



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Scope 2, Scope 3, Claims Expert Working Group Meeting Minutes

2nd April 2026

09:00 - 10:30 BST [Option A]

15.00 - 16.30 BST [Option B]

Virtual

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Meeting participants

Expert Working Group Members present:

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

[Option A]

1. Aditya Misra, Proforest Europe
2. Frederic Hans, NewClimate Institute
3. Leonardo I. Boeri, A.P. Møller-Maersk
4. Sam Van Den Plas, Carbon Market Watch
5. Kaya Axelsson, Oxford Net Zero
6. Roble Velasco, The I-TRACK Standard Foundation
7. Tatiana Boldyreva, CDP
8. Paola D. Luna, SBTN
9. Akshita Gupta, Greengage Environmental Ltd.
10. Matt Konieczny, Watershed
11. Silvana Paniagua, VCI
12. Kae Takase, Renewable Energy Institute
13. Claire Wigg, Exponential Roadmap
14. Erik Landry, GRESB
15. Lucile Bourguet, Fortescue

[Option B]

1. Krutarth Jhaveri, Apple
2. Laura Hutchinson, Center for Green Market Activation
3. Alan Lewis, Smart Freight Centre
4. Martha Stevenson, WWF
5. Eleanor Bastian, Amazon
6. Alex Piper, Energy Tag
7. Chris Bayliss, ASI
8. Brad Schallert, WinRock
9. Elliott Engelmann, WRI
10. Derik Broekhoff, Stockholm Environment Institute
11. Matthew Brander, University of Edinburgh
12. Miriam Kugele, AKU
13. Peggy Kellen, Center for Resource Solutions
14. Rachel Swiatek, Climate Group
15. Sangwon Suh, Watershed

SBTi:

[Option A]

1. Emma Watson (Head of Corporate Standards)
2. Nick Fedson (Scope 2 Lead)
3. Giulia Camparsi (SME Value Chain)
4. Marine Klobut (Standard Analyst)

Observers:

5. Marco Swan (FI Engagement manager)
6. Alice Farrelly (OER Subject Matter Expert)
7. Emily Castro (MRV Lead)
8. Abhilash Desu, Target Analyst

[Option B]

1. Emma Watson (Head of Corporate Standards)
2. Nick Fedson (Scope 2 Lead)
3. Giulia Camparsi (SME Value Chain)

Technical Council Observers:

[Option A]

N/A

[Option B]

1. Doreen Stabinsky

Note on the format of these minutes: This meeting was held twice to accommodate the time zones of the Expert Working Group (EWG) members. The content presented by the SBTi team was consistent across both sessions, and participants in each meeting engaged with the same interactive exercises. To avoid duplication, these meeting minutes present the shared content (presentations and framing) once, followed by separate summaries of participant discussions from the Option A and Option B meetings.

Meeting Agenda

1. Introduction to the new Target Implementation chapter
2. General Q&A
3. Target implementation applied to electricity consumption
4. Electricity Q&A
5. Next step

Meeting Objective

The goal for this meeting was to bring together members from the Scope 2, Scope 3 and Claims EWG to walk through the proposed Target Implementation chapter in the last draft and explain the rationale behind it, with the aim to create space for open exchange and provide an opportunity to raise any high-level reflection or major concern. No content deliberation is intended for this meeting, however feedback was requested via a feedback form.

1. Introduction to the new Target Implementation chapter

1.1. General context

SBTi explained that feedback from the pilot phase and public consultation highlighted that target implementation criteria were fragmented and inconsistently applied across Scope 1, 2 and 3. In response, SBTi introduced a dedicated chapter in the latest draft that consolidates

these requirements into a single, coherent framework applicable across all scopes, including the integration of minimum integrity criteria previously located in annexes.

SBTi clarified that the revision also responds to calls for closer alignment with the Greenhouse Gas Protocol. In particular, emerging work on market-based instruments and multi-ledger accounting informed the decision to allow companies to set targets based on either physical or market-based inventories, while recognising that this area remains under development and requires ongoing monitoring.

SBTi further presented a proposal for an implementation hierarchy to guide mitigation action. This prioritises direct emissions reductions within a company's operations and value chain, with more indirect or system-level actions only permitted where clear, evidenced constraints prevent more direct mitigation.

Finally, SBTi emphasised that the draft chapter establishes a clearer definition of credible target delivery, marking a shift from a sole focus on target ambition to a stronger emphasis on implementation and performance. This includes the introduction of explicit criteria on how companies should deliver against targets, requirements for transparent and consistent reporting of interim progress, and safeguards to ensure that only robust mitigation outcomes are recognised. The framework is designed to drive long-term decarbonisation across both operations and value chains, while maintaining environmental integrity and strengthening accountability over time.

1.2. The implementation hierarchy

SBTi presented the implementation hierarchy as a structured approach to guide companies towards the most effective mitigation actions. The hierarchy prioritises action within a company's own operations and direct value chain, with expansion to broader levels of influence only where justified by clear constraints.

At the first level, SBTi clarified that companies are expected to act directly on their operations and suppliers, through measures such as energy efficiency improvements, electrification, renewable energy deployment, and low-carbon sourcing or product redesign. Where this is not feasible, companies may act at the activity pool level, targeting broader but still relevant groups of suppliers defined at the smallest reasonable geographical or operational level. SBTi noted that, due to variability across sectors, no single definition of activity pools is provided, though further guidance will outline best practices.

Where both direct and activity pool interventions are not possible due to structural constraints, such as limited technology availability, market or regulatory barriers, SBTi allows for sector-level interventions. These must remain closely linked to the company's value chain and demonstrate systemic relevance, particularly by contributing to future low-carbon supply.

SBTi emphasised that companies must transparently justify progression through the hierarchy and report the share of target achievement at each level. Additional integrity criteria apply to market-based instruments, including requirements on attribution, traceability, avoidance of double counting, temporal alignment, and third-party verification. These safeguards aim to ensure that all recognised mitigation outcomes are credible, measurable, and aligned with long-term decarbonisation objectives.

2. General Q&A

[Option A]

- One EWG member asked how to treat situations where a single mitigation action appears to apply across overlapping activity pools—such as using EACs to address aggregated emissions from a supply shed rather than specific facilities—and whether one justification is sufficient. The member also asked how to classify cases where a low-carbon product (e.g. green steel) is procured, but its decarbonisation may have been achieved through upstream activity pool actions like EAC use.
 - SBTi clarified that what may appear as a single action can relate to multiple emission sources, and therefore must be justified separately for each relevant target or emission source in line with reporting requirements. While the same intervention (e.g. EAC procurement) may be applied across a supply shed, companies must still explain, for each case, why activity pool action is appropriate. Regarding low-carbon products, SBTi explained that procurement of low-carbon materials is treated as an activity-level action, provided the supplier can demonstrate compliance with defined emissions performance benchmarks or technological criteria. These requirements will be further detailed in supporting guidance. SBTi emphasised that market-based instruments such as EACs cannot be used to substantiate product-level claims (e.g. low-carbon steel) within the value chain. Instead, such claims must rely on verified changes in production processes or material inputs at the supplier level, supported by robust evidence such as lifecycle assessments or recognised certifications.
- One EWG member asked whether the revised standard allows companies to choose between physical (location-based) and market-based accounting across scopes, and how different instruments, such as carbon credits, attribute certificates, and emerging mechanisms (e.g. ETS), can be used without risking double counting. The member also asked whether certificates representing partial improvements (e.g. low-carbon steel with incremental reductions) would be eligible to support zero carbon claims.
 - SBTi clarified that as per the current proposal, companies could set targets based on either physical or market-based inventories across Scopes 1, 2 and 3, reflecting alignment with ongoing developments under the GHG Protocol. However, Scope 2 remains distinct, as its required targets are inherently market-based (e.g. low-carbon electricity alignment). On the use of instruments, SBTi emphasised that carbon credits cannot be used toward target performance in attributional (value chain) accounting, as they represent offsetting rather than direct decarbonisation. However, instruments that convey attributional emissions attributes (e.g. low-carbon fuels or materials) may be eligible, even if they also have consequential impacts, provided they meet attributional accounting requirements. Regarding overlap with mechanisms such as ETS, SBTi clarified that emissions reductions within a company's own inventory can be counted toward targets, even if associated credits are issued or used elsewhere. By contrast, purchasing and retiring

credits for compliance purposes does not count, as this does not reflect value chain decarbonisation.

- Finally, SBTi noted that eligibility of specific product-level certificates (e.g. low-carbon materials) will be defined through forthcoming guidance, including performance benchmarks and recognition frameworks, but the volume of certificates purchased cannot exceed the volume of product of commodity purchased, and in that sense it is not possible to sum partial mitigation to market a net-zero aligned product.
- One EWG member requested clarification on how mandatory sector standards (e.g. the FLAG standard) will interact with CNZS V2.0, particularly with regard to the integration of market-based targets.
 - SBTi responded that sector standards, including FLAG, will be updated to for alignment with CNZS V2.0 after it is finalized. In the interim, market-based instruments are generally not recognised under existing sector standards and may only be incorporated once CNZS V2.0 is finalised and the relevant sector standards have been revised accordingly, where relevant.
- One EWG member requested whether justification for resorting to sector level intervention will have to be publicly reported.
 - SBTi confirmed that they will have to be publicly reported at target performance assessment.

[Option B]

- One EWG member asked how “impossibility” is defined within the mitigation hierarchy, specifically, whether it includes economic or financial feasibility, or is limited to technical and structural constraints. The member also sought clarification on how “sector” is defined in the context of sector-level actions, given varying levels of aggregation.
 - SBTi clarified that impossibility is defined strictly in terms of structural constraints, including technological availability, market structure, infrastructure, regulatory barriers, or limited supply in a given geography. Cost or economic feasibility alone is not considered a valid justification for moving to higher levels of the hierarchy.
 - Regarding sector definition, SBTi explained that sector-level action is not based on broad sector categories, but rather on alignment with the specific activity within the company’s value chain. This means that any market-based intervention must mirror the exact activity being mitigated (e.g. the same commodity or production process), even if the action takes place outside the company’s direct value chain.
 - SBTi also acknowledged that ongoing developments under the GHG Protocol may influence this area and confirmed that it is closely tracking these updates, with the flexibility to revise the standard if needed to maintain alignment.
- One EWG member suggested using the ongoing revision of the SBTi maritime guidance as an opportunity to test the application of the mitigation hierarchy, particularly around sector-level actions and activity pool matching, and asked whether integrating this into the workstream would be appropriate.

- SBTi welcomed the suggestion and confirmed that it aligns with broader plans to update sector-specific guidance to ensure consistency with the new standard. SBTi indicated that such collaboration would be valuable, provided coordination is maintained to ensure alignment in timing and approach. They encouraged continued engagement and follow-up discussions to integrate insights from the maritime work into the standard development process.
- One EWG member raised concerns about SBTi developing a list of recognised market-based instruments or certification schemes, noting that this could position SBTi as a “gatekeeper” and shift accountability away from companies and instrument providers. The member emphasised the importance of ensuring that accountability for mitigation outcomes remains with companies and underlying systems, and cautioned against replicating challenges seen in other certification ecosystems without robust impact evaluation.
 - SBTi acknowledged the concern and agreed that this is a complex and still evolving area. SBTi clarified that the intention behind the recognition framework is to provide structure while recognising internal limitations, but that the design and governance of such a system are not yet finalised. SBTi welcomed the feedback and expressed interest in further engagement to refine the approach, particularly to ensure that accountability and credibility are maintained.
- One EWG member highlighted challenges related to lack of clarity and operational guidance in the draft, particularly for implementation and assurance. They asked whether there are limits on the volume of market-based instruments that can be used, and raised concerns about immature concepts such as activity pools, especially for certain Scope 3 categories (e.g. Category 11 – product use) where guidance is lacking. The member also noted difficulties in applying the hierarchy when structural constraints cannot be clearly demonstrated, and questioned whether excluding economic feasibility may create practical challenges in implementation.
 - SBTi clarified that the volume of market-based instruments is limited to the volume of the underlying activity, meaning companies cannot over-purchase or “stack” instruments beyond the emissions they are addressing.
 - On Scope 3 Category 11 and activity pools, SBTi acknowledged current limitations and noted that alternative target-setting approaches may be available, such as using other product-related metrics (e.g. energy efficiency or material characteristics), and that further clarification will be provided, including in the electricity-specific guidance. SBTi recognised the broader concern regarding clarity and implementation, particularly for assurance, and indicated that additional guidance and refinements are expected. They also noted that some of the issues raised, particularly around electricity and Scope 3 boundaries, are under active consideration and may be further addressed as the framework evolves.
- One EWG requested whether SBTi would provide a template to submit justification for scaling the implementation hierarchy.
 - SBTi stated that the evidence required will be outlined in the minimum evidence requirement for validation process but acknowledged that a template example could be useful.
- One EWG asked SBTi to clarify in the standard how tight the activity-matching requirement is intended to be, as there can be a commodity-level matching (concrete

for concrete) as well as a much more specific level, looking at the different uses of the same commodity, for example.

- SBTi acknowledges the need for this clarification
- One EWG member required clarification on long-term targets and whether it is correct that market based instruments would not be recognized toward long-term target progress highlighting the risk that preventing the use of MBI for long-term targets will make it challenging for any company to commit to long-term targets because actions needed for the long term are collective and large system wide changes that are out of control and influence of any company/organization.
 - SBTi confirms that for long-term targets only physical reductions within the operations and / or value chain count toward target progress.
- One EWG member asks what happens if companies don't have data on where a specific activity in their value chain originates.
 - SBTi answered that activity pool and sector level intervention can happen while companies work on better traceability and data quality.
- One EWG comment is that taking actions outside the activity pool should be restricted to extreme cases where infrastructure and market conditions prevent investment.

3. Target Implementation applied to electricity consumption

SBTi explained the specific application of the mitigation hierarchy to electricity in the latest proposal, noting that additional criteria are required due to the unique characteristics of electricity as a universal input and the maturity of low-carbon electricity markets. Unlike other emission sources, electricity systems are well-defined through grids, and established market-based accounting approaches already exist, particularly for Scope 2.

SBTi clarified that the first key distinction is whether electricity consumption is embedded in an activity pool. Where electricity is sourced from the grid, emissions are considered part of an activity pool and can be addressed through contractual instruments. By contrast, electricity from on-site generation or direct private connections must be mitigated through activity-level actions only, as these emissions are directly traceable.

For grid-based electricity, SBTi introduced a “deliverability principle” to define activity pool boundaries. Companies are expected to act within the smallest reasonable geographic or operational boundary where electricity can realistically be delivered, typically aligned with interconnected grid regions. In Scope 3, this boundary depends on the company's ability to trace where electricity consumption occurs within the value chain.

SBTi further outlined eligible instruments for activity pool action, including power purchase agreements, supplier contracts, and certificates, alongside limited passive claims. Additional safeguards include restrictions on the age of generation assets, with exemptions for long-term contracts and specific regional conditions.

Finally, SBTi emphasised that sector-level action in electricity should be highly constrained and only permitted where no deliverable low-carbon electricity is available locally, and must be complemented by actions that support decarbonisation of the relevant grid.

3. Electricity Q&A

[Option A]

- One EWG member suggested that there are very limited, if any, situations in the electricity sector where activity pool action is not feasible, arguing that most structural constraints (e.g. lack of certificate systems) are temporary and can be resolved relatively quickly. The member proposed that sector-level action should therefore be rare, time-bound, and tightly justified, and asked how such constraints should be defined and assessed in practice. A follow-up from another EWG member highlighted that in some markets (e.g. Philippines), persistent regulatory or structural barriers may limit access over longer periods, raising questions about how to distinguish between “challenging” and “impossible” situations.
 - SBTi acknowledged that structural constraints in electricity markets are expected to be limited and should not be assumed lightly, and emphasised the importance of robust evidence and clear justification when invoking sector-level action. SBTi clarified that constraints may arise not only from the absence of systems, but also from situations where demand for low-carbon electricity exceeds available, contractable supply. SBTi agreed that any flexibility should be carefully bounded, potentially time-limited, and subject to strong justification and verification. At the same time, SBTi recognised that certain markets may present genuine, though often transitional, barriers, and that further work is needed to define clear criteria and thresholds to distinguish between temporary challenges and structural impossibility, and to provide clarity to companies on when exceptions are appropriate.

[Option B]

- One EWG member raised concerns about the 12-month vintage requirement for market-based instruments, noting that this may be challenging in practice across sectors and geographies, where longer windows (e.g. ~20 months) are currently used. The member also highlighted broader uncertainty for companies, particularly regarding how validators will interpret flexible provisions, and the risk that companies may only discover non-compliance at the end of the target period.
 - SBTi acknowledged that the 12-month vintage is an intended direction of travel, but clarified that flexibility is currently built into the framework to accommodate differences across markets. In practice, companies are expected to follow existing market and regulatory rules on vintage limits, where these differ, while aiming for closer temporal alignment where possible. SBTi recognised the broader concern around uncertainty and validation outcomes, and indicated that additional guidance will be developed to support

consistent interpretation and implementation, including how flexibility should be applied in practice.

- One EWG member questioned whether the proposed criteria for market-based instruments, particularly long asset age limits (e.g. 15 years), lack of strict time-matching, and absence of strong additionality requirements, are sufficient to ensure genuine mitigation outcomes. They raised concerns that companies could technically meet targets without driving real impact (e.g. relying on older assets or mismatched procurement), creating potential credibility and reputational risks. They also asked whether additional safeguards exist to address this.
 - SBTi acknowledged that the framework focuses on value chain (attributional) accounting, and therefore does not require strict additionality criteria in the same way as consequential approaches. As a result, some limitations in ensuring direct impact are recognised. To address this, SBTi highlighted that companies are required to report the consequential impacts of market-based instruments separately, providing transparency on the real-world effects of their actions. However, SBTi confirmed that it is possible for companies to meet target requirements under attributional accounting even if consequential impacts are limited or uncertain.
 - SBTi indicated that introducing stronger additionality requirements is currently not considered feasible within Scope 2 and broader value chain accounting, but acknowledged the importance of transparency and the need to continue monitoring this area.
- One EWG member raised the need for greater clarity in how activity pools are defined and applied in Scope 3, suggesting that flexibility in defining boundaries could lead to inconsistent interpretation unless accompanied by clear disclosure and justification requirements. The member also asked for clarification on the definition of “vintage”, noting potential confusion between certificate validity, project age, and temporal matching, and highlighting risks of misinterpretation in implementation.
 - SBTi acknowledged the importance of clear disclosure and justification when defining activity pool boundaries, confirming that transparency in how boundaries are set and applied is essential to prevent misuse.
 - On vintage, SBTi clarified that the term refers specifically to the time of electricity generation associated with a certificate, and that the vintage limitation defines the maximum allowable time gap between generation and consumption. SBTi distinguished this from other concepts, such as certificate expiry (set by registries) and project commissioning date, which are not considered “vintage” within the standard.
- One EWG member raised concerns that the proposed rules, particularly flexibility in defining activity pools, annual matching, and limited deliverability constraints, could weaken the link between SBTi compliance and real-world impact. They highlighted risks around inconsistent definitions of activity pools across companies, reduced comparability, and the possibility that companies could expand or redefine boundaries to access low-carbon electricity, rather than pursuing more direct or impactful actions. They also questioned how SBTi will ensure consistency and prevent misuse.
 - SBTi acknowledged the validity of the risks raised, particularly around comparability and consistency. SBTi clarified that it does not intend to allow companies to define activity pool boundaries arbitrarily, and that the current

lack of specificity reflects ongoing debates, particularly under the GHG Protocol. SBTi indicated that more standardised definitions of deliverability regions are expected, either within the standard itself or through the forthcoming third-party recognition framework, to ensure consistent application across companies. The intention is to avoid divergent interpretations and maintain comparability, while continuing to refine the balance between flexibility and robustness as the framework evolves.

4. Next Steps

SBTi informed participants that the draft standard is currently under Technical Council review, with approval expected in the coming months. Stakeholders can continue submitting feedback through the form until the stated deadline. Prior to public release, SBTi will convene another plenary session with EWGs to present the final draft. Alongside the standard, metrics, methods, and pathways will also be published. Work will be ongoing for the development of recognised benchmarks for net-zero-aligned products and services, and the broader third-party recognition framework. Continued engagement with EWGs is planned, particularly on claims, data quality, and assurance topics.

SBTi clarified that claims and assurance have been separated from the core standard and will be developed as two standalone documents: an Assurance Framework and a Claims Policy. A minimum viable version of both will be released shortly after CNZS V2.0, outlining initial requirements and future direction. Full versions are expected by year-end and will cover rules for claims, use of trademarks, validation requirements, and oversight mechanisms. Further stakeholder engagement is planned through dedicated EWG sessions and a consultation on claims following the MVP release.

