



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi Technical Council Meeting Minutes

20 December - 15:00-18:00 CET

Virtual

PUBLIC

Disclaimer:

The meeting notes provided herein are intended to capture the discussions, decisions, and actions taken during the meeting to the best of the note-taker's ability. While efforts have been made to accurately represent the proceedings, it is essential to acknowledge that these minutes are a summary and may not capture every detail or nuance of the discussions held.

While every effort has been made to respect the confidentiality of sensitive information, please be aware that the meeting minutes may contain references to discussions or materials considered confidential or privileged. The unauthorized disclosure, distribution, or use of such information is strictly prohibited. If you believe any sensitive information has been improperly disclosed, please contact the Technical Council Chair.

Meeting minutes are subject to revision and amendment. The content may be updated or modified based on corrections, additions, or clarifications deemed necessary by the Technical Council Chair and Vice-Chair.

Session decisions which are deemed interim, unresolved items or confidential will not be shared publicly to protect the confidentiality of the standard before publication and to prevent sending premature signals to the market.

Abbreviations:

CEO	Chief Executive Officer
CFE	Call for Evidence
CTO	Chief Technical Officer
CNZ	Corporate Net-Zero
CoC	Code of Conduct
EACs	Environmental Attributes Certificates
EAG	Expert Advisory Group
ECG	Expert Consultation Group
EWG	Expert Working Group
FI	Financial Institution
FINT	Financial Institutions Near-Term
FINZ	Financial Institutions Net-Zero
OC	Oversight Committee
O&G	Oil and Gas
RECs	Renewable Energy Certificates
SAG	Scientific Advisory Group
SBT	Science Based Target
SBTi	Science Based Targets initiative
SOP	SBTi Procedure for Development of Standards v1.0
TAG	Technical Advisory Group
TC	Technical Council
TD	Technical Department
ToR	Terms of Reference

Meeting participants

Technical Council Members

Laura Draucker (Vice Chair)
Stephanie Roe
Micheal Gillenwater
Anders Bjørn
Mandy Rambharos
Doreen Stabinsky
Nicole Roettmer (last hour)

Absent Technical Council Members

Kornelis Blok (Chair)
Owen Hewlett
Maria Virginia Vilariño
Benjamin Caldecott
Simi Thambi
Pedro Faria
Pankaj Bhatia
Nicole Roettmer (first 2 hours)
Steven Davis

SBTi

Alberto Carrillo Pineda (CTO, SBTi)
Hussein Kassir (Technical Council Secretariat, SBTi)
Emma Watson (Head of Corporate Standards, SBTi)
Hugo Ernest-Jones (Scope 3 Manager, SBTi)
Mona Karraoui (Head of Quality, SBTi) - Observer

Session note taker

Alice Farrelly (Net-Zero Senior Analyst, SBTi)

SBTi Observers

Eoin White (Research Lead, SBTi)
Emma Borjigin-Wang (Research Manager, Corporate Decarbonization, SBTi)

Meeting Agenda

1. Welcome and Agenda
2. Corporate Net Zero Standard Engagement Plan Presentation
3. Corporate Net Zero Standard Feedback Discussion
4. Expert Working Groups Presentation
5. Next Steps and Closing

Meeting Objectives

The Vice Chair welcomed attendees and confirmed that quorum was not met (only six members present), but the meeting proceeded as no decisions on approving the standard were scheduled. The Chair explained that this meeting is a continuation for the Meeting that took place on the 5th and 6th of dec. The Council will continue the discussion of the TC feedback that was not covered in the earlier meeting.

High-level summary of feedback and decisions,

I. Corporate Net Zero Standard Consultation Draft Update

Key points discussed:

1. The SBTi CTO presented an updated stakeholder engagement plan and timeline for the CNZS V2.0 consultation draft.
2. Key milestones were outlined:
 - Documents to be submitted on January 22, with a two-week review period for the Technical Council.
 - Approval meeting scheduled for February 19.
 - Begin convening expert groups from mid-January, following stakeholder engagement in Q4 2024.
 - Media briefings planned before the public consultation launch.
 - Tentative publication date for the consultation draft is early March.

II. Chapter 5: Assessing and Communicating Progress

Key points discussed:

3. The Technical Council reviewed feedback and proposed changes to the chapter on assessing and communicating progress.
4. Annual emissions reporting was discussed as a prerequisite for renewal validation:
 - Consensus among TC members that annual reporting should be required for transparency.
 - Recognized as challenging in some cases, so exceptions may be allowed (e.g., mergers impacting emissions calculations).
 - Reporting can be done in any public format rather than requiring submission to SBTi directly.

5. Determining acceptable levels of underperformance and consequences for companies failing to meet targets was flagged for further EWG consultation.

III. Corporate Net Zero Standard - Annexes

Key points discussed:

6. Annex A (Key Terms) and Annex B (Applicability of Criteria): No comments or concerns were raised by TC members on proposed changes.
7. Annex C (Scope 3 Accounting): TC members sought clarification on whether they would review the updated version before consultation. SBTi confirmed that the revised version will be shared with TC on January 22, 2025.
8. Annex E (Indicators, Benchmarks, and Methods):
 - Concerns were raised regarding lack of clarity on removals, specifically what counts as removals and whether they apply to in-inventory removals or purchased removal credits.
 - SBTi confirmed that expert groups and consultation will determine what counts for removals.
 - TC members emphasized that criterion text should be self-contained and not overly reliant on annexes for clarity.
 - It was suggested to reference the synthesis paper on metrics and methods more prominently to improve understanding.
9. Cross-Sector Pathway Appendix: TC members requested the ability to submit feedback on equity and neutralization sections, which SBTi welcomed.
10. Process and Document Clarity:
 - TC members suggested adding a visual representation of how annexes, appendices, and supporting documents relate to each other, as the current table in Section B.3 is overwhelming.
 - It was also suggested that appendix documents be shared with line numbers to facilitate detailed feedback.
11. Annex G (Performance Assessment Formula): The term "variation" was questioned, but the TC agreed to leave this open for further exploration during pilot testing and consultation.

IV. Corporate Net Zero Standard - Unresolved Discussion Points

Key points discussed:

12. Scope 3 Reporting Frequency
 - TC members agreed that annual reporting should be required for Scope 3 hotspots, while allowing exceptions with justification.
 - It was noted that for some sectors, year-over-year changes may not be significant due to Scope 3 accounting limitations.
 - Decision: Include annual reporting of Scope 3 hotspots in the draft and consult on this option.

13. Base Year Selection

- TC members agreed this should be further explored in consultation and pilot testing, particularly for companies with pre-2020 base years.
- SBTi research team will explore the possibility of backdating the Absolute Contraction Approach (ACA) method to accommodate older base years.

14. Scope 2 Target Setting

- The Council debated whether companies should set market-based (MB) or zero-carbon electricity (ZCE) targets, or both.
- Some members suggested that location-based (LB) targets should be required, with companies choosing between MB or ZCE as an additional target.
- Concerns were raised over how existing MB work aligns with potential ZCE targets.
- Decision: Require location-based targets and one market target; consult on whether companies should choose between MB or ZCE targets, or whether only ZCE should be an option.

15. Removals and Incentivization

- The Council discussed the role of removals in target setting, emphasizing the need for justice and equity considerations.
- Concerns were raised about removal targets reinforcing inequality and prioritizing removals over direct emissions reductions.
- Some members supported a flexible, threshold-based approach (e.g., allowing removals for residual emissions up to a defined limit like 10%).
- It was agreed that this should be opened up for broader consultation to explore creative and sector-specific solutions.

16. Review Process for January 22 Draft

- TC members will review the next draft to determine if it is ready for public consultation and whether key concerns are addressed through public consultation or expert groups.
- The Technical Council Review Form will be used for reviewing substantial comments.
- A new system for managing comments is planned, but previous comments will not be migrated.

V. Expert Working Groups (EWGs) - Terms of Reference and Themes

Key points discussed:

1. Diversity Criteria for Expert Working Groups

- Diversity should be aimed for at the group level, but not a binding requirement across all thematic groups.
- Consideration should be given to organizational type to ensure Global South representation is not limited to civil society organizations.

- Nationality and residence should be added to the application form to improve transparency in regional representation.
- 2. TC's Role in Expert Working Group Member Selection
 - TC members supported reviewing the proposed list but not approving it to make the process more time-efficient.
 - Due to General Data Protection Regulation (GDPR) constraints, full application data cannot be shared, but a breakdown by category (e.g., region, organization type) will be provided.
 - A disclaimer will be added to the EWG application form stating that applicant details may be shared with the Technical Department and Technical Council.
- 3. Informing TC on Expert Working Group Feedback
 - TC members supported making expert group minutes public for transparency.
 - It was suggested that specific TC members could be assigned as observers to different EWG groups.
 - TC will provide input on the formulation of questions for expert groups, but not formally approve them.
- 4. Next Steps for EWG Process
 - SBTi will map out a process to manage expert group membership selection and compliance with conflict-of-interest policies.
 - A draft of EWG questions will be shared with the TC in the second week of January for feedback.

Actions and Next Steps

- The SBTi will deliver a revised document to the TC in January. The TC will conduct a final review of the document before the February 19th meeting, where a final decision is scheduled to be made.



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