SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi AUTOMOTIVE SECTOR SPECIFICATION

FOR USERS OF THE SBTi CORPORATE NET-ZERO STANDARD VERSION 2.0

Version 0.2

Draft for public comment

November 2026

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 UK charity, with a subsidiary SBTi Services Limited, which hosts our target validation services. Partner organizations who facilitated SBTi's growth and development 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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The SBTi reserves the right to revise this document according to a set revision schedule or as advisable to reflect the most recent emissions scenarios, regulatory, legal or scientific developments, or changes to GHG accounting best practices.

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VERSION HISTORY

Use this table to track internal versions and revisions, then update for publication with the final version and previous published versions, where applicable.

Version	Change/update description	Release date	Effective dates
V0.0	First Public Consultation Draft	June 12, 2025	N/A
V0.1	Second Public Consultation Draft	February 3, 2026	N/A
V0.2	Initial version of the SBTi Automotive Sector Specification	TBD	TBD

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A. EXECUTIVE SUMMARY

Disclaimer: *This executive summary is intended to provide a summary of the Automotive Sector Specification Version 1.0 for stakeholders and does not constitute a normative part of this document. For the full scope of requirements, users should refer to the main body of the Sector Specifications. Any translation of this document is for informative purposes only. Users should refer to the original document in English in case of any inconsistency, which shall be deemed definitive.*

A.1 Introduction

The SBTi's mission is to accelerate science-based corporate climate action consistent with net-zero by 2050 or sooner, contributing to international efforts aimed at limiting temperature change to 1.5°C by the end of the century. Over 12,000 companies have set targets with the SBTi to date, and in doing so have realized clear business benefits while contributing to the achievement of international climate objectives.

The SBTi Automotive Sector Specification (hereafter referred to as "this Specification") offers a framework for automakers and powertrain suppliers to set greenhouse gas (GHG) emissions reduction targets aligned with limiting global warming and achieving net-zero emissions by 2050 at the latest**.** The SBTi Automotive Sector Specification must be used with the SBTi's Corporate Net-Zero Standard V2.0 (CNZS V2), providing a set of normative criteria, calculation requirements and sector-specific pathways that establish an ambitious and actionable approach to set, have validated and achieve near-term, long-term and net-zero targets for automakers and powertrain suppliers.

This Specification updates relevant sections of the SBTi's Land Transport Guidance (March 2024) and aligns with the CNZS V2 to incorporate best practices for decarbonization in the automotive sector. It lays out how automakers and powertrain suppliers can use the latest version of the CNZS V2, along with the sector-specific criteria, to set targets covering all relevant emissions. These sector-specific criteria are intended to encourage more companies to set targets, amplifying the overall impact of science-based target-setting.

The criteria in the SBTi Land Transport Guidance will, however, remain in force for companies that wish to set targets aligned with the SBTi Corporate Net-Zero Standard V1.3.1 until that standard is retired. Companies subject to this Specification may use either the SBTi Land Transport Guidance alongside the SBTi Corporate Net-Zero Standard V1.3.1 or the SBTi Automotive Sector Specification alongside the CNZS V2 until V1.3.1 of the standard is retired.

A.2 Purpose of the SBTi Sector Specification

This Sector Specification operates in conjunction with the SBTi CNZS V2, which establishes the foundational cross-sector requirements for all companies in relation to scope 1, scope 2, and scope 3 emissions (categories 1 to 14), as defined by the GHG Protocol Corporate Standard. The purpose of the Sector Specifications is to recognize particularities in certain sectors, which mean that some requirements in CNZS V2 require further explanation, modification of sub-criteria or exemption of specific criteria that are not relevant or possible for the sector to implement. This Specification aims to provide such clarity for companies to implement CNZS V2, recognizing these sector realities, while preserving the CNZS V2

standard scope, intent of the criteria to measure and drive change and upholding the ambition and alignment with science to drive meaningful climate action

A.3 Key elements of this Sector Specification

The Automotive Sector Specification introduces criteria for automakers and powertrain suppliers:

- **Alignment with SBTi CNZS V2**: Standardized framework of aligning a sector specification with foundational standard CNZS V2.0 and the corresponding MMP document structure to ensure consistency across sectors, streamlined navigation via normative syntax (*shall, should, may*),
- **A new target-setting option** has been introduced that allows companies to set targets on their scope 3, category 11 emissions associated with sold road vehicles and/or powertrains based on an **emissions intensity metric.**
- **A new alignment target-setting option** has been introduced that allows companies to set targets on their scope 3, category 11 emissions associated with sold road vehicles and/or powertrains based on **sales of zero-emission vehicles.**
- **A new target setting option** has been introduced that allows companies to propose an alternative near-term target supported by actions and interim milestones to reduce emissions over time, where they can demonstrate that **material barriers would otherwise prevent them from achieving specified near-term targets.**
- **A new alignment target-setting option** has been introduced that allows companies to set targets on their scope 3, category 1 emissions associated with purchased batteries or battery components used for propulsion in road vehicles based on **the share of those batteries produced using low-carbon electricity.**

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B. STANDARD & SYSTEM OVERVIEW

B.1 Language & terminology

The language and terminology provisions established in section B.1 of CNZS V2 are applicable to this document. Furthermore, the structural elements governing criteria and sub-criteria detailed in section B.1 shall apply, with the addition of an 'Interaction Rule' detailing how criteria introduced by this Sector Specification interact with the CNZS V2 criteria.

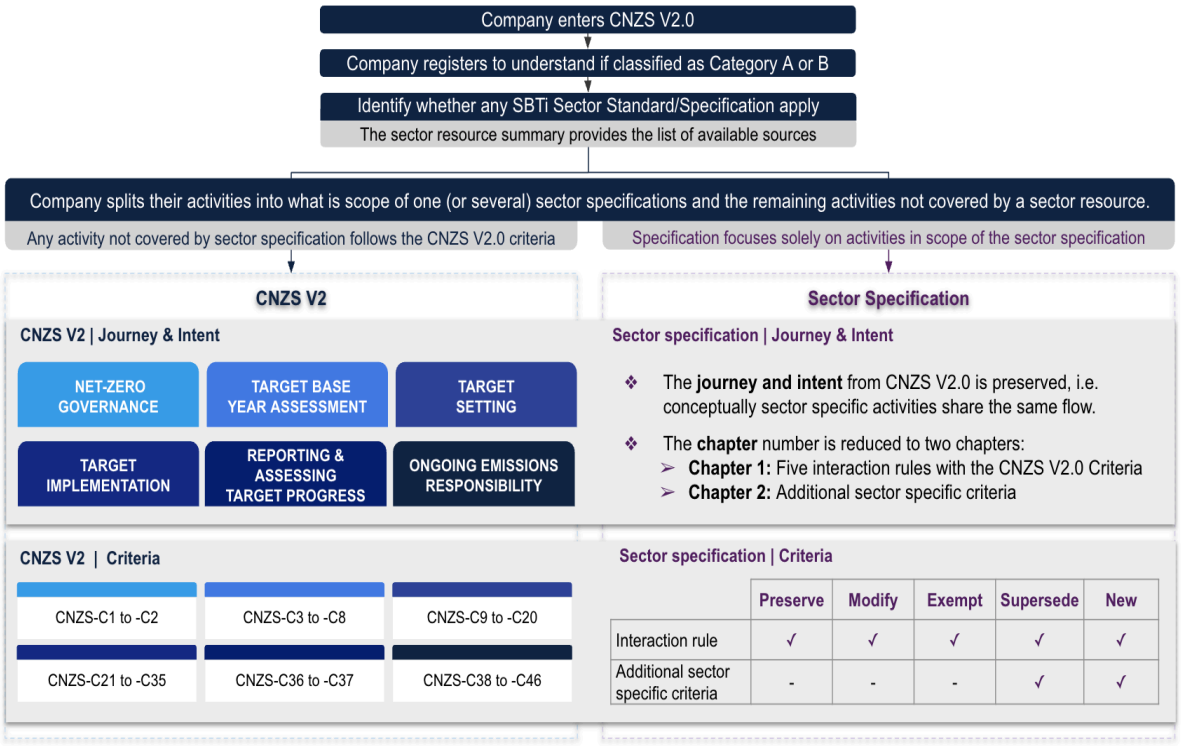
B.2 Framework of SBTi Standards

Sector Specifications form part of the modular SBTi framework of standards (see SOP v2.0 [link]). A Sector Specification is a normative extension to the foundational standard CNZS V2 that adds, modifies, or supersedes criteria for a specific sector while remaining interoperable with it; it is not a standalone standard.

The interplay with the foundational CNZS V2 is as follows:

- **Entry Point:** The company categorization established under CNZS V2.0 is preserved by default, with Sector Specifications defining specific sector activity boundaries and applicability thresholds.
- **Journey Narrative**: The overarching target-setting journey, structured across the CNZS V2 chapters, and all underlying section intents are preserved.
- **Criteria Interactions:** All CNZS V2 criteria apply by default to activities not covered by a Sector Specification. For activities within the defined sector boundary, the Sector Specification adjusts CNZS V2 criteria as necessary via five interaction rules.

Figure 1: Interplay of CNZS V2 and Sector Specification



Structure

The SBTi Automotive Sector Specification document is structured into two chapters:

1. **APPLICABILITY OF AND INTERACTION WITH SBTi CORPORATE NET-ZERO STANDARD VERSION 2.0 CRITERIA**

2. **ADDITIONAL AUTOMOTIVE SECTOR CRITERIA**

Chapter 1 maps out all CNZS V2 criteria alongside sector-specifications to present a seamless chronological target-setting journey. It applies the five interaction rules to define how each foundational criterion applies to in-scope activities:

- **Preserve** - Companies shall apply the criterion and corresponding sub-criteria covering all activities.
- **Modify -** Companies shall apply the criterion of CNZS V2 with sector-specific modifications to sub-criteria for their specific sector activities.
- **Supersede -** Companies are not required to apply the specific criterion from the SBTi CNZS V2 to their automotive sector activities; instead they must follow the substituted sector-specific criterion introduced in this Specification to their automotive sector activities.
- **Exempt -** Companies are exempt from applying this criterion from the SBTi CNZS V2 to their relevant automotive sector activities.
- **New -** Companies shall apply this newly introduced criterion to their relevant automotive sector activities.

Chapter 2 contains the normative language for all sector-specific requirements (AUTO-C# and sub-criteria C#.##) for interaction rules **modify, supersede** and **new**, relevant for validation, and non-mandatory recommendations (R#).

The SBTi Assurance Model and SBTi Claims System outlined in CNZS V2 and dedicated documents apply to this Sector Specification.

B.3 Scope of the SBTi Automotive Sector Specification

Definition of activities in the scope of this Specification and applicability thresholds

Automakers

Any company engaged in road vehicle manufacturing (see Table A.1) with production exceeding ten thousand units annually, shall adhere to the criteria within this Specification.

Powertrain suppliers

Any company deriving at least 20% of its total revenue from the production of complete powertrain systems for road vehicles with any fuel source (for example internal combustion, electric or fuel cell) shall adhere to the criteria within this Specification[1]. Companies manufacturing complete powertrains can make a reasonably accurate estimate of the emissions performance of the powertrain in the final sold vehicle, taking into account on-the-road vehicle performance based on tested values. Therefore the methods and pathways for vehicle manufacturers in this Specification are applicable to powertrain manufacturers.

[1] When assessing against this threshold, companies should utilize a consistent accounting approach for determining revenue from sold complete powertrains and total revenue.

If powertrain sales make up less than 20% of total company revenue, the company may, but is not obliged to, apply the criteria in this Specification, and can instead cover this activity (and any other activity) using cross-sector criteria from the SBTi CNZS V2.

Companies producing both road vehicles and powertrain systems

Companies manufacturing road vehicles and meeting the automaker thresholds above, but also manufacturing powertrain systems, shall apply the criteria for all activities that lead to a final vehicle being produced. Powertrains manufactured for use in a company's own new sold road vehicles shall be included as sold road vehicles.

If complete powertrain sales (exclusive of powertrains included in the company's new road vehicles) make up more than 20% of total company revenue, then the criteria shall be applied to this portion of the company operations to assess performance and set targets that are separate to the final road vehicle targets.

Automakers offering financial services

According to the SBTi Glossary, the SBTi defines a financial institution (FI) as an entity that generates 5% or more of its revenue from investment, lending or insurance activities. Such entities are therefore typically required to follow the SBTi Financial Institutions Net-Zero Standard, as well as any other relevant SBTi standards.

However, automakers often offer financial products such as loans or insurance for their own sold road vehicles that can generate significant revenue. Emissions from such activities are captured in scope 3, category 15.

For any financial activities related to vehicle loans, or insurance on sold road vehicles, where those vehicles are already covered by the automaker's own targets set under this Specification, they are not required to follow SBTi target setting requirements applicable to financial institutions, regardless of the share of their revenue coming from these financial activities. This exemption is justified because emissions associated with vehicle loan revenue are already covered by other components of this Specification.

This exemption does not apply to other investments or financial services products exceeding the 5% revenue threshold: Automotive sector companies with greater than 5% total revenue from investments or lending activities, other than vehicle loans and insurance related to their own sold road vehicles, shall assess the applicability of the SBTi Financial Institutions Net-Zero Standard to these activities. If applicable, targets shall be set for investments following the SBTi Financial Institutions Net-Zero Standard, in parallel with this Specification.

Companies purchasing new vehicles

The target-setting options for addressing use-phase emissions from sold road vehicles referenced in this Specification, in particular the pathway for zero-emission vehicle (ZEV) sales share, may be relevant for companies purchasing high numbers of new vehicles for their own use (e.g., corporate owner-operators of vehicle fleets). In future work the SBTi intends to adopt these pathways for use on additional emissions scopes.

Definition of activities outside the scope of this Specification

Auto parts manufacture

Where companies solely manufacture auto parts, then they shall follow the CNZS V2.

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Where companies manufacture auto parts for sale as a finished product, in addition to manufacturing complete road vehicles or powertrains, then the CNZS V2 shall apply to the auto parts sold as finished products.

If companies manufacture auto parts to incorporate into their own road vehicles or powertrains, then the emissions related to these auto parts are included in the targets set on the sold road vehicles or powertrains, following the criteria in this Specification. No additional targets shall be set for these auto parts.

Optional application of this Specification

Companies that do not meet the applicability thresholds but still conduct activities within the scope of this Specification may optionally apply the SBTi Automotive Sector Specification. Alternatively, they may address the emissions resulting from these activities following the SBTi CNZS V2.

Manufacturers of near-complete powertrain systems, such as systems that integrate both a motor and drivetrain, may be able to reasonably estimate the emissions performance of their products when used in complete road vehicles. Such manufacturers may optionally apply the criteria in this Specification, following the requirements provided for complete powertrain manufacturers.

List of activities in the scope of this Specification

Table A.1 lists activities that fall within the scope of this Specification according to the International Standard Industrial Classification of All Economic Activities (ISIC) Section and Class codes. All these activities are part of Section C – Manufacturing.

Table A.1. Activities within the scope of the SBTi Automotive Sector Specification and related ISIC Class codes

Classification	Code	Activity
ISIC	2910	Manufacture of motor vehicles (all vehicle types)
	3091	Manufacture of motorcycles
NACE	29.10	Manufacture of motor vehicles (all vehicle types)
	30.91	Manufacture of motorcycles
GICS	25102010	Automobile Manufacturers
	25102020	Motorcycle Manufacturers
SASB/SICS	TR-AU	Automobiles

List of activities outside the scope of this Specification

Table A.2 lists the activities (based on ISIC Sections and specific Classes) that relate to this Specification but fall beyond its current scope.

Table A.2 Activities (and related ISIC Classes) that relate to the SBTi Automotive Sector Specification but fall beyond its current scope

ISIC Section	ISIC Class	Activity
C Manufacturing	2920	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
	2930	Manufacture of parts and accessories for motor vehicles
G Wholesale and retail trade; repair of motor vehicles and motorcycles	4510	Sale of motor vehicles
	4520	Maintenance and repair of motor vehicles
H Transportation and storage	4922	Other passenger land transport
N Administrative and support service activities	7710	Renting and leasing of motor vehicles

Additional activities are indirectly related to this Specification but fall outside its scope. These include the following activities (based on relevant items from high-level ISIC categories (sections):

- Agriculture, forestry and fishing (ISIC Section A), for biofuels.
- Mining and quarrying (ISIC Section B) for energy and minerals extraction.
- Manufacturing (ISIC Section C) for the parts related with fuels (needed for vehicle use and also as energy inputs for the production of fuels and vehicles).
- Manufacture of other transport equipment not elsewhere classified (ISIC Class 3099)
- Steam and air conditioning supply (ISIC Section D), needed for vehicle use and as energy inputs for the production of fuels and vehicles.
- Transportation and storage (ISIC Section H), relevant for vehicle and energy trade and distribution.

Emissions from capital goods manufacturing are excluded from the minimum boundary for the automaker criteria in this Specification. This applies to vehicle manufacturing, energy production, transport, and distribution facilities. This approach aligns with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Additionally, the construction sector (ISIC Section F) is not included in this Specification.

These activities fall within the scope of the CNZS V2.

Addressing emissions from activities not covered in this Specification

All GHG emissions from activities outside the scope of this Specification shall be addressed in accordance with the CNZS V2.

Company categorization

The SBTi Automotive Sector Specification uses the same categorization model as the CNZS V2. However, the requirements and options in this Specification apply to all companies that fall within its scope as described above regardless of their categorization under the CNZS V2.0, but only for the activities covered by this Specification.

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1. APPLICABILITY OF CRITERIA AND INTERACTION WITH THE SBTI CORPORATE NET-ZERO STANDARD VERSION 2.0

Background: This chapter provides the full information of how CNZS V2 criteria apply to the corresponding sector and how the sector interacts with CNZS V2 indicated by the interaction rule – which criteria to *preserve* and apply as they are, which criteria to apply in a *modified* version, which criteria not to apply and *exempt* for their sectoral activities or to *supersede* by a criterion added for the sector, and lastly which *new* criteria are added for the sectoral activities. All normative content for *preserve*, *modify* and *exempt* is entailed in the Table 1 below. For *supersede* and *new* Table 1 provides the explanation and linkage to Chapter 2 which lists the corresponding sector criteria.

Table 1: Applicability of criteria from SBTi Corporate Net-Zero Standard Version 2.0 to automotive sector activities and new sector criteria.

Corporate Net-Zero Standard V2.0		**Interaction rule[2]**	**Sector Specification**	
Criterion	Theme		Criterion	Sub-criteria | *Explanation*
1. NET-ZERO GOVERNANCE				
All chapter 1 criteria (CNZS-C1 to -C2) are preserved				
2. TARGET BASE YEAR ASSESSMENT				
CNZS-C3	Organizational Boundary	Preserve		
CNZS-C4	Target Base Year	Preserve		
CNZS-C5	GHG Inventory	Supersede	AUTO-C1	Criterion AUTO-C1 replaces CNZS-C5 for automakers and/or powertrains suppliers subject to this Specification, only for scope 3, category 11 emissions from sold road vehicles and/or powertrains. The following CNZS V2.0 subcriteria are changed in AUTO-C1: CNZS-C5.2 is modified to require scope 3, category 11 emissions are quantified by both Category A and B companies. CNZS-C5.6 is modified to ensure companies account for well-to-wheel (WTW) scope 3, category 11 emissions from sold road vehicles over the lifetime of the vehicle and/or powertrain.

[2] See section B3 for explanatory text.

Corporate Net-Zero Standard V2.0		Interaction rule[2]	Sector Specification	
Criterion	Theme		Criterion	Sub-criteria | *Explanation*
				A recommendation is added for companies to follow guidelines to ensure a high level of accuracy.
CNZS-C6	EIA Identification[3]	Preserve		
CNZS-C7	Assurance	Preserve		
CNZS-C8	Recalculation	Preserve		
3. TARGET SETTING				
CNZS-C9	General Target setting	Supersede	AUTO-C2	Criterion AUTO-C2 replaces CNZS-C9 for automakers and/or powertrains suppliers subject to this Specification, only for scope 3 category 11 emissions from sold road vehicles and/or powertrains. The following CNZS V2.0 subcriteria are changed: CNZS-C9.1 is modified to require all automakers and powertrain suppliers in the scope of this Specification to set separate targets on scope 3 category 11 emissions from their sold road vehicles and/or powertrains. CNZS-C9.3 is modified such that long-term targets on scope 3 category 11 emissions from sold road vehicles and/or powertrains must be set for no later than 2040. CNZS-C9.4 is modified to require that target ambition for scope 3 category 11 targets on emissions from sold road vehicles and/or powertrains shall be based on the calculations in the base year for the chosen metric from AUTO-C5.
CNZS-C10	Scope 1 near-term	Preserve		
CNZS-C11	Scope 1 long-term	Preserve		
CNZS-C12	Scope 2 near-term	Preserve		

[3] Emissions-intensive value chain activities (EIA)

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Corporate Net-Zero Standard V2.0		Interaction rule[2]	Sector Specification	
Criterion	Theme		Criterion	Sub-criteria | *Explanation*
CNZS-C13	Scope 2 long-term	Preserve		
CNZS-C14	Scope 3 boundary	Supersede	AUTO-C3	Criterion AUTO-C4 replaces CNZS-C14 for automakers and/or powertrains suppliers subject to this Specification, only for scope 3, category 11 emissions from sold road vehicles and/or powertrains. *AUTO-C4 requires companies to set near-term scope 3 targets that cover scope 3, category 11 emissions from sold road vehicles and/or powertrains regardless of the contribution of these emissions to the total scope 3 physical GHG inventory.*
CNZS-C15	Scope 3 near-term	Supersede	AUTO-C4	Criterion AUTO-C5 replaces CNZS-C15 for automakers and/or powertrains suppliers subject to this Specification, only for scope 3, category 11 emissions from sold road vehicles and/or powertrains. *AUTO-C5 includes all eligible near-term target-setting options for scope 3, category 11 emissions from these activities.*
N/A	Scope 3 emissions calculation	New	AUTO-C5	A new criterion is added to describe the minimum calculation requirements for the relevant metrics used to set scope 3, category 11 emissions from sold road vehicles and/or powertrains
CNZS-C15	Scope 3 near-term	Supersede	AUTO-C6	Criterion AUTO-C7 replaces CNZS-C15 for automakers and/or powertrains suppliers subject to this Specification to add an additional target-setting option, only for scope 3, category 1 emissions from purchased batteries or battery components used to supply energy for propulsion in road vehicles.
CNZS-C16	Scope 3 long-term	Supersede	AUTO-C7	Criterion AUTO-C8 replaces CNZS-C16 for automakers and/or powertrains suppliers subject to this Specification, for scope 3, category 11 emissions from sold road vehicles and/or powertrains.

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Corporate Net-Zero Standard V2.0		Interaction rule[2]	Sector Specification	
Criterion	Theme		Criterion	Sub-criteria | *Explanation*
				AUTO-C8 includes all eligible long-term target-setting options for scope 3, category 11 emissions from these activities.
		Supersede	AUTO-C8	Criterion AUTO-C8 replaces CNZS-C16 for automakers and/or powertrains suppliers subject to this Specification, only for scope 3, category 1 emissions from purchased batteries or battery components used to supply energy for propulsion in road vehicles. CNZS-C16.1 is modified such that targets shall cover 100% of scope 3, category 1 emissions from purchased batteries. CNZS-C16.2 is modified such that share of purchased batteries, including battery modules or battery cells, (based on volume [e.g., total kWh of battery capacity] or spend) produced using low-carbon electricity may be set in line with the scope 2 low-carbon electricity pathway if this option is chosen for target-setting.
CNZS-C17	Net-Zero target	Preserve		
CNZS-C18	Target reporting	Preserve		
CNZS-C19	Consolidate scope 3	Preserve		
CNZS-C20	Target revision	Preserve		
4. TARGET IMPLEMENTATION				
N/A	Implementation of targets set using battery supplier low-carbon electricity alignment	New	AUTO-C9	New criterion added to define eligible implementation actions for targets set using the battery supplier low-carbon electricity alignment target-setting option.
CNZS-C21	Activity level action	Preserve		
CNZS-C22	Activity pool action	Preserve		
CNZS-C23	Sector-level action	Preserve		
CNZS-C24	Pool & sector reporting	Preserve		
CNZS-C25	List of integrity criteria	Preserve		
CNZS-C26	Meet project criteria	Preserve		

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Corporate Net-Zero Standard V2.0		Interaction rule[2]	Sector Specification	
Criterion	Theme		Criterion	Sub-criteria | *Explanation*
CNZS-C27	Meet market instrument criteria	Preserve		
CNZS-C28	Certificate tracking system	Preserve		
CNZS-C29	Electricity activity prioritization	Preserve		
CNZS-C30	Deliverability region pooling	Preserve		
CNZS-C31	Meet power eligibility criteria	Preserve		
CNZS-C32	S2 hourly matching	Preserve		
CNZS-C33	S2 hourly matching recognition	Preserve		
CNZS-C34	Hourly matching dashboard	Preserve		
CNZS-C35	Bio-feedstock sustainability criteria	Preserve		
5. REPORTING & ASSESSING TARGET PROGRESS				
All chapter 5 criteria (CNZS-C36 and -C37) are preserved				
6. ONGOING EMISSIONS RESPONSIBILITY				
All chapter 6 criteria (CNZS-C38 to -C46) are preserved				

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2. ADDITIONAL AUTOMOTIVE SECTOR CRITERIA

Background: This chapter provides the criteria for the interaction rules *Supersede* and *New* where full criteria and subcriteria text is needed.

2.1 Net-Zero Governance

No additional requirements need to be followed by companies in the sector.

2.2 Target Base Year Assessment

2.2.1 Organization and operational boundaries

No additional requirements need to be followed by companies in the sector.

2.2.2 Selecting a target base year

No additional requirements need to be followed by companies in the sector.

2.2.3 Target base year GHG inventory

Intent: To ensure companies establish a robust and transparent foundation for credible target setting and end-of-cycle progress assessment by accounting for and reporting a base year GHG inventory aligned with the GHG Protocol and other target-setting metrics.

AUTO-C1. Companies shall account for and report the lifetime GHG emissions in scope 3, category 11 from sold road vehicles and/or powertrains.

Company category: *Categories A and B*
Activity type: *Automakers and/or Powertrain suppliers*
Interaction rule: *Supersedes CNZS-C5 only for scope 3, category 11 emissions from sold road vehicles and/or powertrains.*
Assessment stage: *Target Validation*

C1.1. **Scope coverage:** Category A and Category B companies shall account and report emissions in scope 3, category 11 from sold road vehicles and/or powertrain.

C1.2. **GHG coverage:** See CNZS-C5.3.

C1.3. **Inventory accounting approach:** See CNZS-C5.4.

C1.4. **Land, bioenergy, and removals:** See CNZS-C5.5.

C1.5. **Minimum boundary for scope 3 categories** (category 11 for sold road vehicles and/or powertrains): Companies shall define and report scope 3 emissions according to the minimum boundaries for scope 3 categories described in Table 5.4 of the GHG Protocol Corporate Value Chain (Scope 3) Standard.

i. **WTW transport emissions:** Companies shall account for and report all scope 3, category 11 emissions from sold road vehicles and/or powertrains on a well-to-wheel or well-to-wake (WTW) basis over the full lifetime of the vehicle and/or powertrain.

C1.6. **Data gaps and limitations:** See CNZS-C5.10.

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C1.7. **Reporting timeframe:** Companies shall report the information required by AUTO-C1.1–C1.6 in the next reporting cycle following Target Validation, and consent to the relevant information being publicly displayed on the SBTi Dashboard within six months of completing Target Validation.

Recommendations:

R1.1. **Default data:** Companies should rely on the calculation methodology outlined in AUTO-C5 to determine lifetime WTW emissions.

2.2.4 Identification of EIAs

No additional requirements need to be followed by companies in the sector.

2.2.5 Third-party assurance

No additional requirements need to be followed by companies in the sector.

2.2.6 Target base year recalculation

No additional requirements need to be followed by companies in the sector.

2.3 Target-Setting

2.3.1 General Target Setting

Intent: To ensure companies set robust targets for their operational and value chain emissions that drive measurable progress using standardized metrics and methods aligned to science-based net-zero pathways and established accounting approaches.

AUTO-C2. Companies shall set targets for emissions in scope 3, category 11 from sold road vehicles and/or powertrains that are consistent with science-based net-zero pathways.

Company category: *Categories A and B*
Activity type: *Automakers and/or Powertrain suppliers*
Interaction rule: *Supersedes CNZS-C9 only for scope 3, category 11 emissions from sold road vehicles and/or powertrains.*
Assessment stage: *Target Validation*

C2.1. **Separation of targets:** All companies shall set separate scope 3 targets on scope 3, category 11 emissions from its sold road vehicles and/or powertrains.
C2.2. **Near-term target timeframe:** See CNZS-C9.2.
C2.3. **Long-term target timeframe**: Where companies set long term targets, these should be for 2040 at the latest.
C2.4. **Inventory basis for target-setting**: Companies shall determine target ambition based on base year performance for the chosen metric as described in AUTO-C4.

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C2.5. **Target metrics, methods, and pathways**: See CNZS-C9.5.
C2.6. **Target dependencies**: See CNZS-C9.7.
C2.7. **Target aggregation:** See CNZS-C9.9.
C2.8. **Maintaining net-zero performance**: See CNZS-C9.10.

Recommendations:

R2.1. **Accelerated ambition:** See CNZS.R9.1.

2.3.2 Scope 1 targets

No additional requirements need to be followed by companies in the sector.

2.3.3 Scope 2 targets

No additional requirements need to be followed by companies in the sector.

2.3.4 Scope 3 targets

Scope 3 near-term target boundary

Intent: To ensure companies focus their scope 3 targets on the most material emissions sources in their value chain and where they can credibly take action, while allowing limited, justified exclusions for emissions where companies lack the practical ability to influence outcomes.

AUTO-C3. Companies shall set near-term scope 3 targets that cover scope 3, category 11 emissions from sold road vehicles and/or powertrains.

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule: *Supersedes CNZS-C14 only for scope 3, category 11 emissions from sold road vehicles and/or powertrains.*
Assessment stage: *Target Validation*

C3.1. **Near-term target coverage:** Near-term targets shall cover 100% of scope 3, category 11 emissions that are associated with sold road vehicles and/or sold powertrains.

C3.2. **Target disaggregation:** A separate target shall be set for each combination of vehicle category and region relevant for the company.

a. **Vehicle categories** include: 2- and 3-wheelers; passenger cars; buses; light commercial vehicles (LCVs); medium-duty trucks (MDTs); and heavy-duty trucks (HDTs).
b. **Global regions** include: Other Advanced Economies (AEs); China Region (China and Hong Kong); Emerging Markets and Developing Economies (EMDEs); Europe; and North America.

C3.3. **Emissions-intensity target application:** Targets based on emissions intensity shall be applied to lifetime vehicle use phase emissions for new road vehicles and/or powertrains sold in the target year.

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Scope 3 target-setting options

AUTO-C4. Companies shall set near-term scope 3 targets that cover scope 3 category 11 emissions from sold road vehicles and/or powertrains using one of the eligible options.

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule: *Supersedes CNZS-C15 only for scope 3 category 11 emissions from sold road vehicles and/or powertrains.*
Assessment stage: *Target Validation*

C4.1. **Option 1 - Emissions intensity reduction of sold-vehicle fleet**: Targets to reduce the emissions intensity from sold road vehicles and/or powertrains to the residual levels on a trajectory specified in the Automotive Sector Emissions Intensity Pathways Specification. This emissions intensity shall be calculated as described in relevant sub-criteria of AUTO-C5.

C4.2. **Option 2 - Zero-Emissions Vehicle (ZEV) sales share alignment:** Targets to increase the share of sold road vehicles and/or powertrains that are ZEV or zero-emissions powertrains to 100%, on a trajectory specified in the Automotive Sector Zero-Emission Vehicles Sales Share Pathways Specification. The contribution of PHEV sales to the ZEV sales share shall be calculated as described in AUTO-C5.

C4.3. **Alternative target-setting option:** Companies may apply to SBTi for an alternative near-term target set using AUTO-C4.1 or C4.2, if they can demonstrate that material barriers exist that will prevent them from achieving it.

a. The application for an alternative target shall include the following for each region and vehicle category to which it is applied:
   i. A target, based on an option in AUTO-C4.1 or C4.2, which maximizes the ambition level while taking into account the impact of the barriers to target achievement the company faces.
   ii. An explanation of how the proposed alternative target complies with existing and planned regulations which apply to their sold vehicle performance.
   iii. A description of the barriers identified
   iv. How much each barrier impacts the target, calculated based on options AUTO-C4.1 or C4.2
   v. A description of how the company will take action to remedy each barrier before the next Target Validation cycle
   vi. The metrics and/or indicators which will prove success of the remedy in AUTO-C4.3.a.v.

b. Companies using the alternative target-setting option shall set a long-term target to reach the residual level as defined by the relevant pathway for the chosen metric by 2040 at the latest.

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c. In the Transition Plan required under CNZS-C2, companies applying for an alternative target shall include details of the actions and interim milestones to reduce emissions from sold road vehicles and/or powertrains, consistent with achieving the applicable automotive sector pathway ambition by 2040 and complying with relevant vehicle performance regulations. The company's 2035 level of ambition and how this compares to the level of ambition based on the applicable automotive sector pathway shall also be included. The content of the transition plan shall be consistent with the information provided in C4.3a.

AUTO-C5. Companies shall calculate the scope 3, category 11 emissions intensity of their sold road vehicles and/or powertrain fleet and/or their ZEV sales share as described in this criterion.

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule*: New criterion*
Assessment stage: *Target Validation*

C5.1. **Assessment:** Companies shall calculate the chosen metric from AUTO-C5 for each vehicle category (to be) sold by the automaker in the relevant year in each of the global regions (defined in Annex A), such that performance is determined for each vehicle category within each global region.

a. Vehicle categories include: 2- and 3-wheelers; passenger cars; buses; light commercial vehicles (LCVs); medium-duty trucks (MDTs); and heavy-duty trucks (HDTs).
b. Global regions include: Other Advanced Economies; China Region (China and Hong Kong); Emerging Markets and Developing Economies (EMDEs); Europe; and North America.

C5.2. **Emissions intensity metric boundary:** The boundary shall be vehicle use and related energy production on a WTW basis using a common functional unit: gCO_2e/vkm.

C5.3. **Emissions intensity metric calculation:** At a minimum companies shall assess the following as part of the calculations:

a. Determine vehicle energy consumption.
b. Apply a real-world conversion factor to ensure any test data is representative on actual on-road performance. In the case of PHEVs this shall account for real world driving mode conditions.
c. Determine WTW emission factors for the consumption of any fuels or electricity that are estimated to be used during the vehicle's lifetime. For electricity, this shall include direct emissions from electricity generation, emissions from the extraction and processing of fuels used to produce the electricity, and emissions from transmission and distribution losses.
d. Determine the vehicles' use-phase lifetime, lifetime mileage and mileage deterioration over the vehicle lifetime.
e. Determine trajectories for the change in WTW emission factors and/or assumed fuel mix over the vehicles' lifetime.

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f. Calculate the annual vehicle emissions over the vehicles' lifetime using estimates of annual energy consumption and annual WTW emission factors.
g. Calculate the vehicles' lifetime emissions intensity in gCO_2e/vkm by dividing the sum of annual emissions over the vehicles' lifetime by total lifetime vehicle vkm travelled.

C5.4. **Emissions intensity calculation data sources**: Companies shall provide a description of and justification for the sources of key data used as part of each calculation step in AUTO-C5.3. Key data includes vehicle energy consumption, real world conversion factors, WTW emission factors for fuels and electricity and any changes over vehicle lifetime, fuel mix and any changes over vehicle lifetime, and vehicle lifetime mileage estimates.

C5.5. **ZEV sales share calculation for sold PHEVs:** Sold PHEVs are considered near-zero emission vehicles, and may contribute partially to the ZEV sales share. The contribution of PHEVs to the ZEV sales share shall be calculated as described in Annex B of this Specification. Data used to calculate the contribution of PHEV sales to the ZEV sales share target shall be based on the following sources.

a. Mode-specific fuel consumption data shall be based on standardized testing results.
b. Average real-world fuel consumption data shall be based on on-board measurements of fuel consumption or similar measurements, if this data is available.
    i. If the data in AUTO-C5.5.b is unavailable, companies may use other company-specific data or publicly available data.[4]

Companies shall provide a description of and justification for the data sources used in these calculations.

C5.6. **Minimum data sources for vehicle sales:** To designate the country and region to which new road vehicles are allocated, companies shall use the most representative available data for each country or region, as follows, and clearly identifying the data source used in each case:

a. Annual vehicle sales (e.g. in Europe) or registrations (e.g. in North America) data.
b. Factory shipments (e.g. in China) with explicit reporting of those shipments bound for export, by country/region of destination for final sale/registration.
c. If none of the above data types are readily available in a given market, the company may report based on production volumes and is required to provide evidence to attribute these to sales markets.

C5.7. **Representative vehicle for powertrains:** Complete powertrain manufacturers shall account for the emissions of their sold products by selecting a representative vehicle for each product and applying the automotive calculation methodologies as described in this criterion for sold road vehicles. Emissions shall be the entire representative vehicle emissions, based on a model of real-world, on the road performance determined from

[4] Sources of publicly available data for real-world fuel consumption include the European Environment Agency. (EEA, n.d.)

vehicle test data. The entire representative vehicle emissions shall be accounted for, not a partial allocation of emissions.

a. Near-complete powertrain manufacturers may choose to calculate their emissions following the same as complete powertrain manufacturers.

Recommendations:

R5.1. **Emissions intensity calculation default values**: Companies should use the default values for all parameters provided in the SBTi Automotive Sector Informative Guidance.

AUTO-C6. Companies shall set near-term scope 3 targets for value chain emissions in category 1 (purchased goods and services) covering emissions from purchased batteries and/or battery components used to provide energy for propulsion in road vehicles using one of the eligible options.

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule*: Supersedes CNZS-C15 only for scope 3 category 1 emissions from purchased batteries or battery components used for road vehicle propulsion.*
Assessment stage: *Target Validation*

C6.1. **Coverage:** Companies that set near-term targets shall cover 100% of scope 3, category 1 emissions from purchased batteries or battery components used to provide energy for propulsion in road vehicles.

C6.2. **Option 1 - Scope 3 absolute emissions reduction target:** Target to reduce absolute scope 3 emissions on a linear trajectory to a defined residual level that is consistent with an eligible net-zero pathway.

C6.3. **Option 2 - Supplier alignment target:** Target to increase the share of tier 1 battery suppliers and/or customers (based on emissions, spend, or revenue) that are in-transition or net-zero aligned.

C6.4. **Option 3 - Volume alignment:** Targets to increase the share of purchased batteries that are lower-carbon or net-zero aligned.[5]

a. For the purpose of volume alignment targets, lower-carbon batteries are defined as batteries, including battery modules or battery cells produced using low-carbon electricity (LCE) for at least the production of the battery components (for example, cathode active material, cathodes, anodes) cell manufacturing, module manufacturing and battery manufacturing.

C6.5. Volume alignment targets shall be set to increase the share of purchased lower-carbon batteries, including battery modules or battery cells, (based on volume [e.g., total kWh of battery capacity] or spend) on a linear trajectory specified in the Scope 2 Low-carbon Electricity Pathway Specification.

[5] SBTi will develop definitions for net-zero aligned batteries and will review and update the definition for lower-carbon batteries based on .

AUTO-C7. Companies that choose to set long-term scope 3 targets that cover scope 3, category 11 emissions from sold road vehicles and/or powertrains shall use one of the eligible options.

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule*: Supersedes CNZS-C16 only for scope 3 category 11 emissions from sold road vehicles and/or powertrains*
Assessment stage: *Target Validation*

C7.1. **Coverage:** Long-term targets shall cover at 100% of scope 3, category 11 emissions that are associated with sold road vehicles and/or sold powertrains, regardless of the contribution of these emissions to the total scope 3 physical GHG inventory.

C7.2. **Option 1: Emissions intensity reduction of sold-vehicle fleet**: Targets to reduce the emissions intensity in scope 3, category 11 from sold road vehicles or powertrains to a defined residual level specified in the Automotive Sector Emissions Intensity Pathways Specification by 2040 at the latest.

C7.3. **Option 2: Zero Emissions Vehicle (ZEV) sales share alignment:** Targets to increase the share of sold road vehicles or powertrains (based on annual sales volumes) that are zero-emissions vehicles or zero emissions powertrains to 100% sales share by 2040 at the latest.

C7.4. **Target progress:** Long-term sales share targets shall only be met when activities have reached 100% sales share of zero emission vehicles or zero emissions powertrains. Long-term emissions targets shall only be met when emissions have reached net-zero according to the physical GHG inventory.

AUTO-C8. Companies that choose to set long-term scope 3 targets shall reduce value chain emissions in category 1 (purchased goods and services), covering emissions from purchased batteries and/or battery components used to provide energy for propulsion in road vehicles.

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule*: Supersedes CNZS-C16 only for scope 3 category 1 emissions from purchased batteries or battery components used for road vehicle propulsion.*
Assessment stage: *Target Validation*

C8.1. **Coverage**: Long-term targets shall cover 100% of scope 3, category 1 emissions from purchased batteries and/or battery components.

C8.2. **Target ambition:** Scope 3 long-term targets shall be set to reach residual levels in line with applicable net-zero pathways.

C8.3. **Target progress**: Long-term alignment targets shall only be met when entities or activities have reached zero or near-zero emissions levels, or when products meet a net-zero compatible intensity threshold or eliminate end-of-life emissions. Long-term emissions targets shall only be met when emissions have reached net-zero according to the physical GHG inventory.

2.3.5 Net-zero targets

No additional requirements need to be followed by companies in the sector.

2.3.6 Reporting target information

No additional requirements need to be followed by companies in the sector.

2.3.7 Target revision

No additional requirements need to be followed by companies in the sector.

2.4 Target Implementation

2.4.1 Implementation hierarchy

Intent: To establish an implementation hierarchy that prioritizes emissions reductions as close as possible to the source, while enabling credible and systemically relevant action at the activity pool or sector level where sufficient decarbonization is not feasible within the required timeframe.

AUTO-C9. Companies shall ensure that actions, including certificates and market instruments, taken to support target implementation for battery supplier low-carbon electricity use alignment targets meet relevant criteria

Company category: *All companies*
Activity type*: Automakers and/or Powertrain suppliers*
Interaction rule*: New criterion*
Assessment stage: *Target Validation*

C9.1. **Demonstrating purchase of batteries produced using low-carbon electricity**: Companies shall demonstrate the share of batteries procured that were produced using 100% low-carbon electricity based on best estimates of suppliers' energy use. Companies may demonstrate that procurement of batteries produced using low-carbon electricity in the following ways:

a. Data provided directly by the Tier 1 supplier indicating the type of electricity that was used in the battery production process, including a description of how this was calculated.
b. An eligible record, certificate, or other documentation (e.g., battery passport) indicating the type of electricity that was used in the battery production process that is representative of the purchased battery.

C9.2. **Eligibility of battery production using low-carbon electricity:** Companies shall demonstrate how the share of low-carbon electricity used in the value chain was calculated. The use of low-carbon electricity in the value chain may be calculated by the consumer of that electricity via any eligible method for implementing scope 2 targets in Section 4.3 of the CNZS V2.

a. Any eligible record, certificate, or other documentation used for target implementation shall include a description of how the share of low-carbon electricity used in battery production was calculated.

2.4.2 Actions and market instruments integrity criteria

No additional requirements need to be followed by companies in the sector.

2.4.3 Applying the implementation hierarchy to electricity consumption

No additional requirements need to be followed by companies in the sector.

2.4.4 Scope 2 hourly matching

No additional requirements need to be followed by companies in the sector.

2.4.5 Sustainability of bio-based feedstocks

No additional requirements need to be followed by companies in the sector.

2.5 Reporting And Assessing Target Progress

No additional requirements need to be followed by companies in the sector.

2.6 Ongoing Emissions Responsibility

No additional requirements need to be followed by companies in the sector.

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KEY TERMS

A full list of SBTi terms, definitions, and acronyms is available in the SBTi Glossary. This table lists new or updated terms used in the SBTi Automotive Sector Specification.

Term	Definition
Battery components	Products and materials which are used only for the production of batteries. Examples include, but are not limited to; cathode and anode materials, battery cells and battery modules.
Complete powertrains	The system comprising an energy storage source, means of propulsion and an on road vehicle drivetrain, per the definition adopted by UNECE.
Emerging markets and developing economies (EMDE)	Amalgamation of the World Bank classifications for low, lower middle and upper middle income countries: World Bank country classifications by income level for 2024-2025. Also designated as 'emerging markets and developing economies'.
Emission factor	A coefficient that quantifies the emissions or removals of a gas per unit activity. Emission factors are often based on a sample of measurement data, averaged to develop a representative rate of emission for a given activity level under a defined set of operating conditions (IPCC, 2006).
High-income economy	According to the World Bank definition: World Bank country classifications by income level for 2024-2025
Material barriers	Material barriers to target achievement are conditions external to the company which will materially limit progress towards targets within the target timeframe. Their impact on a target can be reasonably quantified and can be partially or wholly remedied by the company action during the target timeframe. Material barriers do not include internal preferences, procurement choices, or cost considerations alone. Examples of material barriers include, but are not limited to: Supply chain capacity limits, contractual lock-ins, physical manufacturing capacity limits, workforce capacity, constraints on enabling policy, constraints on enabling infrastructure for ZEV powering, or power sector decarbonization.
Near complete powertrain systems	Near-complete powertrain systems are those which include some, but not all, of the elements of a complete powertrain in one unit. For example systems that integrate both a motor and drivetrain.

Near-zero-emission vehicle (Near-ZEV)	Near-ZEVs are vehicles that use zero-emission technologies and are capable of operating during some portion of their operations without emitting tailpipe emissions of any air pollutant (or precursor pollutant) or greenhouse gas emissions from the onboard source of power, such as plug-in hybrid electric vehicles (PHEVs).
Other Advanced Economies	High-income economies according to the World Bank definition: World Bank country classifications by income level for 2025-2026 with the exception of countries in North America and Europe.
Powertrain	Total combination in a vehicle, of propulsion energy storage system(s), propulsion energy converter(s), the drivetrain, providing the mechanical energy at the wheels for the purpose of the vehicle propulsion, plus peripheral devices.
Powertrain supplier	A company that designs, manufactures, and/or supplies complete systems related to the powertrain of a vehicle. This includes technologies responsible for generating and delivering power to the wheels, such as internal combustion engines, electric motors, and batteries. Their activity is at the intersection of the ISIC Division 29 (Manufacture of motor vehicles, trailers and semi-trailers, including parts) and the ISIC Division 28 (Manufacture of machinery and equipment n.e.c.), including in particular the ISIC class 2811 (Manufacture of engines and turbines, except aircraft, vehicle and cycle engines), although ISIC Division 28 does not apply specifically to motor vehicles.
Road vehicles	A motorized vehicle primarily designed and intended for regular operation on public or private roads, including 2&3W, passenger cars, buses, light commercial vehicles, medium-duty trucks, and heavy-duty trucks. Motorised equipment designed for operation primarily off the road; such as agricultural, construction or industrial vehicles; is excluded from this definition.
Tank-to-wheel/ Tank-to-wake (TTW)	Tank-to-wheel (or tank-to-wake for air and sea transport) refers to the stage of the energy carrier's life cycle where the energy carrier is converted to propulsion energy.
Tank-to-wheel (TTW) emissions	All GHG emissions resulting from the TTW phase energy for vehicle operations (mainly combustion emissions from vehicle operations, in the case of internal combustion engine [ICE] vehicles).

Vehicle category	Six vehicle categories (passenger cars, LCVs, buses, medium trucks, heavy trucks and 2&3 wheelers) are used to match the approach taken by different organizations in their scenario definition process.
Vehicle-kilometer	Unit of measurement representing the movement of a vehicle over one kilometer.
Well-to-tank (WTT)	Well-to-tank (WTT) is the portion of transport related fuels and electricity that occur in the value chain before combustion e.g., gasoline, diesel, electricity for electric vehicles, extraction, production, refining, and distribution of the fuel.
Well-to-tank (WTT) emissions	All GHG emissions resulting from the WTT phase.
Well-to-wheel/ Well-to-wake (WTW)	WTW refers to a specific scope or boundary used for measuring GHG emissions from transportation activities. It encompasses the full life cycle of the energy carrier used by a vehicle, from: ● Well-to-tank (WTT): the extraction, production, refining, and distribution of the fuel (e.g., gasoline, diesel, electricity for electric vehicles). ● Tank-to-wheel or Tank-to-wake (TTW): the combustion of the fuel in the vehicle's engine and the resulting emissions released at the tailpipe.
Well-to-wheel/Well-to-wake (WTW) emissions	All GHG emissions from the WTW life-cycle of an energy carrier—i.e., the sum of WTT and TTW emissions.
Zero-emission vehicle	A vehicle that produces zero exhaust emissions of any local pollutant ('criteria' pollutant, per the California Air Resources Board's definition) or precursor pollutant, under all possible operational modes and conditions. A zero-emission vehicle also produces no toxic air contaminants or greenhouse gas emissions (GHGs) when stationary or operating (excluding emissions from air conditioning systems). (CARB, 2022)

Table A2. List of acronyms used in this Sector Specification

Acronyms	Explanation
2&3W	Two- and three-wheeled vehicles
EMDEs	Emerging Markets and Developing Economies
HDT	Heavy-duty truck
ICCT	International Council on Clean Transportation

Acronyms	Explanation
ICE	Internal Combustion Engine
ICEV	Internal Combustion Engine Vehicle
IEA	International Energy Agency
ISIC	International Standard Industrial Classification of All Economic Activities
ITF	International Transport Forum
LCV	Light commercial vehicle (van)
MDT	Medium-duty truck
OAEs	Other Advanced Economies (synonymous with high-income economies)
PHEV	Plug-in Hybrid Electric Vehicle
UNECE	United Nations in the Consolidated Resolution on the Construction of Vehicles
vkm	Vehicle-kilometer
ZEV	Zero-emission vehicle (i.e. zero tailpipe pollutant emissions)

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ANNEX A: KEY DEFINITIONS AND CATEGORIES

This Annex provides key reference information to support the interpretation and application of the SBTi Automotive Sector Specification. It includes reference materials specific to this Specification, including relevant vehicle category definitions, definitions of powertrains and regional groupings used for target-setting and assessment purposes.

Definition of vehicle categories

The choice of vehicle categories reflects the common approach of the three main global modelling efforts by ICCT, IEA and ITF. It is also consistent – to the extent possible – with the classifications developed at the United Nations in the Consolidated Resolution on the Construction of Vehicles (R.E.3) (UN, 2023) for its part regarding power-driven vehicles, and in the Special Resolution no. 1 concerning the common definitions of vehicle categories (UN, 2023), masses and dimensions as detailed in Table A.1.

Table A.1. SBTi vehicle categories compared with the UN R.E.3 and the S.R.1

Vehicle categories in this Specification	R.E.3	S.R.1
2- and 3-wheelers	L-category	Category 3
Passenger cars	M_1	Category 1-1
Buses and minibuses	M_3 and M_2	Category 1-2
Light commercial vehicles (LCVs)	N_1 (maximum gross vehicle weight of 3.5 t)	Category 2
Medium duty trucks (MDTs)	N_2 (maximum mass exceeding 3.5 t but not exceeding 12 t)	Category 2
Heavy duty trucks (HDTs)	N_3 (maximum mass exceeding 12 t)	Category 2

Definition of regional groupings

Countries are classified according to the World Bank's categories (World Bank, 2025). "High income" countries are considered to be Advanced Economies (AEs). Within this category Europe and North America have been included in individual regional groups with all other countries included in the "Other Advanced Economies" grouping. Countries in the three other income categories (upper-middle, lower middle, and low income) are considered to be emerging economies (Emerging Markets and Developing Economies (EMDEs) in full). Mexico is in this group but is included in the North America grouping to reflect this regional market. For the purposes of target-setting according to this Specification, the China Region (including China and Hong Kong) is added as a fifth, separate regional grouping, reflecting significant differences in that market.

For consistency and to allow benchmarking with previous years, the definition of high income countries is kept static to the same as the initial year of submissions to the SBTi and revised at recommitment/revision this Specification.

ANNEX B: METHODOLOGY FOR DETERMINING CONTRIBUTION OF PHEV SALES TO ZEV SALES SHARE

This methodology applies weighting factors based on the share of a PHEV's all-electric driving to assess the PHEV's contribution to overall sales shares of zero- and near-zero-emission vehicles. Battery electric vehicles (BEVs) and plug-in hybrid vehicles (PHEVs) (including extended-range electric vehicles [EREVs] or vehicles that are able to charge via conductive or inductive on-road dynamic charging) are the only vehicles that qualify as ZEVs or near-ZEVs.

BEVs have a 100% share of all-electric driving, by definition. For PHEVs, it is especially important to assess the all-electric driving share in a way that reflects actual, real-world usage.

In order to accurately calculate this share, automakers shall use model-level information on the on-road fuel consumption and the fuel consumption in charge-sustaining (CS) mode. The method outlined below is informed by ICCT (2022).

Calculation steps:

The factor $\alpha_{\text{electricity, i}}$, reflecting the all-electric driving share of a specific PHEV model, is calculated from the following company inputs: the average real-world fuel consumption ($FC_{\text{average usage}}$) and the on-road fuel consumption in charge sustaining (CS) mode ($FC_{\text{CS mode}}$) for the vehicle, as follows:

Equation 1.

$$\alpha_{electricity,\, i} = \frac{(FC_{CS\ mode} - FC_{average\ usage})}{FC_{CS\ mode}}$$

This calculation should be performed for each PHEV model (i) sold, and the sales-weighted $\alpha_{electricity}$ should be computed, as follows:

Equation 2.

$$\alpha_{electricity} = \frac{\sum_{i=1}^{N} \alpha_{electricity,\, i}}{N}$$

Where N is the total number of PHEVs sold in a given year.

The sales-weighted $\alpha_{\text{electricity}}$ across the portfolio of sold PHEVs is then used to calculate the contribution of sold PHEVs to the ZEV sales share target metric as follows based on the sales share of PHEVs and BEVs:

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Equation 3.

$$ZEV\ sales\ share\ =\ (\%\ sales\ PHEV)\ \alpha_{electricity}\ +\ (\%\ sales\ BEV)$$

Minimum data requirements for company inputs are described in AUTO-C5 of this Specification.

An example calculation for a sample PHEV model is shown in the box below.

Box A.1. Example calculations for determining model-specific shares of all-electric driving and contribution to ZEV sales share metric for PHEVs

Company input data for a PHEV model i is as follows:

$$FC_{CS\ mode,\ i}\ =\ 7.2\ L/100\ km$$

$$FC_{average\ usage,\ i}\ =\ 4.72\ L/100km$$

Using Equation 1, the share of electric driving for this model is calculated as:

$$\alpha_{electricity,\ i}\ =\ (FC_{CS\ mode,\ i}\ -\ FC_{average\ usage,\ i})\ /\ FC_{CS\ mode,\ i}$$
$$\alpha_{electricity,\ i}\ =\ (7.2\ L/100km\ -\ 4.72\ L/100km)\ /\ 7.2\ L/100km$$
$$\alpha_{electricity,\ i}\ =\ 21.2\%$$

For this example, assuming that the sales-weighted average $\alpha_{electricity}$ of all PHEVs sold across the entire portfolio is 21% using Equation 2, the following calculation provides the contribution of PHEVs to the ZEV sales share metric, given the following company sales share data:

% sales of ICE vehicles = 25%
% sales of PHEV model = 10%
% sales of BEV vehicles = 65%

Equation 3:

$$ZEV\ sales\ share\ =\ (\%\ sales\ PHEV)\ \alpha_{electricity}\ +\ (\%\ sales\ BEV)$$

$$ZEV\ sales\ share\ =\ (10\%)(21\%)\ +\ (65\%)(100\%)$$

ZEV sales share = 67.1%

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SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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