



Framework for addressing residual emissions: Part II

Which option best aligns with the SBTi principles?

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- current or future business model transformation strategies.

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 - Actual: A true conflict exists between a Party's duties with the SBTi and their private interests.
 - Potential: Where a Party has personal or private interests that could conflict with their duties with the SBTi, or where it is foreseeable that a conflict may arise in future.
 - Perceived: Where an unbiased observer could reasonably form the view that a Party's private interests could influence their decisions or actions.

ARE THERE ANY COI THAT THE SBTi SHOULD BE AWARE OF?

Introduction | Our goal today is to reach an aligned consensus on the option for addressing residual emissions that best align with the SBTi principles



Today's topic		Objective		How we will get there?
1.	Recap from previous session: open questions	Group alignment on vision for addressing residual emissions		Short presentation and Q&A (10 mins)
2.	How each option perform against SBTi principles?	Establish a shared understanding to build discussions off		Run through of Miro exercise results (25 mins)
3.	Which option is best aligned?	Shared consensus on best performing option via eliminative reasoning		Break out sessions on Miro (30 mins)
10 min break				
4.	What guardrails, design choice, incentives can be implemented to ensure alignment?	Member insights to define these elements and to achieve consensus		Group discussion on Miro (50 mins)



RECAP OF PREVIOUS DISCUSSIONS

Review of key open questions



How removals fit into the SBTi target setting framework?

How targets should be adjusted when companies over perform their Scope 1 emission reductions targets?

How targets should be adjusted for companies joining after a milestone year (e.g. 2031)?

Are removal targets feasible?

How do SBTi-driven removal volumes compare to sustainable supply?

What are the financial implication for companies?

Will be discussed in subsequent EWG sessions via quantitative assessment

Can the interim targets address residual emissions after the net zero year?

How removal obligations should continue after the net zero target year?

How should the cumulative nature of the targets pre 2050 be reconciled with the annual removal obligations post 2050?

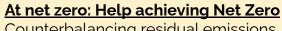
How can companies scale up their removal capacity to fulfill their post 2050 commitments?

Will be discussed during joint session with BVCM/ongoing emissions EWG

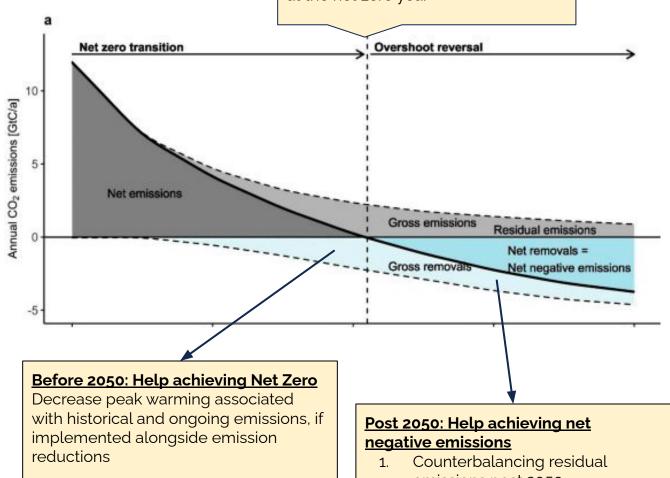
Will be addressed within the Standard revision process together with PC feedbacks

The different roles of removals at and after Net Zero





Counterbalancing residual emissions at the net zero year



- emissions post 2050
- Counterbalancing historical net emissions

The interim removal targets are designed to support companies in building removals capacity to address residual emissions at the net zero year

The targets are defined using the Interim Removal Factor (IRF) which reflect the growth of removals observed in climate scenarios

Scenario projects a steep increase in removals capacity post 2050. Hence, addressing residual emissions post 2050 using the IRF would lead to highly inflated removal targets

A complementary framework that recognise the role of removals in addressing ongoing and historic emissions will be proposed during the joint session with the BVCM EWG



New EWG meeting schedule



15th April
Addressing residual
emissions Pt 1

SBTi principles and options overview

<u>7th May</u> Addressing residual emissions Pt 2

Which option best align with SBTi principles?

28th May Durability of removals Pt 1

Overview of durability thresholds: How long is long enough?

<u>19th June</u> Durability of removals Pt 2

Feasibility, sustainability and equity implications



IN PERSON MEETING (Date TBD)



<u>10th September</u> Target implementation

Credits procurement strategies, vintage and what counts



6th August
Joint session with BVCm
EWG

Presentation of the RTR framework



16 July Quality criteria

Quality requirement, standards and practices