



SCIENCE
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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

AUTOMOTIVE SECTOR NET-ZERO STANDARD PILOT TEST PARTICIPANT TERMS OF REFERENCE

Version 2.0

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ABOUT SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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“Science Based Targets initiative” and “SBTi” refer to the Science Based Targets initiative, a private company registered in England number 14960097 and registered as a UK Charity number 1205768.

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VERSION HISTORY

Version	Change/update description	Release date	Effective dates
Version 1.0	<ul style="list-style-type: none">Initial version of Automotive Pilot Test Participants Terms of Reference	August 18, 2025	August 18, 2025
Version 2.0	<ul style="list-style-type: none">Timeline update	October 29, 2025	October 29, 2025

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1. INTRODUCTION

This document outlines the terms of reference for the companies participating in the pilot test for Automotive Sector Net-Zero Standard. The project will be carried out according to the [Standard Operating Procedure for Development of SBTi Standards](#).

2. ABOUT THE AUTOMOTIVE SECTOR NET-ZERO STANDARD PROJECT

The objective of this project is to develop a target-setting standard for the automotive sector, which would include revising or superseding existing guidance for the automotive sector currently contained in the [Land Transport Guidance](#). This will apply to producers of all newly manufactured road vehicles classified as: new light-duty passenger vehicles, new light commercial vehicles, new medium freight trucks and new heavy freight trucks, as well as relevant companies in the value chain, such as autoparts manufacturers. The standard will also be aligned to the [SBTi's Corporate Net Zero Standard](#), which is being revised in parallel. The [Terms of Reference for Automotive Sector Net-Zero Standard](#) describes the key information related to the project.

The objective of this pilot test is to thoroughly test the understanding and feasibility of implementation of the Automotive Sector Net-Zero Standard, as well as the feasibility of target validation against the criteria. The pilot testing will ensure the viability of the Standard's criteria by evaluating it using real-world data from impacted companies. Data and feedback from participants of the pilot testing will be used to inform revisions to the materials prior to their finalization.

The key output of this pilot testing is a revised version of the Automotive Sector Net-Zero Standard, with supplementary material, and is supported by the following deliverables:

- Pilot Testing Feedback Report
- Basis of Conclusions Report

An estimated timeline of pilot test deliverables, milestones and meetings can be found in Annex I of this document.

3. PILOT TEST GOVERNANCE

3.1 Governance

The pilot testing of the criteria in the Automotive Sector Net-Zero Standard will be conducted collaboratively by the SBTi and SBTi Services Limited (SBTi Services). Participants in the pilot test will engage with both entities throughout the process. Any data submitted by pilot test participants will be shared between the SBTi and SBTi Services for the purposes of this

pilot, in compliance with the [SBTi Data Privacy Policy](#). This Terms of Reference provides an overview of the roles and responsibilities of SBTi and pilot test participants. Detailed terms of the agreement between SBTi Services and the participants will be specified in the contract issued for the pilot test by SBTi Services.

Pilot test participants will provide documented feedback as part of the development of the project. Participants in the pilot test do not have any decision-making authority over SBTi standards or standardized instruments, such as guidance, tools, and methods.

Any potential strategic decisions or changes to SBTi standards will be conducted according to the SBTi [Standard Operating Procedure for Development of SBTi Standards](#), overseen by our [Technical Governance](#).

3.2 Antitrust

Members shall not engage in any discussion, activity or conduct that may infringe on any local or international antitrust or competition law. For example, the following shall not be discussed during any meeting of the pilot testing:

- a. Current or future prices, pricing strategies or price related information
- b. Output, capacity, inventory levels or costs
- c. Data related to market share
- d. Current or future marketing strategies

4. OBJECTIVES OF THE PILOT TEST

The objectives of the pilot test are to:

- Ensure the standard, criteria, and target-setting tool are robust, clear, and practical.
- Identify potential challenges associated with the implementation of the Automotive Sector Net-Zero Standard by automakers and auto parts manufacturers.
- Inform the development of the Automotive Sector Net-Zero Standard final draft before it is sent for approval.
- Test the feasibility of validating companies against the standard and the clarity of the written requirements.

The SBTi is not seeking feedback on the scientific underpinnings of the Automotive Sector Net-Zero Standard through this process. The purpose of the pilot test is to test clarity of the resources, rather than the concepts and principles underpinning the criteria and recommendations within the Automotive Sector Net-Zero Standard.

The pilot test is independent of the SBTi official target validation process and will not lead to an approved target. All companies (regardless of participation in pilot test) shall use the final Automotive Sector Net-Zero Standard, respecting specified timelines when it is published for official target validations. Companies must use formally adopted and published versions of

SBTi standards and tools to set and submit targets for official target validation.¹ Targets set using draft pilot materials are not counted as part of an official target validation.

Though independent of the SBTi validation process, participation in the pilot test can support companies' subsequent target validation against the finalized standard by providing companies with a detailed understanding of expected requirements for the forthcoming standard. Please see the [Standard Operating Procedure](#) for further understanding of the standard setting process and development of final standard versions for adoption.

5. COMPOSITION OF THE PILOT TEST SAMPLE

The companies participating in the Automotive Sector Net-Zero Standard pilot test represent one or more of the following categories relevant to the Standard's scope:

- **Automakers**
Any company engaged in vehicle manufacturing with production exceeding ten thousand units annually shall follow the GHG emissions-related criteria for automakers covering scope 1, 2, and 3 emissions associated with those activities, as well as the alignment criteria for vehicle sales across the company.
- **Auto parts manufacturers**
Any company engaged in auto parts manufacturing, where at least 20% of total company turnover is derived from auto parts production, shall adhere to the criteria for auto parts manufacturers within the Standard.
- **Powertrain suppliers**
Within auto part manufacturers that meet the threshold above, powertrain suppliers shall apply additional criteria, which cover use-phase emission (scope 3, category 11) in addition to the rest of the auto parts criteria.
- **Companies producing both vehicles and auto parts**
Companies manufacturing vehicles and meeting the automaker thresholds above, but also manufacturing auto parts, shall apply the automaker criteria for all activities that lead to a final vehicle being produced. Auto parts manufactured for use in a company's own vehicles shall be treated as part of the vehicle manufacturing criteria.

If auto parts sales make up more than 20% of total company revenue, then the auto parts criteria shall be applied to this portion of the company operations to assess performance and set targets that are separate to the automaker targets.

If auto parts sales make up less than 20% of total company revenue, the company may, but is not obliged to, apply the auto parts criteria, and can instead cover this activity (and any other activity) using cross-sector criteria from the SBTi Corporate Net-Zero Standard Version 2.0 (the final version of which will be published before the final version of the Automotive Sector Net-Zero Standard).

¹ Alternative methods or tools may be considered where this has been specified within SBTi standard requirements and will be assessed on a case by case basis prior to agreement.

The pilot test sample is selected to cover a diverse range of companies in terms of:

- Region
- Automaker or auto parts manufacturers
- Emissions profile
- Readiness of data

The SBTi shall use best endeavors to achieve diversity among pilot test companies, however, the outcomes of the pilot test shall not be invalidated by its inability to achieve an optimum level of diversity.

6. SELECTION OF PILOT TEST COMPANIES

The SBTi will hold an open call for applications to join the Automotive Sector Net-Zero Standard pilot test through which any company can apply. The SBTi Automotive Sector Net-Zero Standard team may identify and invite companies to apply to participate in the pilot test based on their relevance to the scope of the Automotive Sector Net-Zero Standard.

Applications will be assessed through an evaluation of the needs of the SBTi Automotive Sector Net-Zero Standard team and based on particular sample size and diversity needed for the pilot test.

Pilot test participants retain their position for the duration of the Automotive Sector Net-Zero Standard pilot test, but can also resign at any point. Pilot test participants shall inform the SBTi in writing if they would like to voluntarily terminate their participation before the pilot testing period is complete. They must give a notice period of at least 10 working days and follow the applicable termination requirements and measures specified below.

The SBTi retains the right to terminate pilot test participation (e.g. due to a breach of applicable SBTi policies or regulations, any term in this document, project termination, unavailability of data, etc.) with immediate effect.

- a. The SBTi will communicate the reason for termination to the participant.
- b. If the participant is dissatisfied with the reason for termination, they have a right to raise a complaint through standardscomplaints@sciencebasedtargets.org.

In case of termination of participation in the pilot test, the following requirements and measures will apply:

- a. Pilot test participants shall agree to delete all materials provided to them by the SBTi during the pilot test and inform the SBTi when they have done so in writing.
- b. Pilot test participants shall then be removed from all further communications regarding the pilot test.
- c. Pilot test participants shall inform all parties that they previously informed of their participation in the pilot that they are no longer part of the pilot in writing.

If participants resign or are terminated during the pilot test, the SBTi may replace these participants with additional participants.

The SBTi will inform the pilot test companies about the finalization of the project and the conclusion of the pilot test.

7. OBLIGATIONS AND TIMEFRAME

7.1 Timeframe

The Automotive Sector Net-Zero Standard pilot test will run for eight weeks, commencing in Q4 2025 and ending in Q1 2026, including a two-week break at the end of December.

The expected hours needed to participate in this pilot test will depend on several factors, including the status of the data available to the participants and the complexity of the participant's operations in the sector. Participation in this pilot test requires certain obligations, such as data pre-preparation, as outlined in section 7.2. Assuming this pre-preparation is complete, a target of moderate complexity is estimated to require 20-30 hours to complete the target calculations and target submission form, and to participate in engagement with the SBTi, as needed.

7.2 Pilot Participant Obligations

By agreeing to participate in the pilot test, participants are obligated to:

- Adhere to the terms set out in the signed contractual agreement with SBTi Services regarding participation in this pilot testing.
- Adhere to this Terms of Reference.
- Have a familiarity with the SBTi's existing cross-sector resources, including the draft [Corporate Net-Zero Standard V2.0](#) and [Corporate Near-Term Criteria](#).
- Have a comprehensive GHG inventory prepared in accordance with the GHG Protocol, prior to beginning the pilot test.
- Deliver relevant data needed to evaluate the criteria and the feasibility of validation against the criteria.
- Provide detailed feedback through surveys and direct feedback to the SBTi.
- Engage with the SBTi through a written question and answer process, individual office hour opportunities, and one-on-one engagements (as needed).

7.3 SBTi Obligations

SBTi staff will:

- Provide the necessary resources to participants in the pilot test.
- Arrange the opportunities for engagement indicated in the pilot-test project timeline and any additional meetings deemed necessary by the SBTi Automotive Sector Net-Zero Standard team.

7.4 Engagements

Engagement with pilot test participants will be primarily through the following activities:

- Participants will be encouraged to submit written questions to the SBTi directly throughout the pilot test period. On at least a weekly basis, the SBTi will provide answers to received questions either directly to the asker, or will share the question and answer (anonymously) to all participants if the question has relevance to multiple participants. This will allow for important answers to be shared with all participants on a rolling basis while maintaining the anonymity and confidentiality of individual participants' data.
- The SBTi will host office hours twice a week during the pilot testing period. Participants will be encouraged to book individual time slots during the office hours to discuss the pilot testing with the SBTi on a one-on-one basis. Participants are encouraged to send questions to be discussed in advance of a scheduled office hours session.
- Participants will also be encouraged to request longer one-on-one meetings with the SBTi to address more complex issues, should schedules allow.

The SBTi will endeavor to arrange engagement opportunities with sufficient notice and hold meetings at a reasonable time of day. If participants cover a wide range of time zones, the SBTi may repeat meetings and will offer office hours opportunities at multiple times.

7.5 Confidentiality

Members shall not distribute materials that are not available in the public domain to any person in advance of publication without explicit written permission of the SBTi. Members agree to treat as confidential any information provided to them by the SBTi while participating in the pilot test.

No material obtained during the pilot can be used for any other purpose except for the purpose of the SBTi Automotive Sector Net-Zero Standard pilot test.

Please note that any personal data you provide will remain confidential and will be processed in accordance with all relevant SBTi policies, including but not limited to [Data Privacy Policy](#) and all relevant and applicable data protection and data privacy regulations and legislation. All information collected by the SBTi will be used solely for the purposes of pilot testing application, except where participants have provided explicit consent for other uses. The SBTi shall retain information in accordance with its [Data Privacy Policy](#), [Standard Operating Procedure](#), or any regulatory or legislative requirements.

7.6 Language

All written and oral communication, including but not limited to meetings, emails, and discussions, shall be conducted in the English language. The SBTi may arrange for the provision of interpreters for meetings or translations of documents upon request.

8. ACKNOWLEDGEMENT

Pilot test participation is voluntary. Pilot test participants do not receive any financial remuneration and the pilot test is independent of the SBTi official target validation process that would lead to an approved target.

Pilot test participants are not expected to provide funding to the SBTi. In instances where a pilot test participant is a funder of the SBTi, this will not confer any special status in the pilot test, project governance or oblige the funding organization to participate in the pilot test, nor will it confer any special status in official target validations once the Automotive Sector Net-Zero Standard has been finalized and implemented.

The SBTi may publicly acknowledge pilot test participants as contributors to the Automotive Sector Net-Zero Standard on the SBTi website. However, this is not a requirement, nor is it a requirement for the participant to publicly state their participation or commit to the SBTi. Participants will have the option to declare their preferred level of confidentiality prior to the pilot test commencing.

9. COMMUNICATIONS

Pilot test participants shall not use the SBTi logo in any capacity relating to the pilot.

Pilot test participants and the SBTi shall use the following wording when communicating about pilot test participation and will not portray or imply any other association or collaboration between the member and the SBTi:

- *Participant of the Science Based Targets initiative (SBTi) pilot test for the Automotive Sector Net-Zero Standard OR*
- *“[Member name] participates in the Science Based Targets initiative’s (SBTi) pilot test for the development of the Automotive Sector Net-Zero Standard. Pilot Test participants have an informative role only, and decisions on final technical resources will be made by the SBTi Technical Council or the Board of Trustees.”*

In circumstances in which a full description of the pilot test group is required, pilot test participants shall use the following wording:

- *The Automotive Sector Net-Zero Standard pilot test participants are a group of volunteer organizations with relevant activities to the scope of the Automotive Sector Net-Zero Standard that act in an informative capacity to the SBTi by testing the resources of the Automotive Sector Net-Zero Standard using real world data, during the development of the project.*

Members of the pilot test participants group must not conflate participation in the pilot test to SBTi target validation and must not use their role in the pilot test group to make claims about target validation decisions. Members of the pilot test group that have an existing SBTi validated target can continue to communicate their target following the guidelines for target reporting outlined in existing SBTi standards and guidance.

Pilot test participants should not comment publicly on the pilot test or act as an SBTi spokesperson on behalf of the pilot test as a whole or other pilot test participants.

Any media or journalist enquiries about the work of the pilot test should be forwarded to and managed by the SBTi Communications Department (communications@sciencebasedtargets.org). Any general enquiries regarding the pilot test should be sent to transport@sciencebasedtargets.org.