



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi Technical Council Meeting Minutes

19 February - 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.

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

SBTi

Alberto Carrillo Pineda (CTO, SBTi)
Emma Watson (Head of Corporate Standards, SBTi)
Hugo Ernest-Jones (Scope 3 Manager, SBTi)
Eoin White (Research Lead, SBTi)
Piera Patrizio (Head of Research SBTi)
Mona Karraoui (Head of Quality, SBTi) - Observer

Session note taker

Alice Farrelly (Net-Zero Senior Analyst, SBTi)

SBTi Observers

Mona Karraoui (Head of Quality)
Giulia Camprasi (Senior Analyst, Value Chain)
Jana Mintenig (FINZ Manager)
Nate Aden (Head of Financial Institutions)

Meeting Agenda

1. Welcome and Agenda
2. CNZS Consultation plans Update
3. Discussion of SBTi Corporate Net Zero Standard
4. Decision on SBTi Corporate Net Zero Standard
5. Closing and Next Steps

Meeting Objective

The SBTi Technical Department submitted a revised Corporate Net-Zero Standard Consultation Draft alongside Appendixes and supporting documents to the Technical Council for final review and feedback prior to the meeting. The TC members met on the 19th of Feb to discuss how their feedback from previous reviews and meetings were addressed and to deliberate if the current draft is ready for consultation.

High-level Summary

I. CNZS Consultation Plans Update

1. Consultation Process and Progress

- SBTi provided an update on the consultation plans for CNZS V2, including the launch of the call for Expert Working Group (EWG) applications.
- Over 300 applications have been received so far, and the call will remain open until the end of the month.
- TC will be kept informed on the progress of the application process, including the distribution of applicants.

2. Consultation Resources

- SBTi presented a comprehensive set of consultation materials to support the process, including
 - The consultation draft
 - Explanatory documents
 - Consultation portal as the main landing page
 - Consultation deck summarizing key topics, changes, and examples
 - Explanatory videos
 - Frequently Asked Questions (FAQs)
 - Media assets
- The consultation deck will outline key differences between CNZS V1 and V2, provide explanations of key concepts, case studies, and company implications. It will be published on the SBTi website and used for engagement activities.

3. Consultation Timeline

- The public consultation period will last 60 days, with a tentative launch date of 13 March.
- Engagement with the EWG is planned to begin at the end of March.

II. Removal Targets

4. Discussion on Removal Targets

- SBTi presented three options for incorporating removal targets into the Standard for consultation:
 - **Option 1:** Require removal targets.
 - **Option 2:** Include removal targets as an optional aspect for SBTi recognition.
 - **Option 3:** Allow for the use of removals to address residual emissions without the need for separate removal targets.
- TC discussed the options and provided recommendations on their feasibility and implications.

5. Key Concerns and Considerations

- SBTi initially recommended consulting only on Options 1 and 2, citing concerns with Option 3, including potential mitigation deterrence, misalignment with net-zero pathways, lack of incentives to scale removals by the net-zero target date, and inconsistency with global best practices
- TC Members provided different perspectives on Option 3:
- After discussion, it became clear that there were different interpretations on Option 3. Having clarified the misunderstandings, it was decided to maintain it in the consultation draft

6. Reporting and Safeguards

- TC agreed that regardless of the chosen approach, companies should be required to report gross emissions reductions and removals separately to ensure transparency.
- TC discussed setting clear boundaries for removals, including:
 - Quality criteria for removals.
 - Separate reporting of emissions and removals.
 - Guardrails to prevent the use of removals as a substitute for reductions (e.g. limited use for projected residual emissions).

7. Consultation Strategy

- TC agreed to proceed with consulting on all three options but recommended publishing clear limitations regarding Option 3.
- Rationale for each option will be included in the consultation survey to ensure participants understand the implications.
- Balanced representation in the Carbon Dioxide Removal (CDR) working group was emphasized to ensure balance of interests.

III. Corporate Net Zero Standard – Scope 3

8. Key Changes and Discussion

- The requirement for targets on emissions-intensive activities remains mandatory.
- Other activities can now be consolidated into a single combined target.
- The framework has been revised into a shorter, more streamlined version for improved clarity and usability.
- TC discussed these changes and provided recommendations.

9. Indirect Mitigation and Scope 3 Considerations

- Concerns were raised regarding the terminology of indirect mitigation (IM), with suggestions that it could be misinterpreted (e.g. carbon credits or others), requiring clearer definitions.
- It was clarified that indirect mitigation refers to unbundled certificates that are related to the activity value chain (e.g. commodity certificates). Quality criteria and appropriate guardrails will be developed throughout the consultation process with input from Expert Working Groups (EWG).
- The need for strict criteria to guide IM was emphasized, focusing on ambition, additionality, sectoral relevance, and traceability.
- The importance of ensuring IM instruments create real impact was highlighted, with concerns that some mechanisms, such as unbundled Renewable Energy Certificates (RECs), have historically lacked effectiveness.
- It was recommended that certain technologies, including Sustainable Aviation Fuel (SAF), hydrogen, and bioenergy, be considered as indirect mitigation for a limited timeframe only (e.g. target timeframe).

10. Outcomes and Next Steps

- TC agreed to **retain indirect mitigation in the framework** and expand it to cover all Scope 3 categories.
- The revised, shorter version of the framework was approved.
- SBTi will proceed with implementing these decisions and further discussions on indirect mitigation will continue within the EWG.

Net Zero Benchmark (C12 & C13)

11. Key Changes and Discussion

- A proposal was presented to delete CNZS-C13, as it was identified as repetitive within the standard based on feedback and review from the TC.
- The deletion was brought forward for consideration due to the removal of an entire criterion.

Corporate Net Zero Standard – Final Review and Approval

12. The Standard Approval

- TC members were invited to raise any final topics before proceeding with the approval of the CNZS V2 draft.
- Few concerns were expressed regarding insufficient time for review, with suggestions that future approvals allow for more thorough assessment.
- TC was asked whether they preferred to delay approval or proceed as scheduled.
- TC Members Proceeded with consensus approval with minor changes with all TC members present in the meeting.

Main Actions and Next Steps

1. The CNZS V2 draft was provisionally approved with the following conditions:
 - TC members have one week to provide follow-up feedback on how their comments were addressed.
 - Minor changes will be reviewed and decided upon by the Chair and Vice Chair.
2. A summary email will be sent to TC members outlining next steps, relevant dates, and details of upcoming meetings, including the planned in-person meeting in April.



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