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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

Session 10: Joint BVCM and CDR EWG session

19 February 2026

09:00 – 10:30 BST [Session A]

15.00 – 16.30 BST [Session B]

Virtual

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**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 Session A and Session B meetings.

## Meeting participants

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

### Expert Working Group Members present:

#### Option A

1. Morten Rossé, Lombard Odier  
Asset Managers
2. Sophie Louise Gladov, Ørsted
3. Tim Clairs, Forest Integrity

#### Option B

- |  |   |
|--|---|
| 1. Aisha Rodriguez, VCMI                                 | 10. Noel Gurwick, University of Maryland    |
| 2. Daniel Schneiders, Bayer AG                           | 11. Robert Höglund, Marginal Carbon AB      |
| 3. Elijah Innes-Wimsatt, Conservation International      | 12. Ryan Maloney, Apple                     |
| 4. Giulia Carbone, WBCSD                                 | 13. Silke Mooldijk, NewClimate Institute    |
| 5. Hannah Hunt, Heineken                                 | 14. Sunita Purushottam, Mahindra Lifespaces |
| 6. Louis Uzor, Carbon Gap (formerly Climeworks)          | 15. Thuy Phung, PepsiCo                     |
| 7. Mai Bui, Supercritical                                |   |
| 8. Matt Ramlow, World Resources Institute / GHG Protocol |   |
| 9. Nicolas Kreibich, Wuppertal Institute                 |   |

### SBTi

#### Option A

- |  |   |
|--|---|
| 1. Alice Farrelly (BVCM SME, SBTi)         | 3. Emma Watson (Head of Corporate Standards, SBTi) ( <i>option B only</i> ) |
| 2. Piera Patrizio (Head of Research, SBTi) |   |

### Technical Council Observers:

N/A

## Meeting agenda

Welcome & housekeeping	10 min
Recognition: results and proposed amendments	45 min
Closing & next steps	5 min

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

### 1. Welcome & Introductions

SBTi team opened the session, welcomed members and ran through housekeeping: confidentiality/disclaimer; antitrust reminders; conflict of interest declarations; and guidance to mute microphones and use chat/questions as needed.

### 2. Meeting Objectives

The session aimed to:

- Share feedback received from the second public consultation, on the recognition framework for ongoing emissions responsibility.
- Present SBTi's thinking and proposed revisions, and hear EWG reflections.
- Allow time for an open discussion for final feedback and reflections.

### 3. Recognition: results and proposed amendments

#### Consultation results

The SBTi team presented the results from the second consultation, which examined three areas: the optional recognition program, post-2035 requirements, and the net-zero target year. This meeting focused specifically on the optional recognition program.

The consultation sought to understand:

- The likelihood of companies pursuing recognition;
- The levels of emissions coverage companies would be willing to take responsibility for;
- Whether there was appetite for a mid-range recognition tier;
- Whether the 1% minimum responsibility level for Recognized status was appropriate.

The SBTi team reported that:

- 42% of responding target-setting entities indicated they were likely to pursue recognition, suggesting significant interest.
- Around two-thirds indicated they would pursue the entry tier, while 18% expressed willingness to pursue leadership recognition.
- There was strong demand for the introduction of a mid-range tier, with roughly half of responding companies indicating that such a tier would incentivize greater participation.
- The 1% minimum responsibility level was broadly supported across stakeholder groups, with 43% indicating it as the preferred option. The public sector was the main group expressing preference for a higher level (5%).
- The SBTi team also noted that the pilot testing exercise showed a similar distribution of interest across tiers.

The SBTi team presented a revised proposal incorporating consultation feedback.

### **Key elements of the proposed revisions included:**

#### **1. Introduction of a mid-tier**

The framework would introduce a three-tier structure:

- Engaged (previously “Recognized”)
- Advanced (new mid-tier)
- Leadership

The Engaged tier would remain largely unchanged, requiring coverage of 1% of total ongoing emissions and allowing either a ton-for-ton or money-for-ton approach, with a recommended carbon price of \$20 per ton.

The Advanced tier would require:

- Coverage of 100% of Scope 1 and Scope 2 emissions
- A minimum coverage equal to at least 10% of the company’s total footprint, meaning that companies with low Scope 1 and 2 emissions would include some Scope 3 emissions to meet this threshold.

#### **2. Leadership tier adjustments**

The SBTi team explained that the leadership tier would maintain its role as a high-ambition “north star” level and would retain the \$80 carbon price.

However, in response to feedback that the framework did not send a sufficiently strong signal for near-term climate impact and requests for a pure ton-for-ton route at Leadership level, the SBTi team proposed increasing the minimum ex-post mitigation requirement from 40% to 100% of ongoing emissions to balance these views.

The intention was to strengthen the signal for mitigation while still ensuring that, because of the high carbon price, companies would generate sufficient financial resources to fund other eligible climate actions.

### 3. Adjustments for Category B companies

Because the introduction of the Advanced tier would otherwise make the Category B leadership threshold less ambitious than Advanced, the SBTi team proposed that Category B leadership coverage would match Advanced coverage but with the \$80 carbon price applied.

The SBTi team noted that an alternative option—creating entirely separate recognition tiers for Category B companies—was considered but rejected due to the desire to keep the framework as simple as possible.

### 4. Terminology review

The SBTi team also informed participants that the phrase “take responsibility for the impact of” emissions had received negative feedback during consultation, particularly from corporate stakeholders and legal advisors.

Some respondents suggested the language could imply legal liability and deter participation. As a result, the terminology was under review and might be revised following further legal assessment.

## Discussion

EWG members discussed several aspects of the proposed framework, including the leadership tier design, carbon pricing, feasibility for companies, and the clarity of the mid-tier.

### [Session A]

- One EWG member suggested reconsidering how the leadership tier applies the carbon price. The member proposed that companies could first demonstrate responsibility for a defined percentage of ongoing emissions through mitigation, and only apply the high carbon price to any remaining emissions. The member argued that this structure could allow companies to achieve leadership recognition at a lower overall cost while still incentivizing mitigation.
- Another EWG member asked whether the recommended \$20 carbon price at the Engaged tier would remain only a recommendation or could become a requirement at the Advanced tier. The member suggested that requiring the \$20 price at the Advanced tier could strengthen differentiation between tiers.
- The SBTi team agreed that this was a useful suggestion and noted that it could be considered.
- An EWG member expressed reservations about any minimum carbon price requirement from a financial sector perspective. The member argued that in voluntary schemes, fixed carbon prices may reduce incentives for companies to pursue the most cost-effective climate solutions. In their view, companies should be able to

allocate resources toward the most efficient mitigation opportunities rather than being constrained by a minimum price.

- Another EWG member responded that the intent of the framework was partly to create an incentive for companies to reduce their emissions footprint, since the total financial commitment would scale with emissions levels.
- The SBTi team acknowledged the tension between ensuring cost efficiency and maintaining a strong signal for climate action. The proposed increase in the ex-post mitigation requirement to 100% was described as a compromise intended to address concerns about impact while still supporting broader climate action categories.
- Several EWG members commented positively on the overall simplicity of the revised framework, noting that despite the complexity of the topic, the current structure appeared easier to understand than earlier iterations.
- One EWG member expressed surprise that a relatively large number of companies had indicated willingness to pursue leadership recognition and asked about the types of companies involved.
- The SBTi team explained that many of these companies were low-emissions, high-margin firms, although interest in the mid-tier was more widespread, including among companies in hard-to-abate sectors.
- An EWG member raised concerns about the economic implications of the leadership tier for high-emitting companies. The member illustrated that applying an \$80 carbon price to full emissions coverage could represent a significant share of company revenue, potentially creating disincentives or negative reactions from financial markets.
- Another EWG member noted that the introduction of the Advanced tier could address this concern by offering a meaningful level of recognition that is easier for companies to adopt.
- One EWG member also highlighted the importance of predictability for companies, noting that if the carbon price could change in future standard revisions, it might create uncertainty for long-term corporate planning.

## **[Session B]**

- An EWG member welcomed the introduction of the Advanced tier, noting that it aligns well with the VCMI carbon integrity silver claim, but asked whether the \$80 carbon price requirement for the Leadership tier may act as a barrier to participation. The member noted that only a relatively small share of companies indicated they would pursue this level.
- The SBTi team responded that the Advanced tier was partly introduced to address feasibility concerns by creating a more achievable intermediate step. The team explained that the Leadership tier is intended to remain a high-ambition level, reflecting the lower end estimate of prices from the literature, while acknowledging that some survey respondents did suggest lowering the price.
- Another EWG member observed that it seemed somewhat counterintuitive that the highest ambition tier requires purchasing carbon credits, whereas the other tiers do not. The member questioned whether the increased ex-post mitigation threshold at leadership level was appropriate.
- Additional discussion followed regarding the \$80 carbon price requirement. One EWG member argued that removing the carbon price could make the leadership tier

more achievable for companies, while another EWG member emphasized that retaining the price signal is important if the tier is meant to represent genuine leadership.

- An EWG member asked about the quality criteria for the ex-post mitigation approach, noting that the credibility of the system depends heavily on how mitigation activities are evaluated.
- The SBTi team explained that the organization is working toward recognizing existing third-party frameworks, but that the standard will initially include minimum viable product (MVP) quality criteria, building on best practices from current frameworks.
- Another EWG member asked for clarification on the 90% performance threshold, which relates to the expectation that companies achieve at least 90% of their required mitigation actions.
- The SBTi team explained that the threshold is considered non-negotiable because it reinforces the mitigation hierarchy, ensuring that emissions reductions remain the primary focus. The SBTi team also noted that 60% of pilot test companies achieved this level of performance suggesting it is not infeasible.
- An EWG member proposed allowing Category B companies to achieve Leadership status through a ton-for-ton approach, which would effectively remove the \$80 carbon price requirement for those companies.
- The SBTi team responded that this proposal would be considered in the final alignment and approval discussions, as the team continues to reconcile Category B provisions with the new tier structure.
- Another EWG member asked whether companies that fall below the 90% performance threshold would be required to undertake remedial actions, such as purchasing additional removals.
- The SBTi team clarified that remedial actions are not currently planned, though the issue of repeated underperformance remains under discussion internally.
- An EWG member asked how supplier engagement and value-chain mitigation efforts, including those linked to carbon removals, would be recognized within the framework.
- The SBTi team confirmed that shared responsibility across the value chain remains possible across the three phases of mitigation and that such contributions will be recognized.
- Another EWG member suggested that the reporting and dashboard system should be piloted with a small number of companies once the standard is finalized in order to test how recognition results are communicated.
- An EWG member noted that the 1% engagement requirement could represent very different absolute volumes of emissions depending on the sector. The member suggested that the standard should clearly communicate these differences.
- Another EWG member recommended including absolute emissions volumes alongside percentage metrics in the dashboard to make these differences clearer. The SBTi team agreed that this suggestion could improve transparency and indicated it would be taken forward.
- An EWG member expressed support for maintaining a low threshold for the Engaged tier because it encourages participation, but raised concerns about allowing companies to meet Leadership criteria purely through funding (“money-for-ton”). The member argued that leadership should demonstrate clear physical climate impact,

rather than allowing companies to fund internal or low-impact initiatives without strong quality requirements.

- The SBTi team acknowledged the tension between encouraging a broader range of mitigation actions and concerns about the credibility of funding approaches, noting that the feedback would be taken into account in ongoing internal discussions.
- The SBTi team also clarified the new proposed portfolio approach for post-2035 net-zero requirements. Under the proposal, the share of emissions addressed through long-lived removals would gradually increase starting in 2035, reaching 100% by 2050. References to “like-for-like” approaches and outdated storage classification tables are proposed to be removed due to confusion during consultation.
- The SBTi team also confirmed that the organization intends to launch a call for evidence examining whether short-lived carbon removal mechanisms, supported by contractual or financial arrangements, can achieve equivalent climate performance to long-lived removals.
- Several EWG members emphasized the importance of issuing this call for evidence soon, noting that uncertainty around the treatment of short-lived removals could create challenges for project developers and investors. One EWG member also noted that sectors such as FLAG are already facing near-term implications for removals in target setting.
- Another EWG member asked for clarity at the launch of the standard regarding how the call for evidence process would translate into outcomes, such as whether it would result in supplementary guidance or a revision of the standard.
- The SBTi team acknowledged that the exact mechanism had not yet been determined but suggested that supplementary guidance could be one possible approach.

## 4. Actions & Next Steps

The SBTi team outlined the next stages in the standard development process.

The project was entering its final alignment and approval phase, which would include:

- An internal alignment meeting with SBTi leadership the following week
- Submission of the draft standard to the Technical Council in mid March
- Continued refinement of the draft in preparation for final approval

The SBTi team closed the meeting by thanking EWG members for their engagement throughout the process and particularly for participating in the recent meetings needed to finalize elements of the framework.

