SBTi Corporate Net-Zero Standard Expert Working Group (EWG) Meeting Minutes

Claims Legal and Regulatory Landscape

06 June 2025 - 16:00-18:00 CEST

Virtual

PUBLIC

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Session decisions which are deemed interim, unresolved items or confidential will not be shared publicly to protect the confidentiality of the Standard before publication and to prevent sending premature signals to the market.

As per clause 6 in the EWG Terms of Reference, members serve on the EWG in their individual capacity as technical experts.

"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.

Meeting participants

Expert Working Group Members present:

1. Mustafa Adel, VCI - Value Change Initiative
2. Billie Wilcox Brooke, ISEAL
3. Eleanor Bastian, Amazon
4. Anastasia Behr, UL Solutions
5. Alissa Benchimol, Greenhouse Gas Management Institute
6. Drew Beyer, RMI
7. Tatiana Boldyreva, CDP
8. Matthew Brander, University of Edinburgh
9. Mai Bui, Supercritical
10. Cindy Chiang, Netflix
11. Paola Delgado Luna, Accountability Accelerator
12. Omonigho Erigha, Persistent Energy Capital
13. Nicholas Fedson, CDP
14. Stephanie Glazer, RMHC. Inc.
15. Akshita Gupta, Greengage Environmental Ltd.
16. Noel P. Gurwick, University of Maryland
17. Robert Höglund, Marginal Carbon AB
18. Hannah Hunt, Heineken
19. Vita Jarolimkova, SRT Group
20. Krutarth Jhaveri, Apple
21. Injy Johnstone, University of Oxford
22. Peggy Kellen, Center for Resource Solutions (CRS)
23. Sifa Kinoti, Octavia Carbon
24. Miriam Kugele, Aga Khan University
25. Aindrias Lefévère-Laoide, EDF Group
26. Skye Lei, ServiceNow
27. Thea Lyngseth, ECOS - Environmental Coalition on Standards
28. Patrick Mallet, ISEAL
29. Kelly McNamara, Food System Innovations
30. Doug Miller, Energy Peace Partners
31. Silke Mooldijk, NewClimate Institute
32. Laura Mora, Ecoverify
33. Laurence Opie, Green Guarantee Company
34. Fiona Perera, Gold Standard
35. Thuy Phung, PepsiCo
36. Florian Pothin, Toovalu / University of Rennes
37. Mohanad Salah, Sidi Kerier For Petrochemicals Company (SIDPEC)
38. Brad Schallert, Winrock International
39. Martha Stevenson, WWF
40. Sangwon Suh, Watershed
41. Eve Tamme, Climate Principles
42. Louis Uzor
43. Claire Wigg, Exponential Roadmap Initiative
44. Aaron Wu, Slaughter and May
45. Inigo Wyburd, Carbon Market Watch
46. Chris Bayliss, Aluminium Stewardship Intitiative
47. Asmita Marathe, Bureau Veritas
48. Erik Landry, Stockholm Environment Institute - US Center
49. Lucile Bourguet, Fortescue
50. Rachel Swiatek, Climate Group
51. Sarita Severien, Suzano

SBTi

1. Erin Lasher (MRV Manager, SBTi)
2. Alberto Carrillo Pineda (CTO, SBTi)

3. Emma Watson (Head of Corporate
   Standards, SBTi)

External presenters
1. Patrick Mallet, ISEAL
2. Josh Taylor, ISEAL
3. Sarah Ries-Coward, Herbert Smith
   Freehills Kramer
4. Jannis Bille, Herbert Smith
   Freehills Kramer
5. Ernst Muller, Herbert Smith
   Freehills Kramer

Observers
1. Fernando Emiliano Arellano, SBTi
2. Giulia Camparsi, SBTi
3. Guy Davis, SBTi
4. Abhilash Desu, SBTi
5. Ayla Dincay, SBTi
6. Hugo Ernest-Jones, SBTi
7. Diana Farmer, SBTi
8. Will Grazebrook, SBTi
9. Piera Patrizio, SBTi
10. Doreen Stabinsky, SBTi Technical
    Council
11. Michael Gillenwater, SBTi
    Technical Council
12. Vidisha Singh, Herbert Smith
    Freehills Kramer

Meeting agenda

Green Claims and the Legal Landscape	60 min
ISEAL - Claims & Chains of Custody	60 min

Note: Please refer to the meeting slide deck for accompanying material

1. Welcome, Introductions & Objectives

The session opened with a welcome to participants from all five expert working groups. The goal was to align stakeholders on the legal and voluntary best practices for environmental claims in the context of the ongoing Corporate Net-Zero Standard revision. The meeting was recorded for informational purposes only.

2. Herbert Smith Freehills Kramer

Green Claims and Greenwashing – Definitions

Herbert Smith Freehills Kramer began by defining green claims as any environmental statements—verbal, symbolic, or visual—made in marketing or corporate communications suggesting a product or service is environmentally preferable. The growing regulatory scrutiny surrounding these claims, due to increasing consumer and investor interest, was stressed.

Greenwashing was defined as the dissemination of unsubstantiated or misleading claims, typically marked by a "say-do gap." These gaps may result from exaggeration or omitting important qualifiers, leading to misalignment between stated and actual environmental performance.

Regulatory Landscape and Trends

Herbert Smith Freehills Kramer reviewed existing laws such as the EU's Unfair Commercial Practices Directive and the UK's equivalents. These don't explicitly name greenwashing but allow enforcement against misleading environmental claims. Emerging laws include the EU's Empowering Consumers Directive and the Green Claims Directive, both requiring greater transparency and substantiation for environmental claims.

The EU's Green Claims Directive will require independent verification by accredited entities. Certificates of conformity will validate green claims. Enforcement will be handled by national consumer protection authorities, with powers to impose substantial fines.

Changes can also be expected in the UK where the consumer protection regulator received expanded enforcement authority.

Beyond the EU and UK, regions like the U.S., Australia, and South America are advancing green claims enforcement. General consumer protection and competition laws are increasingly relevant tools for global scrutiny.

Risks

Herbert Smith Freehills Kramer identified three major risks from greenwashing:

- Litigation Risk: Companies may face lawsuits from competitors, shareholders, or advocacy groups for making misleading claims.
- Regulatory Risk: Intensified scrutiny from government agencies requiring proof and methodology behind claims.
- Reputational Risk: Negative public perception and loss of trust resulting from exposed inaccuracies.

Examples included high-profile legal cases across jurisdictions, reinforcing the need for substantiated and clear environmental claims.

Presenters recommended standard setters and verifiers ensure robust methodologies, particularly in areas like offsets and scope 3 emissions. Publishing illustrative examples and regularly reviewing claims were highlighted as practical steps to maintain credibility.

Participants discussed the complexity of substantiating offset-based claims and addressing counterfactuals in emissions reductions. Presenters stressed due diligence, documentation, and the use of buffers in carbon credit systems as key tools to manage risk.

5. ISEAL Claims Resources and Contextualization

ISEAL outlined its role in defining credible sustainability practices through tools like the Credibility Principles and Claims Good Practice Guide. They highlighted the need for transparency, stakeholder engagement, and data quality.

ISEAL emphasized the evolution of claims in the SBTI framework, including commitment, action, performance, and contribution claims. They described how each type reflects different stages and degrees of control over environmental impact. Governance, stakeholder engagement, and clarity were identified as essential to ensure claims integrity and avoid overreach.

6. ISEAL Chain of Custody Models

Chain of custody (CoC) models were explained as critical tools for tracking sustainability attributes in supply chains. The distinction between CoC and traceability was explained:

- **CoC** tracks material forward and involves certification, volume reconciliation, and verification.
- **Traceability** can be forward or backward and doesn't necessarily involve certification or verification.

ISEAL categorized models based on mixing permissions and compliance control:

- **Identity Preservation (IP)** – No mixing, full source tracking

- **Segregation** – Certified materials separated from uncertified, but mixed across certified sources
- **Controlled Blending** – Known proportions of certified/non-certified
- **Mass Balance** – Mixed with no guaranteed attribute presence
- **Book and Claim** – Full decoupling; attributes transferred via registry

ISEAL also explained transfer boundaries within mass balance systems (site-level, multi-site, group-level) and addressed emerging expectations to integrate these systems into GHG accounting frameworks.