

# Addressing the impact of ongoing emissions – beyond value chain mitigation (BVCM)

## EWG virtual session I on 16th April

Orientation, Context & “What Counts”

*Presentation deck*

*Alice Farrelly & Scarlett Benson*

# Introduction | Our goal today is to orient ourselves with a shared vision for BVCM and refine the overall approach to defining “what counts” as eligible BVCM activities for addressing ongoing emissions

Today's questions

... and outcomes

1. What are our shared outcome anchors for BVCM?

Group alignment on vision for BVCM for addressing ongoing emissions

2. What works has been done to date on BVCM and “what counts”?

Establish a shared baseline understanding to build discussions off

5 min break



3. How to establish criteria for defining what counts?

Refined approach on prescriptiveness of “what counts” criteria

4. How to define what counts, through the lenses of outcomes, timing, measurability and funding mechanisms?

Member insights shape collective framing to define these elements

# DISCLAIMER & ANTITRUST

- **Disclaimer** - Please note, this document is for information purposes only in order to inform discussions and for no other purpose.
- The information provided by SBTi (including information supplied by third-parties) in this document is furnished on a confidential basis and must be treated as confidential.
- No such information may be divulged to any third party without the prior written approval of SBTi.
- This information shall not be used for any other purpose. SBTi reserves all rights in this document.

**Antitrust Caution** – Do not engage in any discussion, activity or conduct that may infringe on any applicable competition law.

For example, do not discuss company-specific information on:

- current or future prices, pricing strategies, or price related information;
- output, capacity, inventory levels, or costs;
- data related to market share;
- current or future business model transformation strategies.

Members are responsible for halting any activity that may violate this policy and reporting it immediately to SBTi.

# CONFLICT OF INTEREST DECLARATION

- As per the [EWG Terms of Reference](#) and the [SBTi COI policy](#), conflicts of interest must be declared
- At the start of each meeting the chair will ask members if a new COI has arisen
- A Conflict of Interest may be:
  - 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?**



# VIDEO-CONFERENCE GUIDELINES

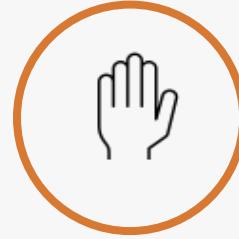
## Participant guidelines



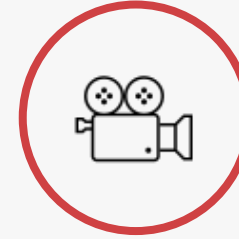
Mute during presentations



Use the chat box



Use the raise hand function



If you can, please keep your camera on i

## Notes from us



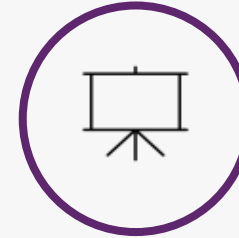
Treat info as confidential



Meeting is being recorded



We will follow up with minutes

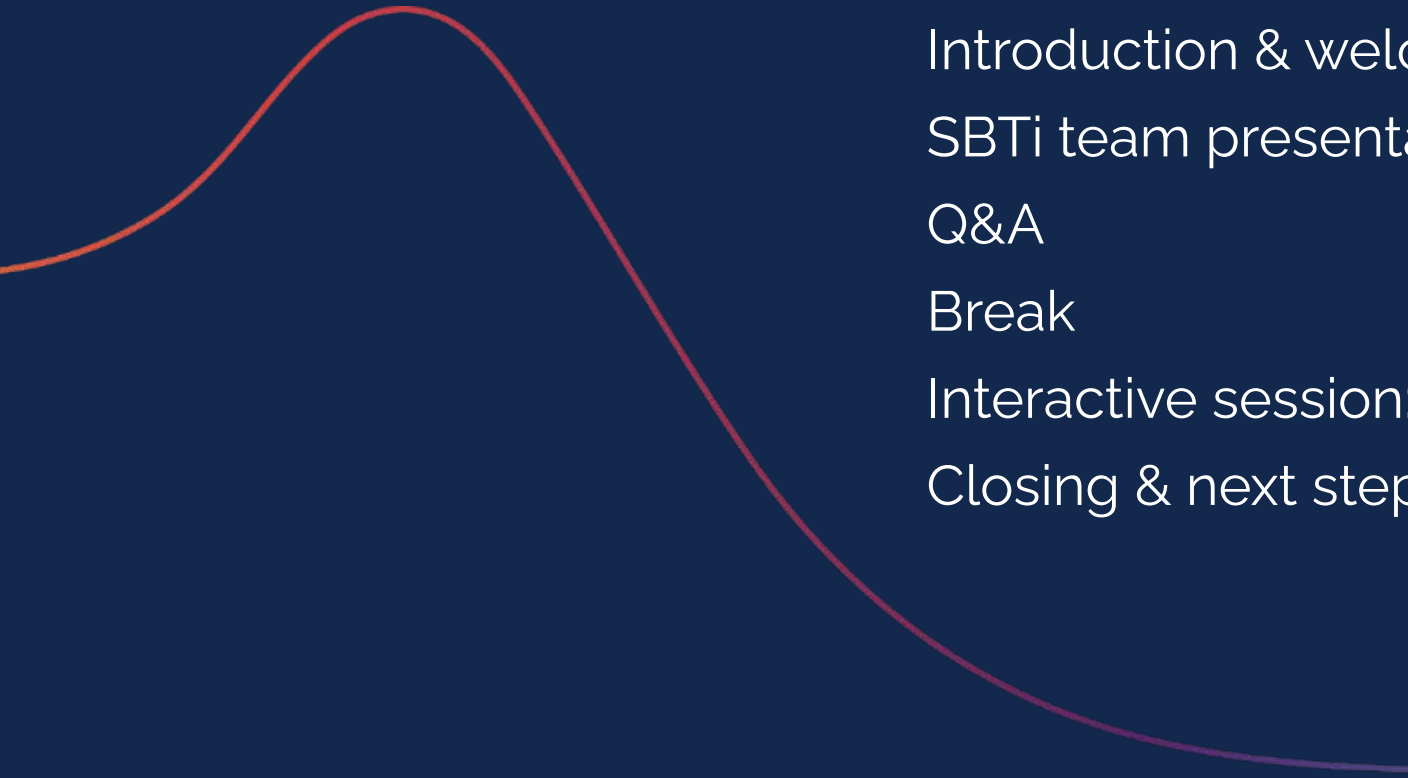


..And we will follow up with slides!

Finally, please have your devices ready to use...



# AGENDA



Introduction & welcome	15 min
SBTi team presentation: context setting	20 min
Q&A	15 min
Break	5 min
Interactive session: “what counts”?	60 min
Closing & next steps	5 min

# Reminder of the EWG meeting schedule....

We  
are  
here!

Virtual meetings

In-person

16th April

28th April (TBC)

30th April (TBC)

8th May (TBC)

Date TBD

## What counts?

(pt 1)

Mechanisms, Methods, Timings

## Cross-EWG

Informational  
session on  
claims

## How much?

Carbon prices,  
Emissions  
coverage

## What counts?

(pt 2)

BVCM Removals  
w/CDR EWG

## Who is eligible?

Target  
performance


## Cross cutting themes.

BVCM Claims,  
Scope 3,  
Quality criteria

# Let's align on our group vision for BVCM in the CNZS 2.0... here is some inspiration!

**PROBLEM STATEMENT**

There are an insufficient number of companies funding and delivering BVCM consistently and at a scale commensurate with the magnitude of the climate crisis.



**VISION**

A critical mass of companies are going beyond science-based targets to also fund and deliver BVCM, collectively contributing a significant volume of finance and mitigation to address the climate crisis.



<i>SBTi technical foundations to design and implement science-based targets shall be based on the following principles:</i>	
<b>Ambitious</b>	Ensure that entities decarbonise in line with the ambition required to limit warming 1.5°C with no or limited overshoot.
<b>Rigorous</b>	Use the best available science, from authoritative sources, such as Intergovernmental Panel on Climate Change (IPCC), International Energy Agency and similar or related sources, and best practice in climate target setting and climate mitigation at the time of standard development
<b>Transparent</b>	Ensure all relevant information is publicly available, and transparently documented, including explicit statements of assumptions and calculation procedures.
<b>Robust</b>	Meaningfully represent the climate performance of an entity, , and be consistent over time to enable credible claims throughout the target-setting and implementation journey, while reaching for a maximum level of comparability across entities
<b>Actionable</b>	Ensure all technical foundations are practical to design and implement leading to measurable action and progress in climate performance
<b>Equitable</b>	Reflect a transition to net-zero that recognizes the differentiation needed for entities of varying sizes, types, sectors, and geographies to undertake a science-based decarbonization journey that strives for equity
<b>Responsible</b>	Reflect a transition to net-zero that emphasizes low risk of adverse outcomes across planetary boundaries and avoids adverse outcomes for broader sustainability goals.





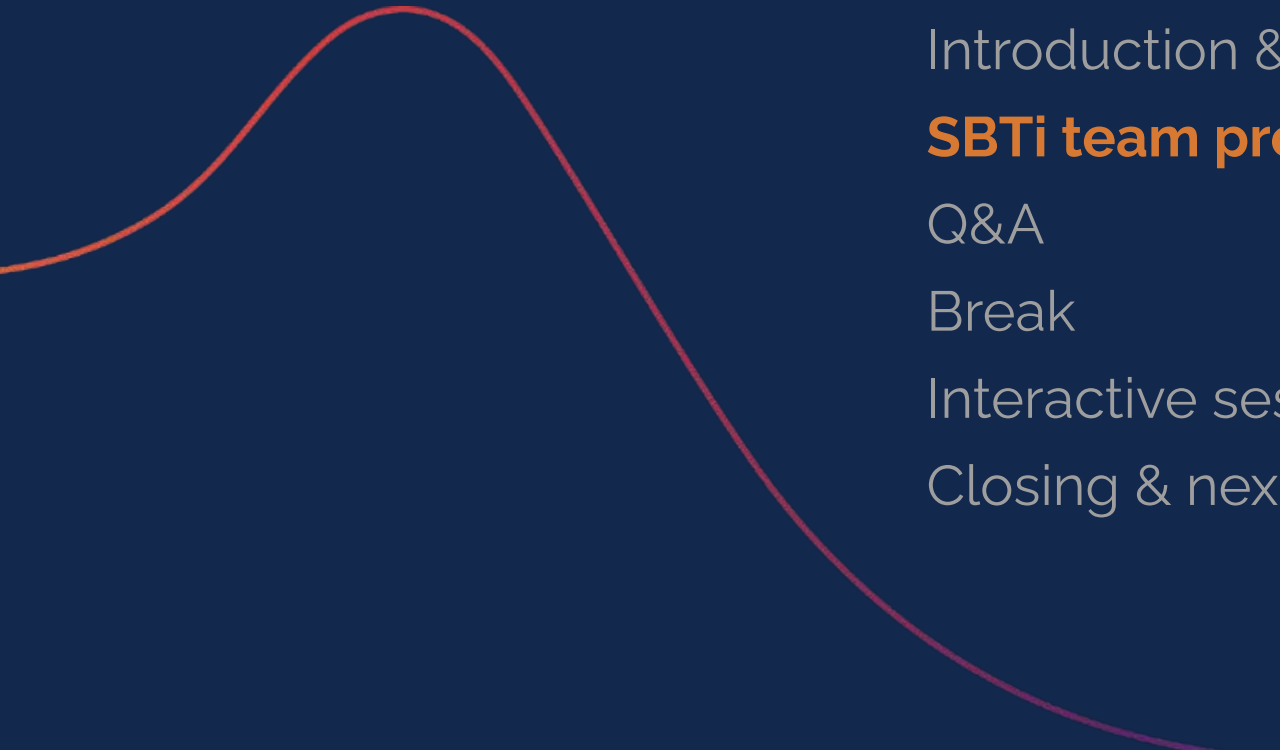
***What shared outcome anchors will keep us aligned with our vision for BVCM?***

*Join us on Mentimeter!*



Group exercise

# AGENDA



Introduction & welcome	15 min
<b>SBTi team presentation: context setting</b>	<b>20 min</b>
Q&A	15 min
Break	5 min
Interactive session: “what counts”?	60 min
Closing & next steps	5 min

# BVCM is a recommendation in V1.0 of the Standard



## "R9 — Beyond value chain climate mitigation:

**Companies should take action or make investments outside their own value chains to mitigate GHG emissions in addition to their near-term and long-term science-based targets.**

**For example, a company could provide annual support to projects, programs and solutions that provide quantifiable benefits to climate, especially those that generate additional co-benefits for people and nature.**

**Companies should report annually on the nature and scale of those actions pending further guidance."**

# In February 2024, the SBTi published two new reports on BVCM

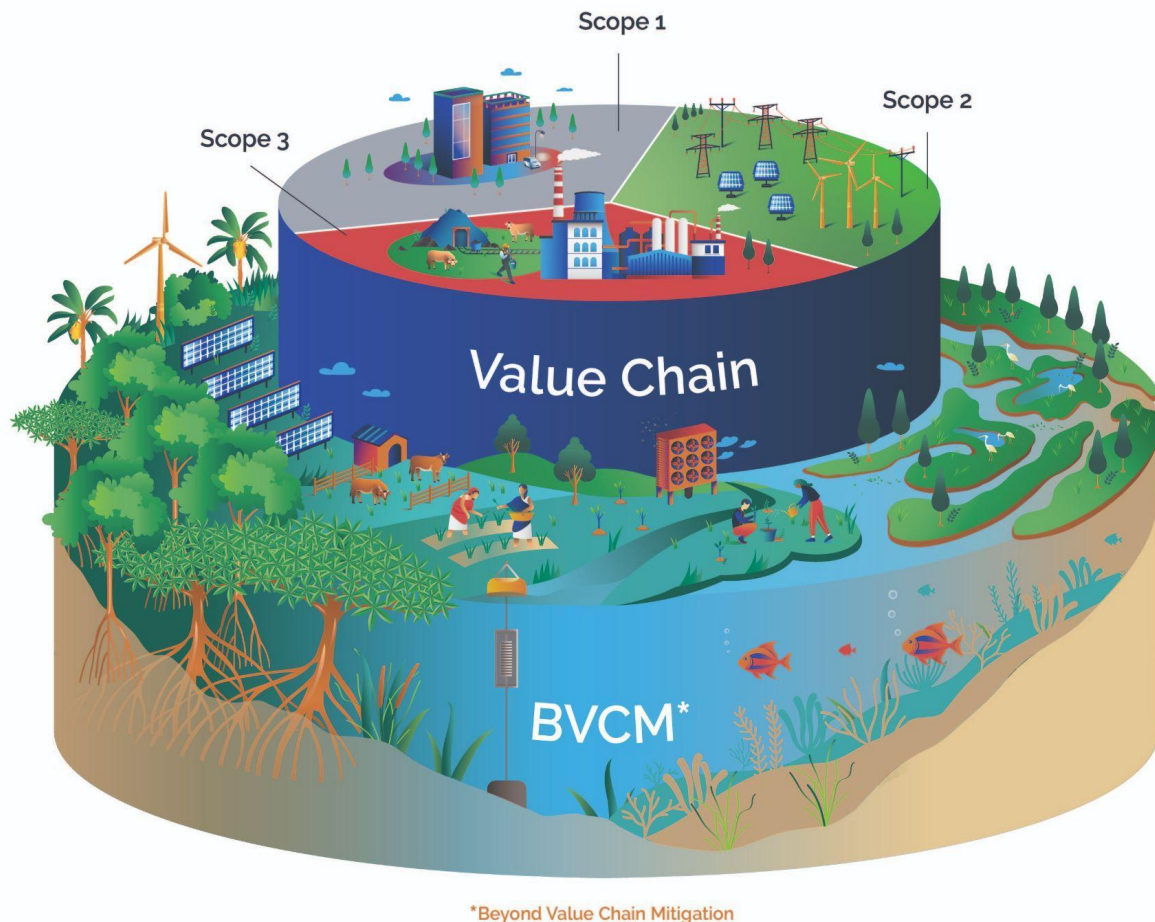


The “**Above and Beyond**” BVCM report was developed to support companies in the design and implementation of BVCM strategies to accelerate progress towards global net-zero.

The “**Raising the Bar**” BVCM report draws upon SBTi research on barriers and incentives for BVCM and proposes recommendations for a range of actors to accelerate corporate adoption and implementation of BVCM.



# The “Above and Beyond” report clarified the definition, purpose & timing of BVCM



**DEFINITION:** Mitigation action or investments that fall **outside a company's value chain**, including activities that **avoid or reduce** GHG emissions, or **remove and store GHGs** from the atmosphere.

**PURPOSE:**

- BVCM enables companies to **accelerate the global net-zero transition** by helping other economic and social actors to reduce and / or remove GHG emissions.
- BVCM allows companies to **take responsibility for unabated emissions** that continue to be released into the atmosphere as they progress towards the delivery of their science-based targets.

**TIMING:** Once a company has set a net-zero target, it is encouraged to take **immediate and consistent action to deliver BVCM** each year as it transitions to net-zero.



# It also defined Goals and Principles to be used to inform a BVCM strategy...

## BVCM GOALS



Deliver **additional near-term mitigation outcomes** to achieve the peaking of global emissions in the mid-20s and the halving of global emissions by **2030**.



Drive **additional finance into the scale-up of nascent climate solutions and enabling activities** to unlock the systemic transformation needed to achieve net-zero by **mid-century** globally.

## BVCM PRINCIPLES



**SCALE**  
Maximizing climate mitigation



**FINANCING NEED**  
Focusing on under-financed mitigation



**CO-BENEFITS**  
Supporting the SDGs



**CLIMATE JUSTICE**  
Addressing inequality

# ... alongside “Principle-aligned” mitigation opportunities

## SCALE: MAXIMIZE CLIMATE OUTCOMES

Companies should fund mitigation activities that:

- Deliver the maximum verifiable near-term mitigation impact given the financial resources available
- Prevent ecological and climate tipping points
- Avoid high-carbon technology or infrastructure lock-in
- Have the potential to have cascading positive impacts and deliver long-term systemic change
- Are focused at the jurisdictional or landscape level

## FINANCING NEED: FOCUS ON UNDER-FINANCED MITIGATION

Companies should fund mitigation activities that:

- Need private sector finance to support delivery (and potentially enhancement) of NDCs to the Paris Agreement
- Are in need of concessional or debt-free finance due to limited return on investment, longer payback periods or higher investment risk

## CO-BENEFITS: SUPPORT THE SDGS

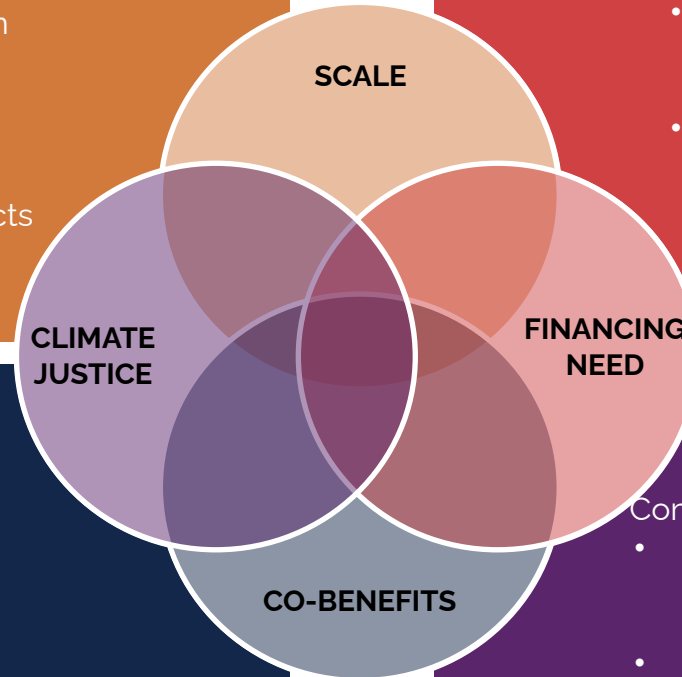
Companies should fund mitigation activities that:

- Deliver co-benefits such as adaptation, resilience, livelihoods, water security, biodiversity

## CLIMATE JUSTICE: ADDRESS INEQUALITY

Companies should fund mitigation activities that:

- Are in countries with comparatively low per capita emissions that are exposed to greater temperature variability
- Support disadvantaged and marginalized groups most impacted by climate change
- Support and ensure the leadership and ownership efforts of Indigenous Peoples and local communities
- Support the just transition to net-zero



# The report also described a “four step process” for designing and implementing a BVCM strategy



## Step 1: Set and Work to Deliver a Net-Zero Target

- 1.1 Develop and disclose a full GHG emissions inventory
- 1.2 Set, submit, validate and disclose an SBTi net-zero target
- 1.3 Develop, disclose and work towards a net-zero aligned climate transition plan

## Step 2: Establish a BVCM Pledge

- 2.1 Determine the business case and strategic objectives for BVCM
- 2.2 Define the time period of the BVCM pledge
- 2.3 Define the scale of the BVCM pledge

## Step 3: Take Action to Deliver BVCM

- 3.1 Define quality standards and guardrails for BVCM activities and investments
- 3.2 Deploy resources and finance towards a portfolio of BVCM activities

## Step 4: Report BVCM Activities and Outcomes

- 4.1 Establish a BVCM MRV framework
- 4.2 Report annually on BVCM activities, investments and outcomes
- 4.3 Make transparent and accurate BVCM claims

# In Step 2, companies are encouraged to choose one of three methods for determining the scale of the BVCM pledge

## Three methods for determining the scale of the BVCM pledge

### TON-FOR-TON METHOD

A company delivers BVCM proportional to the climate impact of a defined percentage of its unabated GHGs emissions.

E.g., for every 1 tCO<sub>2</sub>e of unabated emissions, the company delivers 1 tCO<sub>2</sub>e of BVCM.



### MONEY-FOR-TON METHOD

A company channels finance towards BVCM by applying a price of carbon to its unabated GHG emissions.

E.g., for every 1 tCO<sub>2</sub>e of unabated emissions, the company deploys USD 100 into BVCM.



### MONEY-FOR-MONEY METHOD

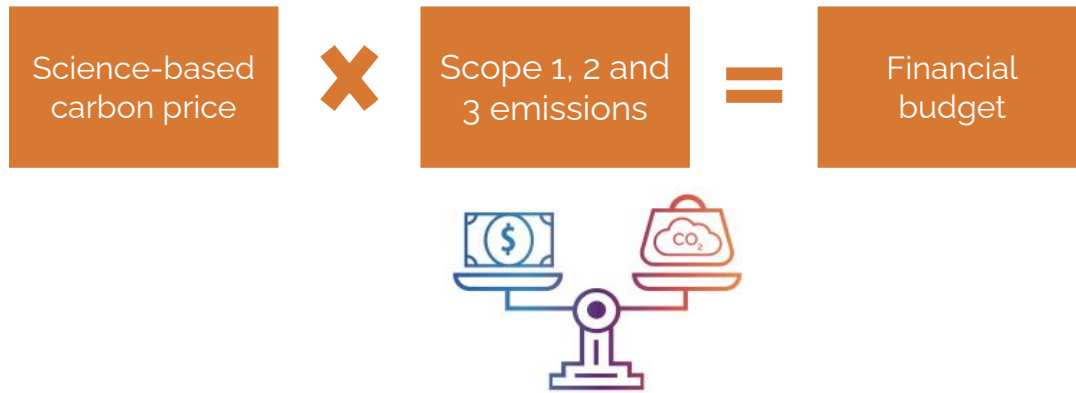
A company channels finance towards BVCM based on defined share of profit or revenue.

E.g., the company allocates 1% of its profit each year towards BVCM.



# SBTi proposed a best practice approach which essentially embeds the ton-for-ton method within money-for-ton

## 1) Apply a science-based carbon price to unabated scope 1, 2 and 3 emissions to determine a financial budget



The SBTi considers **science-based carbon prices** to represent the economic value of GHG emissions, based on:

- robust scientific assessment of the external cost of GHG emissions (the costs of emissions that the public pays for);
- robust scientific assessment of the expected costs associated with achieving a 1.5°C pathway; and/or
- the true and complete cost to fully and permanently abate a given GHG emission.

## 2) Use this budget to fund a combination of near-term BVCM outcomes (aligned with Goal 1) and long-term BVCM finance (aligned with Goal 2), as well as wider categories of climate action.

- Use a portion of the budget to deliver ex-post BVCM outcomes\* equivalent to 50% of unabated scope 1-3 emissions (i.e. 50% ton-for-ton).
- Use the remaining budget to fund a chosen combination of:
  - Additional ex-post BVCM outcomes;
  - The scale up of nascent climate solutions and enabling activities;
  - Adaptation and/ or loss and damage.



**BVCM GOAL 1:** Deliver additional near-term mitigation outcomes to achieve the peaking of global emissions in the mid-20s and the halving of global emissions by 2030.

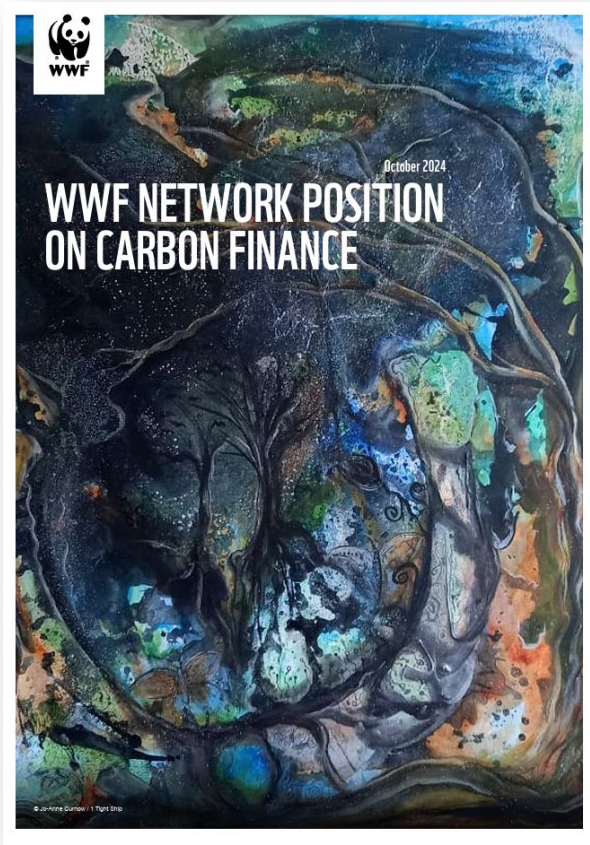
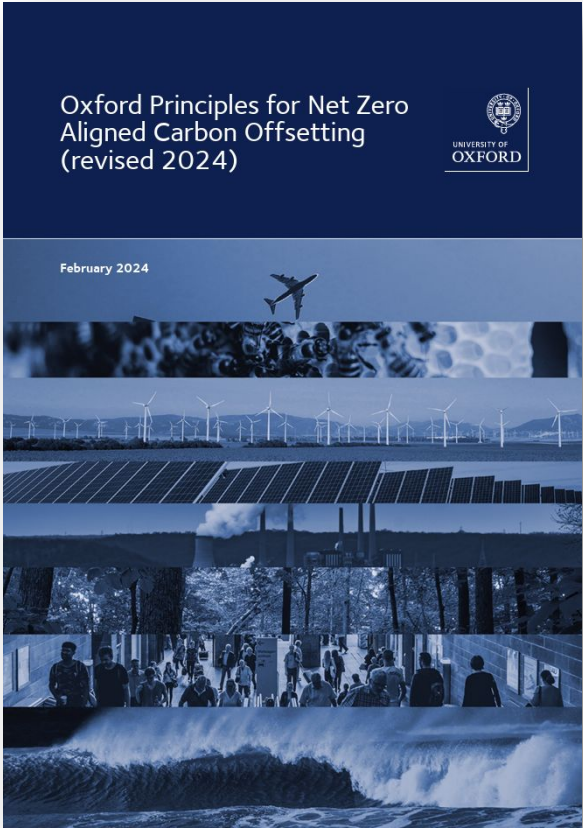


**BVCM GOAL 2:** Drive additional finance into the scale-up of nascent climate solutions and enabling activities to unlock the systemic transformation needed to achieve net-zero by mid-century globally.

\* SBTi states that ex-post BVCM outcomes should be quantified mitigation, generated in respect of or representing mitigation from 2021 onward and measured in tCO<sub>2</sub>e.



# Since the launch of the SBTi BVCM reports, a number of other organizations have published related guidance



# The SBTi “Raising the Bar” report describes a “problem statement” and a “vision” for accelerating adoption of BVCM

## PROBLEM STATEMENT

There are an insufficient number of companies funding and delivering BVCM consistently and at a scale commensurate with the magnitude of the climate crisis.

## VISION

A critical mass of companies are going beyond science-based targets to also fund and deliver BVCM, collectively contributing a significant volume of finance and mitigation to address the climate crisis.



# SBTi research indicates that tax incentives and validation of claims are likely to be the most effective BVCM incentives

The top ranked action that SBTi could take to incentivize BVCM was to establish clear criteria, validate targets and provide extra credit.

## Fear of greenwash accusation and lack of a credible BVCM claim were cited by corporates, FIs and SMEs as the top barriers preventing BVCM funding

### Corporate, FI and SME ranking of barriers (mean)

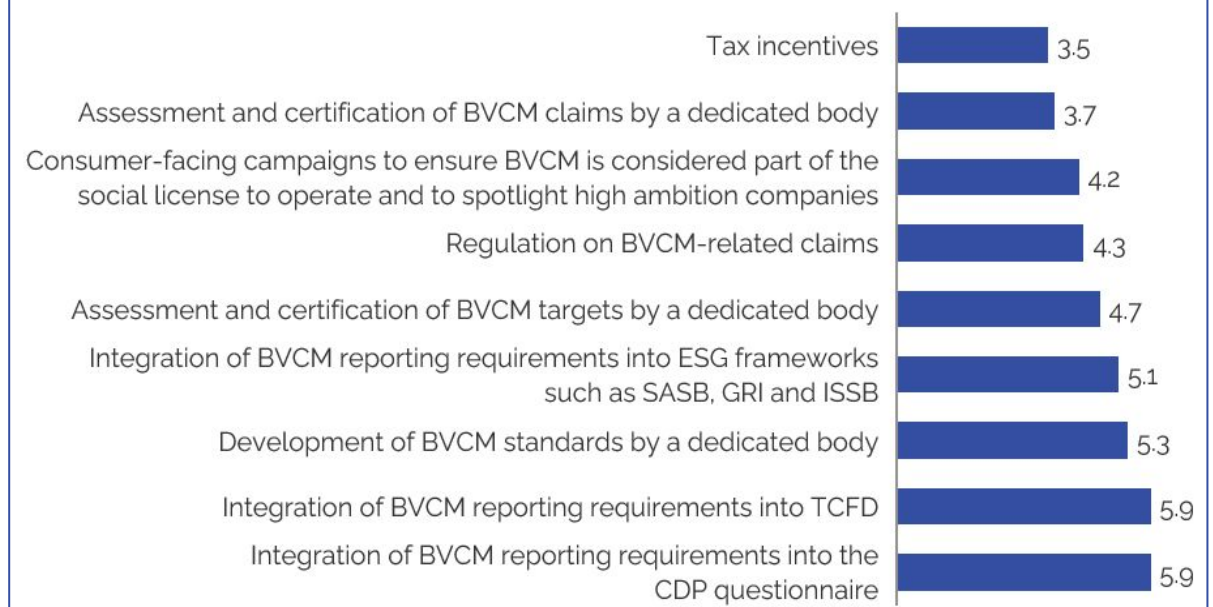
*The lower the number the more significant the barrier*



## Tax incentives and assessment of BVCM claims were identified as the top new incentive mechanisms in terms of their potential impact in driving BVCM funding

### Corporate, FI and SME ranking of incentives (mean)

*The lower the number the more impactful the incentive*



# In the V2.0 consultation, the SBTi is proposing to recognize BVCM as an optional leadership practice

Why is SBTi proposing that BVCM should be recognized as a leadership practice?

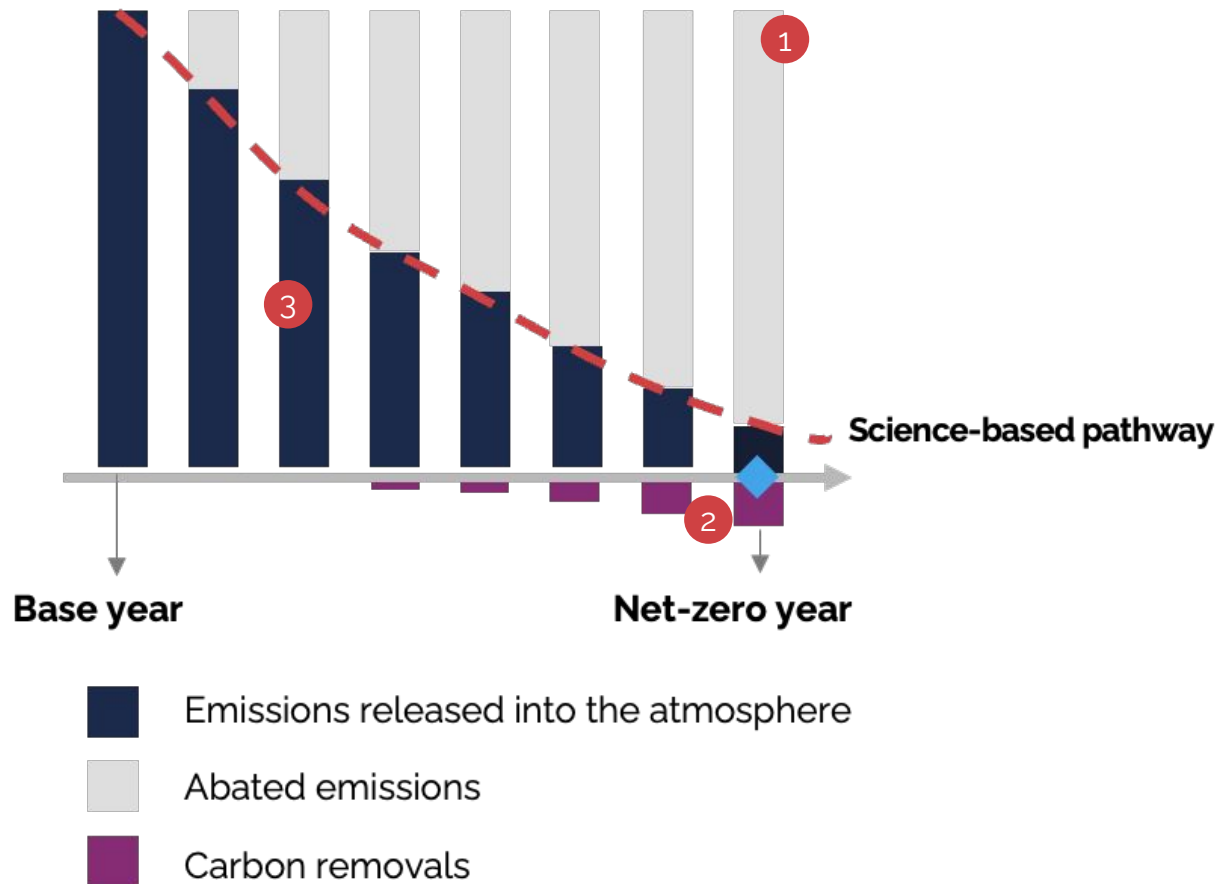
- The draft Version 2.0 aims to **further incentivize BVCM** by introducing **optional additional recognition** for companies that take science-based action to decarbonize across their operations and value chain and take responsibility for the impact of their ongoing emissions during the transition to net-zero.
- Optional recognition – rather than a mandatory requirement that applies to all companies – **acknowledges that not all companies have the same resources or capacity** but offers a clear incentive for those who choose to demonstrate enhanced climate leadership.

BVCM is a mechanism to address ongoing emissions

- BVCM is positioned as a **mechanism for companies to take responsibility for their ongoing emissions** – those released while a company is still in the process of decarbonizing.
- Ongoing emissions are **distinct from residual emissions**, which refer to the emissions that remain at the net-zero target year after all feasible abatement measures have been implemented.
- Because BVCM focuses on ongoing emissions, **companies are encouraged to take immediate action during the transition**, rather than waiting until they reach their net-zero target.

# THE ROLE OF BVCM IN THE IMPACT MODEL OF THE DRAFT CORPORATE NET-ZERO STANDARD V2.0


*Illustrative net-zero pathway for company*



- 1 Target-setting:** Companies are **required** to set targets to abate the emissions associated with their operations, products and supply chains,
- 2 Residual emissions:** Companies are incentivized to address the impact of projected residual emissions from the net-zero target year and, increasingly, in the period leading up to it through removals and/or additional scope 1 emissions reductions (options under consultation) (new).
- 3 Ongoing emissions:** Companies are recognized for taking responsibility for the emissions released into the atmosphere during their transition to net-zero by contributing to mitigation outside their value chains (new).




# AGENDA




Introduction & welcome	15 min
SBTi team presentation: context setting	20 min
<b>Q&amp;A</b>	<b>15 min</b>
Break	5 min
Interactive session: “what counts”?	60 min
Closing & next steps	5 min

# AGENDA



Introduction & welcome	15 min
SBTi team presentation: context setting	20 min
Q&A	15 min
<b>Break</b>	<b>5 min</b>
Interactive session: “what counts”?	60 min
Closing & next steps	5 min

# AGENDA



Introduction & welcome	15 min
SBTi team presentation: context setting	20 min
Q&A	15 min
Break	5 min
<b>Interactive session: “what counts”?</b>	<b>60 min</b>
Closing & next steps	5 min

# Criteria and recommendations mapped to the EWG focus topics

1

## What counts?

### C21.5

Companies shall take responsibility for ongoing emissions through BVCM measures, for example, high-integrity carbon credit purchases, direct financing of mitigation projects, or conservation of carbon in natural ecosystems.

### C21.3

Companies shall make contributions to address ongoing emissions:

- i. Option 1: On an annual basis over the course of the target timeframe.
- ii. Option 2: For the duration of the target timeframe at the end of the target cycle.

### R21.2

Companies should prioritize BVCM actions that provide substantial sustainability co-benefits, such as those that help preserve natural carbon stocks with high biodiversity value and contribute to social well-being.

### R21.3

Beyond value chain measures should lead to measurable mitigation outcomes within the period for which companies are taking responsibility and should adhere to high-integrity standards, including social and environmental standards.

### R21.4

If using carbon credits to address ongoing emissions, companies should aim to address 100% of their remaining emissions in line with recognized third-party frameworks

2

## How much?

### C21.1

Companies shall determine and publicly report total ongoing emissions across scopes 1, 2 and 3 that were released into the atmosphere over the previous target timeframe.

### C21.2

Companies shall take responsibility for emissions released into the atmosphere throughout the target timeframe, addressing, at a minimum, the impact of the following emissions:

- i. Option 1: Total emissions across scopes 1, 2 and 3.
- ii. Option 2: Total scope 1 and 2 emissions, and a portion of scope 3 emissions.

### C21.4

Companies shall use the method(s) described [in the SBTi Report on the Design and Implementation of BVCM] to determine the scale of their contributions towards taking responsibility for ongoing emissions

### R21.5

Companies should calculate and take responsibility for historic emissions.

3

## Who is eligible?

### C21.6

Companies shall be eligible for recognition for taking responsibility for ongoing emissions provided that they can demonstrate:

- i. Option 1: Achievement of their science-based targets.
- ii. Option 2: Meaningful progress against their science-based targets (NOTE: To be refined through consultation process).

4

## What do they need to demonstrate?

### C22.1

Companies shall report the proportion of ongoing emissions for which they are taking responsibility.

### C22.2

Companies shall report the financial contribution they have made to address ongoing emissions.

### C22.3

Companies shall include a detailed description of the measures employed, including the type of actions undertaken (e.g. high-integrity carbon credit purchases, direct financing of mitigation projects, conservation efforts).

### C22.4

Actions taken to address remaining emissions shall not be deducted from, or netted against, the company's GHG emissions inventory and shall not be counted towards abatement targets.

### R21.1

Companies should follow the process for designing and implementing high-integrity and high-impact BVCM strategies as described in the SBTi Report on the Design and Implementation of BVCM.

# Understanding the dependencies: Why we will start with “what counts” (and why we will need to revisit it)

Our **first priority in this group is to define “What counts”** — the eligible mechanisms and interventions that can be recognized for addressing the impact of ongoing emissions. **This is an essential and foundational decision.**

*However, this is not a linear process....*



# Understanding the dependencies: Why we will start with “what counts” (and why we will need to revisit it)

Our **first priority in this group is to define “What counts”** — the eligible mechanisms and interventions that can be recognized for addressing the impact of ongoing emissions. **This is an essential and foundational decision.**

*However, this is not a linear process....*

## Removals

The Removals EWG is defining what counts as eligible removals, particularly considering durability. Our choices on eligible mechanisms for BVCM will need to align with these definitions to ensure consistency across the standard – and to avoid overlap.

## Timeframes

Different BVCM mechanisms imply different delivery timelines. For example, equity investments may take longer to deliver outcomes than carbon credit purchases. The mechanisms we include will directly influence acceptable time horizons for BVCM contributions.

Interconnected with  
“what counts”



## Scope 3

Decisions in the Scope 3 EWG, especially around activity pools and indirect mitigation are critical. We must avoid overlap or gaps between BVCM and scope 3 accounting frameworks.

## Quality criteria and claims

If we allow for uncertain or hard-to-measure mechanisms, we will need to define clear quality standards, MRV systems, and assurance frameworks to safeguard credibility and enable reliable claims.

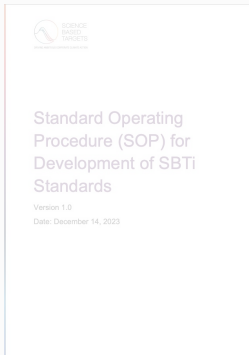
## Progress against science based-targets

Eligibility for BVCM recognition will depend on company progress towards their SBTs. This links directly to discussions in the Claims group, which will shape the role of value chain target achievement and target progress claims.

# How specific do we need to be in defining “what counts”?

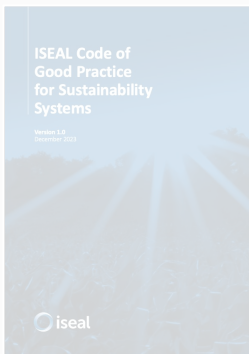
## Defining criteria: What SBTi SOP and ISEAL require

### *SBTi Standard Operating Procedure (SOP)*



- Drafted for **assessable conformity across any entity** within the scope of the standard
- **Minimize ambiguity** in interpretation
- May include **process, monitoring, performance and / or outcome requirements** that can be validated
- State **requirements and guidance clearly**, including where they apply in the journey

### *ISEAL code of good practice*



- **Auditable, verifiable, and measurable**
- **Clear and precise**, with uniform interpretation
- **Objective and unambiguous**, with logical structure
- Supported by **defined minimum evidence** for assessment



## What does this mean for defining “what counts”?

*We need to define criteria that are:*

### **Clear on eligible interventions**

→ What activities & mechanisms qualify, and which do not (e.g. considering vintage)?

### **Specific on boundaries & exclusions**

→ What's BVCM vs Scope 1-3 decarbonization or indirect mitigation?

### **Explicit on quality thresholds**

→ What's the minimum bar for safeguards?

### **Anchored in clear evidence requirements**

→ What's the minimum evidence must companies provide?

### **Verifiable through defined verification approaches**

→ Who checks, when, and how?

### **Transparent on reporting & claims**

→ How to disclose & communicate claims and actions credibly?

# Recap on “what counts” as per the 2024 “Above and Beyond” report

## BVCM GOALS

## BVCM PRINCIPLES

### 1 SCALE: MAXIMIZE CLIMATE OUTCOMES

Companies should fund mitigation activities that:

- Deliver impact
- Prevent
- Avoid in
- Have to and de
- Are fo

### FINANCING NEED: FOCUS ON UNDER-FINANCED MITIGATION

Companies should fund mitigation activities that:

### SBTi's proposed best practice approach

1

**Apply a science-based carbon price to unabated scope 1, 2 and 3 emissions<sup>iv</sup>** each year or over a defined commitment period to determine a financial budget. Annex E provides further information on science-based carbon pricing.

2

**Use this budget to fund a combination of near-term BVCM outcomes (aligned with BVCM Goal 1) and long-term BVCM finance (aligned with BVCM Goal 2), as well as wider categories of climate action** (see Annex C for further information on these wider categories of climate action).

- As a guide, given the critical urgency of mitigation this decade, the SBTi recommends that companies use a portion of the budget each year to deliver ex-post, quantified mitigation outcomes-generated in respect of or representing mitigation from 2021 onward and measured in tCO<sub>2</sub>e-equivalent to at least 50% of the company's remaining scope 1, 2 and 3 emissions.<sup>v</sup> It is recommended that these emissions reductions and removals are verified by third parties using standardized methodologies and that they adhere to high-quality criteria.

### CO-BENE

Companies  
• Deliver  
livelihood

# The “method for determining” the scale of the activity has an impact on “what counts”

## TON-FOR-TON METHOD

E.g., for every 1 tCO<sub>2</sub>e of ongoing emissions, the company delivers 1 tCO<sub>2</sub>e to take responsibility.



## MONEY-FOR-TON METHOD

E.g., for every 1 tCO<sub>2</sub>e of ongoing emissions, the company contributes USD 100 to take responsibility.



## MONEY-FOR-MONEY METHOD

E.g., the company allocates 1% of its profit to take responsibility for ongoing emissions..



Only measurable mitigation can count since the target is framed based on tCO<sub>2</sub>e.

### Questions include, e.g.,

- Do avoided emissions, emissions reductions and/or removals count?
- What about product-related avoided emissions?
- What about maintaining the sink function of natural ecosystems?
- Does it have to be ex-post?
- When does the mitigation have to occur?
- Does it have to be verified?
- Does the mitigation have to occur beyond the scope 1, 2 and 3 inventory?
- What mechanisms can be used to fund it?

In theory, anything can count since the target is framed based on money.

### Questions include, e.g.,

- Should it be limited to mitigation or could it include other pillars of climate action e.g., adaptation and/or loss and damage?
- Could it fund social activities e.g., support for just transition?
- Do outcomes need to be measurable?
- Do outcomes need to be certain?
- +++



## Group exercise

***Should the SBTi require that companies opting in for leadership recognition through BVCM follow the money-for-ton method or should use of other methods such as ton-for-ton and money-for-money also be allowed?***



# What do we mean when we say “what counts” for addressing ongoing emissions?

- |   |  |  |
|---|--|--|
| 1 | What activity is being supported or funded                   | e.g. forest conservation, REDD+, DACCS, policy advocacy, grid infrastructure development, enabling environments, etc.  |
| 2 | What type of outcome it delivers                             | i.e. whether the intervention results in emissions avoidance, reduction, or removal – or even whether it supports other climate outcomes like adaptation or loss and damage, or even social outcomes like just transition.   |
| 3 | When the outcome is expected to occur                        | i.e., whether the outcome is expected to occur within the same period in which the company is taking responsibility for its ongoing emissions. This includes whether outcomes must be delivered ex-post (already achieved) or whether ex-ante (anticipated or forward-looking) outcomes are also eligible. |
| 4 | How certain and measurable the outcome is                    | e.g. level of certainty and quantifiability of the mitigation outcomes. Some outcomes (like engineered removals) may be highly measurable, while others (e.g. advocacy or enabling actions) may be harder to quantify but still high-impact.   |
| 5 | How the activity is being supported                          | e.g. via carbon credit purchases, direct investments, grants, loans, blended finance, R&D, strategic partnerships, or in-kind contributions like time and expertise.   |
| 6 | What quality criteria apply                                  | e.g. additionality, permanence, leakage risk, fungibility, avoidance of double counting and presence of social and environmental safeguards. These are needed to ensure credibility.   |
| 7 | The relationship to the value chain (spatially & temporally) | i.e. does the intervention sit clearly outside the company's Scope 1, 2, and 3 emissions? And will it impact the inventory in the near or long term? Important to avoid double-counting.   |
| 8 | Whether it is eligible to be “counted” elsewhere             | e.g. whether the intervention might instead be recognized under removal targets, scope 3 activity pool mitigation, or scope 3 indirect mitigation – as defined in other Expert Working Groups. Important to avoid double-counting.   |

# What do we mean when we say “what counts” for addressing ongoing emissions?

1	What activity is being supported or funded	e.g. forest conservation, REDD+, DACCS, policy advocacy, grid infrastructure development, enabling environments, etc.
2	What type of outcome it delivers	i.e. whether the intervention results in emissions avoidance, reduction, or removal – or even whether it supports other climate outcomes like adaptation or loss and damage, or even social outcomes like just transition.
3	When the outcome is expected to occur	i.e., whether the outcome is expected to occur within the same period in which the company is taking responsibility for its ongoing emissions. This includes whether outcomes must be delivered ex-post (already achieved) or whether ex-ante (anticipated or forward-looking) outcomes are also eligible.
4	How certain and measurable the outcome is	e.g. level of certainty and quantifiability of the mitigation outcomes. Some outcomes (like engineered removals) may be highly measurable, while others (e.g. advocacy or enabling actions) may be harder to quantify but still high-impact.
5	How the activity is being supported	e.g. via carbon credit purchases, direct investments, grants, loans, blended finance, R&D, strategic partnerships, or in-kind contributions like time and expertise.
6	What quality criteria apply	e.g. additionality, permanence, leakage risk, fungibility, avoidance of double counting and presence of social and environmental safeguards. These are needed to ensure credibility.
7	The relationship to the value chain (spatially & temporally)	i.e. does the intervention sit clearly outside the company's Scope 1, 2, and 3 emissions? And will it impact the inventory in the near or long term? Important to avoid double-counting.
8	Whether it is eligible to be “counted” elsewhere	e.g. whether the intervention might instead be recognized under removal targets, scope 3 activity pool mitigation, or scope 3 indirect mitigation – as defined in other Expert Working Groups. Important to avoid double-counting.

**Covered in future sessions**

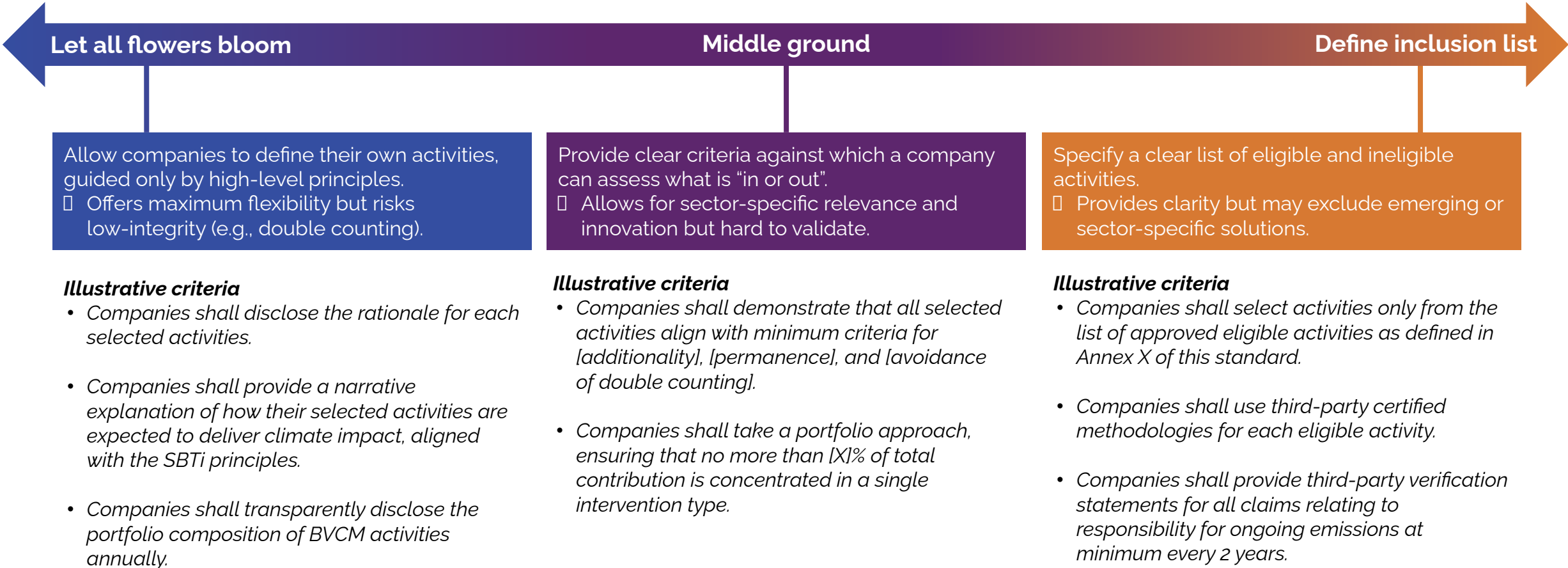
# We must provide clarity on the activities that companies can support or fund to be eligible

1

What activity is being supported or funded

e.g. forest conservation, REDD+, DACCS, policy advocacy, grid infrastructure development, enabling environments, etc.

We can choose to define criteria for eligible activities in a prescriptive, flexible, or balanced (middle-ground) way.





***How strictly should we define the scope of activities that “count” towards BVCM claims?***



Group exercise



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# Group exercise



## Breakout Exercise: Defining “what counts” through the lenses of: *Outcomes, Timing, Measurability and Funding Mechanisms*



### Group exercise

- You'll be sent into breakout groups, with assigned 'lenses' per group
- Review the example table and follow the activity instructions on the board
- Nominate one person to report back for your group
- You'll have 20 minutes to discuss, then 20 minutes for report-back
- This is a first step—we'll send a follow-up survey for more structured feedback



# Note: For the group tackling #5 - please note that this has some influence on the timescale over which companies could make BVCM contributions

**Consultation Question 88:** Which timescale do you support for most companies making BVCM contributions to address ongoing emissions?

- Option 1: On an annual basis
- Option 2: At the end of the target cycle
- Option 3: Flexible to either option
- I don't agree with any/ unsure/ not relevant to me

**Dilemma: BVCM contribution timing is influenced by the nature of the activity. How do we balance simplicity and comparability with diverse contribution timelines?**

Contribution Type	Option A: On an annual basis	Option B: At the end of the target cycle (5 years)
<b>1. Carbon credits</b> (annual purchases)	✓ Straight forward for the company as credits purchased on an annual basis and aligns with annual reporting cycle.	✓ Not difficult to aggregate annual purchases. ! Less visibility on annual performance.
<b>2. Concessional loan</b> (7-year term)	! Loan is issued upfront, hard to allocate impact across years.	! Loan term exceeds cycle; full impacts likely delayed.
<b>3. Catalyst fund</b> (multi-year deployment)	! Fund deployment and impacts may extend beyond a year.	! Fund deployment and impacts may extend beyond cycle.

For SBTi, annual validation of performance claims requires significant capacity.

For SBTi, more manageable to validate performance claims.

**Potential Solution:** In examples 2 and 3, a potential solution is to report full contribution ("money in") in the first year/ first target cycle and report impacts in the year/ target cycle that they materialize/ are verified.

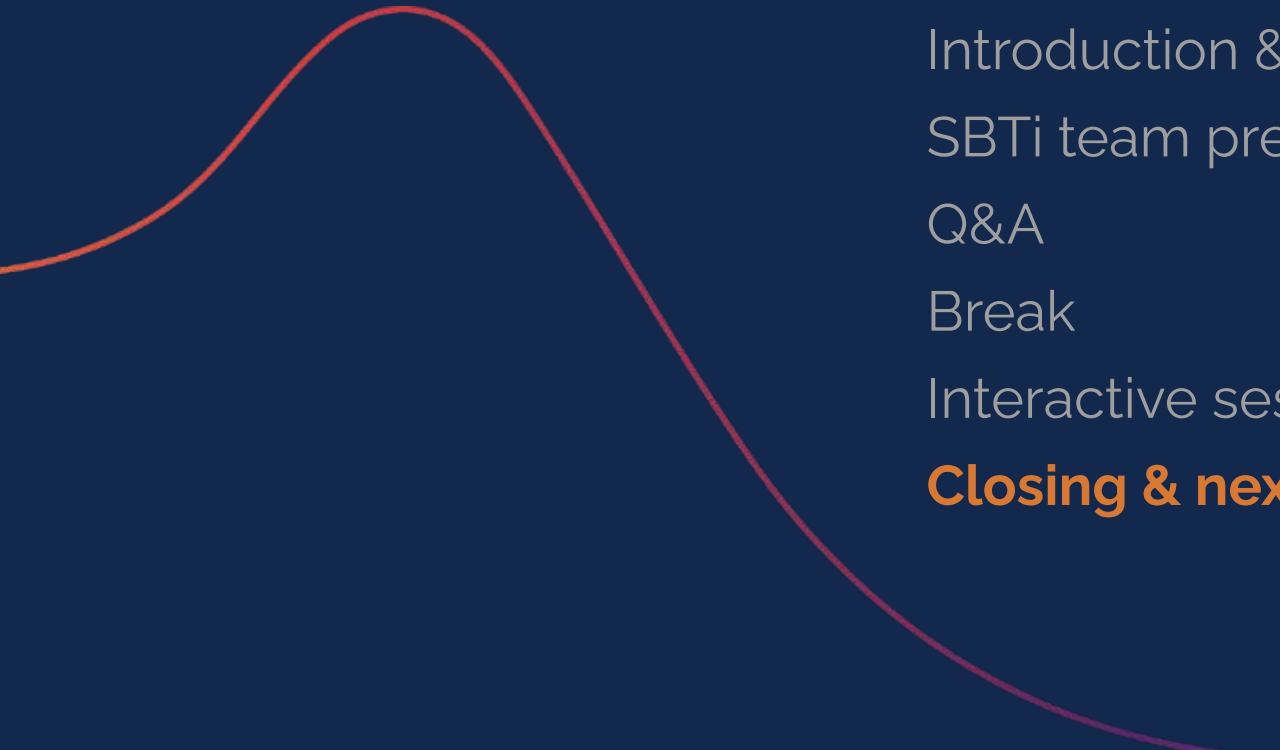


SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# Feedback to plenary

# AGENDA



Introduction & welcome	15 min
SBTi team presentation: context setting	20 min
Q&A	15 min
Break	5 min
Interactive session: “what counts”?	60 min
<b>Closing &amp; next steps</b>	<b>5 min</b>

# Next steps

Next  
meeting

Virtual meetings

In-person

16th April

28th April (TBC)

30th April (TBC)

8th May (TBC)

Date TBC

What counts?

(pt 1)

Mechanisms, Methods, Timings

Cross-EWG

Informational  
session on  
claims

How much?

Carbon prices,  
Emissions  
coverage

What  
counts?  
(pt 2)

BVCM Removals  
w/CDR EWG

Who is  
eligible?

Target  
performance

Cross  
cutting  
themes.

BVCM Claims,  
Scope 3,  
Quality criteria

## What to expect between now and then...



**Post-meeting survey** will be  
shared by EOD tomorrow



Today's **slides and minutes** will be  
uploaded to our shared folder



**Pre-reads** for our next meeting will  
be shared 5 days in advance

# Thank you!

Science Based Targets Initiative is a registered charity in England and Wales (1205768) and a limited company registered in England and Wales (14960097). Registered address: First Floor, 10 Queen Street Place, London, England, EC4R 1BE.

SBTI Services Limited is a limited company registered in England and Wales (15181058). Registered address: First Floor, 10 Queen Street Place, London, England, EC4R 1BE.

SBTI Services Limited is a wholly owned subsidiary of Science Based Targets Initiative.

 [sciencebasedtargets.org](https://sciencebasedtargets.org)

 [@ScienceTargets](https://twitter.com/ScienceTargets)

 [Science Based Targets](https://www.youtube.com/ScienceBasedTargets)

 [/science-based-targets](https://www.linkedin.com/company/science-based-targets)

 [info@sciencebasedtargets.org](mailto:info@sciencebasedtargets.org)