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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi Technical Council Meeting Minutes

27 May - 15:00-19:00 CET

Virtual

Public



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Disclaimer:

The meeting notes provided herein are intended to capture the discussions, decisions, and actions taken during the meeting to the best of the note-taker's ability. While efforts have been made to accurately represent the proceedings, it is essential to acknowledge that these minutes are a summary and may not capture every detail or nuance of the discussions held.

While every effort has been made to respect the confidentiality of sensitive information, please be aware that the meeting minutes may contain references to discussions or materials considered confidential or privileged. The unauthorized disclosure, distribution, or use of such information is strictly prohibited. If you believe any sensitive information has been improperly disclosed, please contact the Technical Council Chair.

Meeting minutes are subject to revision and amendment. The content may be updated or modified based on corrections, additions, or clarifications deemed necessary by the Technical Council Chair and Vice-Chair.

Abbreviations:

CEO	Chief Executive Officer
CFE	Call for Evidence
CTO	Chief Technical Officer
CNZ	Corporate Net-Zero
CoC	Code of Conduct
EACs	Environmental Attributes Certificates
EAG	Expert Advisory Group
EWG	Expert Working Group
FI	Financial Institution
FINT	Financial Institutions Near-Term
FINZ	Financial Institutions Net-Zero
OC	Oversight Committee
O&G	Oil and Gas
RECs	Renewable Energy Certificates
SAG	Scientific Advisory Group
SBT	Science Based Target
SBTi	Science Based Targets initiative
SOP	SBTi Procedure for Development of Standards v1.0
TAG	Technical Advisory Group
TC	Technical Council
TD	Technical Department
ToR	Terms of Reference

Meeting participants

Technical Council Members

Kornelis Blok (Chair)
Laura Draucker (Vice Chair)
Stephanie Roe
Micheal Gillenwater
Anders Bjørn
Doreen Stabinsky
Nicole Roettmer
Owen Hewlett
Maria Virginia Vilariño
Steven Davis
Pankaj Bhatia (sessions 3 and 4)
Benjamin Caldecott (sessions 1 and 2)
Simi Thambi

Absent TC members

Mandy Rambharos
Pedro Faria

SBTi

Nate Aden (Head of Financial Standards)
Jana Mintenig (FINZ Project Lead)
Eoin White (Research Lead)
Alberto Carrillo Pineda (CTO)
Hussein Kassir (TC Secretary)
Howard Shih (Financial Standards Lead)
Karl Downey (Head of Sectoral Standards)
Elena Cinquergrana (Transport Lead)

Session note takers

Juan Rivera (Project Manager, FI)
Stephan Zivec (Project manager, Automotive)
Hussein Kassir (TC Secretary)

SBTi Observers

Mona Karraoui (Head of Quality)

Special Guests from Smart Freight Center

Alan Lewis (session 3)
Pierpaolo Cazzola (session 3)

Meeting Agenda

1. Welcome and Agenda
2. Financial Institutions Net-Zero Standard - Fossil Fuel Policy - For Approval
3. Automotive Net-Zero Standard Consultation Draft - For Approval
4. Closing and Next Steps

Meeting Objectives:

The Technical Council (TC) convened virtually to advance the approval of two major deliverables:

1. the finalization of the fossil fuel policy within the Financial Institutions Net-Zero (FINZ) Standard and approving the standard.
2. The endorsement of the consultation draft of the Automotive Sector Net-Zero Standard.

High-level summary of feedback and decisions:

The following summarizes the key feedback discussed during the meeting and related decisions or actions agreed during the meeting:

I. FINZ Standard – Fossil Fuel Policy

Summary of feedback and discussions:

The TC reviewed the updated fossil fuel criteria proposed for inclusion in the FINZ Standard. The discussion centered on how financial institutions (FIs) should approach financing activities involving companies engaged in fossil fuel expansion, particularly oil and gas.

The revised proposal reflects extensive internal deliberation and feedback from the FINZ Expert Advisory Group (EAG), comprising 54 stakeholders from NGOs, financial institutions, regulators, and multilateral organizations. Thirty-five members responded to the consultation, with clear divisions: while many stakeholders—especially from civil society—advocated for immediate cessation of fossil finance, others from the financial sector highlighted implementation barriers and stressed the importance of transitional strategies.

The updated fossil fuel policy includes the following key provisions:

- Prohibition of new project finance to fossil fuel expansion activities remains in place.
- General-purpose finance to oil and gas companies involved in expansion must cease by 2030 at the latest, while encouraging earlier action wherever possible.

- The 2030 date is framed as a transitional maximum, with new language added to reinforce the intent to halt finance “as soon as feasible.”
- The section heading and recommendations now explicitly refer to the “transition” nature of the policy, emphasizing alignment with 1.5°C pathways while acknowledging real-world financial sector constraints.
- Criteria were strengthened to include explicit thresholds for carbon capture and storage (CCS), requiring a minimum capture rate of 90–95%, and prohibiting use in enhanced oil recovery.
- The policy also explicitly recognizes exceptions based on national legal obligations, where financial activities are mandated by law.

Council members welcomed the overall improvements to clarity and structure. Suggestions were made to further improve terminology, consistency of 1.5°C framing, and explanatory notes to support implementation. While the need to balance ambition and feasibility was acknowledged, concerns were also raised regarding coherence and transparency of policy framing.

Summary of actions and decisions:

- The updated fossil fuel policy language was approved, with one abstention.
- The policy confirms a 2030 phase-out for general-purpose finance to fossil fuel expansion activities, reinforced with urgent intent language.
- The policy includes explicit CCS criteria and regulatory exceptions, ensuring clarity in edge cases and technical implementation.
- The revised standard text will undergo final editorial review and approval by the Chair and Vice Chair before publication.
- Additional communications materials and guidance may accompany the policy to support adoption and mitigate potential misinterpretations.

Voting outcome:

Of 12 members present, 11 were eligible to vote. 1 member declared a conflict of interest for contributing to the FINZ Expert Advisory Group before joining the TC. The standard was approved by all voting members with 1 abstention.

II. Automotive Sector Net-Zero Standard – Consultation Draft

Summary of feedback and discussions:

The TC proceeded to review the latest draft of the Automotive Sector Net-Zero Standard, which had been updated to incorporate feedback from the April meetings and expert consultations. The consultation draft aims to provide clear, actionable guidance for companies in the automotive value chain, aligning their decarbonization strategies with SBTi's Corporate Net-Zero Standard while introducing sector-specific methodologies.

Key updates and clarifications included:

- The introduction of an "Aggregate Indicator" for lifecycle emissions, emphasizing corporate-level accounting while distinguishing it from product-level lifecycle assessments.
- Mandatory Scope 1 and 2 targets for all companies in the sector.
- Optionality for aggregate GHG intensity targets for Category B (auto parts) manufacturers, aligning with flexibility given to Category A automakers.
- Enhanced guidance and benchmark references to prevent the misuse of Low Emission Vehicle (LEV) intensity metrics, ensuring consistency and comparability.
- Clearer expectations for Scope 3 Category 11 targets for powertrain suppliers, aligned with automaker decarbonization trajectories.
- Revised regional classifications and simplified convergence methods to facilitate global applicability and ease of interpretation.
- Clarifications regarding the role of biofuels and their limitations, referencing sustainability risks, feedstock constraints, and alignment with other sectors such as aviation.

Discussions emphasized the importance of:

- Avoiding misuse of LEV benchmarks, with the integration of trusted reference data (e.g., GREET, JRC).
- Providing regional flexibility, with a post-consultation review of possible mechanisms to offset slower progress in one region with faster gains in another.
- Transparent treatment of indirect land use change (ILUC) and acknowledgment that methodologies would evolve alongside external frameworks (e.g., RED III Directive).
- Improving visibility and responsiveness in the online consultation platform (ZiFlow), ensuring timely updates and full transparency of feedback handling.

Summary of actions and decisions:

- The consultation draft was approved unanimously, with no objections or abstentions.
- All agreed refinements will be incorporated into the final version prior to public release.
- Reference tables on fuel emissions will be included to enhance transparency.
- Final approval by the Chair and Vice Chair is scheduled for 29–30 May.
- Public consultation launch is scheduled for 12 June, with preparatory work (video briefings, surveys, proofreading) to proceed in early June.

III. Next Steps

Summary of feedback and discussions:

The Chair confirmed that the next Technical Council meeting is scheduled for 24 June, with a tentative focus on the Power Sector Standard. Follow-up communication will be shared as preparatory materials become available.

Summary of actions and decisions:

- The SBTi Secretariat will finalize and circulate revised fossil fuel policy text and Automotive consultation draft for final sign-off.
- Supplementary materials for both standards (e.g., guidance, FAQs) will be prepared in advance of publication and consultation.



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