

INPUT FOR THE SBTi AUTOMOTIVE NET-ZERO STANDARD DRAFT

Several interrelated corporate climate standards are currently under development, including the ISO Net Zero Aligned Organisations Standard, the SBTi Corporate NetZero Standard v2.0 and a major revision of the GHG Protocol.

In February 2026, the Science Based Targets initiative (SBTi) published a **second draft of the Automotive Net-Zero Standard (ANZS)**. Stakeholders are invited to provide feedback on the draft standard through a survey by 22 March 2022.

This document discloses NewClimate Institute's perspectives on the second draft and transparently list all consultation responses to the SBTi.



Summary: high-level inputs on the ANZS second draft

We consider that the [second draft of the ANZS](#), henceforth ANZS second draft, proposes improvements compared to the first draft of the ANZS and the previous [Land Transport Science-Based Target-Setting Guidance](#) of 2024. However, we identify several areas for enhancement to ensure high transparency and integrity of automakers' climate strategies remain high and to incentivise the replication of good practices from leading companies.

1. ANZS's relevance as the first sector-specific standard alongside the CNZS v2.0 update:

The ANZS represents the first sector-specific standard released for a second public consultation by the SBTi alongside its overarching process to revise the cross-sectoral [Corporate Net Zero Standard \(CNZS\) v2.0](#) in 2026. In this context, the ANZS provides first insights into how the SBTi plans to conceptualise sector-specific criteria alongside cross-sector criteria within the CNZS v2.0. This is particularly relevant for its scope 3 target-setting practice, for which the CNZS v2.0 introduces a range of target-setting options.

2. Targets for purchased materials (scope 3 category 1):

The ANZS second draft closely aligns with the criteria of the CNZS v2.0 second draft. Automakers and other companies in the automotive sector themselves can decide whether to set an emission intensity target (C18.1 a.), volume alignment target (C18.1 b.), or a supplier alignment target (C18.1 c.) for the scope 3 category 1 emissions. However, these **different options do not represent equally informative and robust target-setting methods**. As we explain in our [consultation response to the CNZS v2.0 from December 2025](#), we (a) consider supplier targets to be less transparent in demonstrating how exactly a company aligns its actions and interventions in the upstream value chain with the low-carbon transition, and (b) see a high risk of heterogenous target setting approaches within the sector given multiple target setting options. These make it difficult for stakeholders to compare companies' levels of ambition.

We encourage the SBTi to make **volume targets (C18.1 b.) mandatory for scope 3 category 1 emissions in the ANZS** (→ response to Question 29) and provide specific criteria on how to set these. The SBTi could provide the *voluntary* option for companies to set other targets such as emission intensity targets or supplier engagement targets in addition.

3. Targets on vehicles' use-phase emissions (scope 3 category 11):

We welcome that the ANZS second draft introduces a more transparent and incentivising target-setting approach for vehicles' use-phase emissions.

a. A positive change back to zero-emission vehicle (ZEV) terminology: We welcome that the ANZS second draft proposes **reverting to the use of the term low-emission vehicle (LEV)** away from the term *zero-emission vehicle (ZEV)* after the [feedback](#) it received in the consultation on its first draft (→ response to Question 23). We consider this terminology easier to understand by a range of stakeholders and more closely linked to existing legislations and initiatives.

b. Missing shift to mandatory ZEV sales share targets: The ANZS introduces the option to either set emissions intensity target or (near-)ZEV sales share target (AMSS-C3 and AMSS-C4), or both. We strongly encourage SBTi to **make the ZEV sales share target mandatory as the key target setting metric** in the new ANZS (→ response to Question 26), with the option to voluntarily set other targets in addition. A ZEV sales share target is the [most transparent, credible and straightforward way](#) to conceptualise, incentivise and track automakers' transition towards zero-emission transport.

ZEV sales share targets further enable policymakers, researchers, investors and the wider public to understand and compare automakers' transition plans for their product-mix. This remains inherently difficult with emission intensity targets [prone to faulty assumptions and emission accounting loopholes](#), for example on the vehicles' lifetime mileage or other input parameters.

The SBTi also explores the option to allow *near-zero-emission vehicles (near-ZEV)*, for example [plug-in hybrid electric vehicles \(PHEVs\)](#), to meet the ZEV sales share targets (C2.1). We strongly encourage the SBTi to **exclude near-ZEV from counting towards ZEV sales targets**. Since vehicles typically operate for around two decades, those manufactured in the 2030s will continue generating road transport emissions through 2050. Consequently, achieving deep emission reductions towards mid-century demands ambitious short-term milestones, especially for 2030 and 2035. Allowing the inclusion of near-ZEVs to meet ZEV sales targets remains problematic as (a) such vehicles like PHEVs often have high real-world emission levels and (b) unfairly disadvantage front-running companies that already produce ZEVs.

- c. 1.5°C-aligned benchmarks for ZEV sales shares:** The ANZS second draft differentiates by four geographic regions: global, advanced economies (AEs), China, and emerging markets and developing economies (EMDE). We consider the 1.5°C-compatible ZEV sales shares to be in line with the benchmarks set out in the literature we have reviewed and used for the 2024 and 2025 [Corporate Climate Responsibility Monitor](#) (see Annex for a detailed comparison). These benchmarks, however, should only be used for companies' ZEV sales, not near-ZEV sales as outlined above.
- 4. Transparency and claims:** The SBTi's revision of the ANZS alongside the CNZS v2.0 update provides a critical opportunity to revisit the types of claims that companies can make before and after the validation of their near- and long-term targets. This also relates to aspects such as the longevity of single validation claims and investigations by SBTi on existing validations in case of potential misconduct.

 - a. Evolution from an ex-ante validator to also becoming an ex-post verifier:** The CNZS v2.0 second draft differentiates between commitment claims similar to current SBTi practice and newly introduced performance and conformance claims. The latter type of claims expands the SBTi's role from an ex-ante validator of climate targets towards also becoming an ex-post verifier of a company's progress towards meeting its targets (see [conceptual introduction of different accountability functions](#)). This might lead to more nuanced and timely validation and verification procedures by the SBTi for companies in the automotive sector. However, SBTi has yet to provide further details on the specifics of these revised processes.
 - b. Positive improvements to validation practice:** For commitment claims, the CNZS second draft proposes a regular renewal of existing validations within five-year intervals and the introduction of an integrity assessment in case of suspected misconduct (so-called spot checks). We consider this **particularly relevant improvement for validations in the automotive sector** as SBTi currently still list 'well-below 2°C' validations for the scope 3 emissions intensity targets for several automakers despite [indefinitely pausing the methodology's use](#) due to its 1.5°C-incompatibility since March 2022.

Survey questions

NewClimate Institute will submit the following responses to SBTi's [second public consultation](#) by March 22, 2026 (11:59 PM PT).

Introduction

Question	Answer
<p>15 Please respond to the following statements based on the Automotive Standard Draft for the Second Public Consultation. Indicate the extent to which you agree or disagree with each statement.</p>	<p>The Automotive Sector Net-Zero Standard is easy to understand - Neutral</p> <p>The Automotive Sector Net-Zero Standard is ambitious enough to meaningfully take science-based climate action - Somewhat agree</p> <p>The Automotive Sector Net-Zero Standard is possible to implement - Somewhat agree</p> <p>The Automotive Sector Net-Zero Standard will assure the credibility of companies' climate action - Somewhat agree</p> <p>The Automotive Sector Net-Zero Standard strives for equity and does not compromise environmental sustainability - Somewhat agree</p>
<p>16 Do you agree that auto part manufacturers defined as powertrain suppliers (as per revised definition in Annex A) should be required to cover use-phase emissions scope 3, category 11?</p>	<p>Yes</p>
<p>17 Do you agree that automotive sector companies with revenue from investment, lending, or insurance activities other than vehicle loans or vehicle insurance should be required to assess the applicability of the SBTi Financial Institutions Net-Zero Standard to these activities?</p>	<p>Yes</p>
<p>18 Do you find the explanation of the draft Corporate Net-Zero Standard V2.0's criteria applicability clear enough to allow both this standard and the Automotive Standard to be applied efficiently in parallel? If not, do you have any suggestions for improving this guidance?</p>	<p>No</p> <p>Please explain your response (optional): The general explanations on the applicability of the Corporate Net-Zero Standard V2.0 criteria works well. However, better explanation is required for specific sections such as APSS-C4, for which it remains unclear how exactly companies in the automotive sector shall set emission intensity target (C18.1 a.), volume alignment target (C18.1 b.), or a supplier alignment target (C18.1 c.) for the scope 3 category 1 emissions.</p>
<p>19 Please share any additional input you have on the Introduction section and applicability of the Automotive Net Zero Standard.</p>	<p>We encourage SBTi to further clarify and specify how exactly companies in the automotive sector shall set for targets to address their scope 3 category 1, namely the provisions under APSS-C4.</p>

Base year assessment (Section 2)

	Question	Answer
20	Do you think that near-ZEVs should partially contribute to the ZEV sales share alignment target via the ratios described in Annex F?	No
21	Do you think the SBTi should require companies to submit base year performance data as required for both the scope 3 category 11 metric for automakers (AMSS-C1) AND the ZEV sales share metric (AMSS-C2), even though only one of these metrics shall be chosen for target-setting?	Yes
22	Do you agree with the revised criteria that requires automotive companies with over a 33% stake in an entity considered an automaker, whose emissions fall under scope 3, category 15 (investments), should be required to either include the subsidiary's emissions within their boundary for base year performance assessment or ensure the subsidiary has, or commits to, setting targets in line with this Standard?	Yes
23	Do you agree that the Standard is now better aligned with definitions for zero-emission vehicles (ZEVs), instead of low-emission vehicles (LEVs) as in the previous draft?	Yes
24	The SBTi is proposing a revision to the default emission factors for renewable natural gas (RNG) from negative values to zero, as shown in Annex D, Table D.2, and described further in Appendix K. Do you agree with this revision?	<p data-bbox="847 1093 1214 1115">Yes</p> <p data-bbox="847 1126 1394 1489">Note We agree with SBTi to revise the default emission factors for renewable natural gas (RNG) away from negative values. However, we suggest to already apply an emission value informed by latest science, such as the currently proposed 13 gCO₂e/MJ, without a cap of 3% of fuel used by road vehicles unless a company can actively proof the biofuels have been produced without emissions. This approach would be in line with latest scientific findings showing emissions occurring in biofuel's production. Bioenergy and bio-based feedstocks are not emissions-free and have a range of sustainability implications, including for biodiversity, water resources and food security. The potential for sustainable biomass is limited and should be reserved for sectors that have no or limited opportunity to decarbonise their activities otherwise.</p>
25	Please share any additional input you have on Section 2 (Base year assessment) of the Standard, including the assessment of base year performance for the relevant metrics.	<p data-bbox="847 1516 1394 1677">We encourage SBTi to remove hybrid electric vehicles (HEVs) from Table F.1 in Annex F. If at all, HEVs should only count for their vehicle-specific electric driving share. However, their non-electric driving share should not be considered for any ZEV sales target metric. HEVs emit as much CO₂ and criteria pollutants during their non-electric driving phases as internal combustion engine vehicles.</p>

Target setting (Section 3)

Question	Answer
<p>26 Do you agree with the option to allow automakers to set targets on EITHER scope 3 category 11 emissions OR zero-emission vehicle sales shares?</p>	<p>No</p> <p>Please explain your response (optional): We strongly encourage SBTi to make ZEV sales share targets <i>mandatory</i> as the central target setting metric in the new Automobile Sector Net Zero Standard, with the <i>voluntary</i> option to set other targets alongside. A ZEV sales share target is the most <u>transparent, credible and straightforward way</u> to conceptualise, incentivise and track automakers' transition towards zero-emission transport. It further facilitates policymakers, researchers, investors and the wider public to understand and compare automakers' transition plans for their product-mix. This remains inherently difficult with emission intensity targets <u>prone to faulty assumptions and emission accounting loopholes</u>, for example on the vehicles' lifetime milage.</p>
<p>27 Do you agree with the option to allow targets set using the regional and/or vehicle-type pathways to be aggregated into a single global target, to be achieved together? This aggregation would apply to all targets for LDVs and ZEV sales-share targets for non-LDVs.</p>	<p>No</p> <p>.....</p> <p>Note Given the different ZEV adoption speeds required across geographies and vehicle types, we strongly encourage SBTi to keep separate regional ZEV targets for its validation and verification processes. Automakers can <i>voluntarily</i> aggregate these into single global targets afterwards if considered useful.</p>
<p>28 Do you agree that scope 1, scope 2, and other scope 3 emissions categories (other than scope 3 category 11) shall be disaggregated and addressed via criteria from the SBTi Corporate Net-Zero Standard V2.0?</p>	<p>Yes</p> <p>Please explain your response (optional): We agree with setting disaggregated targets for scope 1, scope 2 and other scope 3 categories. However, the ANZS shall set own, sector-specific criteria for automakers' target setting for scope 3 category 1 emissions (see response below to Question 29), not using the sector agnostic provisions in the CNZS v2.0.</p>
<p>29 Does the current SBTi Corporate Net-Zero Standard V2.0 draft for second public consultation provide viable options for automakers to set scope 3 category 1 and 12, and scope 1 and 2 targets, if these emissions are disaggregated from scope 3 category 11 as proposed in the Automotive Standard?</p>	<p>No</p> <p>Please explain your response (optional): We encourage the SBTi to make volume targets (C18.1 b.) <i>mandatory</i> for scope 3 category 1 emissions in the final Automobile Sector Net Zero Standard, with only a <i>voluntary</i> option for companies to set other targets such as emission intensity targets or supplier engagement targets alongside. These volume targets are the most <u>transparent, credible and straightforward way</u> to conceptualise, incentivise and track automakers' transition towards zero-emission procurement and align with pilots on methodologies by other initiatives like the WEF's First Mover Coalitions.</p> <p>Full flexibility for automakers to decide for themselves whether to set emission intensity targets (C18.1 a.), volume alignment targets (C18.1 b.), or supplier alignment targets (C18.1 c.) for the scope 3 category 1 emissions carry several disadvantages. As we have outlined in <u>our consultation response to the CNZS v2.0 from December 2025</u>, we (a) consider supplier targets do not represent an equally informative and robust target-setting method, and (b) see the high risk of very heterogenous target setting approaches within a given sector with multiple target setting options. There can result in a lack of comparability and ambition.</p>

30	The SBTi has revised the definition of “powertrain suppliers” that must include in their target scope 3 category 11 emissions from sold products. Do you agree with the revised definition, which has been narrowed to only include suppliers of complete powertrain systems (such as engines or electric motors)?	<i>No response submitted</i>
31	Should the revised definition of “powertrain supplier” include both suppliers of internal combustion powertrains and electric powertrains?	Yes
32	The SBTi is exploring additional metrics in addition to an emissions intensity metric that may be allowable as options for powertrain suppliers to set targets addressing scope 3 category 11 emissions. These may include alignment metrics for ZEV or near-ZEV powertrain sales share. Do you agree that technology alignment metrics may provide useful options for powertrain suppliers?	Yes Please explain your response (optional): We agree that alignment metrics for ZEV powertrain sales share would be a useful metric to explore by SBTi. Similar to automakers, such alignment metrics are most transparent, credible and straightforward way to conceptualise, incentivise and track transition of companies in the automotive sector, and facilitate policymakers, researchers, investors and the wider public to understand and compare transition efforts.
33	Do you agree with the proposal to require companies to set targets on scope 3 category 1 emissions associated with any purchased materials that represent more than 5% of their scope 3 category 1 emissions, using the applicable criteria from the Corporate Net-Zero Standard V2.0?	Yes
34	Please share any additional input you have on Section 3 (Target setting) of the Standard regarding the establishment of near and long-term targets using the metrics indicated.	While we generally encourage the introduction of more transition-specific alignment targets such as ZEV sales share targets and volume targets for purchasing zero-emission upstream commodities, ANZS second draft currently does not cover important aspect energy efficiency of electric vehicles in companies’ target-setting. Our recent analysis shows the limited degree to which leading automotive manufacturers deal with energy efficiency considerations of their current and future EV fleets.

SBTi Automotive Target-setting Tool

Question	Answer
35 Please share any input you have on the SBTi Automotive Target-setting Tool.	n/a Note We have not reviewed the SBTi Automotive Target-setting Tool.

Closing section

Question	Answer
36 Please provide any additional feedback you have on the draft Automotive Standard or Automotive Target-setting Tool that you have not entered in other sections.	We encourage SBTi to mandate automakers that have previously been validated under SBTi’s indefinitely paused methodology to seek re-validation immediately upon release of the ANZS.

Annex

In the following, we compare the 1.5°C-aligned benchmarks for ZEV sales across geographies and vehicle types with those identified in the [Corporate Climate Responsibility Monitor](#) for its 2024 and 2025 assessments of automakers.

Light-duty vehicles

Global

- **SBTi ANZS v0.1 2026:** 43% by 2025, 95% by 2030, 100% by 2040
- **Other literature:** [67-95% by 2030 and 100% between 2035-2040](#) and in line with the COP26 declaration on zero emission cars mandating 100% of total sales of passenger vehicles and vans by 2040 globally

Advanced economies (AEs)

- **SBTi ANZS v0.1 2026:** 50% by 2025, 100% by 2030
- **Other literature:** [95-100% sales share of zero emission vehicles by 2030 and 100% latest by 2035](#) and in line with the COP26 declaration on zero emission cars mandating 100% of total sales of passenger vehicles and vans in leading markets by 2035

China

- **SBTi ANZS v0.1 2026:** 43% by 2025, 99% by 2030, 100% by 2035
- **Other literature:** [95-100% sales share of zero emission vehicles by 2030 and 100% latest by 2035](#) and in line with the COP26 declaration on zero emission cars mandating 100% of total sales of passenger vehicles and vans in leading markets by 2035

Emerging markets and developing economies (EMDE)

- **SBTi ANZS v0.1 2026:** 11% by 2025, 76% by 2030, 100% by 2040
- **Other literature:** [67-95% by 2030 and 100% between 2035-2040](#) and in line with the COP26 declaration on zero emission cars mandating 100% of total sales of passenger vehicles and vans by 2040 globally

Heavy-duty vehicles / lorries

Global

- **SBTi ANZS v0.1 2026:** 5% by 2025, 32% by 2030, 96% by 2040, 100% by 2045
- **Other literature:** [Complete phase-out of trucks with internal combustion engines would need to be achieved between 2045-2050 globally](#)

Advanced economies (AEs)

- **SBTi ANZS v0.1 2026:** 6% by 2025, 40% by 2030, 100% by 2035
- **Other literature:** [30-37% by 2030 globally and 100% by 2040 in advanced economies and China](#)

China

- **SBTi ANZS v0.1 2026:** 6% by 2025, 40% by 2030, 100% by 2035
- **Other literature:** [30-37% by 2030 globally and 100% by 2040 in advanced economies and China](#)

Emerging markets and developing economies (EMDE)

- **SBTi ANZS v0.1 2026:** 2% by 2025, 17% by 2030, 91% by 2040, 100% by 2045
- **Other literature:** [Complete phase-out of trucks with internal combustion engines would need to be achieved between 2045-2050 globally](#)

Busses

Global

- **SBTi ANZS v0.1 2026:** 21% by 2025, 59% by 2030, 99% by 2040, 100% by 2050
- **Other literature:** [A complete phase-out of buses with internal combustion engines would need to be achieved between 2035-2050 globally](#)

Advanced economies (AEs)

- **SBTi ANZS v0.1 2026:** 12% by 2025, 49% by 2030, 100% by 2035
- **Other literature:** [56-60% by 2030 globally and 100% by 2030 in advanced economies and China](#)

China

- **SBTi ANZS v0.1 2026:** 30% by 2025, 65% by 2030, 100% by 2035
- **Other literature:** [56-60% by 2030 globally and 100% by 2030 in advanced economies and China](#)

Emerging markets and developing economies (EMDE)

- **SBTi ANZS v0.1 2026:** 10% by 2025, 65% by 2030, 96% by 2040, 100% by 2045
- **Other literature:** [A complete phase-out of buses with internal combustion engines would need to be achieved between 2035-2050 globally](#)

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