentives and ability to pay might approach their BVCM strategies. These case studies will be updated following the consultation process, but they serve to bring to life the proposals through fictional companies.

62. In your opinion, how helpful are the illustrative case studies in bringing to life how the SBTi's recommendations on BVCM would be applied in practice?

- a) Very helpful
- b) Somewhat helpful
- c) Not so helpful
- d) Not at all helpful

63. If you have feedback on these illustrative case studies, please provide suggestions on how they could be improved. For example, do you recommend we provide case studies for other sectors and are there any sectors for which the guidance might differ substantially, e.g., potentially financial institutions? (open text)

CLOSING

64. Open feedback or suggestions (open text)