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# SBTi Technical Council Meeting Minutes

30, 31 May 2024

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 unauthorised 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.

**Abbreviations:**

- CEO Chief Executive Officer
- CTO Chief Technical Officer
- CNZ Environmental Attributes Certificates
- 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
- OC Oversight Committee
- 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)  
Micheal Gillenwater  
Anders Bjørn  
Simi Thambi  
Stephanie Roe  
Benjamin Caldecott  
Maria Virginia Vilariño  
Doreen Stabinsky  
Nicole Roettmer  
Pedro Faria (Joined session 4 and 5 virtually on day 1)

#### Virtually:

Owen Hewlett  
Pankaj Bhatia  
Mandy Rambharos  
Steven Davis

#### Absent:

Pedro Faria (day 1 - Session 1, 2, and 3)  
Pankaj Bhatia (day 2 - Session 6, 7, and 8)  
Steven Davis (days 2 - session 6, 7, 8, and 9.1)

### SBTi

#### In Person:

Alberto Carrillo Pineda (CTO, SBTi)  
Hussein Kassir (Technical Council Secretariat, SBTi)  
Mona Karraoui (Head of Quality, SBTi) - Observer  
Emma Watson (Head of Corporate Standards, SBTi) - Session 4  
Scarlett Benson (BVCM Lead, SBTi) - Session 4  
Hugo Ernest-Jones (Value Chains Lead, SBTi) - Session 4  
Nate Aden (Head of Financial Institutions, SBTi) - Session 9, observer in session 7 and 8  
Jana Mintenig (FINZ Project Lead, SBT) - Session 9, observer in session 7 and 8  
Johan Nyqvist (Insurance Lead, SBTi) - Session 9, observer in session 7 and 8  
Eoin White (Research Manager FI, SBTi) - Session 7, 8, and 9

**Virtual Observers:**

Emily Castro - Session 4

Alice Farrelly - Session 4

Martina Massei - Session 4

Clare Murray - Sessions 7, 8, and 9

Georgina Ellis - Session 9

## Meeting Agenda

**Day 1:**

1. Welcome and Agenda
2. Technical Department Update
3. Internal Technical Council discussion (CONFIDENTIAL).
4. Corporate Net Zero Standard.
5. Next Steps and Closing

**Day 2:**

6. Welcome and Agenda
7. Procedures for development and revision of pathways and methods (Proposed annex to SOP)
8. Principles for Development of SBTi Standards
9. Financial Institutions Net-Zero Standard - Consultation Draft
10. Next Steps and Closing

# Meeting Minutes

## Day 1

### Session 1: Welcome and Agenda

#### Presenter / Facilitator:

Laura Draucker (Vice Chair, Technical Council)

#### Purpose of the session:

For information: Presentation of agenda of the day

#### Summary:

The Vice Chair welcomed the attendees and presented the agenda of the day.

#### Clarifications:

N/A

#### Decisions:

N/A

#### Actions:

N/A

### Session 2: Technical Department Update

#### Presenter / Facilitator:

Alberto Carrillo Pineda (Chief Technical Officer, SBTi)

#### Purpose of the session:

**For Information** - SBTi Chief Technical Officer (CTO) to provide an update on SBTi Projects and timeline.

#### Summary:

CTO presented an Overview of the SBTi Standard Development process.

The Building project was planned to be published last week but pilot testing was added to the process. Pilot testing is complete. And the project is planned to come to the TC for review as a legacy project.

Overview of the Technical Department 2024 work plan:

1. Revision of pathways and target setting methods (Annex to the SBTi SOP)
2. Corporate Net Zero Standard
  - a. Core element of performance
  - b. Scope 3
  - c. Definition of the use of EACs
3. FINZ
4. Sector specific standards
  - a. Oil and Gas
  - b. Electric Utilities
  - c. Automotive
  - d. Chemical
  - e. Insurance (SBTi decided to include Insurance as part of the FINZ standard to develop a stand alone Insurance standard later)
  - f. Apparel (Hybrid model pilot testing)

The Apparel Standard project has not started yet due to capacity reasons.

A review of the timeline of the projects is being undertaken at the moment. Updated work plan will be available towards the end of August.

**Clarifications:**

The SBTi Board of Trustees approves the work plan, the initiation of the project and adopts the final draft of the standard. The Board is regularly updated on the status of the project through the process.

**Decisions:**

N/A

**Actions:**

N/A

**Session 3: Internal Technical Council Discussion (CONFIDENTIAL)**

**Presenter / Facilitator:**

Laura Draucker (Vice Chair, Technical Council)

**Purpose of the session:**

Confidential

**Summary:**

Confidential

**Clarifications:**

Confidential

**Decisions:**

Confidential

**Actions:**

Confidential

**Session 4: Corporate Net Zero Standard**

**Facilitator:**

Kornelis Blok (Chair, Technical Council)

**Presenters:**

Emma Watson (Head of Corporate Standards, SBTi)  
Hugo Ernest-Jones (Value Chains Lead, SBTi)  
Scarlett Benson (BVCM Lead, SBTi)

**Purpose of the session:**

**For Information** - Presenting an overview of the major revision of the Corporate Net-Zero Standard including the revision of the scope 3 target setting framework and the research stream on environmental attribute certificates (EACs).

**Summary:**

SBTi Head of Corporate Standards delivered an introductory/informational presentation on the major revision of the Corporate Net–Zero Standard (CNZS). This major revision will address implementation issues identified since the launch of the original CNZS and aims to improve the overall implementability of the standard. Several research streams feed into the major revision of the CNZS, including the scope 3 work and EACs research which are to be presented in this session.

SBTi Value Chains Lead delivered an introductory/informational presentation summarizing the process for the revision of the scope 3 target setting framework. The presentation provided an overview of current approach to scope 3 target setting within the CNZS and outlined challenges with current approaches. An overview of current thinking on updates to the scope 3 target setting framework, was presented.

SBTi BVCM Lead delivered an introductory/informational presentation providing an overview of the EACs research workstream thus far and next steps.

TC members asked clarifying questions on the topics and provided comments and recommendations.

**Clarifications:**

N/A

**Decisions:**

N/A

**Actions:**

Technical Council Members to provide further questions and comments through the Q&A sheet.

**Session 5: Next Steps and Closing**

**Presenter / Facilitator:**

Kornelis Blok (Chair, Technical Council)

**Purpose of the session:**

Closing of the session and next steps

**Summary:**

The TC Chair asked if there are any further questions. No questions were raised.

The TC Chair closed the meeting.

**Clarifications:**

N/A

**Decisions:**

N/A

**Actions:**

The TC meeting will commence again on the following day.



## Day 2

### Session 6: Welcome and Agenda

#### Presenter / Facilitator:

Kornelis Blok (Chair, Technical Council)

#### Purpose of the session:

Presentation of agenda of the day

#### Summary:

The Chair welcomed the attendees and presented the agenda of the day.

The Chair mentioned that the FI team is present and the FINZ content is the major topic for the day.

The Chair introduced Eoin White, FI Research Lead.

#### Clarifications:

N/A

#### Decisions:

N/A

#### Actions:

N/A

### Session 7: Procedures for development and revision of technical foundations (Proposed annex to SOP)

#### Facilitator:

Kornelis Blok (Chair, Technical Council)

#### Presenter:

Eoin White

#### Purpose of the session:

**Discussion and Decision** to approve the Procedures for development and revision of technical foundations (Proposed annex to SOP).

#### Summary:

The Chair checked the quorum. Quorum was present (13 members).

The SBTi Procedures for the Development and Revision of Technical Foundations represent an annex to the SOP dealing specifically with new metrics, methods and pathways, within or outside of the process of the development or revision of a standard.

Eoin White presented an overview of the Procedures for Technical Foundations, with a separate slidedeck. The presentation provided an overview of how this document will be a separate Annex for the Standard Operating Procedure. Some clarifying questions were taken after this presentation before reviewing the document in detail.

The chair of the Technical Council led a section by section review of the document, where additional points were raised by the TC members. The primary issue identified was around the classification of major and minor projects, and if/how the TC would be included in the decision of how these projects are classified. To address these points, aspects of the text were revised for two clauses that refer to the classification of major and minor projects. The updated wording and wider documents were subsequently approved by the Technical Council.

After the end of the session the SBTi Technical Department applied minor amendments to Paragraphs 4.3.1, 4.3.2, and 4.3.3 based on the TC recommendations. The amendments were presented to the TC after the FINZ. The TC approved the amendments.

**Clarifications:**

N/A

**Decisions:**

Document Approved by consensus

**Actions:**

N/A

**Session 8: Principles for Development of SBTi Standards and Technical Foundations**

**Facilitator:**

Kornelis Blok (Chair, Technical Council)

**Presenter:**

Eoin White

### Purpose of the session:

**For Discussion and Decision** to approve the Principles for Development of SBTi Standards and Technical Foundations.

### Summary:

The Principles proposed are designed for use as part of the implementation of Procedures for the development of Technical Foundations. The principles serve as the means for assessing new technical foundations. Six principles were proposed: Ambitious, Rigorous, Transparent, Robust, Actionable, Responsible.

The SBTi's research team presented an overview of the Principles. The presentation provided an overview of how the Principles will be used as part of the assessment of new Technical Foundations. Some clarifying questions were taken after this presentation before reviewing the document in detail.

The chair of the Technical Council led a section by section review of the document, where additional points were raised by the TC members. The primary issues raised were around wording of specific principles and the possibility of further consolidation of principles.

TC members also highlighted the need to better clarify the use of the document, and ensure that it is used for Technical Foundations only, and should not act as wider principles for SBTi standard development.

The TC asked for additional time to propose feedback on these issues and for the document to be discussed in an upcoming TC meeting, where approval can again be considered.

### Clarifications:

N/A

### Decisions:

Decision was **not** made regarding this document. The TC proposed that the document be further revised to address the points raised in the meeting, and to be presented again for approval in a forthcoming session.

### Actions:

TD to amend the document and bring it back to the TC when ready for review and approval.

## Session 9.1: Financial Institutions Net-Zero Standard - Consultation Draft

### Facilitator:

Kornelis Blok (Chair, Technical Council)

### Purpose of the session:

**Information and Discussion** - Presenting and Discussing the Financial Institutions Net-Zero (FINZ) Standard Consultation Draft for public consultation and pilot testing.

### Summary:

Chair checked for Conflicts of Interest and one member recused themselves from a decision on this topic due to prior engagement in the project as part of the expert advisory group.

Members of the Financial Institutions Standards team presented the FINZ Consultation Draft [slides](#).

SBTi Head of Financial Institutions Standards delivered an introductory/informational presentation to provide some background on the development of the SBTi Financial Institution Net-Zero (FINZ) Standard, how it differs from and complements the recently approved Financial Institutions Near-Term Guidance V2 (FINT v2). The FINZ Standard is a global, voluntary, science-based framework that enables FIs to set near-term- and net-zero targets on the scope 3 category 15 emissions. The Standard addresses key friction areas that emerged in FINT v2 and expands the scope to include insurance underwriting and capital markets activities in addition to lending and investing activities.

SBTi FINZ Manager delivered an in-depth presentation of the FINZ Standard for information/approval, in which she walked the Technical Council (TC members) through the conceptual framework of the Standard which is centered around five key outcomes that translate into a range of requirements and recommendations that, when implemented, will help FIs reach the net-zero end state:

1. **Robust climate governance:** driven through clear sets of public commitments and policies.
2. **Comprehensive assessment of climate impacts:** driven through clear accounting requirements.
3. **Alignment of relevant financial activities with global climate goals:** driven through ambitious portfolio-wide targets.
4. **Prioritize addressing emission-intensive activities:** driven through ambitious sector-specific targets.
5. **Transparency and reporting:** driven through disclosure.

The SBTi staff member also guided the TC members through the chapters of the FINZ Standard and the related requirements, recommendations, and key questions identified by the Financial Standards Team. The three first chapters of the FINZ Standard were discussed in detail with key questions and discussion points. The remaining chapters and

annexes will be discussed in the June TC meeting, which has the FINZ Standard on the agenda for discussion and potential approval, as there was not enough time to go through the entire Standard in the May meeting.

SBTi Research Lead – Financial Institutions delivered an introductory/informational presentation of the Methods and Metrics Review paper. The presentation provided an overview of the Metrics and Methods Review Paper and outlined how the paper relates to FINZ and will be part of the FINZ Pilot testing.

The presentation was followed with general clarification questions and comments.

Main points of Discussion:

- Prioritization
- Definitions of transition-aligned and net-zero aligned
- OECD / Non-OECD country classification
- Just transition definition and the Responsibility Principle
- Assets classes
- Interoperability with other initiatives
- Capital markets
- Transition plan / Taxonomy
- Auditors enforcing SBTi validations and transition plans

Clarifications:

N/A

Decisions:

See section 9.2

Actions:

See section 9.2

## **Session 9.2: Financial Institutions Net-Zero Standard - Consultation Draft (cont.)**

Facilitator:

Kornelis Blok (Chair, Technical Council)

Purpose of the session:

**Discussion and Decision** - Discussion and approval building on session 9.1 and going through the Financial Institutions Net-Zero (FINZ) Standard Consultation Draft document itself.

### Summary:

The TC Chair led the discussion. Some points from the 9.1 session were brought up before the group went through the document section by section.

Main points of discussion:

- Fossil fuel policy
- Neutralization
- Definitions and interoperability with other initiatives
- Need for consistency in SBTi definitions and terminology
- Portfolio Climate Alignment Targets

Time ran out before the entire FINZ draft document could be reviewed.

### Clarifications:

N/A

### Decisions: (for both section 9.1 and 9.2)

Approval was **not given** during the meeting due to lack of time.

### Actions: (for both section 9.1 and 9.2):

FINZ to be presented again to the TC for approval on the 21st of June.

SBTi FI Team to apply where feasible some minor amendments to the FINZ Consultation Draft according to the recommendation provided by the TC members.

TC members can still provide additional feedback on the document through the Q&A sheet.

## Session 10: Next Steps and Closing

### Presenter / Facilitator:

Kornelis Blok (Chair, Technical Council)

### Purpose of the session:

Closing of the session and next steps

### Summary:

The Chair extended the time of this session and decided to continue the confidential discussion of session 3.

The Chair asked if there are any further questions or points to be raised. None was raised.

The Chair Closed the meeting

Clarifications:

N/A

Decisions:

N/A

Actions:

N/A



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