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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# SBTi Technical Council Public Meeting Minutes

9 and 10 April 2025

Washington- Hybrid



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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.

Final decisions from sessions are shared in these minutes. Session decisions which are deemed interim, unresolved items or confidential will not be shared publicly to protect the confidentiality of the standard before publication and to prevent sending premature signals to the market.

**Abbreviations:**

CEO	Chief Executive Officer
CFE	Call for Evidence
CTO	Chief Technical Officer
CNZS	Corporate Net-Zero standard
CoC	Code of Conduct
EACs	Environmental Attributes Certificates
EAG	Expert Advisory Group
FI	Financial Institution
FINT	Financial Institutions Near-Term
FINZ	Financial Institutions Net-Zero
HQ	Headquarter
LSRG	Land Sector and Removals Guidance (from the GHGP)
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 - In person

Kornelis Blok (Chair)  
Laura Draucker (Vice Chair)  
Stephanie Roe  
Micheal Gillenwater  
Anders Bjørn  
Maria Virginia Vilariño  
Benjamin Caldecott  
Mandy Rambharos  
Simi Thambi  
Pankaj Bhatia (Day 1 - partially virtual)

## Technical Council Members - Virtual

Owen Hewlett (partial virtual attendance)  
Pedro Faria  
Nicole Roettmer  
Pankaj Bhatia (Day 1 partially In-person - Day 2 - virtual)

## Technical Council Absence

Doreen Stabinsky  
Steven Davis

## SBTi

Alberto Carrillo Pineda (SBTi Chief Technical Officer)  
Hussein Kassir (Technical Council Secretary) - virtually  
Mona Karraoui (SBTi Head of Quality) - observer  
Nate Aden (SBTi Head of Financial Institutions)  
Jana Mintenig (SBTi FINZ Manager)  
Elena Cinquegrana (SBTi Transport Lead)  
Howard Shih (FI Standards Lead) - virtually  
Hunter Bell (FI Standards Senior Technical Analyst)  
Eoin White (Research Lead) - virtually  
Clare Murray (Senior Research Manager) - virtually

## Session note takers

Diana Farmer (SBTi North American Regional Lead)  
Hunter Bell (FI Standards Senior Technical Analyst)

## SBTi Observers - Virtual

Georgina Ellis (Financial Institutions Net Zero Project Officer)  
Juan Rivera (FI Standards Project Manager)

## Special Guests - Virtual (partial)

David Kennedy (SBTi CEO)

Alan Lewis (Automotive Consultant - Smart Freight Centre)

Jacob Teter (Automotive Consultant - Smart Freight Centre)

## Meeting Agenda:

1. Welcome and Agenda
2. Technical Department Pipeline Update
3. Financial Institution Net-Zero Standard Final Draft Review
4. Automotive Net-Zero Standard Consultation Draft Review

## Meeting Objectives:

The Technical Council (TC) met in Washington, D.C. at the World Resources Institute Office for two days in-person to review standards drafts. The agenda focused on discussing the Financial Institutions Net-Zero Standard (FINZ) version 1 Final Draft, and discussing key policy areas including fossil fuel finance, deforestation, and neutralization, as well as reviewing the Automotive Sector Standard Consultation Draft. The meeting also included an overview of SBTi's technical governance and strategic direction, including the Theory of Change process. David Kennedy, the new SBTi CEO, also introduced himself to the Council via a 15 min video call.

## 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. Technical Department and Governance Updates

#### Summary of feedback and discussions:

SBTi CTO presented updates on organizational progress, including milestones for 2024–2025, the Technical Department's work plan, and new developments in technical governance. Key themes included internal cultural evolution, and progress on SBTi's Theory of Change (ToC). The ToC process, launched with external support, aims to clarify SBTi's role, impact pathways, and long-term positioning within the climate ecosystem.

Questions were raised regarding the strategic use of the ToC process, its implications for stakeholder engagement, and the eventual integration of strategy outputs into standard-setting priorities. TC Members emphasized the need for more information on sector prioritization. The Council acknowledged the importance of continuing alignment work

through related channels (e.g., financial institutions and automotive sectors), and stressed the reputational and practical risks of delays.

#### Summary of actions and decisions:

1. SBTi to circulate a detailed breakdown of target adoption trends by sector and company size, including SME representation.
2. The possibility of a second in-person TC meeting later in 2025 will be explored, with a focus on CNZS V2.0 and sector standards.

## II. Financial Institutions Net-Zero Standard (FINZ)

#### Summary of feedback and discussions:

SBTi presented a draft final version of the Financial Institutions Net-Zero (FINZ) Standard, which had undergone extensive development over three years including two public consultations and pilot testing. The standard package includes the main FINZ Standard version 1 document (with different proposed options for some sections), a Basis for Conclusions document, a protocol on implementation governance, and an interoperability-oriented implementation list. The Council reviewed and discussed the standard in detail, with a focus on the fossil fuel policy, neutralization criteria, and the role of deforestation policies in financial institution (FI) commitments.

The Technical Council held an in-depth discussion on the fossil fuel policy within the FINZ Standard, including the criteria for financial institutions' engagement with fossil fuel companies, particularly the treatment of general purpose financing ('unknown use of proceeds') to companies involved in new upstream fossil fuel production. Two options were debated: Option 1 would halt all new financial activities with both known and unknown use of proceeds to projects and companies developing new fields without exception, while Option 2 would allow financing of unknown use of proceeds to continue after the target submission if companies set ambitious alignment and sectoral targets.

TC members expressed concern over terminology clarity and implementation complexity. Several members recommended simplifying the language and improving consistency with the GHG Protocol. Some members expressed concerns with the scientific basis of the allowance presented in Option 2 while others emphasized the need for flexibility to accommodate real-world constraints faced by financial institutions. TC members also raised points around the consistency of these policies with other SBTi sector standards and global climate scenarios. The importance of providing a transition period and flexibility for high-ambition financial institutions operating in developing markets was noted.

The Council also debated the inclusion of liquified natural gas (LNG) infrastructure in the scope of the policy. Four options were reviewed, with the Council reaching consensus on Option 2—covering both upstream activities/assets and LNG infrastructure—balancing ambition and feasibility.

The Technical Council continued to review two major thematic components of the FINZ Standard: the deforestation criteria and the proposed requirements on neutralization of residual emissions. These topics were addressed in two separate deep dives, with

discussions centered on feasibility, data limitations, and alignment with SBTi's broader net-zero framework.

On neutralization, members raised questions about the feasibility of measuring removals financed (as opposed to purchased), concerns over double counting, and the clarity of MRV requirements. There was a general consensus that core requirements (C15.1 (alignment of counterparties with net zero) and C15.4 (robust accounting practices) should be retained to signal long-term expectations, while other provisions should be rephrased as recommendations. The proposed treatment of removals was viewed as potentially confusing for users and needing further explanation to ensure alignment with broader SBTi and GHG Protocol positions. TC members recommended simplifying the framing and focusing core requirements on long-term alignment signals. It was decided to pause the explanatory note on neutralization.

Deforestation-related criteria were discussed in light of three proposed options: Option 1 - recommendations for assessment, monitoring and disclosure of exposure, setting a phaseout target, and disclosure of strategy; Option 2 - requirements for assessment, monitoring and disclosure of exposure, and recommendations for all remaining recommendations covered in option 1; and Option 3 - requirements for assessment, monitoring and disclosure of exposure, and disclosure of strategy, and recommendations for all remaining points covered in option 1. The Council favored option 2 as a pragmatic starting point—balancing ambition with feasibility—particularly for institutions in markets with limited monitoring infrastructure, with the potential to integrate stronger policy elements over time. Additionally, it was agreed to increase the engagement component of the Standard and to add an explicit deforestation related component into the alignment definition. Linkages to the SBTi FLAG methodology and alignment with emerging regulatory frameworks (e.g., the EU Deforestation Regulation) were highlighted as key areas for improvement in the implementation phase.

Insurance, the TC reviewed proposed updates to insurance-related requirements in FINZ. The scope of requirements was adjusted to focus on commercial underwriting, with personal insurance lines made optional. Members expressed support for this refinement, noting that the approach for commercial insurance aligns more closely with other financial activities. Timing adjustments were also presented for treaty reinsurance (delayed to 2035 from 2030), which were approved. Members emphasized the need for clearer messaging to insurers and suggested an explanatory note to aid implementation.

Introductory Chapter - Chapter 1 – FINZ Commitment: The introductory sections of the FINZ standard were discussed in terms of their clarity and usability. Members emphasized the importance of providing clear navigation guidance for users, including a detailed explanation of the document structure, relationship to other SBTi standards, and the rationale behind key decisions. The Secretariat agreed to refine the introduction to better frame FINZ's objectives, scope, and applicability, and to explicitly state the legal and assurance implications of conformance.

Timeline for FINZ V1 and Future Planning: The Secretariat confirmed that FINZ Version 1 is planned to be published shortly after the TC approval and board adoption, with the implementation phase beginning thereafter. A future Version 1.1 is planned, informed by

lessons from Version 1 implementation, broader stakeholder feedback, and alignment with updates to the Corporate Net-Zero Standard (CNZS V2.0). Members encouraged a transparent timeline and recommended identifying priority issues to inform the next update cycle, including sector-specific benchmarks, use of proceeds tracking, and alignment methodologies for non-lending and -investing activities.

Remaining parts of chapter 2,3,4,5 and Annexes were reviewed with no major point of discussions.

#### Summary of actions and decisions:

1. Discussion to continue about how to finalize the fossil fuel policy criteria
2. For the fossil fuel policy's value chain; consensus was reached to include both upstream and LNG infrastructure as in-scope.
3. SBTi to revise fossil fuel financing language to improve clarity, simplify structure, and ensure consistency with other frameworks.
4. A future explanatory document to be developed to illustrate real-world examples of implementation.
5. Insurance aspects of the FINZ Standard are approved and may proceed in their current form.
6. Neutralization requirements to focus on core elements in the final draft; other elements to be converted into recommendations to improve clarity and usability.
7. Version 2 of the deforestation policy (disclosure-focused) to be included plus a target component relating to alignment definition of FLAG entities.

### III. Automotive Sector Standard

#### Summary of feedback and discussions:

SBTi presented an update on the development of the Automotive Sector Standard Consultation Draft, which aims to build on the Corporate Net-Zero Standard (CNZS) while providing sector-specific guidance. The session focused on key methodological challenges in aligning automotive emissions calculations with global testing regimes and Scope 3 boundary-setting. The Council discussed the complexity of emissions measurement for vehicles sold across different regulatory markets and how this affects target-setting consistency.

The Technical Department noted that light-duty vehicle emissions are relatively harmonized but emphasized that heavy-duty vehicle test cycles vary significantly by region. Several TC members raised concerns about the difficulty of applying a unified approach to companies that operate in multiple regions with differing regulatory and testing methodologies. It was noted that these inconsistencies may impact companies' ability to calculate and disclose accurate use-phase emissions, which is central to target setting in the automotive sector.

Further discussion addressed the inclusion of use-phase emissions from automotive components and aftermarket parts in Scope 3 accounting. Members emphasized the need

for clear guidance on boundary-setting and a realistic approach that reflects varying levels of influence and traceability across the supply chain.

**Summary of actions and decisions:**

1. Make clearer that the “life-cycle” indicator proposed is in reality an aggregation of corporate GHG accounting scopes and categories
2. Include requirements for targets on scope 1, scope 2 and scope 3 category 3 that are in addition to the aggregated indicator
3. Clarify treatment of use-phase emissions from auto parts and ensure that Scope 3 boundary-setting is practical and sector-appropriate.

