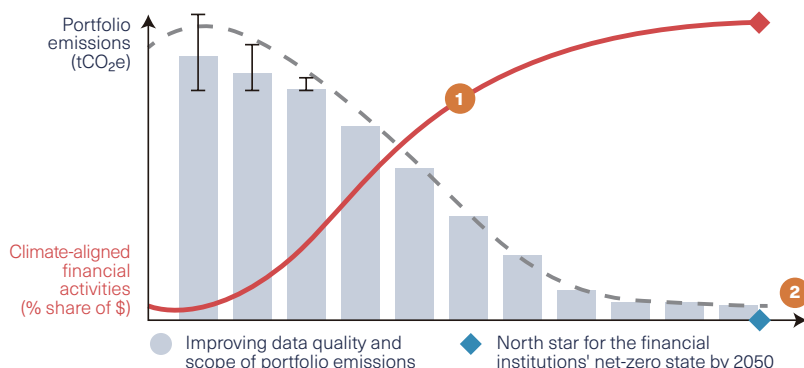


FINANCIAL INSTITUTIONS NET-ZERO STANDARD

One-page summary | Version 1.0 (July 2025)

Financial institutions have an enabling role in the global net-zero transition. The SBTi Financial Institutions Net-Zero Standard recognizes financial institutions that take action consistent with reaching net-zero emissions by mid-century. This includes moving away from activities incompatible with achieving net-zero emissions and scaling-up financial activities to support the real-economy portfolio transition in line with global climate goals.

CONCEPTUAL FRAMEWORK



1 Portfolio climate alignment

Leading metric to increase the share of financial activities supporting climate solutions and counterparties that are in transition or at a net-zero state.

2 Portfolio emissions

Lagging metric to reduce aggregate portfolio GHG emissions to zero or near-zero levels by 2050 and ensure that any residual emissions are neutralized by individual counterparties.

SCOPE AND TARGET AUDIENCE

The Standard is a voluntary, cross-sector standard for financial institutions covering:

Lending

Asset Ownership

Asset Management

Insurance Underwriting

Capital Markets

EXPECTED NET-ZERO JOURNEY

Financial institutions' net-zero transformation journey entails:



Any net-zero claims made by financial institutions must be accurate, transparent, verifiable, and compatible with the criteria in the Standard.

BASE-YEAR ASSESSMENT

Increased scope and data quality over time



GHG inventory, including for key emissions-intensive sectors



Share of clean energy-to- fossil fuel financial exposure



Climate alignment of entities/ projects/assets



Deforestation exposure assessment by 2030

POLICIES AND TARGET-SETTING

Immediate action combined with near- and long-term targets



Public **fossil fuel transition policy** of:

- No new financing or insuring of coal expansion.
- No new project financing or insuring of oil and gas expansion.
- No new general-purpose financing or insuring of companies involved in oil and gas expansion immediately or by 2030 at the latest.



Public **no-deforestation plan** by target renewal if significant exposure.



Public **real estate policy recommendation** of:

- No new financing to new non-zero-carbon-ready buildings.
- Increased financing for retrofitting existing buildings.



Near-term targets with flexibility to select between:

- **Portfolio climate-alignment targets** that include the use of eligible third-party climate-alignment methodologies, or
- **Sector targets** that align the financing of key emissions-intensive sectors with emissions or technology share benchmarks, including required coal phase-out targets.



Long-term targets to align at least 95% of financing with net-zero benchmarks by 2050 at the latest.