



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi Technical Council Public Meeting Minutes

5 and 6 December

London - Hybrid

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.

Final decisions from sessions are shared in these minutes. 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
CNZS	Corporate Net-Zero standard
CoC	Code of Conduct
EACs	Environmental Attributes Certificates
EAG	Expert Advisory Group
FI	Financial Institution
FINT	Financial Institutions Near-Term
FINZ	Financial Institutions Net-Zero
HQ	Head Quarter
LSRG	Land Sector and Removals Guidance (from the GHGP)
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 - In person

Kornelis Blok (Chair)
Laura Draucker (Vice Chair)
Owen Hewlett
Stephanie Roe
Nicole Roettmer (Day 2)
Steven Davis
Micheal Gillenwater
Anders Bjørn
Maria Virginia Vilariño
Doreen Stabinsky (Day 2)
Benjamin Caldecott (Day 1)

Technical Council Members - Virtual

Pedro Faria
Mandy Rambharos
Simi Thambi
Benjamin Caldecott (Day 2 before Lunch)
Pankaj Bhatia

Technical Council Absence

Nicole Roettmer (Day 1)
Doreen Stabinsky (Day 1)
Mandy Rambharos (Partially at Day 2)
Benjamin Caldecott (Day 2 after Lunch)
Pankaj Bhatia (Day 2 before Lunch)

SBTi

Alberto Carrillo Pineda (CTO, SBTi)
Hussein Kassir (Technical Council Secretariat, SBTi)
Emma Watson (Head of Corporate Standards, SBTi)
Hugo Ernest-Jones (Value Chains Lead, SBTi)
Piera Patrizio (Head of Research, SBTi)
Mona Karraoui (Head of Quality, SBTi) - observer
Eoin White (Research Lead, SBTi) - Virtually
Ellen Brouwer (Standards Lead, SBTi) - Virtually

Session note taker

Alice Farrelly (Net-Zero Senior Analyst, SBTi)

SBTi Observers - Virtual

Nate Aden (Head of FI, SBTi)

Humphrey Adun (Research Manager, SBTi)
Giulia Camparsi (Senior Analyst, SBTi)

Meeting Agenda:

1. Welcome and Agenda
2. Technical Department Pipeline Update - CNZS Review Process Update.
3. Stakeholder Engagement Plan Update
4. Review and feedback of Corporate Net Zero Standard Version 2.0 Consultation Draft
Next Steps and Closing

Meeting Objectives:

The TC Chair explained that the discussions on Day 1 and Day 2 would be guided by the written feedback by the Technical Council members provided during the review period. The TC submitted approximately 555 comments, of which around 150 were classified as major. SBTi mapped these major comments and organized them into thematic groups within the document circulated for the TC members, which will serve as the primary reference for the TC discussions.

High-level summary of feedback and decisions:

The following summarizes the key feedback discussed during the meeting and related decisions or actions agreed during the meeting:

I. Stakeholder engagement process

Summary of feedback and discussions:

1. SBTi presented a planned stakeholder engagement process, including the proposal to set up expert working groups (EWG) to bring together subject-matter experts to support the standard revision process on specific topics. Five working groups were identified based on the major topics of the standard
 - a. Scope 2;
 - b. Scope 3;
 - c. Removals;
 - d. Ongoing emissions and BVCM;
 - e. Data quality, assurance and claims
2. The Technical Council agreed in principle to the set up of EWGs with a request to provide an opportunity for TC members to feed into the EWG research questions to ensure that key questions that may be needed to inform resolution of key topics are addressed.

Summary of actions and decisions:

3. SBTi Technical Department to share EWG terms of reference and research questions for feedback from Technical Council members

II. General feedback on CNZS Consultation Draft Structure

Summary of feedback and discussions:

1. TC members emphasised the importance of simplifying the document, as much as possible, and providing additional resources to stakeholders to better navigate through the complexity of the standard, including:
 - a. Executive Summary;
 - b. Background and explanation of key concepts;
 - c. Summary of changes compared to the current standard and rationale for changes
2. Technical Council requested to ensure that the document is clear about the components that are normative, to separate informative components into a separate document, and to clearly indicate which components are informative and explanatory.

Summary of actions and decisions:

1. SBTi Technical Department to include an executive summary, explanatory section and summary of changes into draft before consultation;
2. Informative annexes (e.g. methods and pathways appendices) to be split out into separate appendices;

III. Feedback on CNZS Consultation Draft Content

Summary of feedback and discussions:

Chapter 1

Chapter name at time of meeting: Corporate Leadership

Relevant Chapter in published CNZS V2.0 Consultation Draft: Corporate Net-Zero Commitment

1. **Transition Plans:** TC members supported that companies should be required to develop and publicly disclose transition plans, but agreed to consult on whether this is included as a requirement or a recommendation. The standard will clarify that SBTi validates the existence of a plan rather than its content. Transitional plans will apply to all companies, with potential flexibility for smaller entities.
2. **Timeline for Transition Plans:** TC members supported requiring companies to publish transition plans within 12 months of validation, with further consultation on feasibility for Category B companies.
3. **Climate Policy and Lobbying:** The TC discussed whether companies should be required to disclose their climate policy and lobbying activities. A consultation will be held on three options: (1) recommending it for all, (2) requiring it for all, or (3) requiring it for larger companies and recommending it for smaller ones.

4. **Ongoing Emissions Responsibility:** Some TC members suggested incorporating this aspect under corporate leadership. Instead, it was agreed to rename the chapter.

Chapter 2

Chapter name at time of meeting: Setting a baseline

Relevant Chapter in published CNZS V2.0 Consultation Draft: Determining performance in the target base year

1. **Land Emissions and Bioenergy:** TC members debated how FLAG and bioenergy emissions should be treated, with concerns raised about data clarity and alignment with GHGP. It was agreed to merge FLAG and bioenergy criteria that refers to the GHGP and clarify that land emissions accounting applies to all companies with land emissions, regardless of thresholds.
2. **Scope 3 Baseline and Reporting:** The Council supported the proposed approach but emphasized the need for sector-specific guidance and flexibility to reflect real-world data challenges (i.e. methodological challenges in recalculating emissions at baseline, missing data that would lead to change of base year, which is not the ideal for companies). It was agreed that Scope 3 reporting should remain annual.
3. **Thresholds for Significant Scope 3 Categories:** A 5% significance threshold for the identification of significant scope 3 categories was discussed, with TC members supporting it in principle but requesting additional justification and pilot testing before finalizing.
4. **Third-Party Assurance:** TC members agreed that limited assurance is the appropriate level, given the estimation challenges in emissions inventories. Further data quality measures will be developed in consultation with an expert working group.
5. **Base Year Selection:** Existing companies may retain their base year if they justify its continued relevance, while new companies will be required to select a base year within the past three years.

Chapter 3:

Chapter name at time of meeting: Target setting

Relevant Chapter in published CNZS V2.0 Consultation Draft: Target setting

6. Framing of 1.5°C Pathways and GHG Target Requirements

- TC members debated the framing of 1.5°C pathways for companies, particularly 1.5°C "no or low overshoot." While concerns were raised about feasibility and scientific consensus, the decision was made to retain the requirement for 1.5°C ambition as is but clarify the framing in the narrative document and claims section. One member, who wished their concerns to be minuted, emphasised that net zero by a target date made more sense, and the target date should be set to be aligned with what is maximally ambitious but possible for companies based on their sector and geography.

- The Council rejected requiring separate abatement targets for different GHGs at the cross-sector level but will explore sector-specific requirements. Sectoral differentiation will be revisited in future discussions on removals.
- References to "national pathways" in the recommendation relating to prioritizing rapid emission reductions were deemed potentially misleading and were removed from the draft.

7. Scope 1 and Scope 2 Targets

- Market-based vs. location-based emissions: The requirement to use the higher of market-based or location-based emissions for target setting was removed. Instead, companies will be required to set targets for both metrics and work towards net zero.
- Electricity and Energy Definitions: The Council identified inconsistencies in terminology related to biomass, nuclear, and zero-carbon energy. Clarifications will ensure terms align with GHGP, and Scope 2 emissions reductions must be achieved within companies' own grids, not through external contributions.
- Energy Efficiency: While energy efficiency improvements were recognized as important, it was not included as a mandatory target but will be referenced in recommendations and criteria text.

8. Scope 3 Target Setting

- Indirect mitigation (IM) will count towards targets under specific conditions but must be reported separately to ensure transparency. The criteria and conditions for IM inclusion will be developed in consultation.
- Climate-Critical Activities: Companies must address emissions-intensive activities throughout their value chains without a tier limit. The rationale will be clarified in the introduction and expert groups will be consulted on low-traceability scenarios.
- The climate-critical materials list will remain unchanged and will continue to include both raw materials and derived products.
- Companies will be encouraged to adopt best-practice energy efficiency for electrified products in Scope 3.

Chapter 4

Chapter name at time of meeting: Addressing unabated emissions and carbon removals
Relevant Chapter in published CNZS V2.0: Addressing the impact ongoing emissions

9. Role of BVCM in Addressing Remaining Emissions

- BVCM will be optional for recognition by SBTi, ensuring flexibility while maintaining transparency.
- BVCM actions will be explicitly limited to addressing remaining emissions rather than being used for Scope 3 reductions, which fall under Indirect Mitigation (IM).

- The expert group will refine criteria for BVCM in alignment with other frameworks (e.g., GHGP).
- The term "unabated emissions" was considered unclear and potentially misleading. TC members proposed replacing it with "remaining emissions" to better reflect residual emissions after all feasible direct mitigation has been applied.
- Clear differentiation between BVCM and IM is required to avoid confusion in Scope 3 target setting and residual emissions strategies.
- There was general agreement that BVCM validation should occur at fixed intervals (e.g., every five years) but could be reassessed sooner if needed.
- TC members emphasized the importance of providing concrete examples of BVCM mechanisms and market instruments to ensure stakeholders understand their application. A working group will develop supporting documents with case studies and illustrations.

10. Removals to address residual emissions

- Removals requirements will be integrated into the standard before the section on addressing remaining emissions.
- Removals will apply to both in-inventory and out-of-inventory actions, meaning companies can use removal credits as well as operational carbon dioxide removal (CDR) measures.
- Scope 1 removals will be the primary focus, given companies' direct control over these emissions. The TC decided that removals target should not cover scope 3 removals
- There was concern that requiring Scope 3 removals could divert resources from direct value-chain mitigation.
- TC members agreed on the need for clarity between "remaining" and "residual" emissions, particularly when designing sector-specific caps for residual emissions.
- The Council debated two options for FLAG and non-CO₂ removals and agreed that the consultation survey and/or EWG should be consulted regarding these options:
 - Like-for-like approach:** Separate removal targets for FLAG, fossil, and non-CO₂ residual emissions, with durability matched to the atmospheric lifetime of each GHG.
 - Gradual shift:** A single removal target covering all emissions, with a gradual shift from non-durable to durable removals.
- TC members stressed the importance of quality standards and ensuring removals align with climate justice and sustainability principles.
- The risk of reversal for non-durable removals was flagged as a key concern. The expert working group will develop guidelines on mitigating reversal risks and establishing durability benchmarks (e.g., 100, 200, or 1,000 years).

Chapter 6

Chapter name at time of meeting: Claims

Relevant Chapter in published CNZS V2.0: Claims

11. Conformance vs. Achievement Claims

- The standard will proceed with conformance claims as the basis—companies may claim they conform to the standard but cannot claim achievement of targets without third-party assurance.
- Stakeholders will be consulted on additional claims (e.g., net-zero achievement, ambition-based claims) and the verification required for such claims.
- Achievement claims require robust verification mechanisms to ensure credibility, particularly for Scope 1 reductions linked to asset sales.

12. Recognition for Beyond Value Chain Mitigation (BVCM) and Indirect Mitigation (IM)

- The Council acknowledged the challenge of aligning BVCM claims with SBTi conformity requirements.
- Some TC members supported claims for companies engaging in BVCM and indirect mitigation, but the discussion was deferred to a future session (scheduled for 20/12/2024).
- SBTi indicated that any claims incorporated into the standard will undergo legal review to mitigate potential risks.

13. Claims Eligibility for Category B Companies

- Category B companies will be eligible for the same conformance claims as long as they meet standard requirements.
- Non-conforming companies will be removed from the system but will remain visible on the public dashboard.

Relevant name at time of meeting: Appendix 1: Target-Setting Methods

Relevant name in published CNZS V2.0: Documentation of target setting methods

14. Cumulative Absolute Contraction Approach (ACA) Options

- Two main approaches were considered:
- Cumulative emissions budget approach: Ensures emissions reduction pathways remain within an overall emissions budget.
- Feasible pathway approach: Starts from a company's current emissions level and follows a linear-to-zero reduction pathway.
- A third option was proposed: Providing an option to use removals, but without prescribing their use upfront.
- 2020 was confirmed as the fixed reference year, with flexibility in selecting the base year. All companies must provide emissions data from 2020 onward.

- The Council supported pilot testing the different approaches to assess their feasibility and impact.
- There was concern about applicability of cross-sector pathway to Scope 2 and Scope 3 emissions, particularly in terms of market-based instruments and alignment methods. These discussions were deferred to separate Scope 2 and Scope 3 sessions.
- Clarification was needed on how emissions reductions are tracked and verified annually. It was confirmed that annual Scope 1 data will be required throughout the target timeframe and back to 2020 for new companies.

Relevant name at time of meeting: Appendix 2: Cross-sector Pathways

Relevant name in published CNZS V2.0: Documentation of cross-sector pathway

15. Bioenergy Constraints and Sustainability Concerns

- The Council agreed to limit bioenergy use to 100EJ, aligning with IEA and IPCC WGIII medium-concern thresholds.
- While this results in slightly lower CO₂ reduction ambition (87% instead of 90%), it ensures alignment with sustainability goals and reduces reliance on uncertain Integrated Assessment Model (IAM) projections.
- A sensitivity analysis on biomass constraints (90–130EJ) will be explored for further assessment.

16. Residual Emissions and Sectoral Approaches

- For sectors without specific net-zero benchmarks, the Council supported a sectoral approach rather than defaulting to the power sector's assumption of zero residuals.
- The Technical Council agreed to put forward two approaches to determine residual emissions based on either a cross-sector economy wide pathway or activity-specific benchmarks
- FLAG and commodity-specific pathways will be explicitly included in Table 3 to provide clarity on residual emissions expectations.

17. Consistency and Pathway Transparency

- The Council emphasized the need for clearer rationale in pathway development, requesting a column for filtering criteria in Table 1 to show how pathways were selected.
- Consistency in terminology and alignment methods was flagged as critical. The Council recommended using "annual" instead of "linear" to describe Scope 3 alignment methods.

Actions and next steps

1. Follow-up meeting to discuss pending topics scheduled for Dec 20. Participation in the meeting is optional;
2. SBTi to share ToR of EWG and Research questions for input by Technical Council members;
3. SBTi Technical Department to provide a revised draft incorporating agreed changes in January;
4. SBTi TD to share the updated Appendix 1 and 2 documents with the Technical Council
5. Technical Council members to conduct a second review of the revised consultation draft before publication for public consultation.;



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