SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# FINANCIAL INSTITUTIONS NET-ZERO STANDARD PROVISIONAL IMPLEMENTATION LIST

Version 1.1

September 2026

# DISCLAIMER

Although reasonable care was taken in the preparation of this document, the Science Based Targets initiative (SBTi) affirms that the document is provided without representation or warranty, either expressed or implied, of the contents of this document, including its accuracy, completeness, sufficiency or fitness for purpose. The SBTi hereby further disclaims any and all duty, liability or responsibility (whatsoever), whether direct or indirect, whether arising in tort, contract or statute or otherwise, for damages or loss relating to the use of this document or any statement or otherwise to the fullest extent permitted by law.

The information (including data) contained in this document is not intended to constitute or form the basis of any advice (legal, financial or otherwise). The SBTi does not accept any duty, liability or responsibility for any claim or loss (whether direct or indirect) arising from any use of or reliance on any data or information contained in this document.

The contents of this document may be cited by anyone provided that the SBTi is cited as the source of the document. Such permission to use does not represent a license to repackage or resell any of the information included in the document. No repackaging or reselling of any of the contents of the document is permitted without the express prior written permission from the SBTi.

The SBTi accepts no liability for the reliability of any information provided by third parties.

All information, opinions and views expressed herein by SBTi are based on its judgment at the time this document was prepared and is subject to change without notice due to economic, political, industry, or firm-specific factors.

The information and any proposed change or modification within this document is preliminary and subject to change based on stakeholder input, organisational needs and other considerations as applicable.

“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.

© SBTi 2026

# VERSION HISTORY

| Version | Change/update description | Release date | Effective dates |
|---|---|---|---|
| 1.0 | First version of the Implementation List—see the Interim Protocol for Usage of Third-Party Methodologies for the SBTi Financial Institutions Net-Zero Standard V1.0 for a summary of the underlying process. | July 22, 2025 | July 22, 2025 - March 15, 2027 |
| 1.1 | In line with the Interim Protocol for Usage of Third-Party Methodologies for the SBTi Financial Institutions Net-Zero Standard V1.0, this annual review focuses primarily on pre-existing eligible methodology versions and taxonomies. It also includes some general language clarifications throughout the document.<br><br>Summary of updates - In Transition<br>● Climate Bonds Standard (CBS) Entity Certification (from Version 4.2 June 2024 to Version 4.3, August 2025)<br>● MSCI Implied Temperature Rise (from February 2024 to March 2026)<br>● Sustainalytics Low Carbon Transition Ratings (from April 2024 to , April 2026)<br>● Moody's Net-Zero Assessments (from December 2024 to March 2026; and Necessary Achievement Score updated to "NZ-1 Leading")<br>● WBA ACT (Accelerate Climate Transition) updated to reference website for eligible underlying sector methodologies ()<br>● MSCI NZIF Assessment (from April 2025 to January 2026; Method name updated to "MSCI NZIF Assessment for entities")<br>● Trucost Paris Alignment (from June 2025 to September 2026)<br>● Poseidon Principles (from Version 5.1, June 2024 to Version 5.2, July 2025)<br>● Sustainable Steel Principles (from February 2023 to February 2025)<br><br>Summary of updates - Climate Solutions:<br>● Climate Bonds Taxonomies (from September 2021 to July 2026)<br>● DIW assessment of taxonomies (from 2024 to August 2026 assessment) | September 18, 2026 | September 18, 2026 |

# CONTENTS

**ABOUT THE SBTi..... 5**
**ABOUT THIS DOCUMENT..... 5**
**1. ELIGIBLE METHODOLOGIES FOR CLIMATE-ALIGNMENT TARGETS..... 6**
1.1 Eligible climate-alignment methodologies for “In Transition”..... 6
1.2 Eligible climate-alignment methodologies for “Climate solutions”..... 9
Implementing the taxonomies..... 11
1.3 Eligible climate-alignment methodologies for “Net-zero state”..... 12
**ANNEX: PREVIOUS VERSIONS..... 13**

# ABOUT THE SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools, and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at the latest.

The SBTi is incorporated as a UK charity, with a subsidiary SBTi Services Limited, which hosts our target validation services. Partner organizations who facilitated SBTi's growth and development are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

# ABOUT THIS DOCUMENT

This document provides a provisional list of climate-alignment methodologies that are eligible for SBTi validation purposes under the Financial Institutions Net-Zero Standard. It includes recognized sources such as temperature scores and taxonomies relevant to target setting.

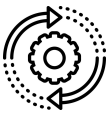
While financial institutions may use these methodologies when preparing targets for validation, this document is temporary and may be replaced once SBTi establishes a formal recognition and interoperability framework. Until then, the information in this document remains valid for financial institution target-setting and validation.

# 1. ELIGIBLE METHODOLOGIES FOR CLIMATE-ALIGNMENT TARGETS

Table 4.2 in the SBTi Financial Institutions Net-Zero Standard details the three categories that count towards climate alignment:

In transition

Climate solutions



Net-zero state

As specified in the Interim Protocol for Usage of Third-Party Methodologies for the SBTi Financial Institutions Net-Zero Standard V1.0, the following methodologies were evaluated as being consistent with the quality criteria and can therefore be used by financial institutions to measure their baseline climate-alignment, as well as establish their climate-alignment targets.

### 1.1 Eligible climate-alignment methodologies for “In Transition”

The following metrics have been evaluated and deemed valid for the purpose of establishing the SBTi Financial Institutions Net-Zero Standard portfolio level climate-alignment targets. While these methodologies meet certain credibility criteria, they may not produce identical outputs as they use different assumptions and approaches. Sources of potential variance include:

1) **Ambition + performance:** Methodologies may only include ambition or an assessment of current progress versus a reference pathway.
2) **Credibility of the targets/credibility of past performance:** Methodologies may consider target credibility and adjust these according to their own assessments.
3) **Sector granularity:** Methodologies may consider different levels of sector granularity and mapping.
4) **Choice of reference scenario:** Methodologies may choose from a range of different eligible 1.5°C scenarios.
5) **Choice of climate-alignment methodology:** Methodologies may choose different budget allocation approaches and time frames for assessing alignment. Methodologies may also include differing requirements for fossil fuel and deforestation.

6) **Data quality used:** Each methodology may use different data, specifically for scope 3 emissions, which is often estimated.

To address potential inconsistencies, SBTi requires that financial institutions clearly indicate the basis of their climate-alignment targets.

*Table 1: Eligible climate-alignment methodologies for "In transition"*

| Counterparty Type | Alignment Metric Type | Methodology | Version | Necessary Achievement/ Score[1] | Status |
|---|---|---|---|---|---|
| Corporate Entity including small- and medium-sized enterprises where available) | Entity-level certification/ validation | Climate Bonds Standard (CBS) Entity Certification | Version 4.3, August 2025 | Level 2 | Eligible as of September 16, 2026 |
| | | SBTi Target Status (valid for either corporate or FI) | Net-zero and/or 1.5°C-validated targets only[2] | | Eligible as of July 22, 2025 |
| | Implied Temperature Rise metrics | CDP-WWF Temperature Scoring Methodology | Version 1.5, September 2024 | 1.5°C | Eligible as of July 22, 2025 |
| | | MSCI Implied Temperature Rise | March 2026 | 1.5°C | Eligible as of September 16, 2026 |
| | | Sustainalytics Low Carbon Transition Ratings | Version 1.3, April 2026 | 1.5°C | Eligible as of September 16, 2026 |
| | Other entity-level assessments | Transition Pathway Initiative (TPI) Methodology for Management Quality and Carbon Performance | Version 5.0, November 2023 | Carbon Performance Indicator: 1.5°C medium-term alignment | Eligible as of July 22, 2025 |
| | | Moody's Net-Zero Assessments | March 2026 | Ambition Score of 1.5°C (NZ-1 Leading) | Eligible as of September 16, 2026 |
| | | ACT (Accelerate Climate Transition) Assessment Categorisation Framework - Version 0.1 This framework is used in conjunction with applicable methodology depending on the sector of the entity. See the list of Sectoral ACT | | At least "2a committed" category status | Eligible as of July 22, 2025 |

[1] The stated score is the minimum required for eligibility (i.e., at least this level must be met). Application of more ambitious scores is highly recommended, where available. An entity whose methodology is on the Implementation List does not automatically equate to the SBTi endorsing or recognizing other products or methodologies offered by it.

[2] For SBTi Financial Institutions' Near-Term Criteria validated entities: For asset managers that are a part of larger financial institution entities to be considered as "in transition", the larger financial institutions' targets would need to cover the asset manager.

| | | | | | |
|---|---|---|---|---|---|
| | | Assessment methodologies[3], including notably an ACT Generic for any non-covered sector and generic framing documents for more context. | | | |
| | | MSCI NZIF Assessment for entities | January 2026 | At least "aligning" | Eligible as of September 16, 2026 |
| | | Trucost Paris Alignment | September 2026 | 1.5°C | Eligible as of September 16, 2026 |
| Entity/Asset/ Project | Benchmark divergence[4] | Pegasus Guidelines for the Aviation Sector | March 2024 | At or below sector benchmark | Eligible as of July 22, 2025 |
| | | Poseidon Principles for the Shipping Sector | Version 5.2, July 2025 | At or below sector benchmark. | Eligible as of September 16, 2026 |
| | | Sustainable Steel Principles for the Steel Sector | February 2025 | At or below sector benchmark | Eligible as of September 16, 2026 |

Data and scores according to the methodologies in the table above may be sourced directly or through third-party platforms.

[3] The ACT Finance | Investors methodology may only be used by a financial institution for investors that are in its lending, asset owner investing, asset manager investing, insurance underwriting, or capital market activities portfolios, not for financial intermediaries that it is using.
[4] Pathways listed as part of benchmark divergence can only be used to set portfolio climate-alignment targets for the purpose of validation in conformance with SBTi financial institutions target setting. For other sector benchmarks that can be used to determine alignment status, refer to Table 4.3 of the FINZ Standard.

## 1.2 Eligible climate-alignment methodologies for "Climate solutions"

The climate solutions categorization is based on activities that are necessary for the economy-wide transition to net-zero (i.e., climate change mitigation).

The SBTi's fossil fuel requirements supersede the labeling in any eligible taxonomy, meaning that even if a specific fossil fuel is listed as aligned with a taxonomy, it cannot be classified as a climate solution.

Published taxonomies globally have been assessed based on five criteria by DIW Berlin[5]:

1. Policy embeddedness
2. Sectoral coverage
3. **Screening approach** (basis for eligibility)
4. Target group
5. Disclosure and reporting

Using the DIW framework, only the screening approach criterion (whether the "framework sets science-based thresholds that are measurable and dynamic") was used to determine eligibility. Scores 2 and 3 on a scale of 0-3 were considered eligible for use in the Financial Institutions Net-Zero Standard. Only taxonomies that have passed the development phase and are publicly available at the time of the research are included.

The Climate Bonds Taxonomy has also been added to this list as it represents a significant contribution to science-based climate goals and is widely used within green financial products. Similarly, the Independent Science Based Taxonomy and Common Ground Taxonomy have also been evaluated as eligible, as they are based on other eligible taxonomies.

*Table 2: Eligible climate-alignment methodologies for "Climate solutions - taxonomies"*

| Applicable region | Taxonomy Name | Version and Date | Eligible Mitigation Category |
|---|---|---|---|
| Global | Climate Bonds Taxonomy | July 2026 Taxonomy | Activity must be classified as "Certifiable under Climate Bonds Standard" |
| Global | Independent Science Based Taxonomy | July 2024 Version 1.0 | Activity must be classified as Science-based or Partially Science-based[6] |
| Multi-jurisdictional | Common Ground Taxonomy | November 2024 Version | All activities are eligible |

[5] Marchewitz, C., Ballesteros, F., Schütze, F., & Hadj Arab, N. (July 2026), Sustainable finance taxonomies – Designed to support the transition to a net-zero economy? *Climate Policy, 1–15.*

[6] Provides a stricter set of evaluation criteria compared to the EU Taxonomy.

| | | | |
|---|---|---|---|
| Regional | ASEAN Taxonomy | December 2024<br>Version 3 | Activity must be classified as Tier 1 - Green under the EO1 climate change mitigation objective |
| Regional | EU Taxonomy | June 2020<br>Version 1.0 | Activity must be classified as taxonomy-aligned, and not simply taxonomy-eligible |
| Country-specific | Azerbaijan | November 2024 | All activities listed are considered aligned |
| Country-specific | Chile | May 2025<br>Version 1 | Activity must be classified as taxonomy-aligned, and not simply taxonomy-eligible |
| Country-specific | Colombia Taxonomy | March 2022 | All activities are eligible |
| Country-specific | Costa Rica | August 2024 | Activity must be classified as taxonomy-aligned, and not simply taxonomy-eligible |
| Country-specific | Côte d'Ivoire | April 2025 | Activity must be classified as “Green” (“activités vertes”) |
| Country-specific | Dominican Republic | June 2024<br>Version 2 | Activity must be classified as taxonomy-aligned, and not simply taxonomy-eligible |
| Country-specific | Georgia Taxonomy | August 2022<br>Version 1.0 | All activities are eligible |
| Country-specific | Hong Kong Taxonomy | May 2024<br>Version 1.0 | All activities are eligible |
| Country-specific | Indonesia | February 2025<br>Version 2 | Activity must be classified as “Green” |
| Country-specific | Japan Taxonomy | May 2021 | Activities and benchmarks defined within the technology specific pathways |

| | | | |
|---|---|---|---|
| Country-specific | Mexico Taxonomy | March 2023 | All activities are eligible |
| Country-specific | Pakistan | August 2025 | Activity must be classified as “Green” |
| Country-specific | Panama | March 2024 | Activity must be classified as taxonomy-aligned, and not simply taxonomy-eligible |
| Country-specific | Papua New Guinea[7] | March 2026 | Activity must be classified as taxonomy-aligned. |
| Country-specific | Philippines | February 2024 | Green activities are eligible |
| Country-specific | Rwanda Taxonomy | November 2024 Phase 2 | All activities are eligible |
| Country-specific | Singapore Taxonomy | December 2023 | Green activities are eligible |
| Country-specific | South Africa | April 2022 1st Edition | All activities are eligible |
| Country-specific | South Korea Taxonomy | December 2022 | Green sector activities are eligible |
| Country-specific | Sri Lanka Taxonomy | May 2022 | All activities are eligible |
| Country-specific | Thailand Taxonomy | September 2023 | Green activities are eligible |

### Implementing the taxonomies

Financial institutions using taxonomies to evaluate whether their financial activity is dedicated to climate solutions shall:

1. Use a single taxonomy across all geographic areas, OR
2. Use taxonomies based on the geographical area of the financial activity (if covered in the list above), and a single taxonomy for all other geographical areas.

[7] Eligible taxonomies from the DIW Framework listed as in the ‘development phase’ have been included to the extent the SBTi has determined they are already in operation.

## 1.3 Eligible climate-alignment methodologies for “Net-zero state”

No third-party methodologies are currently considered for portfolio entities or activities at a net-zero state. It is expected that the entity or activity publishes a verified GHG inventory covering all relevant emission scopes, which shows that the entity or activity meets the “net-zero state” definition in Table 4.2 in the Financial Institutions Net-Zero Standard.

# ANNEX: PREVIOUS VERSIONS

This section archives previous versions of eligible methodologies to support operational continuity, as providers might phase out older versions upon updating their frameworks. For financial institutions preparing new target submissions, archived versions remain eligible for use during a 6-month transition period following their update, as specified by the dates in the status column below. For financial institutions with existing, validated targets, criterion FINZ C7 applies: they may continue using their originally selected methodology version until the end of their near-term target timeframe, though they are also permitted to adopt the updated version mid-course.

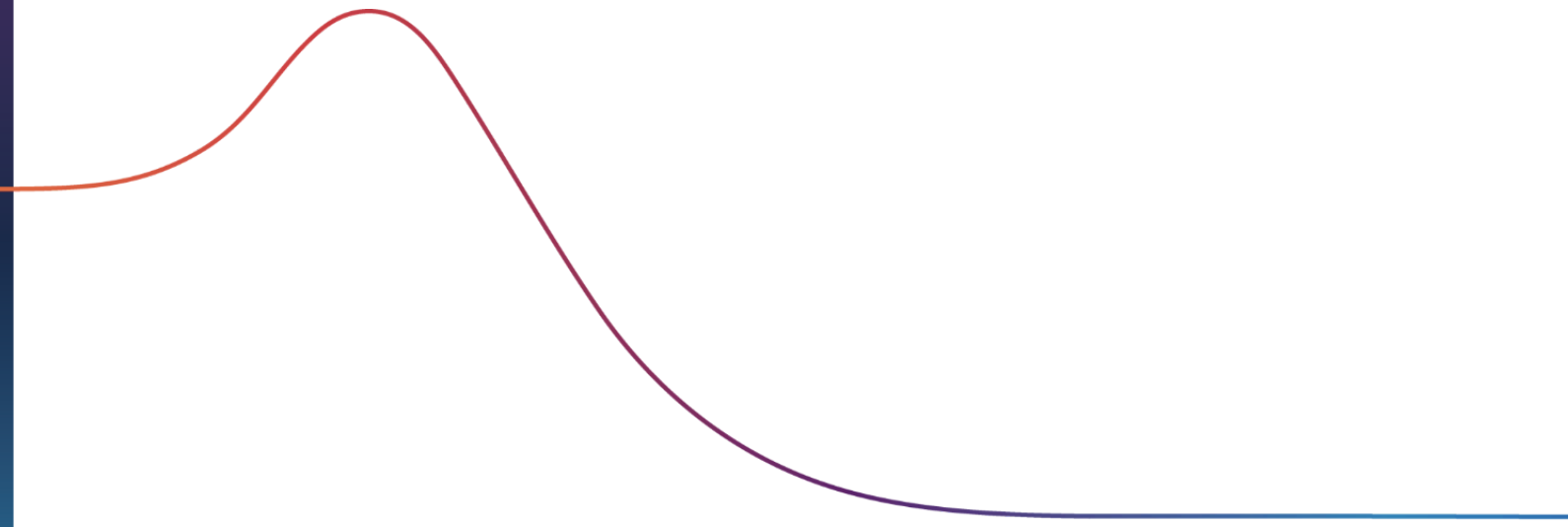
*Table A.1: Eligible climate-alignment methodologies for "In transition" from Version 1.0 that have been updated.*

| Counterparty Type | Alignment Metric Type | Methodology | Version | Necessary Achievement/ Score | Status |
|---|---|---|---|---|---|
| Non-SME (small- and medium-sized enterprise) Corporate Entity | Entity-level certification/ validation | Climate Bonds Standard (CBS) Entity Certification | June 2024 | Level 2 | Eligible as of July 22, 2025 until March 15, 2027 |
| | Implied Temperature Rise metrics | MSCI Implied Temperature Rise | February 2024 | 1.5°C | Eligible as of July 22, 2025 until March 15, 2027 |
| | | Sustainalytics Low Carbon Transition Ratings | Version 1.4, April 2024 | 1.5°C | Eligible as of July 22, 2025 until March 15, 2027 |
| | Other entity-level assessments | Moody's Net-Zero Assessments | December 2024 | Ambition Score of 1.5°C | Eligible as of July 22, 2025 until March 15, 2027 |
| | | MSCI NZIF Assessment | April 2025 | At least "aligning" | Eligible as of July 22, 2025 until March 15, 2027 |
| | | Trucost Paris Alignment | June 2025 | 1.5°C | Eligible as of July 22, 2025 until March 15, 2027 |
| Entity/Asset/ Project | Benchmark divergence | Poseidon Principles for Shipping Sector | Version 5.1, June 2024 | At or below sector benchmark | Eligible as of July 22, 2025 until March 15, 2027 |

| | | | | | |
|---|---|---|---|---|---|
| | | Sustainable Steel Principles for Steel Sector | February 2023 | At or below sector benchmark | Eligible as of July 22, 2025 until March 15, 2027 |

*Table A.2 Eligible Financial Institutions Net-Zero Standard climate-alignment methodologies for "Climate solutions - taxonomies" that have been updated*

| Applicable region | Taxonomy Name | Version and Date | Eligible Category |
|---|---|---|---|
| Global | Climate Bonds Taxonomy | September 2021 Version 1.0 | Activity must be classified as "Automatically compatible" or "Compatible, if compliant with screening indicator" |
| Regional | ASEAN Taxonomy | June 2023 Version 2.0 | Activity must be classified as Tier 1 - Green under the EO1 climate change mitigation objective |
| Country-specific | Rwanda Taxonomy | December 2023 | All activities are eligible |
| Country-specific | *Assessment of country-specific taxonomies based on DIW (2024)* | | |

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION