

Recent Highlights

- [SBTi launches draft Corporate Net-Zero Standard V2 for consultation](#)

The Science Based Targets initiative (SBTi) has published an initial draft of its revised Corporate Net-Zero Standard for public consultation.

Draft standard aims to accelerate corporate decarbonization by:

- Tackling barriers to scope 3, or value chain, action – the most commonly cited challenge by businesses
- Maintaining focus on emissions reduction while exploring incentives to support scaling of climate finance and carbon removals
- Making it easier for companies in emerging economies to set targets
- Incentivizing ambition and action through new model to validate and recognize progress against targets

The draft standard sets out a science-based, innovative and pragmatic framework that enables more businesses worldwide to join the 3,000 with net-zero targets or which have committed to set them. It is informed by the latest climate science, regulation, and recognized standards and frameworks, as well as feedback from businesses about what they need to achieve the collective ambition of a net-zero future.

- [EU Platform on Sustainable Finance Proposes New Standard to Help SMEs Access Financing for Sustainability Efforts](#)

The Platform on Sustainable Finance (PSF), an expert group mandated by the European Commission to advise it on the development of sustainable finance policies, announced the publication of a new report, proposing a new “SME sustainable finance standard” aimed at helping small and medium-sized enterprises to access external financing to support their sustainability and climate transition-related initiatives.

According to the PSF, the new report comes as SMEs form a key element in the EU’s sustainability transition, as they contribute more than half of the EU’s GDP and account for more than 63% of enterprise CO2 and broader GHG emissions. While SMEs will require access to financing in order to decarbonize, transition their operations and develop sustainable products and services, however, the report notes that many face challenges in accessing sustainable finance, ranging from high minimum loan sizes, complex banking regulation, insufficient awareness, a lack of harmonized regulatory green or sustainable loan definitions, and a lack of sustainability-related data reported by SMEs.

While the EU Taxonomy was established as a classification system enabling the categorization of economic activities to facilitate sustainable financing, the PSF noted that it was not designed for SMEs, with requirements and criteria that are too difficult for small businesses to comply with.

In order to address these challenges, according to the PSF, the new standard presents a simplified system for SMEs to access sustainable financing and to simplify disclosure to financiers around their key performance indicators and their climate-related efforts.