

CORPORATE NET-ZERO STANDARD VERSION 2 INITIAL CONSULTATION DRAFT

FIRST PUBLIC CONSULTATION FEEDBACK REPORT

November 2025

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 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).

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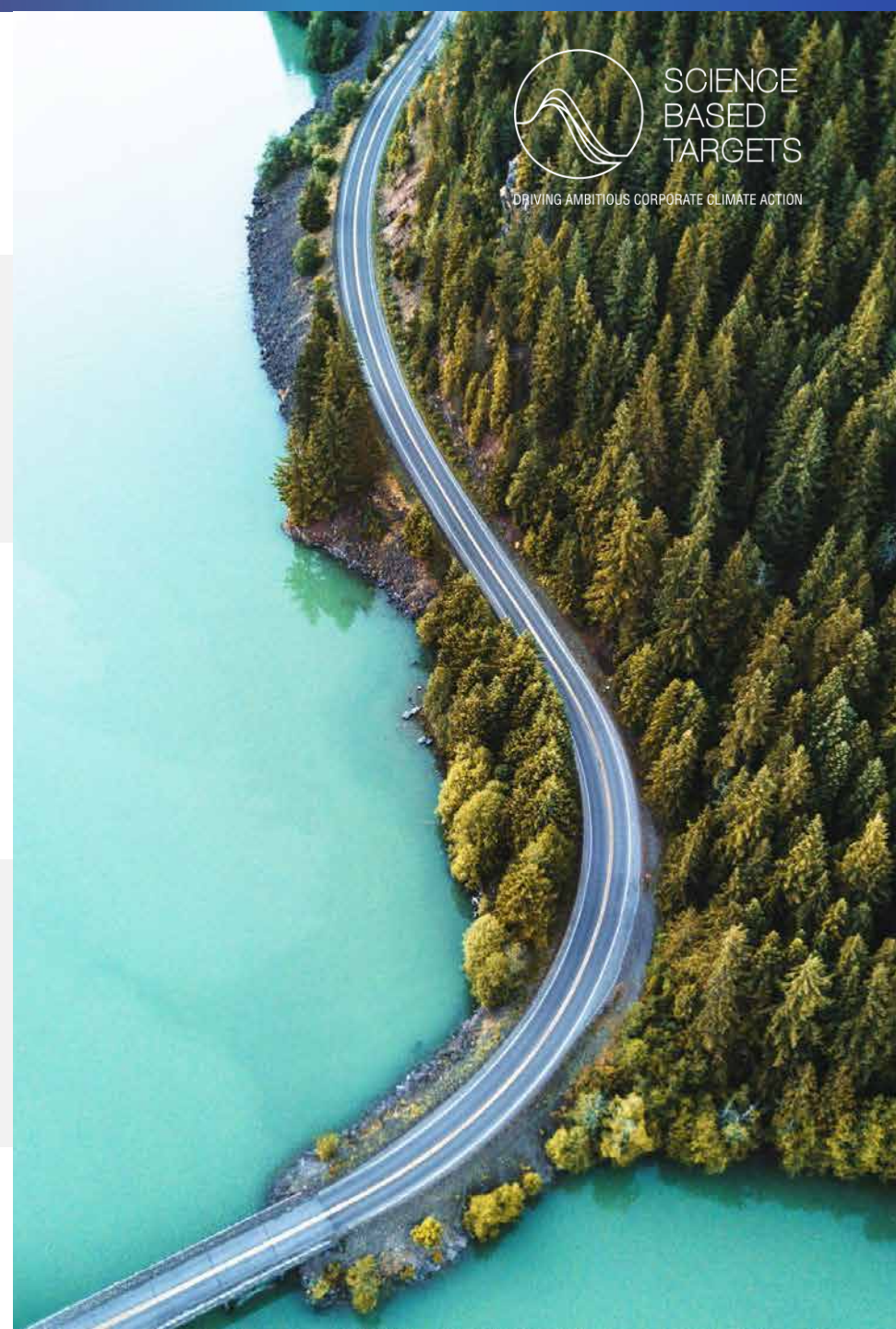
“Science Based Targets initiative” and “SBTi” refer to the Science Based Targets initiative, a private company registered in England number 14960097 and registered as a UK Charity number 1205768.

ABOUT THIS DOCUMENT

Public consultations forms a key step in the development of SBTi Standards. It serves to identify any necessary improvements and implementation challenges.

Here we provide a summary of the feedback received on the Corporate Net-Zero Standard Version 2.0 Initial Consultation Draft during the March - June 2025 public consultation. This document presents an analysis of **all quantitative answers (i.e., not open text)** received. A description of the analysis methodology can be found in an annex.

Thank you to all stakeholders that submitted feedback in response to the public consultation, or engaged in any way during the public consultation.



CONTENTS

1.	Executive summary	6
2.	Background information	8
3.	Summary of consultation feedback:	
3.1.	General introductory questions	13
3.2.	Company categorization	19
3.3.	General requirements	26
3.4.	Determining performance in the base year	33
3.5.	Target setting general requirements	54
3.6.	Addressing scope 1 emissions	62
3.7.	Addressing scope 2 emissions	72
3.8.	Addressing scope 3 emissions	78
3.9.	Addressing residual emissions	96
3.10.	Target transparency	109
3.11.	Addressing the impact of ongoing emissions	114
3.12.	Assessing and communicating progress	134
3.13.	Claims	143
	Analysis Methodology Annex	156



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Overview

The first public consultation on the *SBTi Corporate Net-Zero Standard Version 2.0* ran from March 18 to June 1, 2024, and achieved record engagement. Approximately **860 survey responses** were received from stakeholders across **60 countries**, representing organizations with significant operations and value chain activities in all regions. The highest participation came from **Europe (28%)**, **North America (22%)**, and **Asia (19%)**. The majority of respondents represented **companies, consultancies, and financial institutions (75%)**, while **10%** came from **civil society** and **4%** from **academia**.

Positive Feedback

Overall, feedback on the initial draft was positive. More than half of respondents rated the standard as **readable, ambitious, credible, and fair**. There was **broad endorsement (86%)** for introducing company categorization and tailoring requirements by company size and location. A majority (**68%**) agreed that **public net-zero commitments** will enhance companies' ability to seek SBTi validation. Support was also high for incorporating **transition plans**, with **55%** favoring a requirement (either for all companies or Category A only) and **31%** preferring a recommendation. Additionally, **60%** supported *opt-in recognition* for companies addressing the impact of **ongoing emissions**.

Areas requiring further consideration

Alongside the positive feedback, stakeholders identified several areas requiring additional reflection and refinement.

A majority of respondents **preferred that net-zero-aligned policy and lobbying as a recommendation (52%)**, rather than a requirement for **Category A companies (13.8%)** or for **all companies (24.9%)**. Similarly, **most respondents (58%) opposed the introduction of dual Scope 2 target requirements**, expressing concern about added complexity and feasibility.

The proposed **2030 requirement for 100% of spend on emissions-intensive goods and services to go to suppliers with targets** was widely viewed as **unrealistic**, with only **3.6%** of respondents considering it feasible. Stakeholders instead favored **supplier alignment targets as an optional approach**.

In addition, **requirements for removals targets** were perceived as a **barrier to entry** by a majority (**60%**) of respondents, suggesting the need to balance ambition with accessibility.

Finally, there was **a lack of clarity on the types of claims companies can make**, with **support split across all proposed options**. This indicates a need for clearer guidance and definitions.

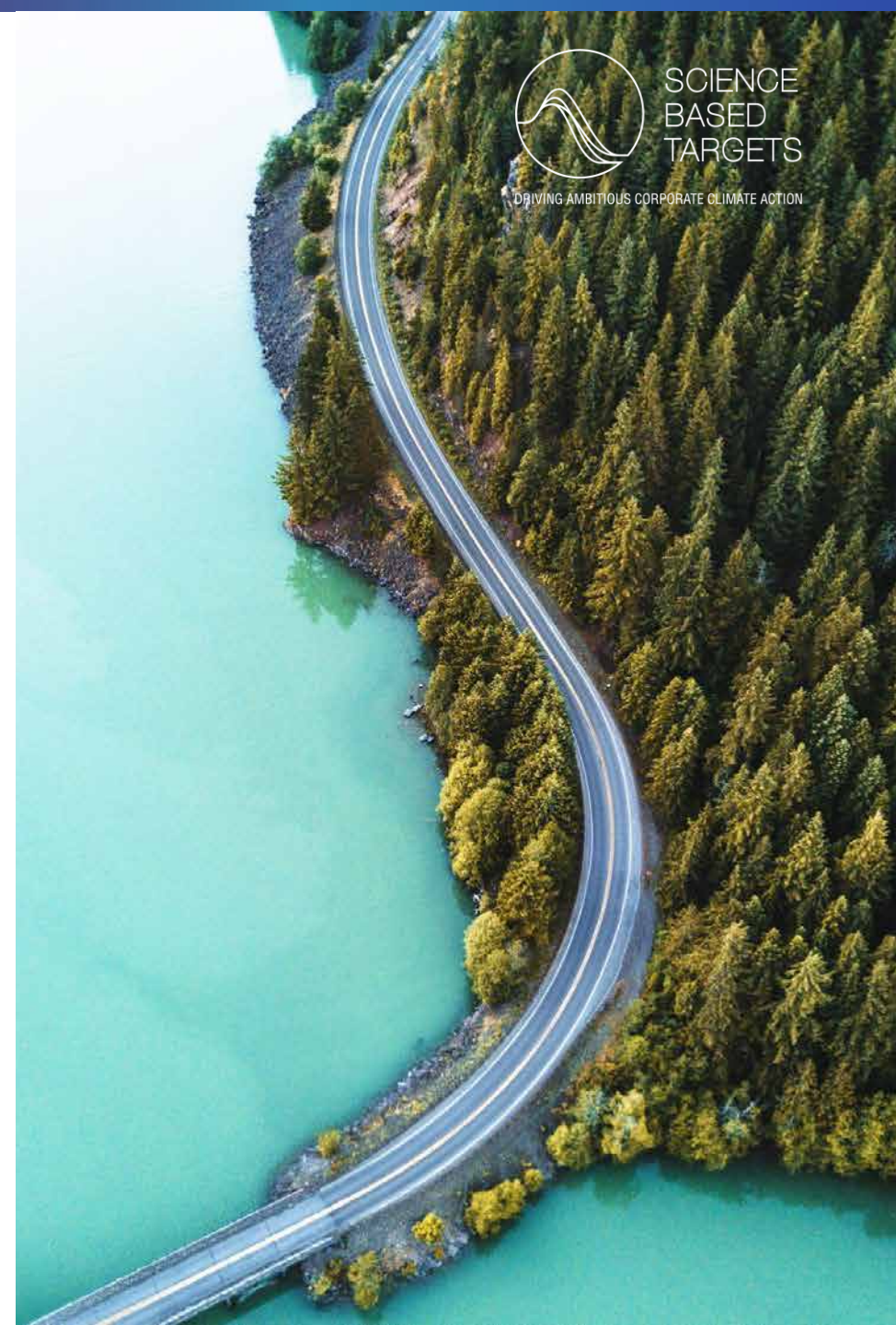


1. BACKGROUND INFORMATION

BACKGROUND INFORMATION

ABOUT THE SBTi CORPORATE NET-ZERO STANDARD VERSION 2.0 PUBLIC CONSULTATION

- The public consultation gathered stakeholder feedback on the **SBTi Corporate Net-Zero Standard Version 2.0** (Version 2.0 of the Standard hereafter), launched in March 2025. The consultation remained open from March 18, 2025 till June 1st, 2025.
- The consultation **included questions on the full Standard**, including ways to assess agreement on the changes proposed, and gather feedback on different options proposed for specific topics.
 - The structure of this document reflects the structure of the survey, which mirrors the structure of the [draft Standard](#).
- **The consultation was public** on SBTi website and stakeholders could answer it through the online survey or through a dedicated Excel spreadsheet.
- **Input received will inform the next draft**, which will undergo a second consultation, and pilot testing ahead of final approval.

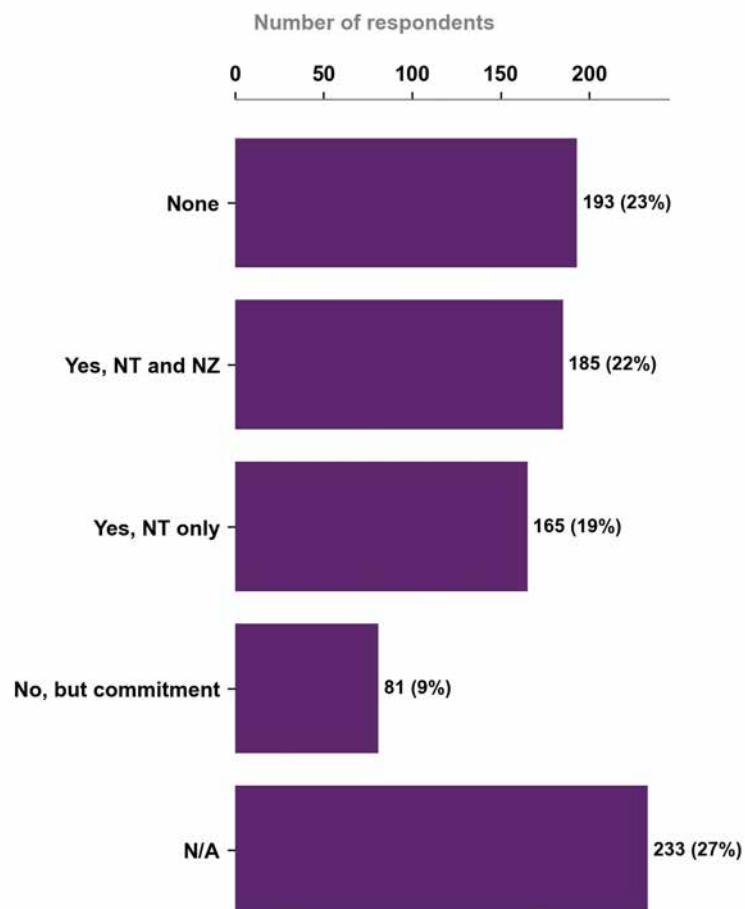


BACKGROUND INFORMATION

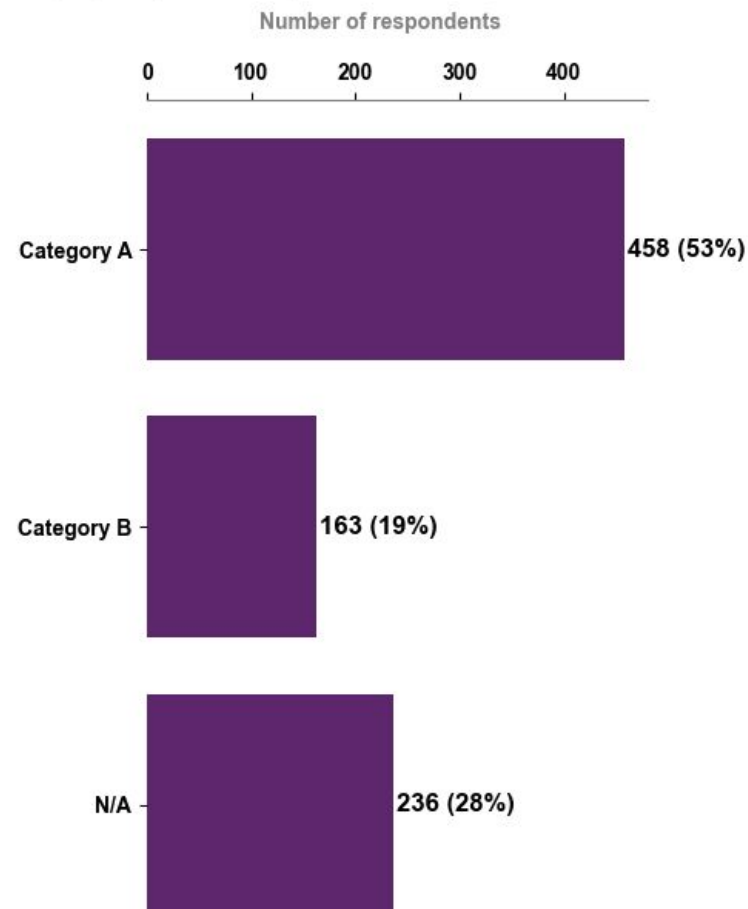
RESPONDENT DEMOGRAPHICS - BASED ON STAKEHOLDER TYPE

Completed survey responses (after removing duplicates and including manual survey responses) = **857**

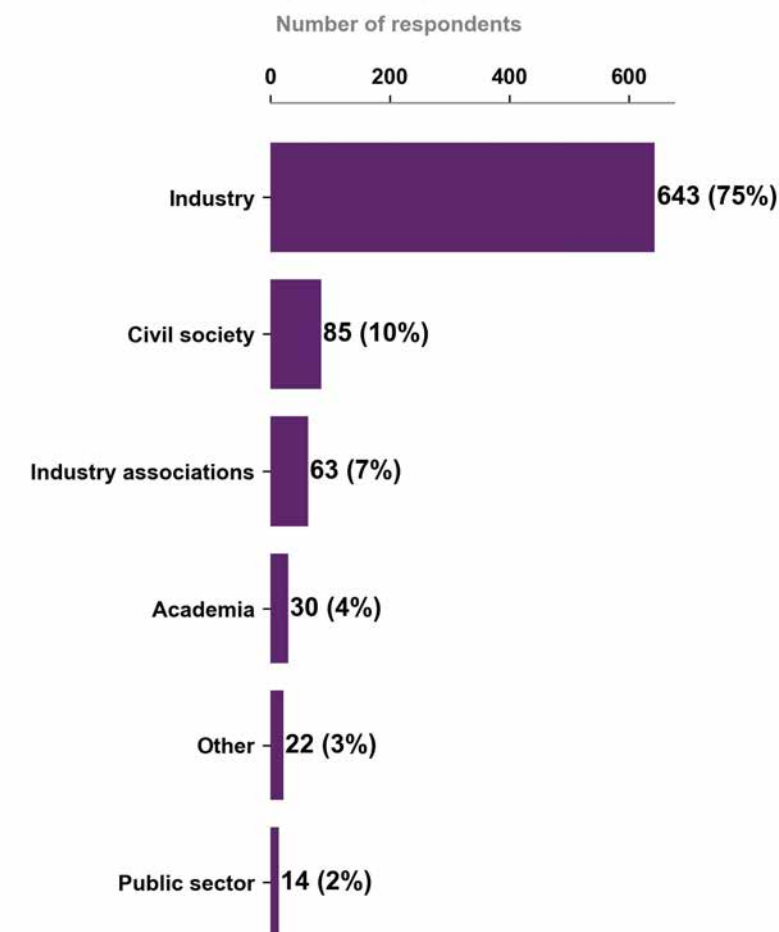
Relationship to SBTi (total = 857)



Category AB (total = 857)



Stakeholder Category (total = 857)

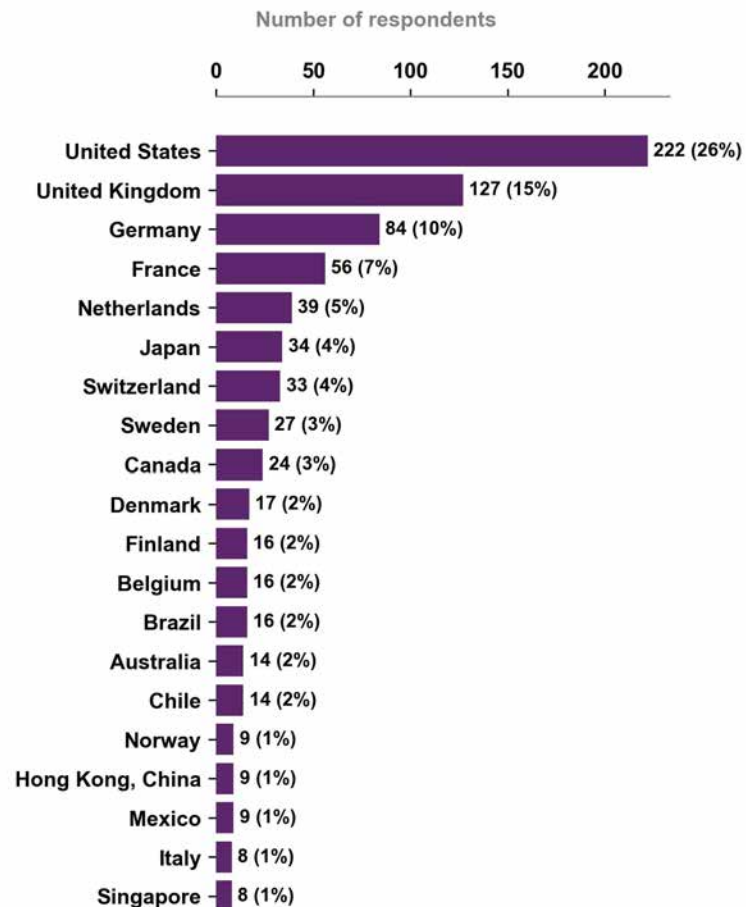


BACKGROUND INFORMATION

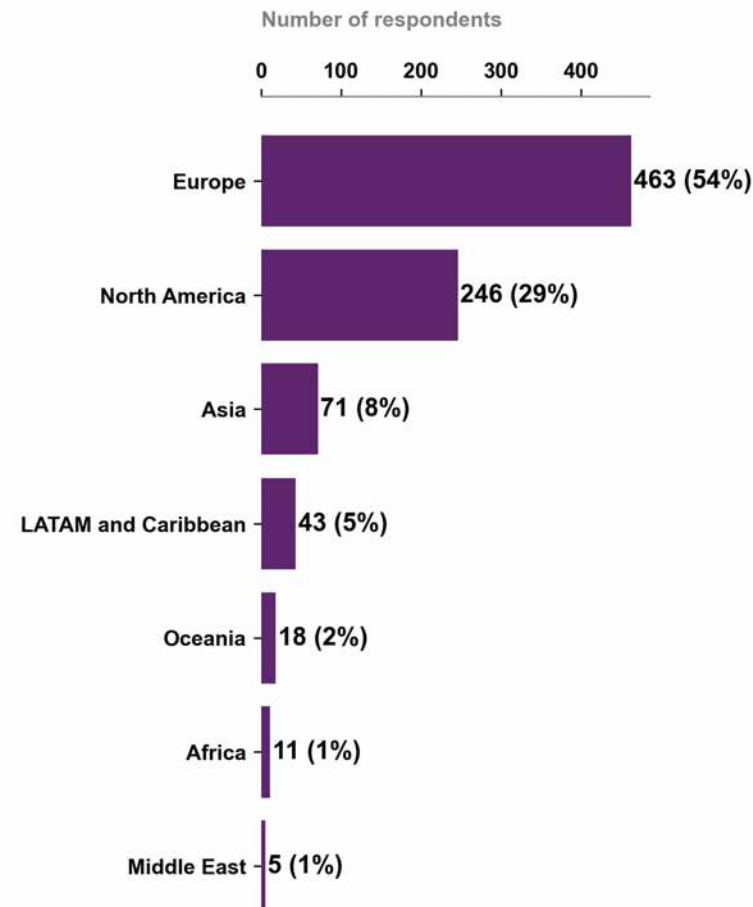
RESPONDENT DEMOGRAPHICS - BASED ON STAKEHOLDER LOCATION

Completed survey responses (after removing duplicates and including manual survey responses) = **857**

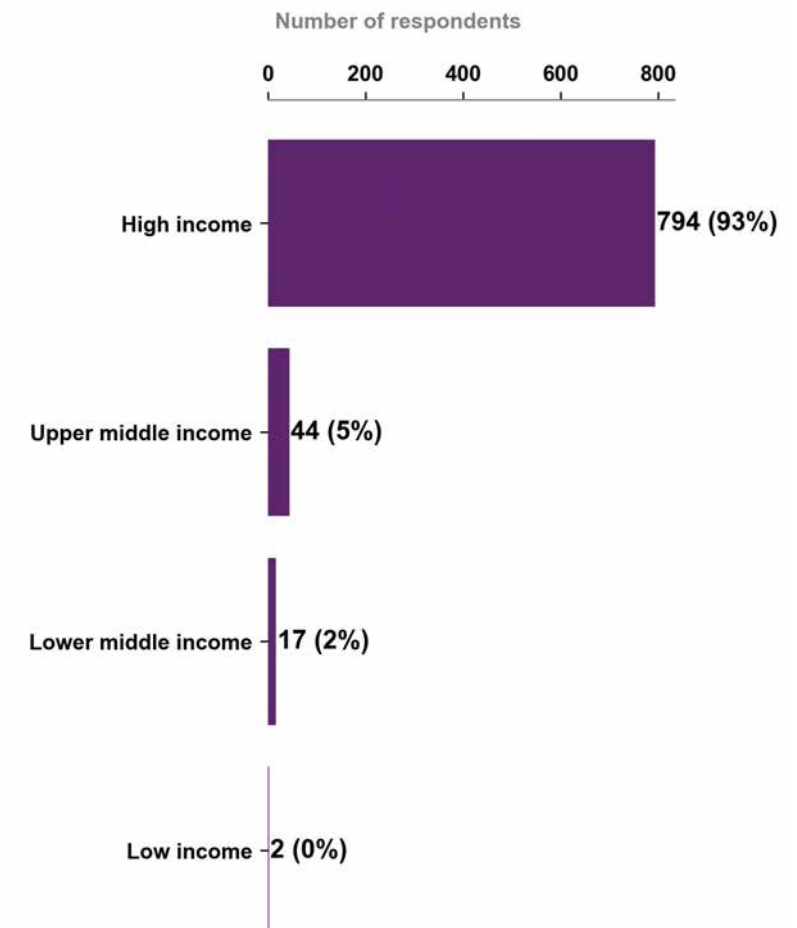
Territory (Top 20) (total = 857)



Region (total = 857)



World Bank Income Group (total = 857)



BACKGROUND INFORMATION

PARTICIPANTS

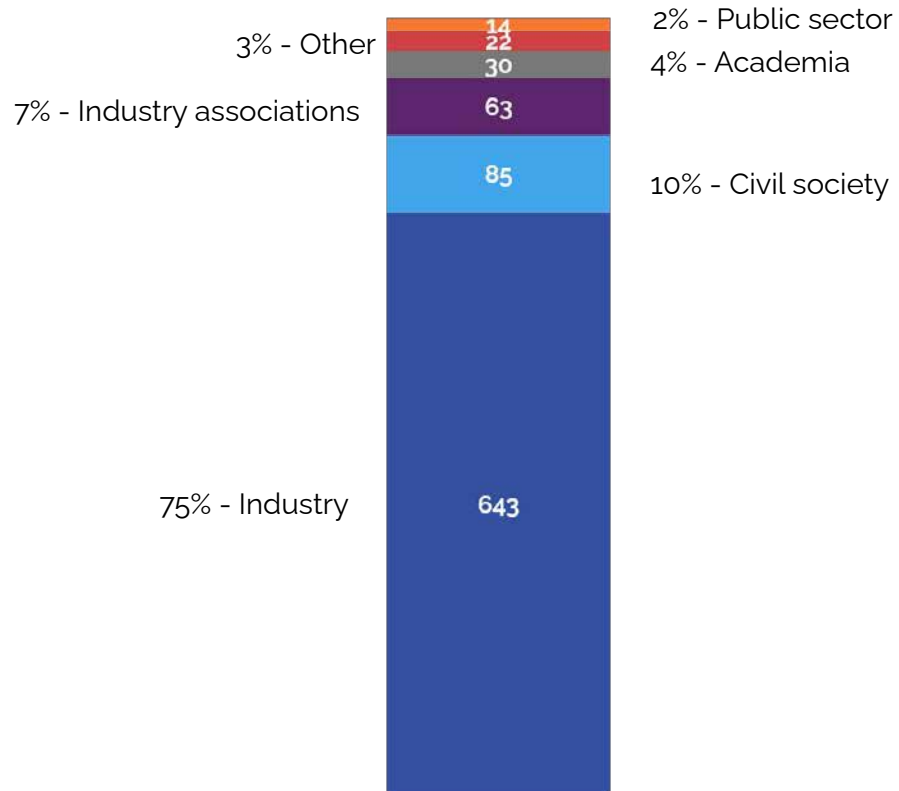
Public consultation survey



860

Responses to the first public consultation survey

Organizational types



Geographies represented*

60

Countries

1 respondent did not provide country details



* Regional figures reflect where respondents had significant operations or value chain activities.

SBTi validation status





2. SUMMARY OF CONSULTATION FEEDBACK

2.1 GENERAL INTRODUCTORY QUESTIONS

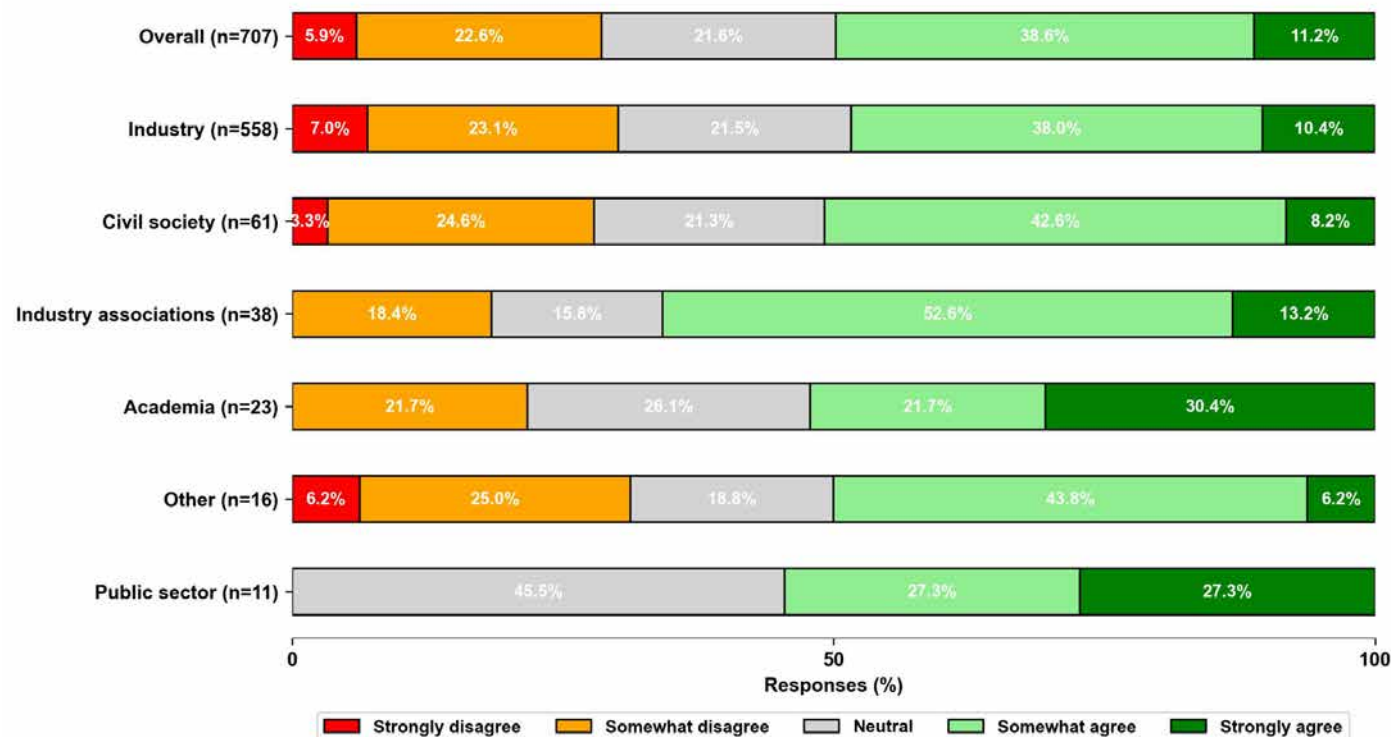
GENERAL INTRODUCTORY QUESTIONS

READABILITY OF VERSION 2.0 OF THE STANDARD

To what extent do you agree or disagree that Version 2.0 of the Standard is readable and easy to understand?

Survey Responses

Q42: To what extent do you agree or disagree with the following statements? | CNZS V2.0 is readable and easy to understand - by Stakeholder Category



Key Insights

- There is general agreement that Version 2.0 of the Standard is reasonably clear and accessible.
- 50% of respondents agree or strongly agree that the Standard is readable.
- Readability is rated higher among more technical audiences, such as those in academia and the public sector.
- 28% of respondents indicate that they do not find the Standard readable, suggesting opportunities to improve clarity for less technical users.



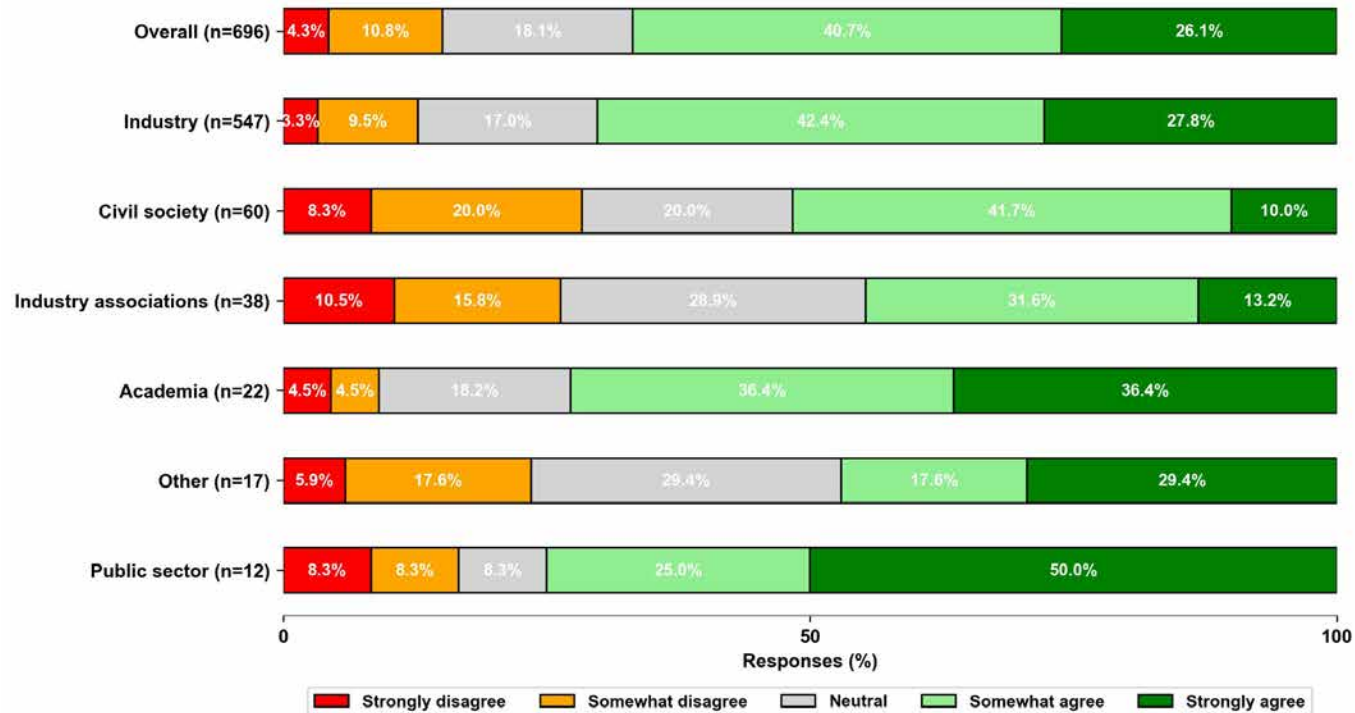
GENERAL INTRODUCTORY QUESTIONS

AMBITION OF VERSION 2.0 OF THE STANDARD

To what extent do you agree or disagree that Version 2.0 of the Standard is ambitious enough to meaningfully take science-based climate action?

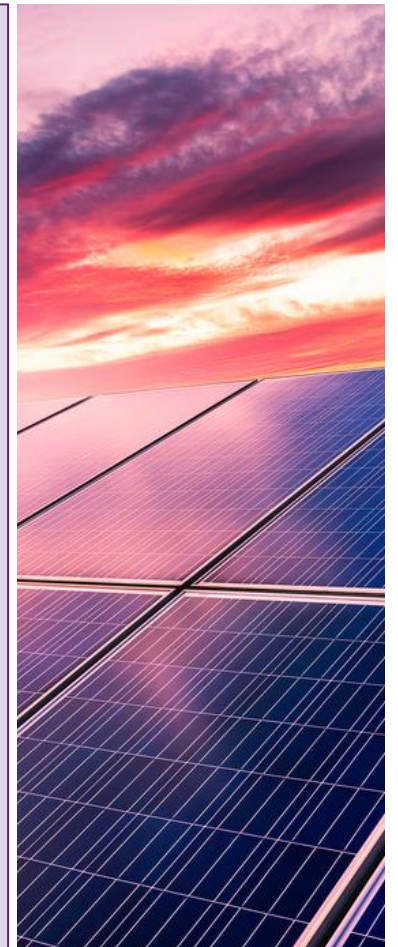
Survey Responses

Q43: To what extent do you agree or disagree with the following statements? | CNZS V2.0 is ambitious enough to meaningfully take science-based climate action - by Stakeholder Category



Key Insights

- There is broad agreement that Version 2.0 of the Standard demonstrates a high level of ambition.
- 67% of respondents agree or strongly agree that the Standard is ambitious.
- Disagreement is more pronounced among civil society, industry associations, and other stakeholder groups, though it remains below 30% of respondents overall.



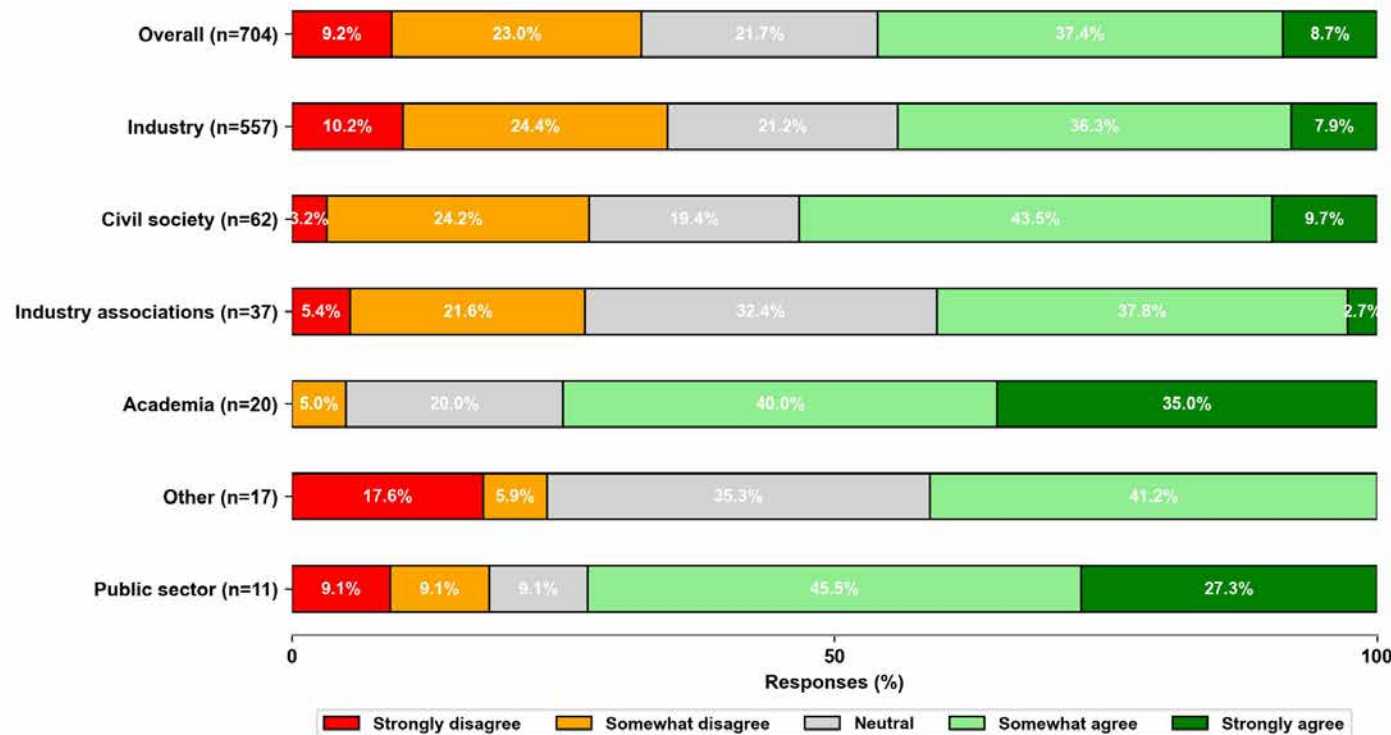
GENERAL INTRODUCTORY QUESTIONS

ACTIONABILITY OF VERSION 2.0 OF THE STANDARD

To what extent do you agree or disagree that Version 2.0 of the Standard is actionable?

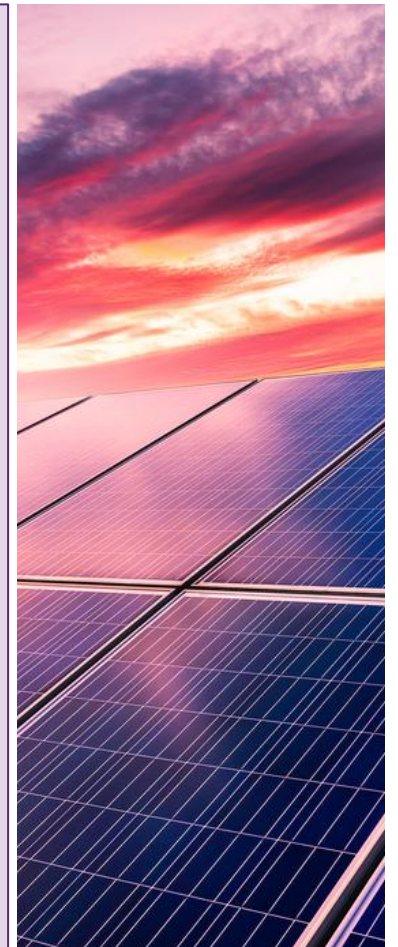
Survey Responses

Q44: To what extent do you agree or disagree with the following statements? | CNZS V2.0 is actionable - by Stakeholder Category



Key Insights

- Responses indicate mixed views on the actionability of Version 2.0 of the Standard.
- Among industry respondents, 35% disagree or strongly disagree that the Standard is actionable, highlighting potential implementation challenges.
- The most common response across all stakeholder groups is "somewhat agree," suggesting general support but a need for additional guidance or clarification to improve usability.



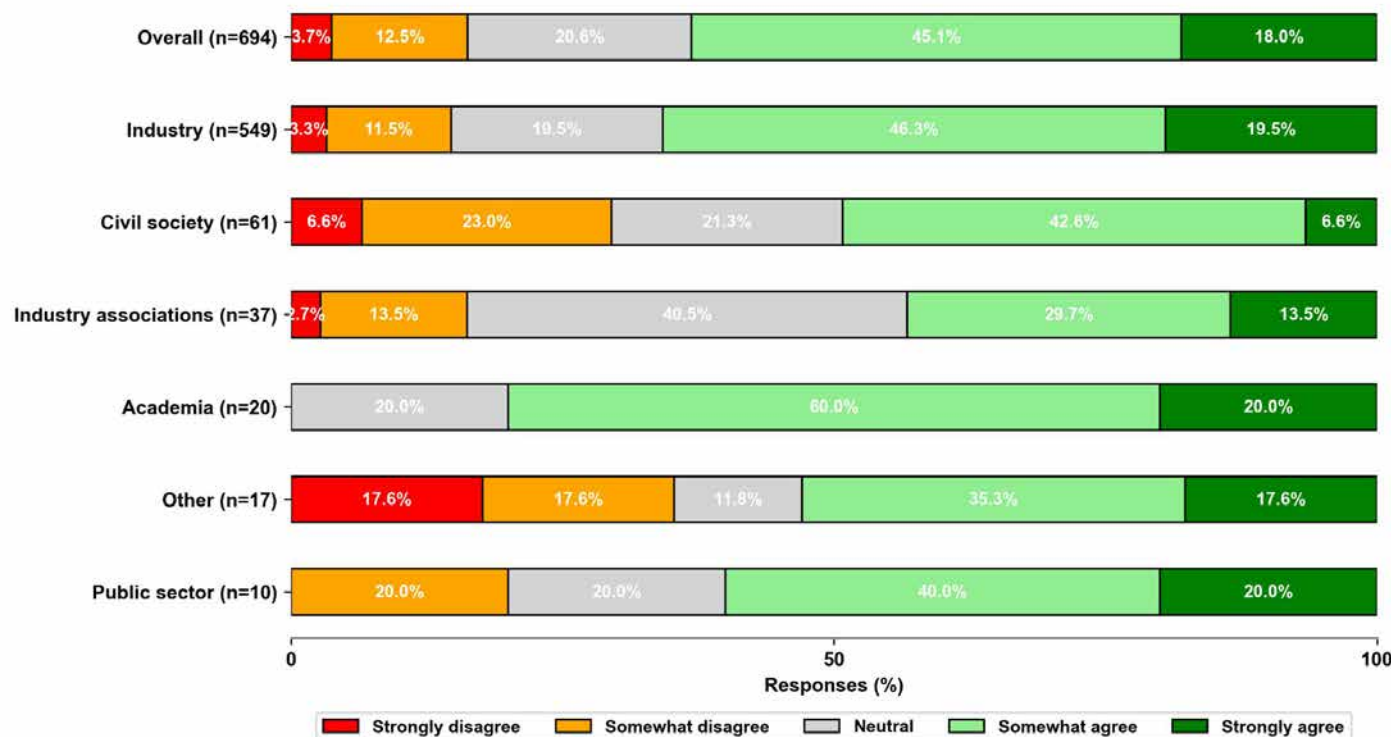
GENERAL INTRODUCTORY QUESTIONS

CREDIBILITY OF VERSION 2.0 OF THE STANDARD

To what extent do you agree or disagree that Version 2.0 of the Standard will assure the credibility of companies' climate action?

Survey Responses

Q45: To what extent do you agree or disagree with the following statements? | CNZS V2.0 will assure the credibility of companies' climate action - by Stakeholder Category



Key Insights

- There is general agreement that Version 2.0 of the Standard is credible.
- 63% of respondents agree or strongly agree that the Standard assures credibility.
- Civil society and "other" stakeholders are relatively more skeptical, with 30-35% expressing disagreement.
- Academia is the stakeholder group most confident in the Standard's credibility.



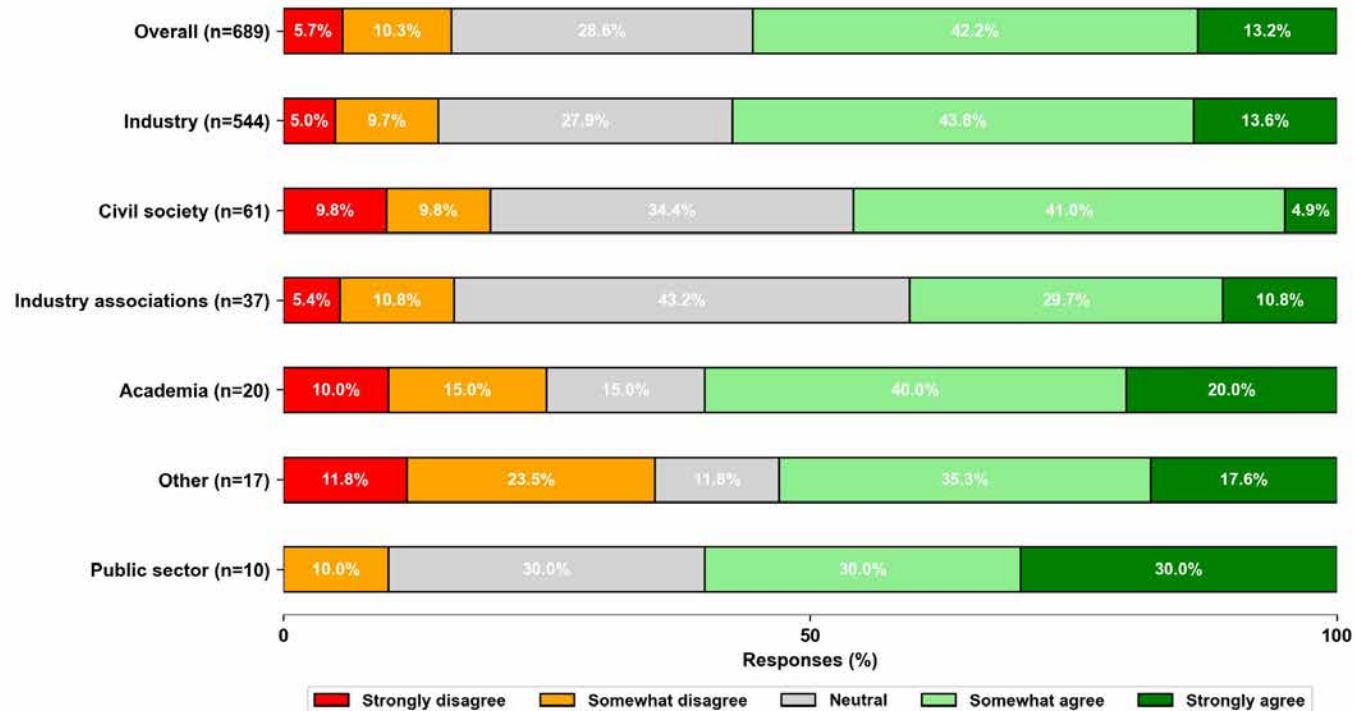
GENERAL INTRODUCTORY QUESTIONS

FAIRNESS OF VERSION 2.0 OF THE STANDARD

To what extent do you agree or disagree that Version 2.0 of the Standard strives for equity and does not compromise environmental sustainability?

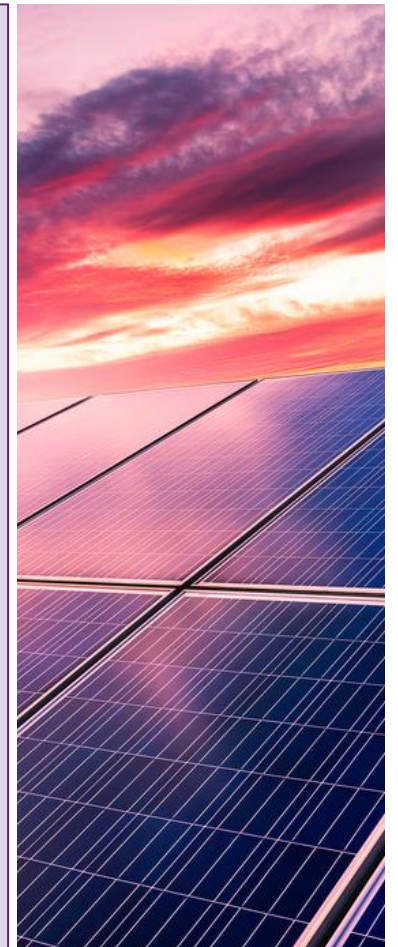
Survey Responses

Q46: To what extent do you agree or disagree with the following statements? | CNZS V2.0 strives for equity and does not compromise environmental sustainability - by Stakeholder Category



Key Insights

- There is general agreement that Version 2.0 of the Standard is fair.
- 55% of respondents agree or strongly agree that the Standard ensures fairness.
- The most skeptical groups are "other" stakeholders (35% disagreement) and academia (25% disagreement), indicating some perceived room for improvement in equity or applicability.





2. SUMMARY OF CONSULTATION FEEDBACK

2.2 COMPANY CATEGORIZATION

OVERVIEW OF PUBLIC CONSULTATION:

- 86% of respondents agree with the **differentiation of requirements** based on company size and location.
- 69% of respondents agree with the **threshold proposed** for the company size.
- 67% of the respondents agree with the **proposed geographical categorization**. Latin America and Africa are the regions with the major opposition to the proposed approach (29% and 25% disagreement respectively), even if the majority of answer still express a positive sentiment.
- 60% of the respondents agree with the **proposed conditions to determine geographical categorization** of companies. Public sector and industry associations are the stakeholder groups presenting most diverging option: 20% and 25% of respondents from those stakeholder groups disagree with the proposed approach.

KEY TAKEAWAYS:

For the **next iteration of the draft**, the SBTi has shifted **medium companies in upper-middle income countries into category B**: it was determined that the countries classified under the upper-middle income bracket, which includes most of Latin America (see World Bank map), should not be classified in the same bracket as those countries with greater levels of historic responsibility for climate change in more developed countries.

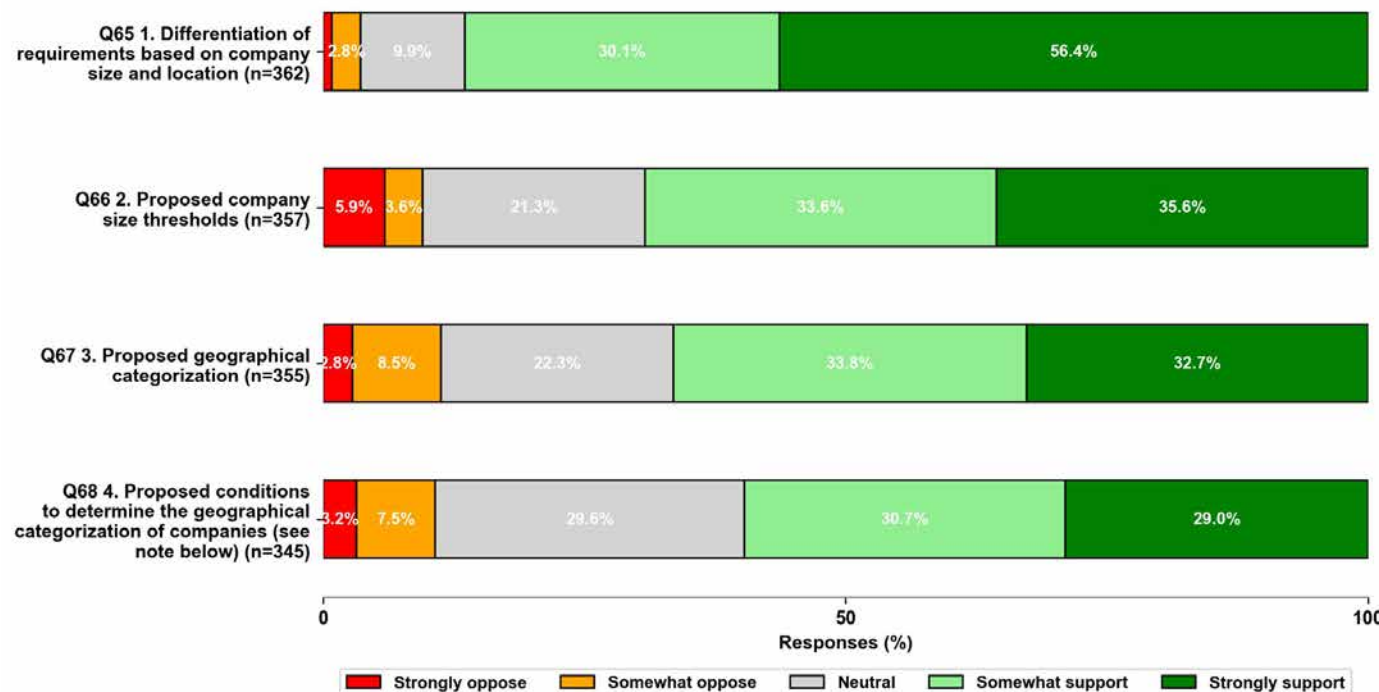
COMPANY CATEGORIZATION

OVERVIEW

To what extent do you support or oppose the following elements of company categorization?

Survey Responses

Q65,66,67,68: To what extent do you support or oppose the following elements of company categorization?



Key Insights

- Strong agreement on the proposed company categorization. 87% of respondents agree or strongly agree that requirements should vary based on company size and location.
- Around two-thirds of respondents support both the proposed company size thresholds and the proposed geographical categories.
- About 60% support the proposed criteria for the geographical categorization of companies, indicating broad but not universal consensus.



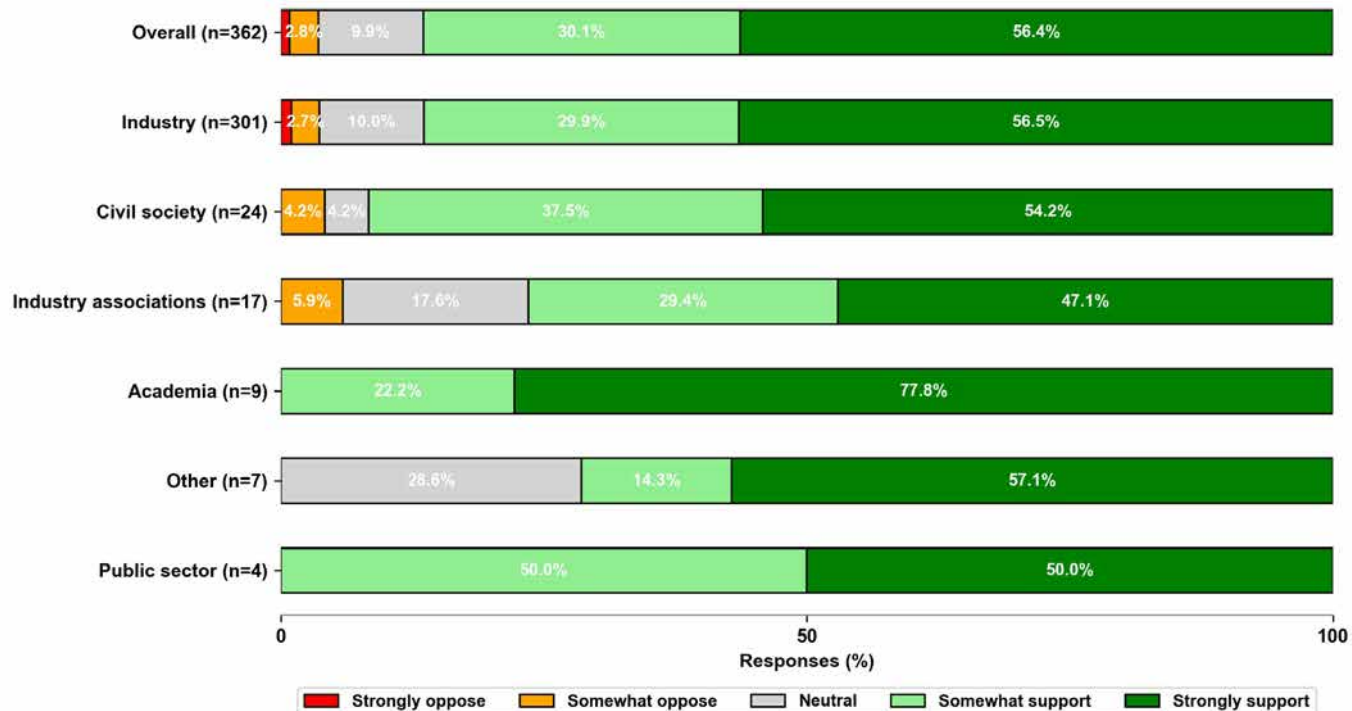
COMPANY CATEGORIZATION

DIFFERENTIATION OF REQUIREMENTS

To what extent do you support or oppose differentiation of requirements based on company size and location?

Survey Responses

Q65: To what extent do you support or oppose the following elements of company categorization? | 1. Differentiation of requirements based on company size and location - by Stakeholder Category



Key Insights

- There is broad support for differentiating requirements based on company size and location, with limited opposition.
- Academia and the public sector are fully in agreement, with near-universal support from "other" stakeholders.
- Strong backing is observed among industry (86%), industry associations (77%), and civil society (over 90%).



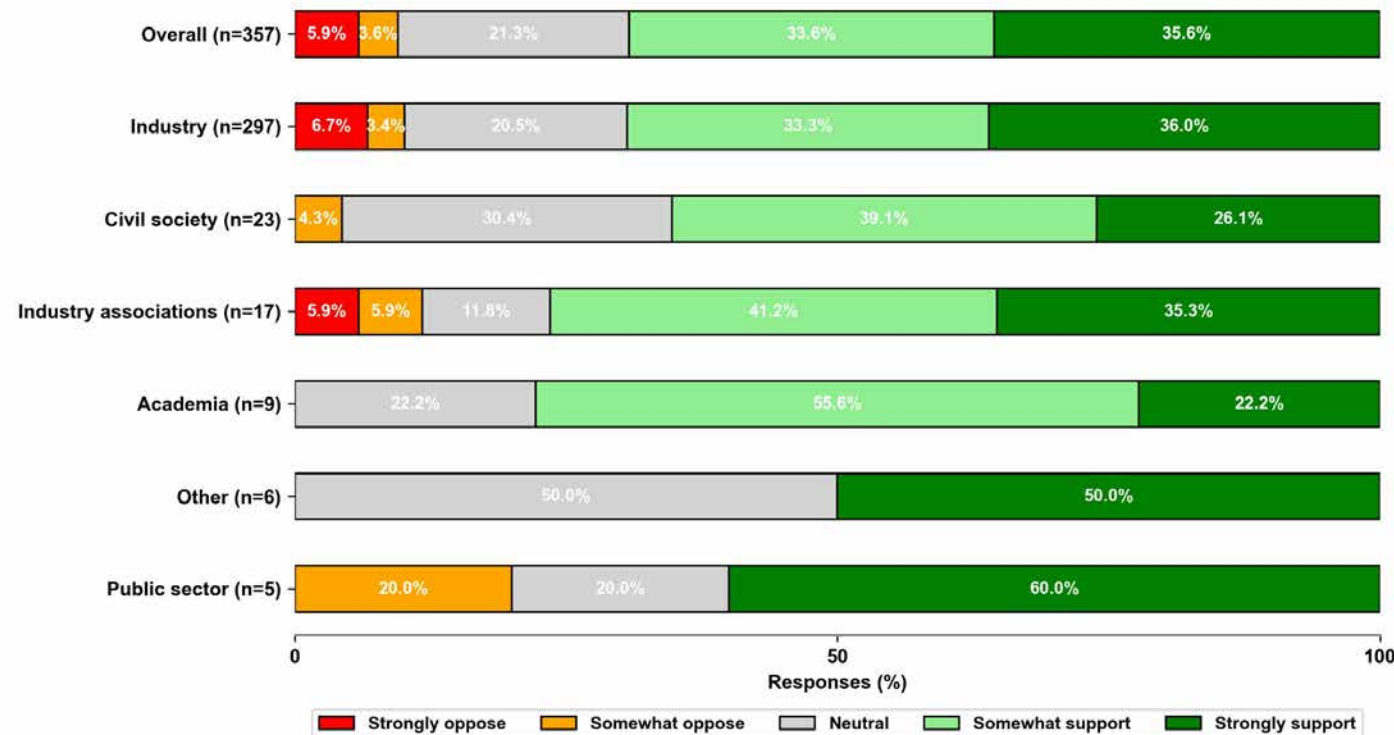
COMPANY CATEGORIZATION

COMPANY SIZE THRESHOLD

To what extent do you support or oppose proposed company size threshold?

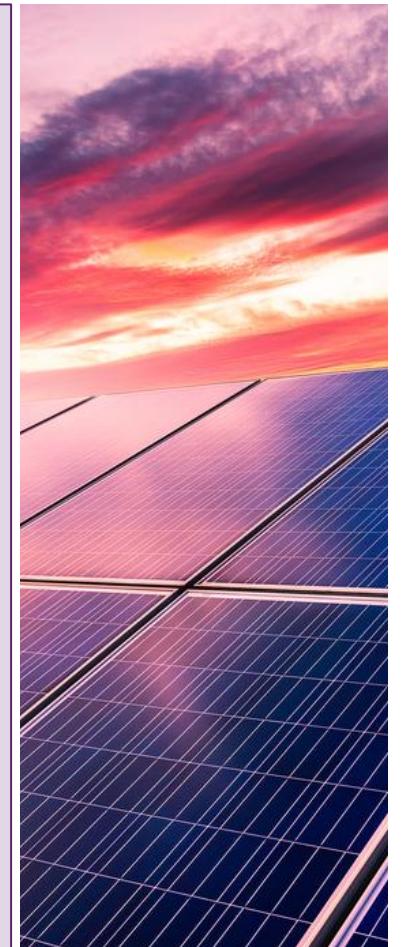
Survey Responses

Q66: To what extent do you support or oppose the following elements of company categorization? | 2. Proposed company size thresholds - by Stakeholder Category



Key Insights

- Overall, 70% of respondents support the proposed company size thresholds, with a similar proportion of agreement among industry respondents.
- There is wide support from academia and "other" stakeholders, with all respondents either neutral or in agreement with the thresholds.
- The public sector shows the most opposition, with 20% of respondents in disagreement, while industry associations (77%) and civil society (65%) generally agree with the proposed thresholds.

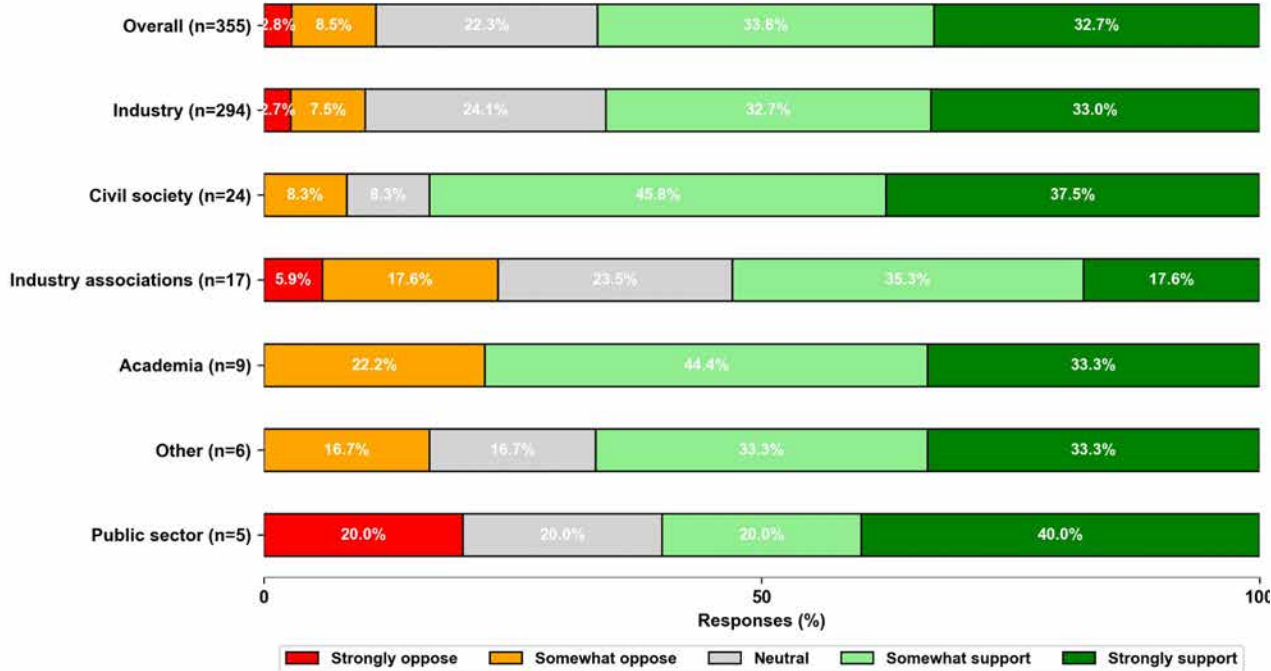


COMPANY CATEGORIZATION

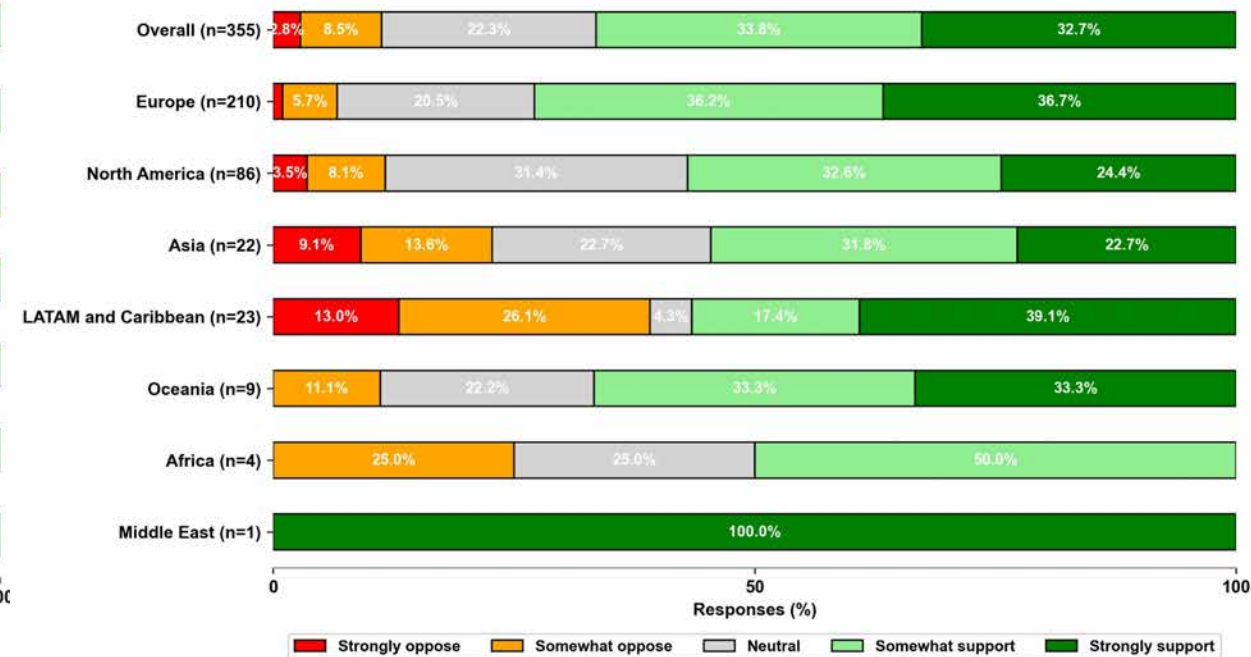
GEOGRAPHICAL CATEGORIZATION

To what extent do you support or oppose proposed geographical categorization?

Q67: To what extent do you support or oppose the following elements of company categorization? | 3. Proposed geographical categorization - by Stakeholder Category



Q67: To what extent do you support or oppose the following elements of company categorization? | 3. Proposed geographical categorization - by Region



Latin America and Africa are the regions with the major opposition to the proposed approach, even if the majority of answers still express a positive sentiment.

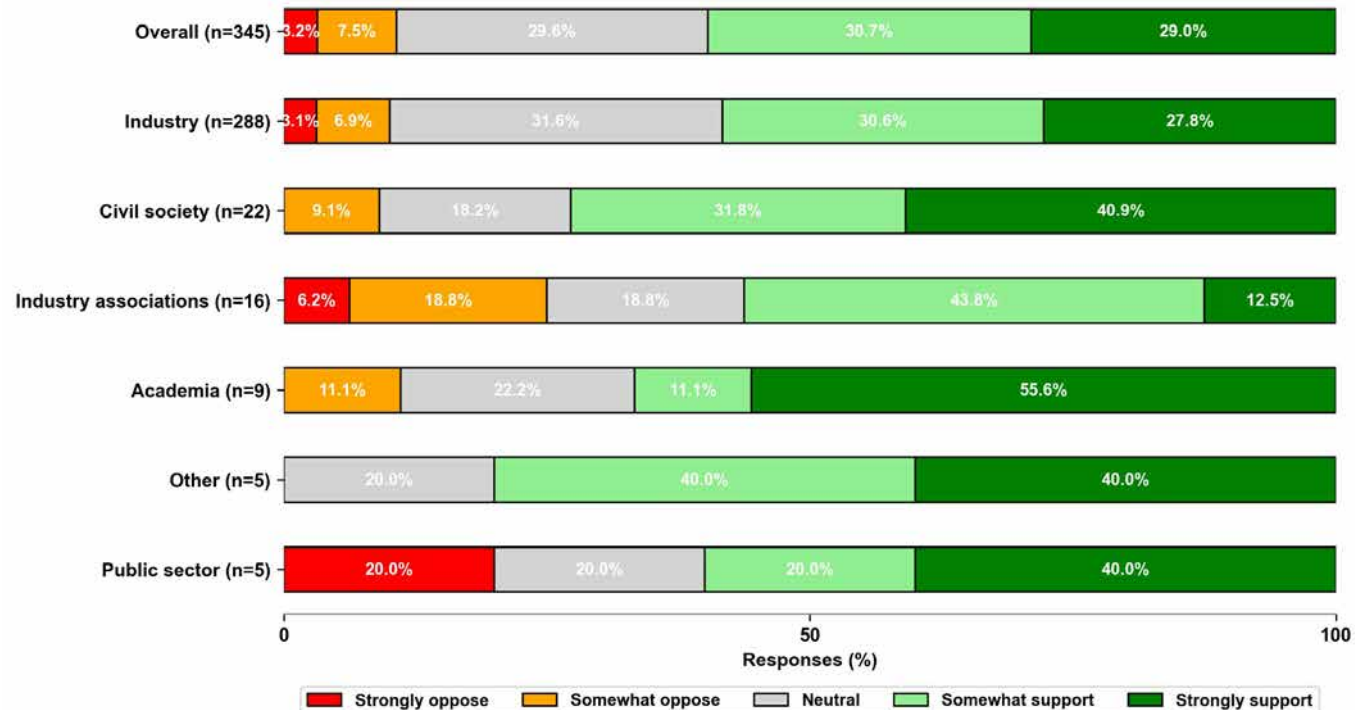
COMPANY CATEGORIZATION

GEOGRAPHICAL CATEGORIZATION

To what extent do you support or oppose proposed conditions to determine the geographical categorization of companies?

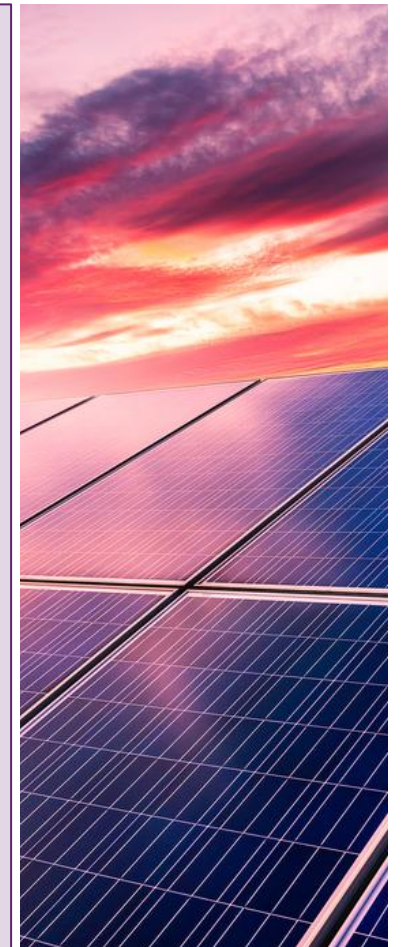
Survey Responses

Q68: To what extent do you support or oppose the following elements of company categorization? | 4. Proposed conditions to determine the geographical categorization of companies (see note below) - by Stakeholder Category



Key Insights

- There is general agreement that the proposed conditions for determining geographical categorization are appropriate.
- Overall, 60% of respondents agree with the proposed conditions.
- The most skeptical groups are industry associations (25% disagreement) and the public sector (20% disagreement), suggesting some room for further clarification or alignment.





2. SUMMARY OF CONSULTATION FEEDBACK

2.3 GENERAL REQUIREMENTS

GENERAL REQUIREMENTS

OVERVIEW OF PUBLIC CONSULTATION:

- Requiring a **public net-zero commitment** is generally **expected to have a positive impact** on company ability to seek validation, with 68% believing it to have a positive impact, 13% negative impact.
- General **support for requiring transition plans**, with 55% supporting a requirement of some sort, 31% prefer a recommendation for all companies.
- Lack of clarity around feasibility of **Category B companies developing a transition plan within 12 months** of initial validation, with 38% believing it is feasible or somewhat feasible, 27% neutral, and 34% believing it somewhat or not at all feasible.
- **Mixed opinions** on whether to include a requirement to ensure **policy and lobbying activities** are consistent with net-zero.

KEY TAKEAWAYS:

The **public net-zero requirement** is unchanged, but wording has been amended to focus on ambition.

The **transition plan is required for Category A companies** and optional for Category B companies. The requirements focus on transition plan disclosure.

Net-zero alignment of policy and lobbying is expected to be a recommendation.

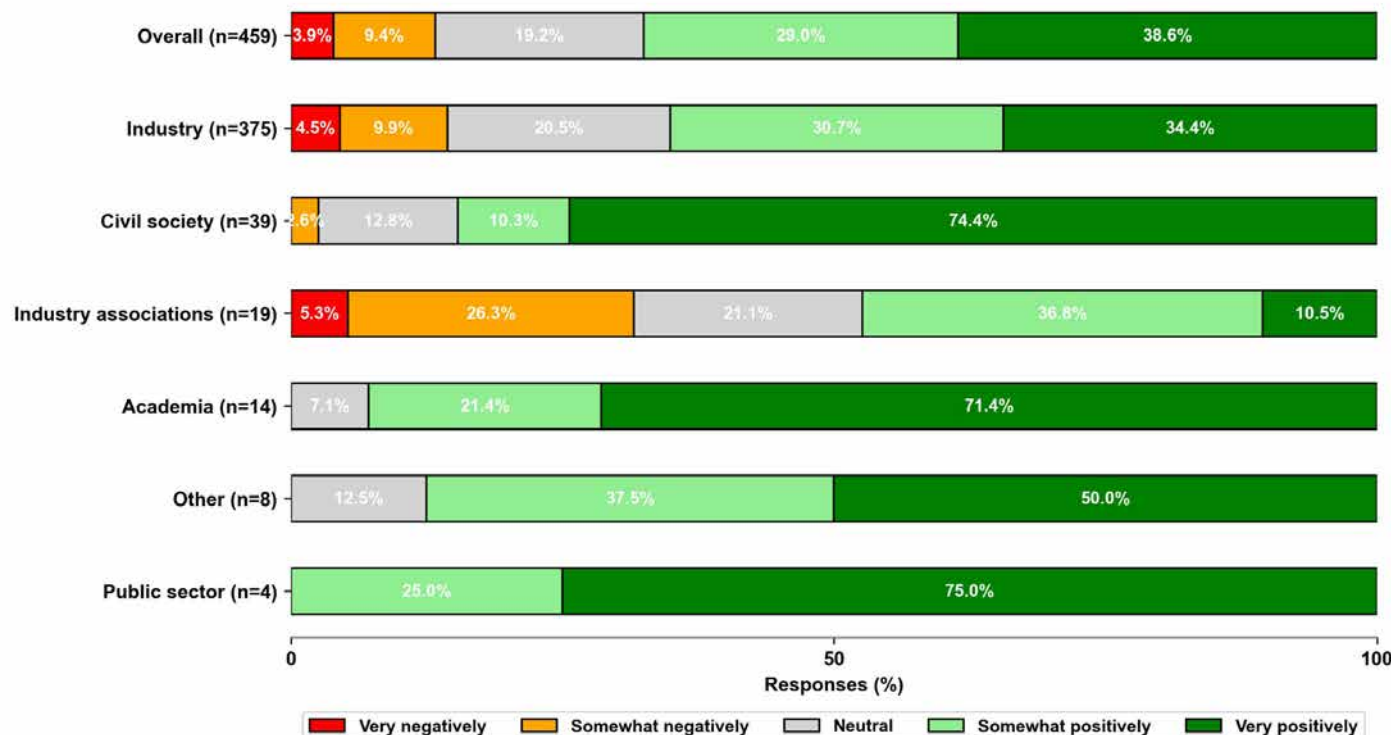
GENERAL REQUIREMENTS

PUBLIC COMMITMENT TO NET-ZERO

How does requiring a public commitment to net-zero impact a company's ability to seek validation under SBTi Standards?

Survey Responses

Q70: How does requiring a public commitment to net-zero impact a company's ability to seek validation under SBTi standards? - by Stakeholder Category



Key Insights

- There is broad support for requiring companies to make a public net-zero commitment when seeking SBTi validation, with 68% of respondents viewing this as a positive requirement.
- Support is strongest among the public sector, academia, and "other" stakeholders, with neutral to positive views.
- The greatest resistance comes from industry (14%) and industry associations (32%), indicating some concern about the feasibility or implications of a mandatory public commitment on net-zero.



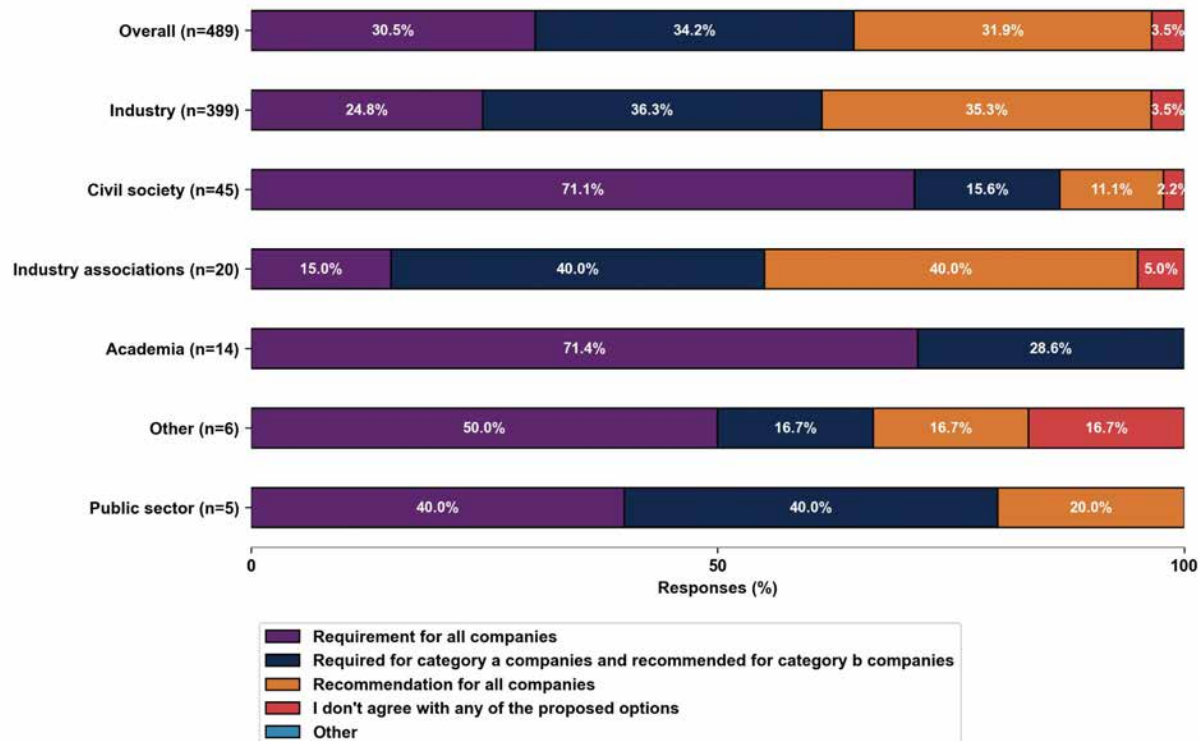
GENERAL REQUIREMENTS

TRANSITION PLAN

Should the provision for transition plans be a mandatory requirement or a best practice recommendation?

Survey Responses

Q72: Should the provision for transition plans be a mandatory requirement or a best practice recommendation? - by Stakeholder Category



Key Insights

- Views are split, 31% support making transition plans mandatory, 34% prefer a requirement for Category A companies only, and 32% favour keeping them as a recommendation for all.
- Civil society and academia (71%) show the strongest support for a mandatory requirement, reflecting their call for higher ambition.
- Industry and industry associations favour a more flexible approach, supporting either requirements for Category A companies or recommendations for all.



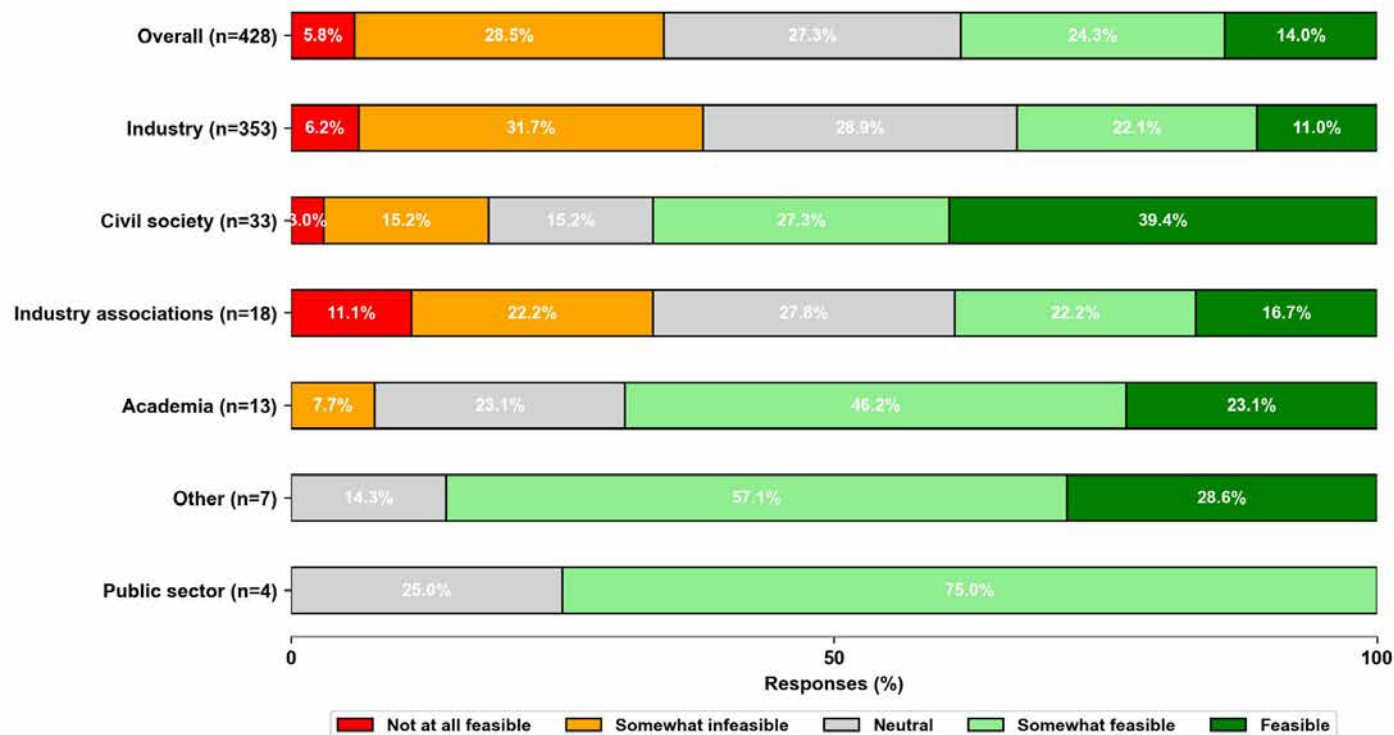
GENERAL REQUIREMENTS

TRANSITION PLAN

To what extent do you think it is feasible for Category B companies to develop a transition plan within 12 months from the initial validation?

Survey Responses

Q74: To what extent do you think it is feasible for category B companies to develop a transition plan within 12 months from the initial validation? - by Stakeholder Category



Key Insights

- Views are mixed, 6% of respondents view the requirement as infeasible, 29% as somewhat infeasible, 27% are neutral, and 38% consider it somewhat feasible or feasible.
- Broad support is seen among academia, "other" stakeholders, and the public sector, who generally view the 12 month timeframe as achievable.
- Implementation concerns are most pronounced among industry (38%) and industry associations (33%), viewing the timeline as largely infeasible.

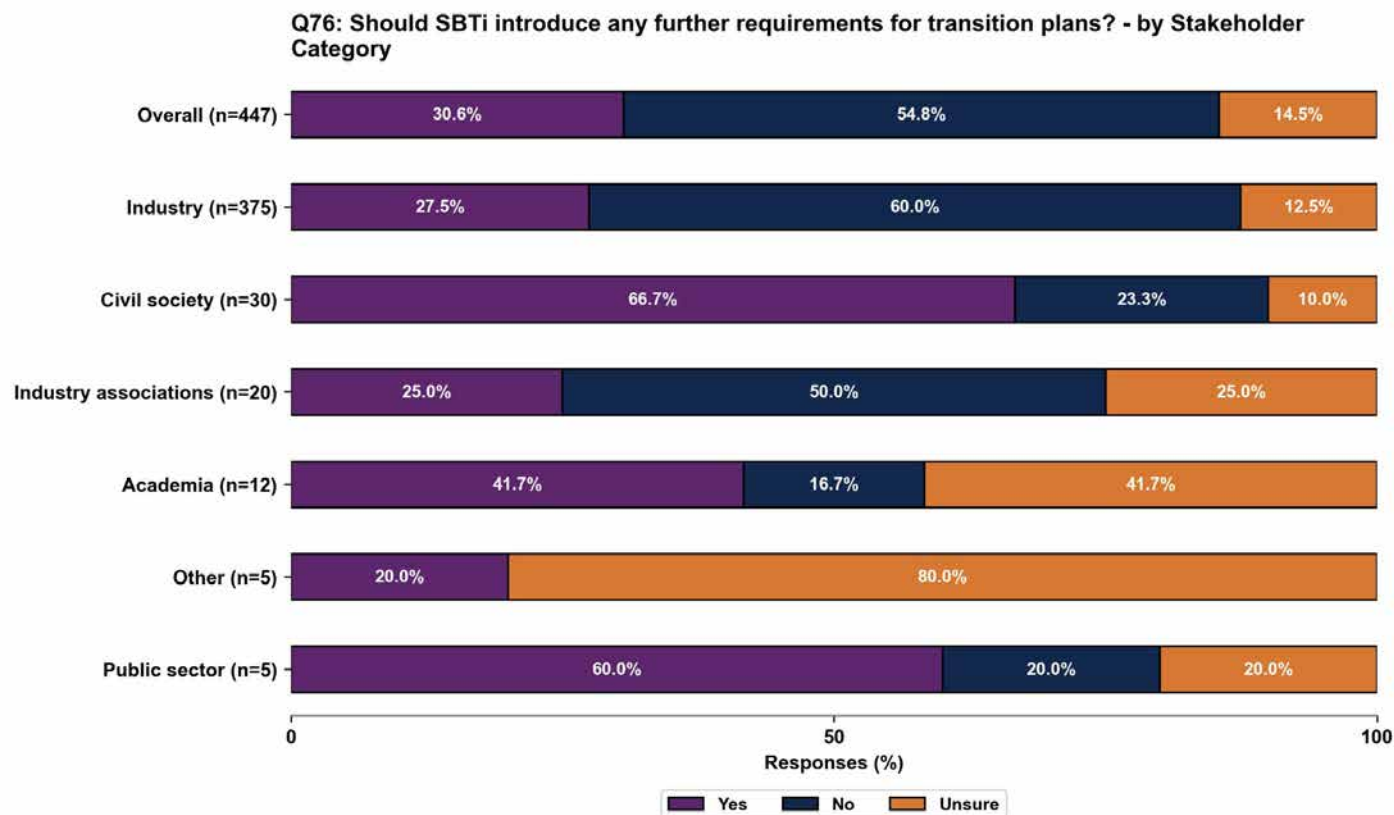


GENERAL REQUIREMENTS

TRANSITION PLAN

Should the SBTi introduce any further requirements for transition plans?

Survey Responses



Key Insights

- Opinions are divided, 31% of respondents support further requirements for transition plans and 55% oppose them.
- Industry (60%) and industry associations (50%) show the strongest preference for no further requirements.
- Civil society (67%), the public sector (60%), and academia (42%) express greater support for introducing further requirements, reflecting a push for higher ambition.



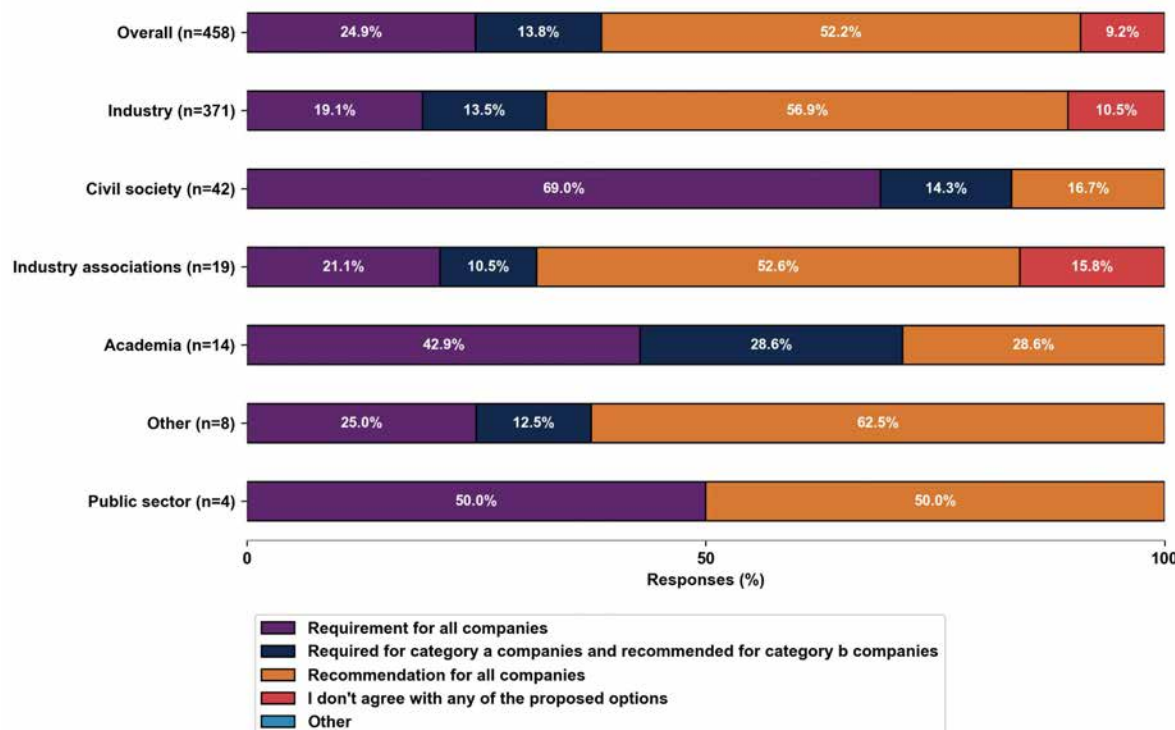
GENERAL REQUIREMENTS

OTHER ACTIVITIES CONSISTENT WITH NET-ZERO

Should the provision for ensuring that policy engagement, lobbying activities, and advocacy efforts are consistent with and supportive of net-zero be a mandatory requirement or a best practice recommendation?

Survey Responses

Q78: Should the provision for ensuring that policy engagement, lobbying activities, and advocacy efforts are consistent with and supportive of net-zero be a mandatory requirement or a best practice recommendation? - by Stakeholder Category



Key Insights

- Over half of respondents prefer that these actions remain a recommendation for all companies.
- Civil society (69%) and academia (43%) show greater support for making these actions a requirement, while the public sector is evenly split between a requirement and a recommendation.
- Industry (57%), industry associations (53%), and "other" stakeholders (63%) favor keeping them as recommendations for all companies.





2. SUMMARY OF CONSULTATION FEEDBACK

2.4 DETERMINING PERFORMANCE IN THE BASE YEAR

DETERMINING PERFORMANCE IN BASE YEAR

CONSULTATION OVERVIEW

Key findings of consultation process to date:

- **Organizational boundary:** Overall preference (49%) for letting companies decide between the GHG Protocol requirement or the consistency with the financial statement for setting the boundary. Further review flagged the risk of allowing companies to set boundaries in alignment with the financial statements as it could risk inconsistency, and therefore this will be further explored.
- **Scope 3 reporting:** Respondents are divided between requiring full scope 3 inventory reported every year (47% overall, with industry at 46%), or report relevant scope 3 emissions annually and full scope 3 inventory every three years (38% overall, with industry at 39%).
- **Determining relevant scope 3 emissions:** Support for 5% scope 3 threshold for significant categories (58% overall, with 23% in favour of a higher threshold and 10% in favor of a lower threshold). The 1% significance threshold for identifying emissions-intensive activities was supported by 44%, but 51% of respondents felt the threshold should be higher. 42% of respondents support the 10,000 tCO₂e threshold (with civil society at 68% and academia at 57%), whereas 49% claim it should be higher, with industry at 54%.
- **Third-party assurance:** Strong consensus on requirement overall (82% somewhat or strongly support) across all stakeholder groups. Asia was the region with least support with $\frac{2}{3}$ supporting and $\frac{1}{3}$ opposing.
- **Threshold for recalculating base year indicators:** Mixed opinions, with overall 55% supporting the 5% threshold but 42% say the threshold should be higher.

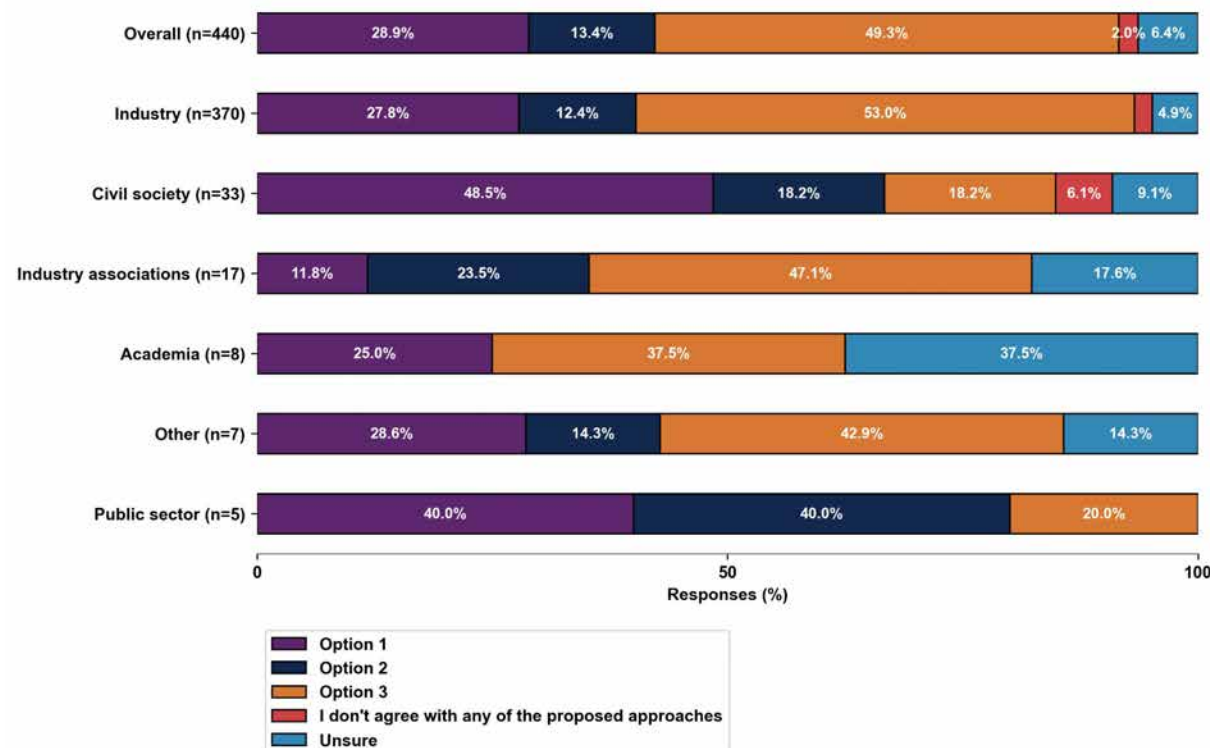
DETERMINING PERFORMANCE IN THE BASE YEAR

APPROACH FOR ORGANIZATIONAL AND OPERATIONAL BOUNDARY

Which approach do you most support for companies to follow when setting their organizational and operational boundary?

Survey Responses

Q80: Which approach do you most support for companies to follow when setting their organizational and operational boundary? - by Stakeholder Category



Option 1: Companies establish organizational boundaries according to the GHG Protocol Corporate Standard.

Option 2: Companies set organizational boundaries consistent with the boundary in their consolidated financial statements.

Option 3: Companies can choose either of the two approaches.

Key Insights

- Overall, option 3 is preferred by most respondents (49%).
- Industry (53%) and industry associations (47%) also favour option 3, while civil society leans toward option 1 (48%). The public sector is split between options 1 and 2, and academia remains divided.

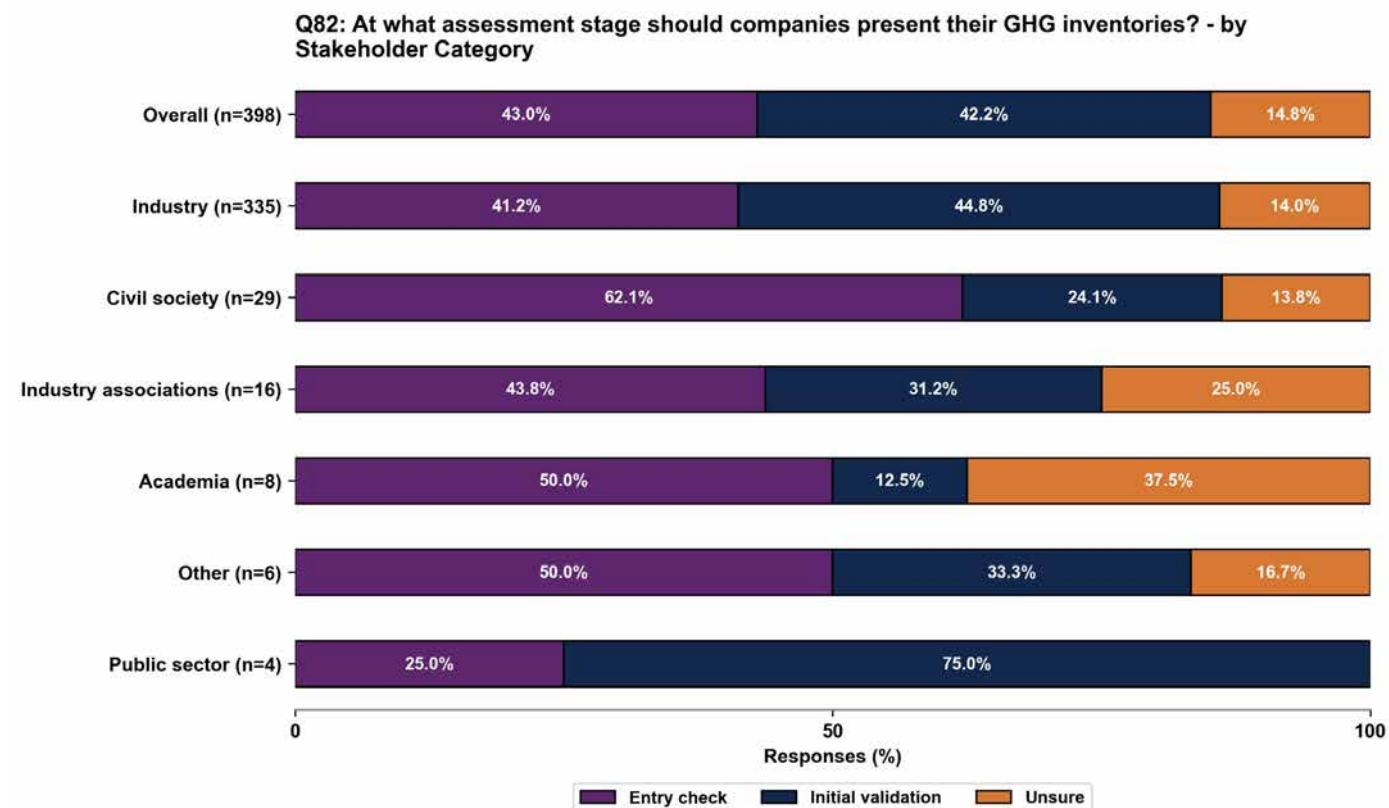


DETERMINING PERFORMANCE IN THE BASE YEAR

ASSESSMENT STAGE FOR GHG INVENTORY CHECK

At what assessment stage should companies present their GHG inventories?

Survey Responses



Key Insights

- Overall, views are evenly split, with 43% of respondents preferring companies to present GHG inventories at the entry check and 43% at initial validation.
- The entry check is preferred by academia (50%), civil society (62%), industry associations (44%), and "other" stakeholders (50%).
- The initial validation is preferred by industry (45%) and the public sector (75%).



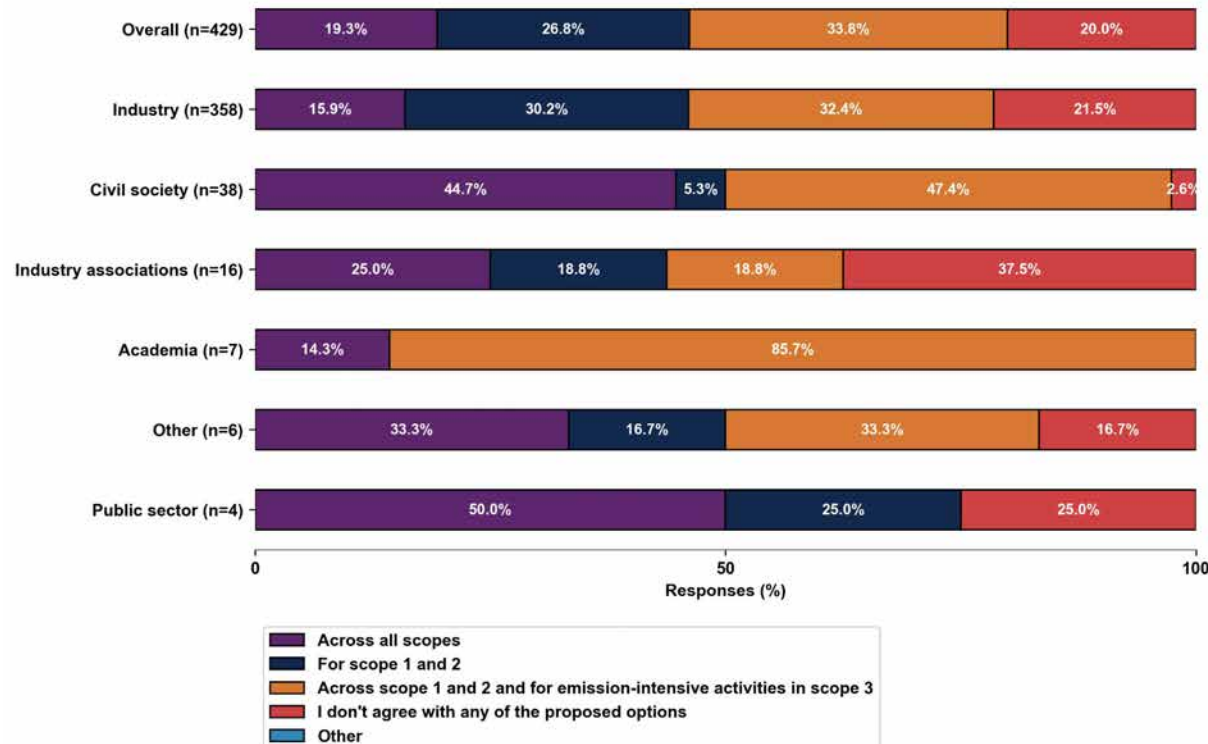
DETERMINING PERFORMANCE IN THE BASE YEAR

GHG EMISSIONS REPORTING AT ACTIVITY LEVEL

GHG emissions reporting at activity level should be required:

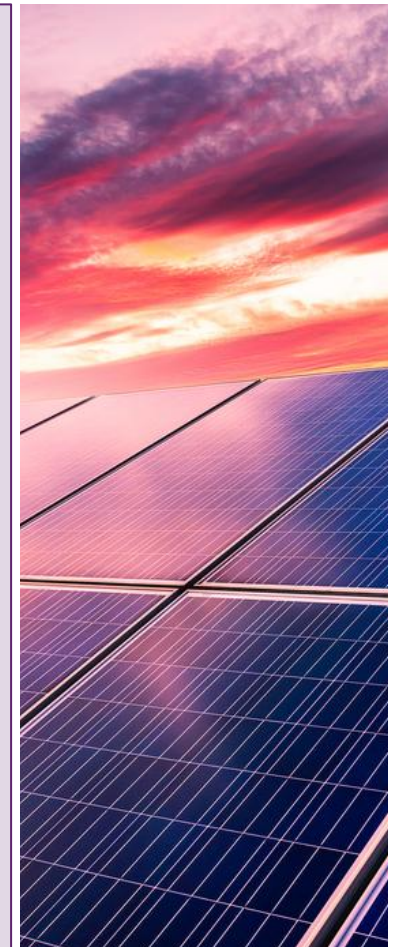
Survey Responses

Q84: GHG emissions reporting at activity level should be required: - by Stakeholder Category



Key Insights

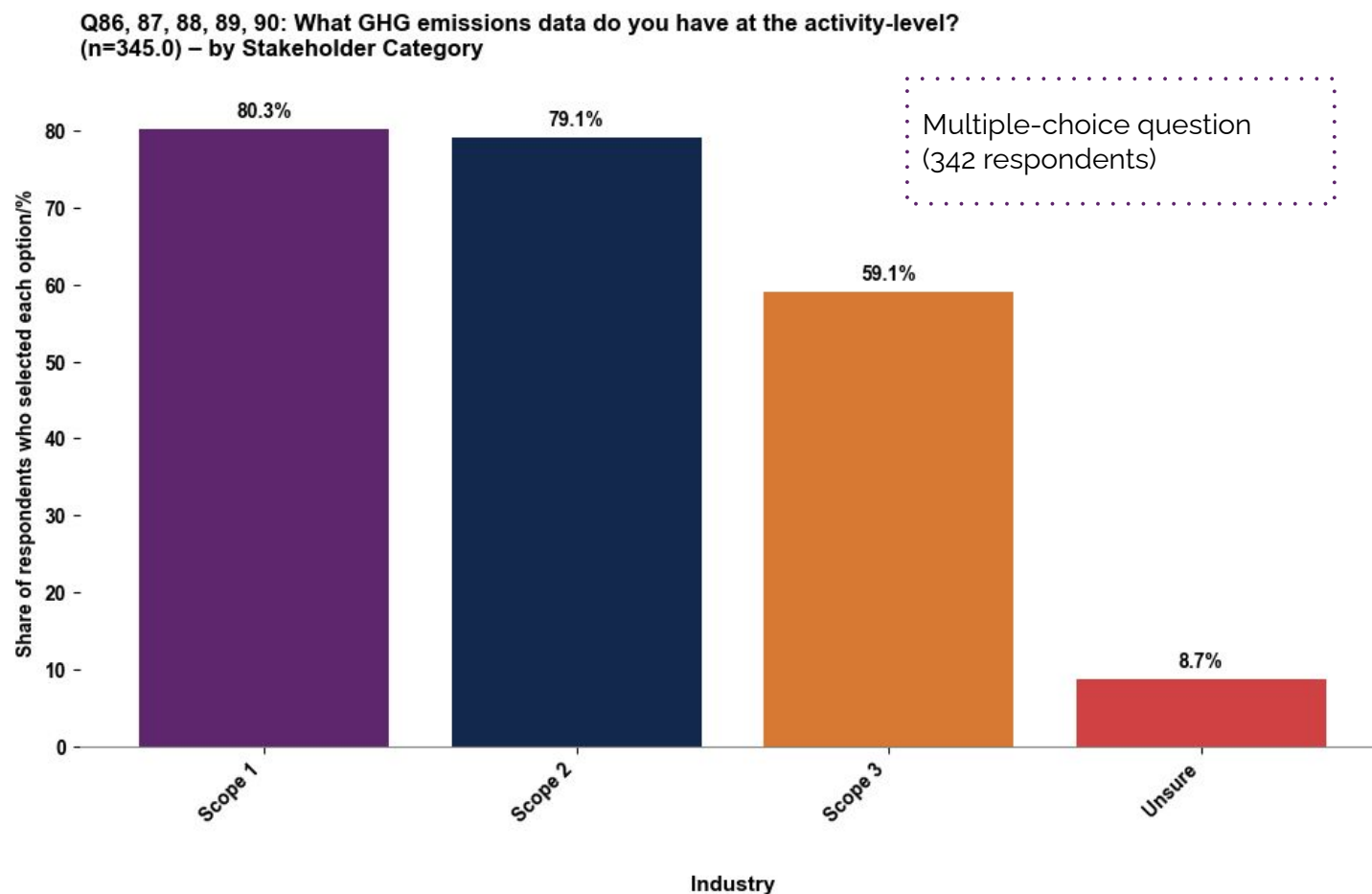
- Opinions are split, with the largest share (34%) supporting reporting scope 1 and 2, and emissions-intensive activities in scope 3 at the activity level.
- Industry is divided, and industry associations show the highest disagreement of the proposed options (38%).
- Civil society (45%), the public sector (50%), and "other" stakeholders (33%) favor reporting across all scopes, while academia (86%) most support scope 1+ and 2, and emissions-intensive scope 3.



DETERMINING PERFORMANCE IN THE BASE YEAR

GHG EMISSIONS REPORTING AT ACTIVITY LEVEL

What GHG emissions data do you have at the activity-level?



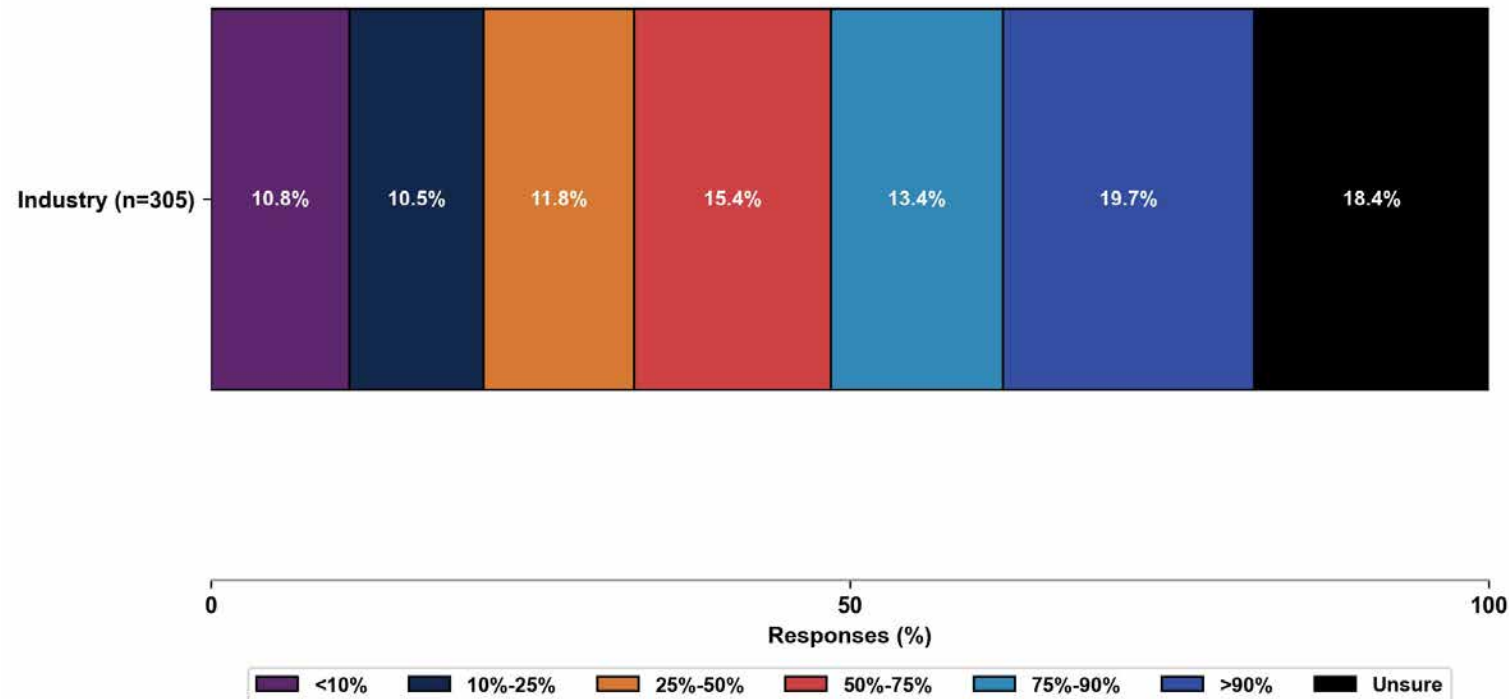
DETERMINING PERFORMANCE IN THE BASE YEAR

GHG EMISSIONS REPORTING AT ACTIVITY LEVEL

What percentage of scope 3 GHG emissions data is available at the activity-level?

Q92: What percentage of scope 3 GHG emissions data is available at the activity-level? - by Stakeholder Category

Given its practical and experience based nature, this question was asked exclusively to industry stakeholders: corporates, financial institutions and consultancies.



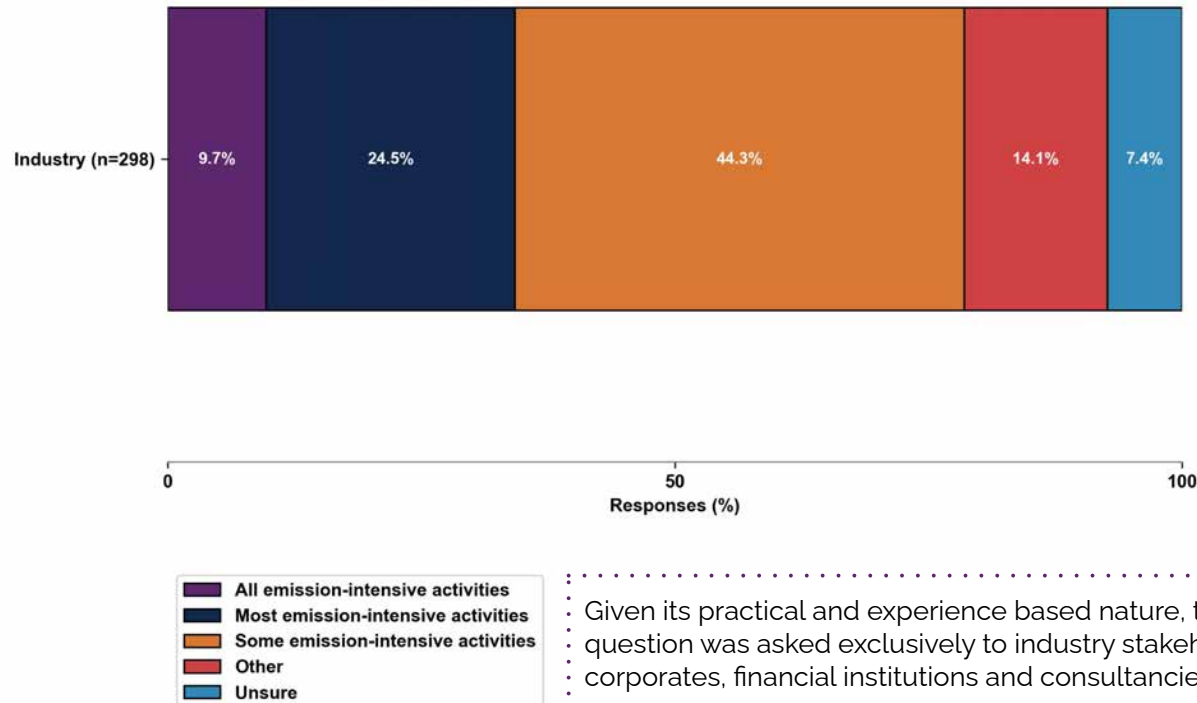
DETERMINING PERFORMANCE IN THE BASE YEAR

GHG EMISSIONS REPORTING AT ACTIVITY LEVEL

GHG emissions reporting at activity level should be required:

Survey Responses

Q94: Do you have activity-level GHG emissions data for emission-intensive activities within scope 3? - by Stakeholder Category



Key Insights

- Most respondents (44%) have activity-level scope 3 data for some emission-intensive activities, while 25% have data for most activities.
- Activity-level scope 3 data is largely unavailable beyond Tier 1, particularly for category 2 activities.
- Many consider the requirement premature, suggesting temporary use of spend-based data and clearer guidance.
- Granularity should not be prioritized; targets could be set per unit rather than emissions.



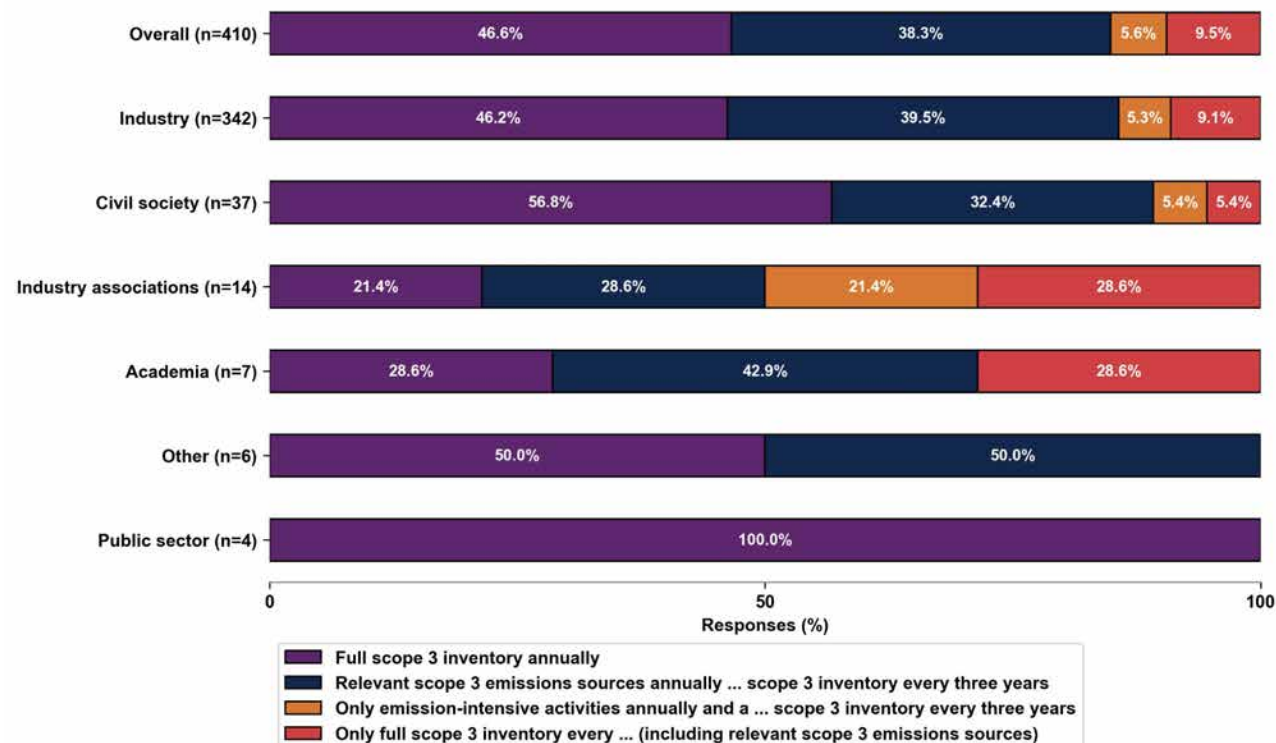
DETERMINING PERFORMANCE IN THE BASE YEAR

PUBLICLY REPORTING ON SCOPE 3 EMISSIONS

How often do you think companies should be required to publicly report their scope 3 emissions?

Survey Responses

Q95: How often do you think companies should be required to publicly report their scope 3 emissions? - by Stakeholder Category



Key Insights

- Respondents are split between requiring a full scope 3 inventory to be publicly reported annually (47%) and reporting relevant scope 3 annually with a full inventory every three years (38%).
- Academia and industry associations show a broader spread across options, with some preference for the three-year full inventory cycle.
- Industry favours either annual full scope 3 reporting (46%) or annual relevant scope 3 plus full inventory every three years (40%).



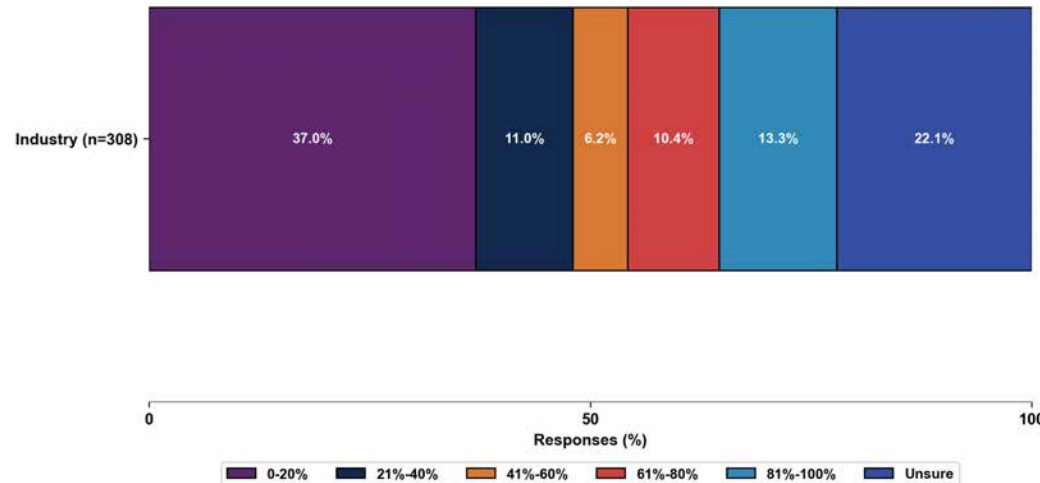
DETERMINING PERFORMANCE IN THE BASE YEAR

TRACEABLE SCOPE 3 EMISSIONS DATA

What percentage of traceable emissions data do you have available for your scope 3 emissions approximately?

Survey Responses

Q97: What percentage of traceable emissions data do you have available for your scope 3 emissions approximately? - by Stakeholder Category



Given its practical and experience based nature, this question was asked exclusively to industry stakeholders: corporates, financial institutions and consultancies.

Key Insights

- Companies have limited access to traceable scope 3 data, relying heavily on spend-based methods.
- Supplier capacity and willingness are major barriers, particularly for small companies and those in the Global South.
- Full traceability beyond Tier 1 is generally seen as impractical, especially in complex industries. Strong demand for clear traceability definitions and guidance on alternative approaches when primary data is unavailable.



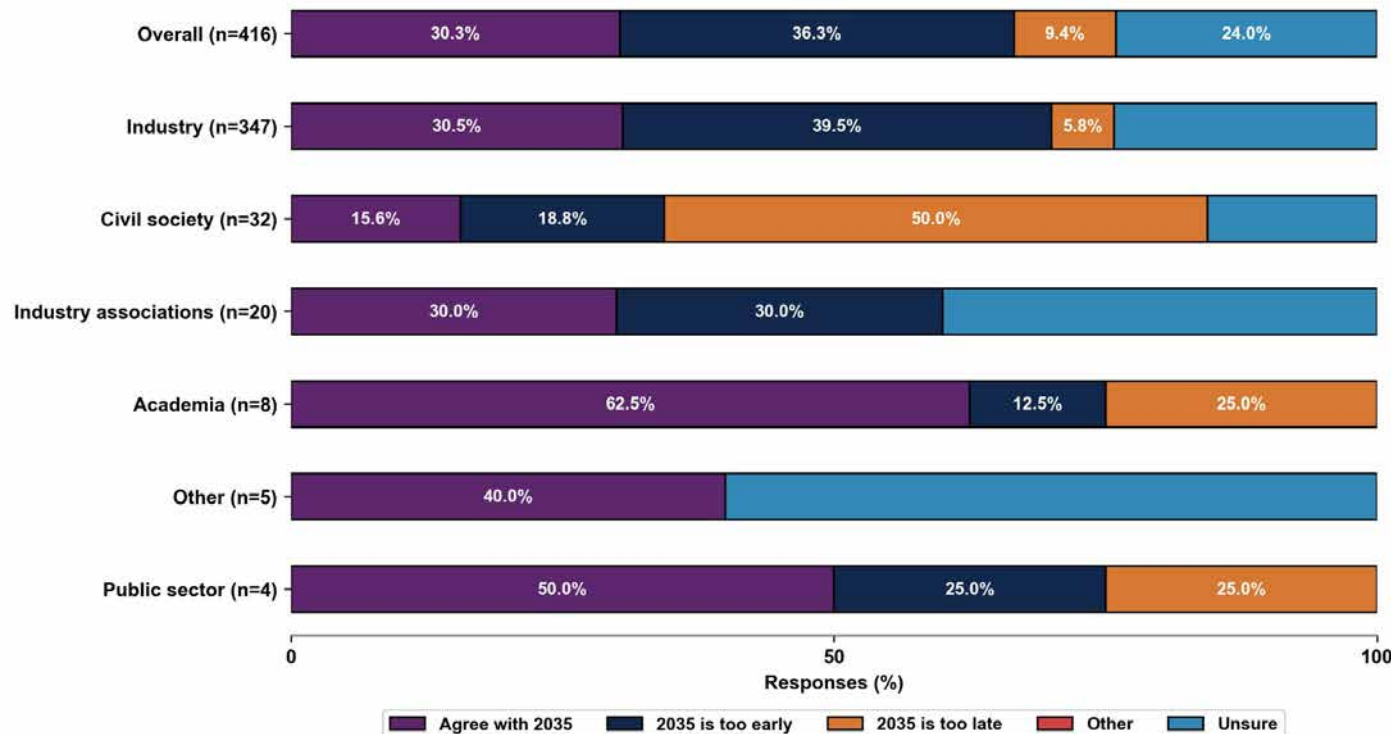
DETERMINING PERFORMANCE IN THE BASE YEAR

FULLY TRACEABLE DATA

To what extent do you think it is feasible to have fully traceable data by 2035 for emission-intensive activities?

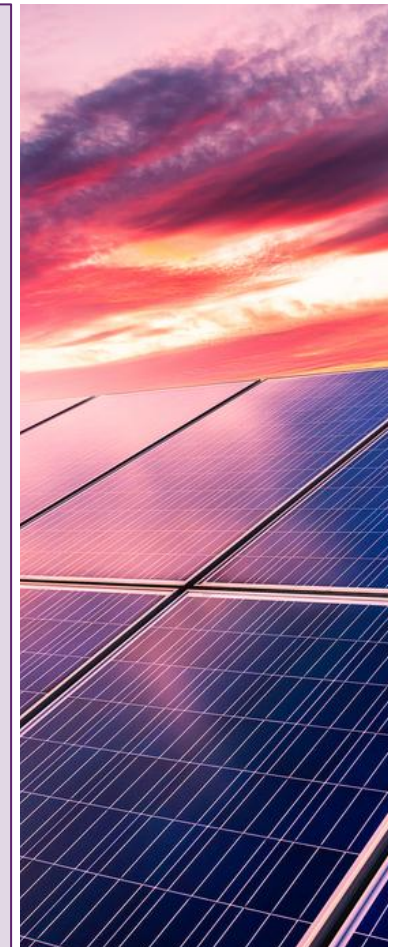
Survey Responses

Q99: To what extent do you think it is feasible to have fully traceable data by 2035 for emission-intensive activities? - by Stakeholder Category



Key Insights

- Overall, respondents are divided on the 2035 deadline: 30% agree it is appropriate, 36% feel it is too early, and 9% believe it is too late.
- Industry respondents are more likely to view 2035 as too early, with 40% expressing this concern.
- Academia and the public sector show the strongest agreement that 2035 is an appropriate deadline.
- Civil society respondents are the most likely to consider 2035 too late, with 50% holding this view.



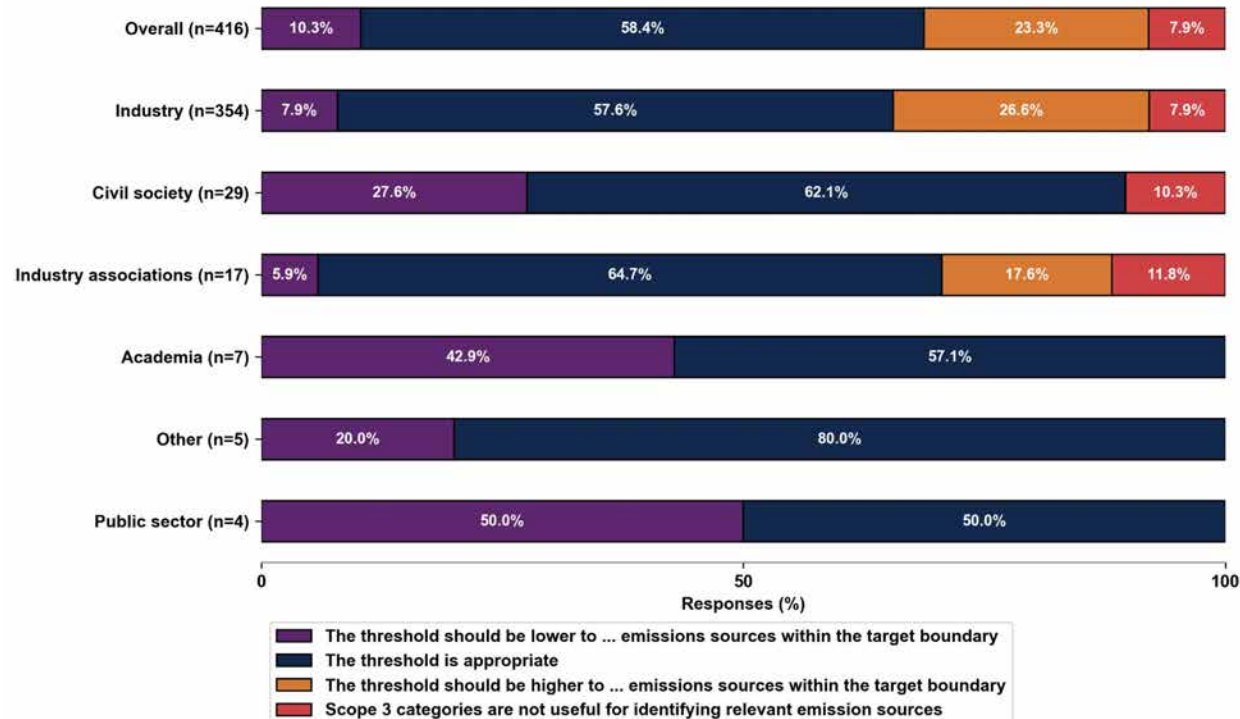
DETERMINING PERFORMANCE IN THE BASE YEAR

SIGNIFICANCE THRESHOLD FOR SCOPE 3 CATEGORIES

To what extent do you think that the 5% significance threshold for scope 3 categories is a meaningful way to identify relevant emissions sources to be included in scope 3 targets?

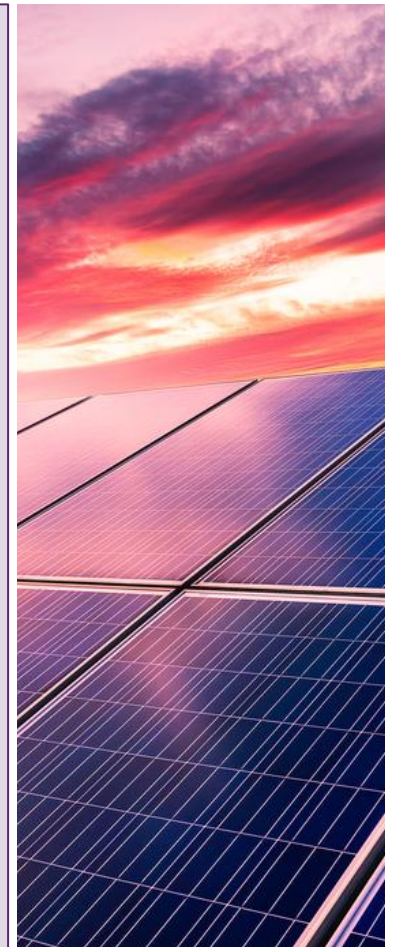
Survey Responses

Q101: To what extent do you think that the 5% significance threshold for scope 3 categories is a meaningful way to identify relevant emissions sources to be included in scope 3 targets? - by Stakeholder Category



Key Insights

- There is general consensus around the proposed threshold, with 58% of respondents agreeing that a 5% significance threshold is appropriate.
- The public sector, academia, and civil society tend to favour a lower threshold compared with other stakeholder groups.
- Despite these differences, more than half of respondents across all stakeholder groups consider the 5% threshold suitable.

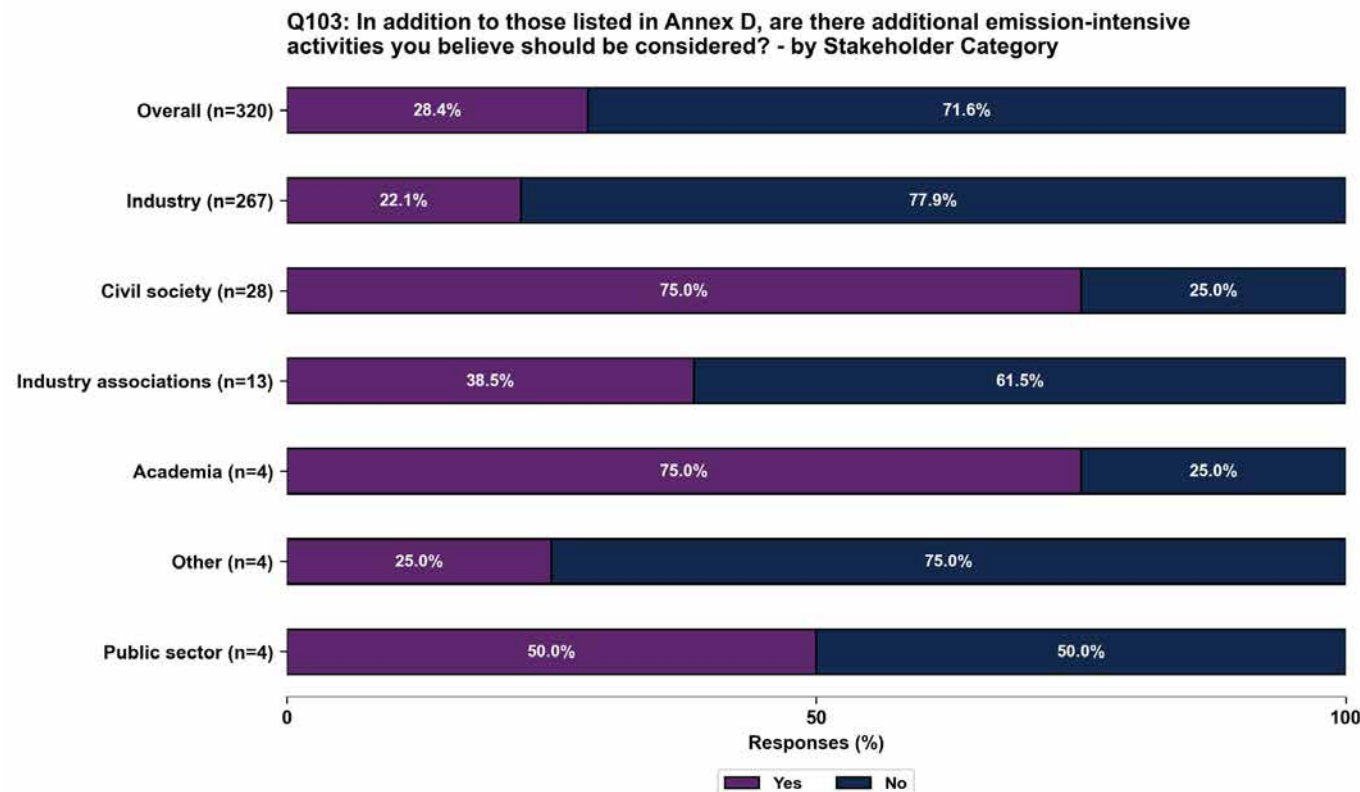


DETERMINING PERFORMANCE IN THE BASE YEAR

SIGNIFICANCE THRESHOLD FOR SCOPE 3 CATEGORIES

In addition to those listed in Annex D, are there additional emission-intensive activities you believe should be considered?

Survey Responses



Key Insights

- Overall, more than 70% of respondents do not support considering additional emission-intensive activities beyond those listed in Annex D.
- This view is reflected across industry, industry associations, and "other" stakeholders.
- Civil society and academia are more open to adding activities, while the public sector is evenly split on the issue.



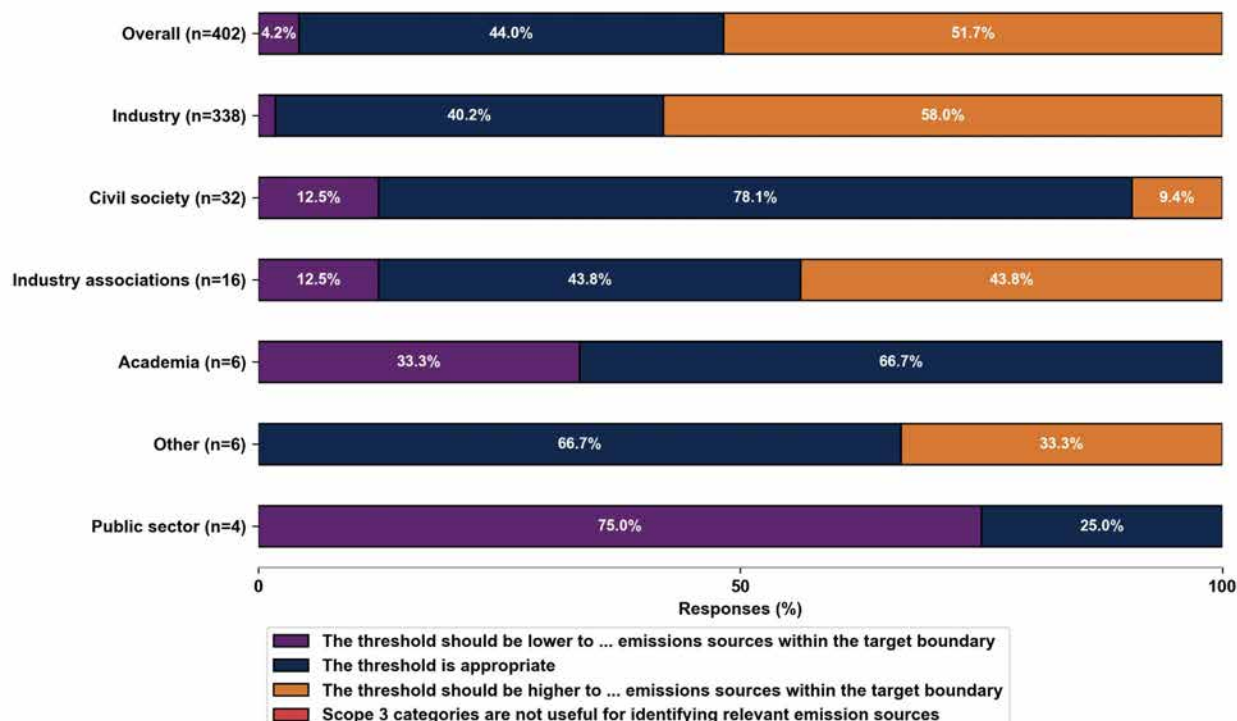
DETERMINING PERFORMANCE IN THE BASE YEAR

SIGNIFICANCE THRESHOLD FOR INCLUSION INTO NEAR-TERM SCOPE 3 TARGETS

To what extent do you think the 1% significance threshold for emission-intensive activities is meaningful in identifying relevant emissions sources to be included in near-term scope 3 targets?

Survey Responses

Q105: To what extent do you think the 1% significance threshold for emission-intensive activities is meaningful in identifying relevant emissions sources to be included in near-term scope 3 targets? - by Stakeholder Category



Key Insights

- Overall, more than half of respondents believe the threshold should be higher.
- Industry respondents largely favor a higher threshold (58%), while industry associations are evenly split (44%) between the proposed threshold and a higher threshold.
- Academia, civil society, and "other" stakeholders are most supportive of maintaining the proposed 1% threshold.
- The public sector shows a strong preference for a lower threshold (75%).



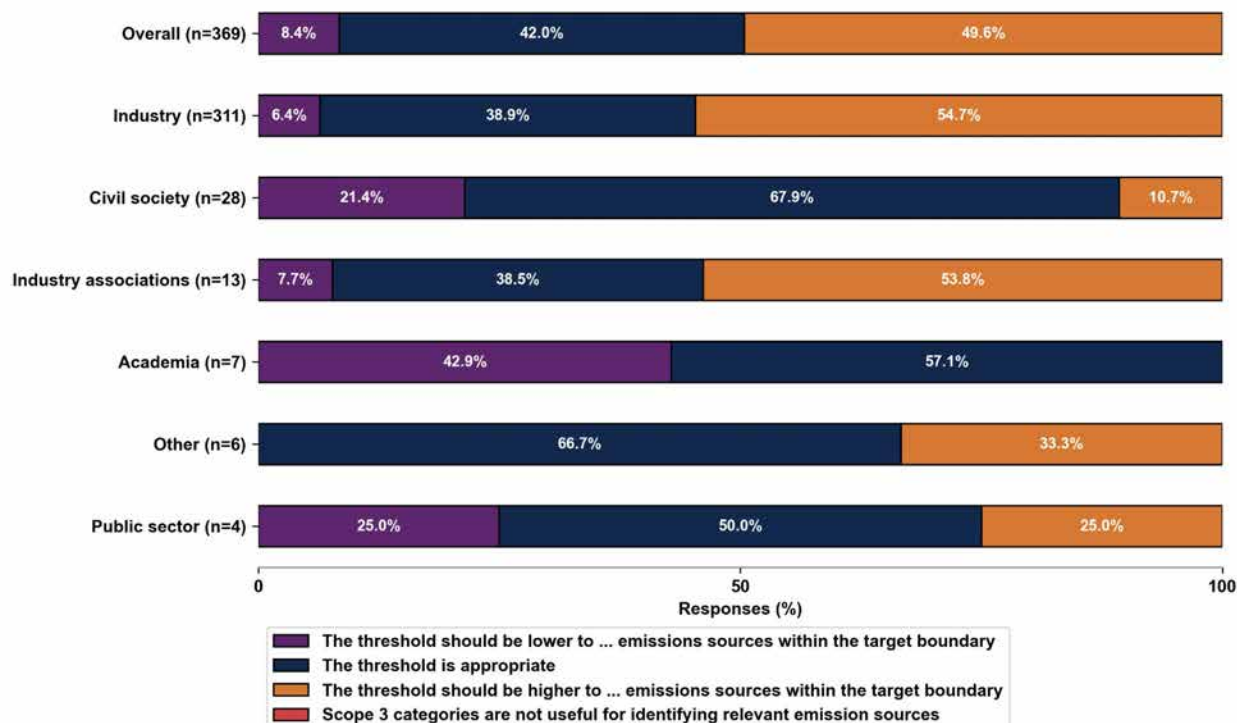
DETERMINING PERFORMANCE IN THE BASE YEAR

SIGNIFICANCE THRESHOLD FOR INCLUSION INTO NEAR-TERM SCOPE 3 TARGETS

To what extent do you think the 10,000 tCO₂e significance threshold for emission-intensive activities is meaningful in identifying relevant emissions sources to be included in near-term scope 3 targets?

Survey Responses

Q107: To what extent do you think the 10,000 tCO₂e significance threshold for emission-intensive activities is meaningful in identifying relevant emissions sources to be included in near-term scope 3 targets? - by Stakeholder Category



Key Insights

- Overall, support is split between raising the threshold (50%) and considering it appropriate (42%).
- Academia, civil society, and "other" stakeholders are most supportive of maintaining the threshold.
- The public sector, academia, and civil society show relatively greater preference for a lower threshold compared with other groups.
- Industry and industry associations largely favor raising the threshold, with more than half expressing this view.



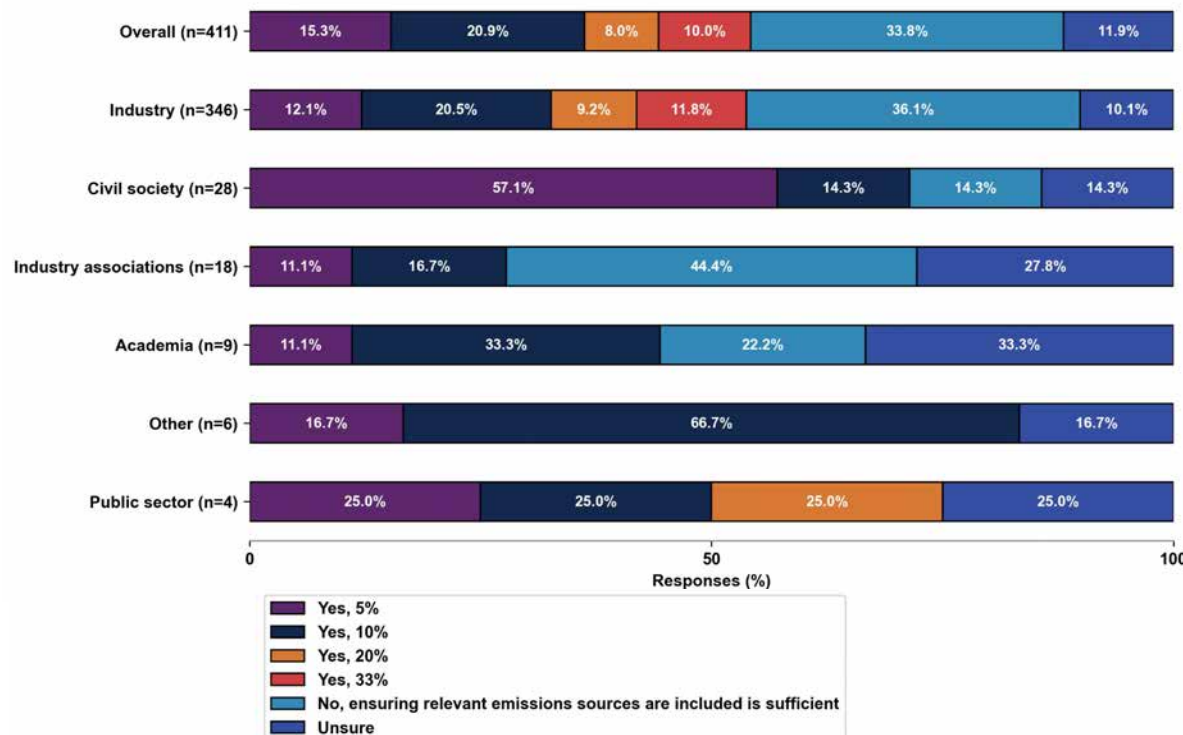
DETERMINING PERFORMANCE IN THE BASE YEAR

CUMULATIVE LIMIT OF EXCLUSIONS

Should the SBTi set a cumulative limit (as a percentage of total scope 3 emissions) on the exclusion of value chain and emission sources from the near-term target boundary? (Note: a higher percentage allows for more exclusions)

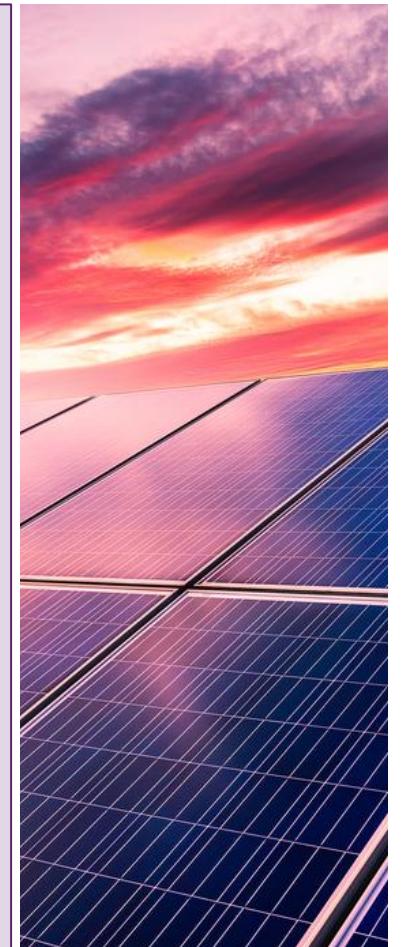
Survey Responses

Q109: Should SBTi set a cumulative limit (as a percentage of total scope 3 emissions) on the exclusion of value chain and emission sources from the near-term target boundary? (Note: a higher percentage allows for more exclusions) - by Stakeholder Category



Key Insights

- Overall, 54% of respondents support including a threshold, while 34% oppose it.
- Civil society shows the strongest support for a 5% threshold.
- "Other" stakeholders favour a 10% threshold, and the public sector favours a 20% threshold.
- Industry is the only group considering a 33% threshold, with both industry and industry associations preferring that including relevant emission sources is sufficient.



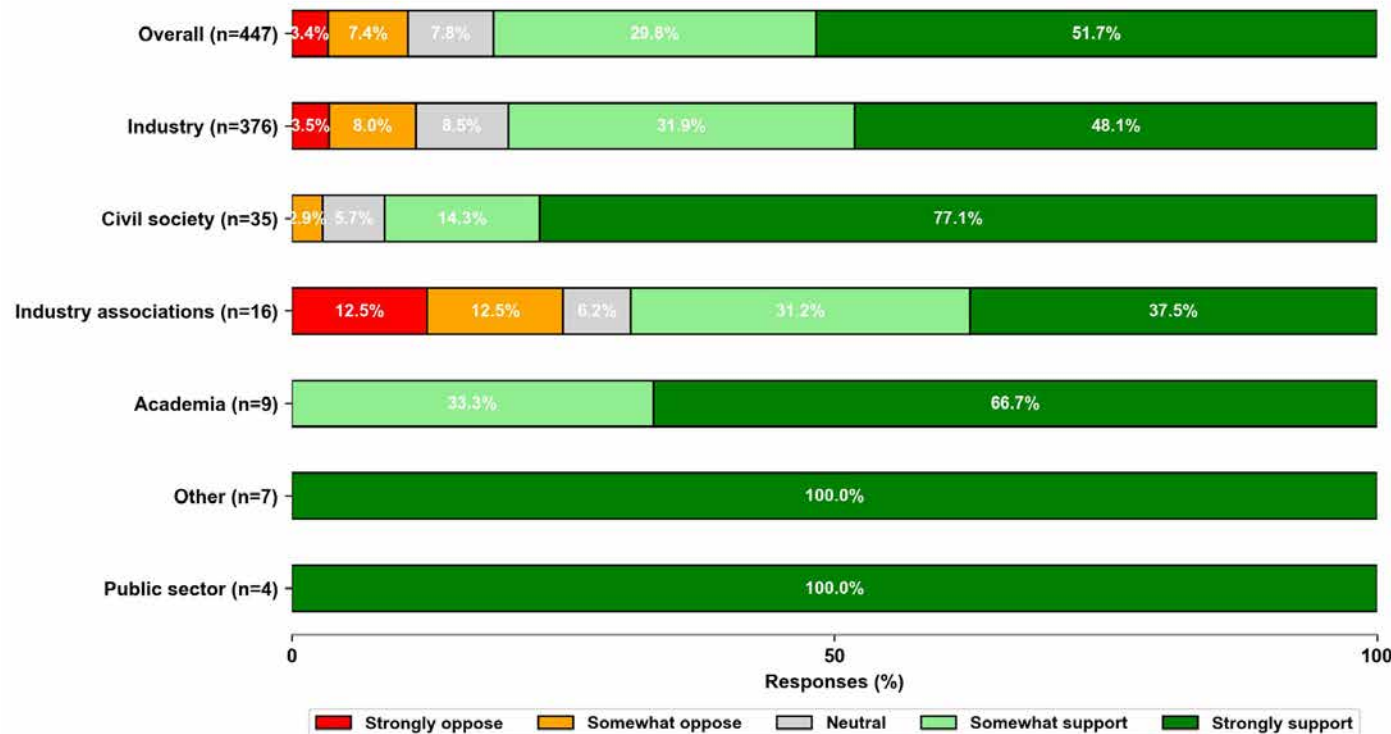
DETERMINING PERFORMANCE IN THE BASE YEAR

THIRD-PARTY ASSURANCE OF GHG EMISSIONS INVENTORY

To what extent do you support the requirement for companies to obtain third-party assurance of their GHG emissions inventory?

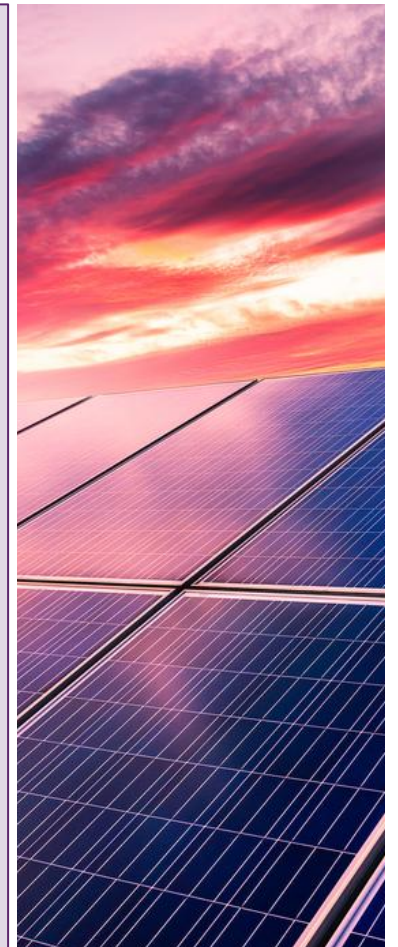
Survey Responses

Q110: To what extent do you support the requirement for companies to obtain third-party assurance of their GHG emissions inventory? - by Stakeholder Category



Key Insights

- Overall, 82% of respondents support requiring third-party assurance.
- Public sector, academia, and "other" stakeholders show full support (100%).
- Industry, industry associations, and civil society show some disagreement, but support remains strong at over 70% within each group.



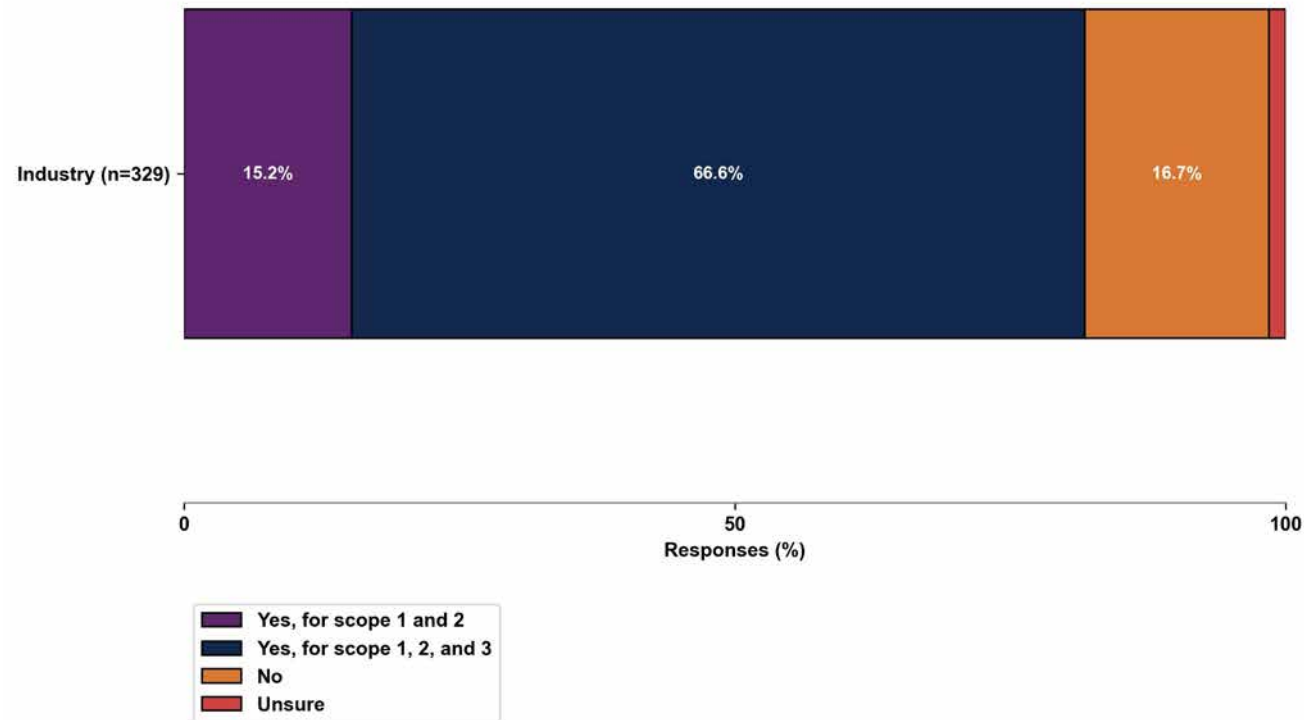
DETERMINING PERFORMANCE IN THE BASE YEAR

THIRD-PARTY ASSURANCE OF GHG EMISSIONS INVENTORY

Do you already have your inventory assured by a third party?

Q112: Do you already have your inventory assured by a third party? - by Stakeholder Category

Given its practical and experience based nature, this question was asked exclusively to industry stakeholders: corporates, financial institutions and consultancies.

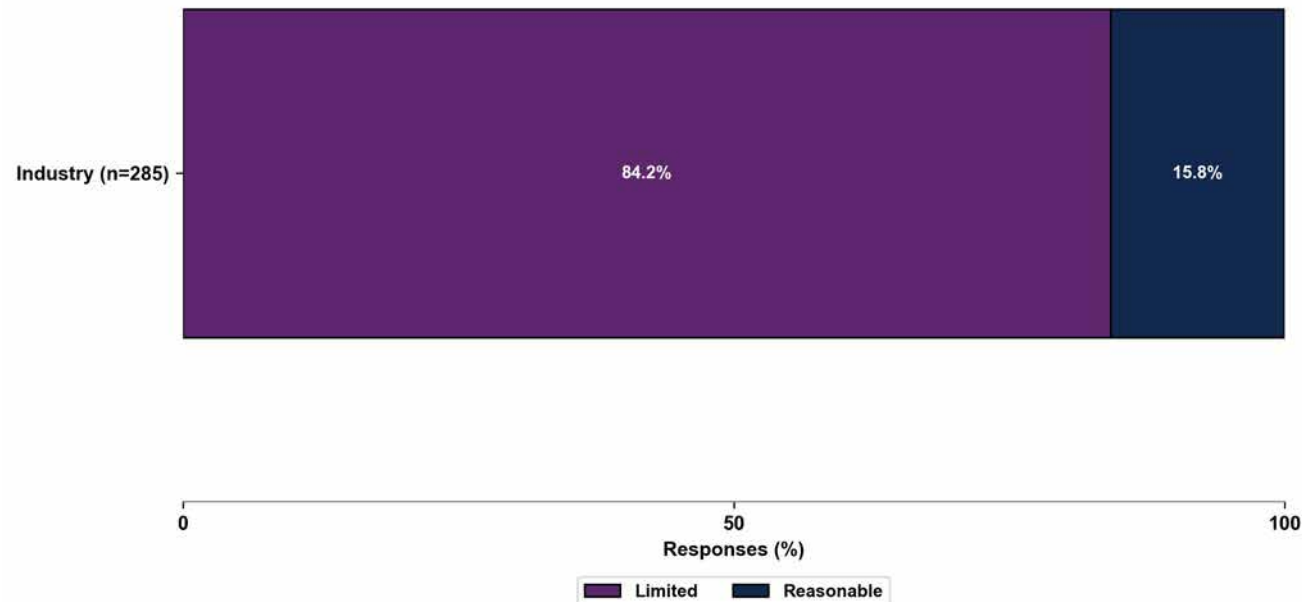


DETERMINING PERFORMANCE IN THE BASE YEAR

THIRD-PARTY ASSURANCE OF GHG EMISSIONS INVENTORY

Do you already have your inventory assured by a third party? If yes, what level of assurance are you aiming for? If not, why?

Q113: If yes, what level of assurance are you aiming for? - by Stakeholder Category



Given its practical and experience based nature, this question was asked exclusively to industry stakeholders: corporates, financial institutions and consultancies.

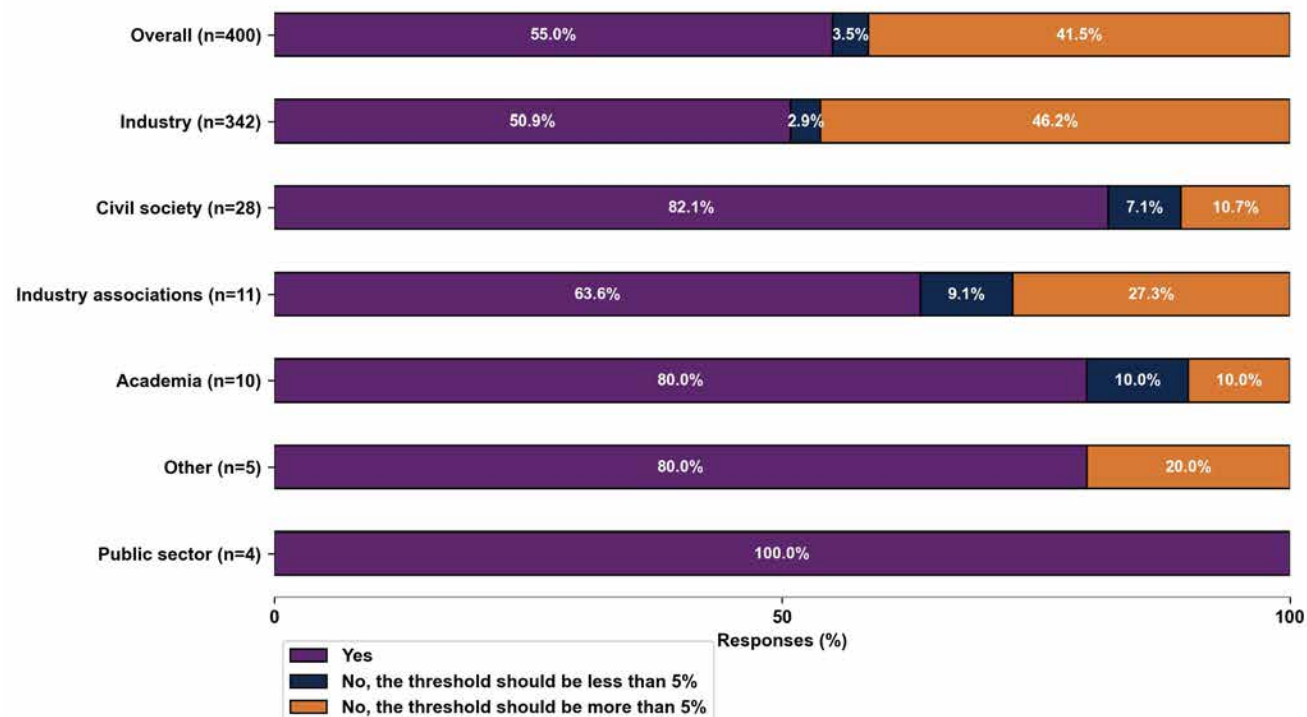
DETERMINING PERFORMANCE IN THE BASE YEAR

BASE YEAR EMISSIONS RECALCULATION

Do you think improvements in data quality that lead to a 5% or more cumulative change in base year emissions should trigger base year emissions recalculation?

Survey Responses

Q115: Do you think improvements in data quality that lead to a 5% or more cumulative change in base year emissions should trigger base year emissions recalculation? - by Stakeholder Category



Key Insights

- Overall, 55% of respondents support the 5% threshold, while 42% prefer a higher threshold.
- Maximum support comes from the public sector, civil society, academia, and "other" stakeholders.
- Within industry, support for 5% is only slightly higher than for a higher threshold.
- Among industry associations, around two-thirds support the 5% threshold, with roughly 30% preferring it to be higher.



BASE YEAR ASSESSMENT

KEY TAKEAWAYS

Key updates:

This chapter underwent a major restructuring to simplify the process, including minimizing referencing to annexes. In addition, the following changes were made and will undergo a second public consultation:

- **Organizational boundary** may be set using either the GHG Protocol or financial consolidation approach.
- Requirement to **report significant scope 3 emissions annually**, and **a complete scope 3 emissions inventory every 5 years**.
- Scope 3 significance thresholds have been revised to include categories that individually represent **≥5% of a company's total scope 3 emissions**. Companies are also required to identify **priority emission sources** for target setting by consulting a designated list.
- **Third-party assurance** required for Category A companies.
- **Target base year recalculation** required if cumulatively there is a variation of 5% or more for each of scopes 1 and 2, and 10% or more for scope 3. For clarity, this criterion was moved to the "Assessing Performance" chapter.
- **Target base year:** Most recent year will be required when setting new targets. Companies may still use the inventory base year, or a previous target base year to communicate progress.



2. SUMMARY OF CONSULTATION FEEDBACK

2.5 TARGET-SETTING GENERAL REQUIREMENTS

GENERAL TARGET SETTING

CONSULTATION OVERVIEW

Key findings of consultation process to date:

- Overall support (74%) for requiring Category A companies to set **long-term targets**.
- Overall support (75%) for requiring Category B companies to set only **near-term targets**.
- Mixed options around **mid-term targets**: 41% of respondents disagree, whereas 35% of respondents agree.
 - Most opposition stems from industry (48%) and industry association (25%). The main concerns are the lack of added value and “the administrative burden these would represent”, indicating concerns about unnecessary duplication, cost, or resource intensity.
 - Other, academia, public sector and civil society are generally in support. The dominant theme was the importance of bridging near- and long-term goals (8 responses), with respondents highlighting mid-term targets as critical checkpoints for accountability and progress tracking.
- Overall support (74%) for making the use of sector-specific pathways an option, together with cross-sector pathways. Civil society and academia show more support for mandatory sector-specific pathways, with 35% and 46% of respondents supporting this latter option.

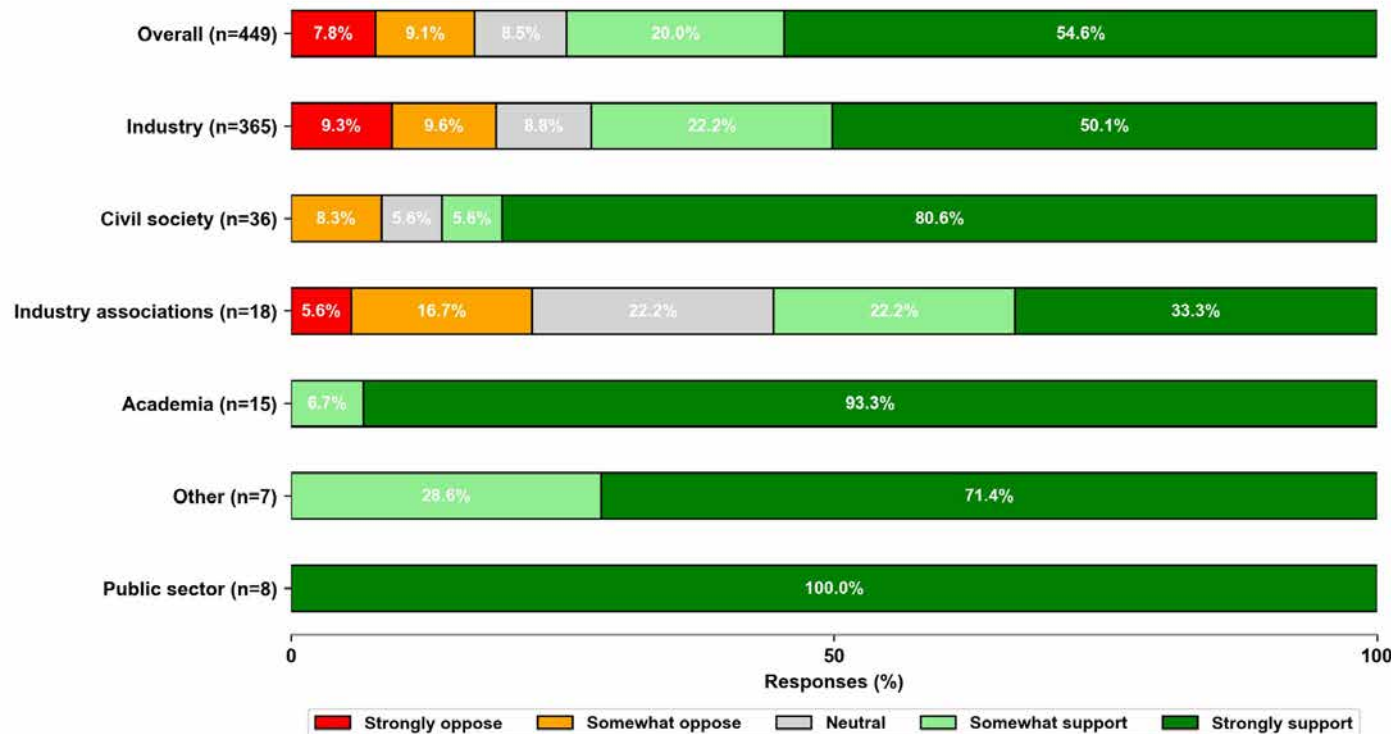
DETERMINING PERFORMANCE IN THE BASE YEAR

LONG-TERM TARGETS FOR CATEGORY A COMPANIES

To what extent do you support or oppose the requirement for Category A companies to set long-term targets?

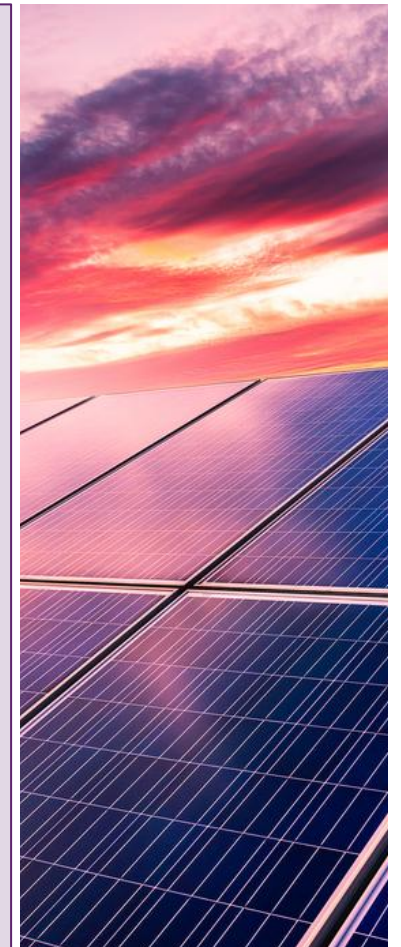
Survey Responses

Q117: To what extent do you support or oppose the requirement for category A companies to set long-term targets? - by Stakeholder Category



Key Insights

- Overall, 74% of respondents support requiring Category A companies to set long-term targets.
- Public sector, academia, civil society, and "other" stakeholders show strong majority support for this requirement.
- While there is some opposition among industry and industry associations, support remains high—over 70% of industry and more than half of industry associations are in favor.



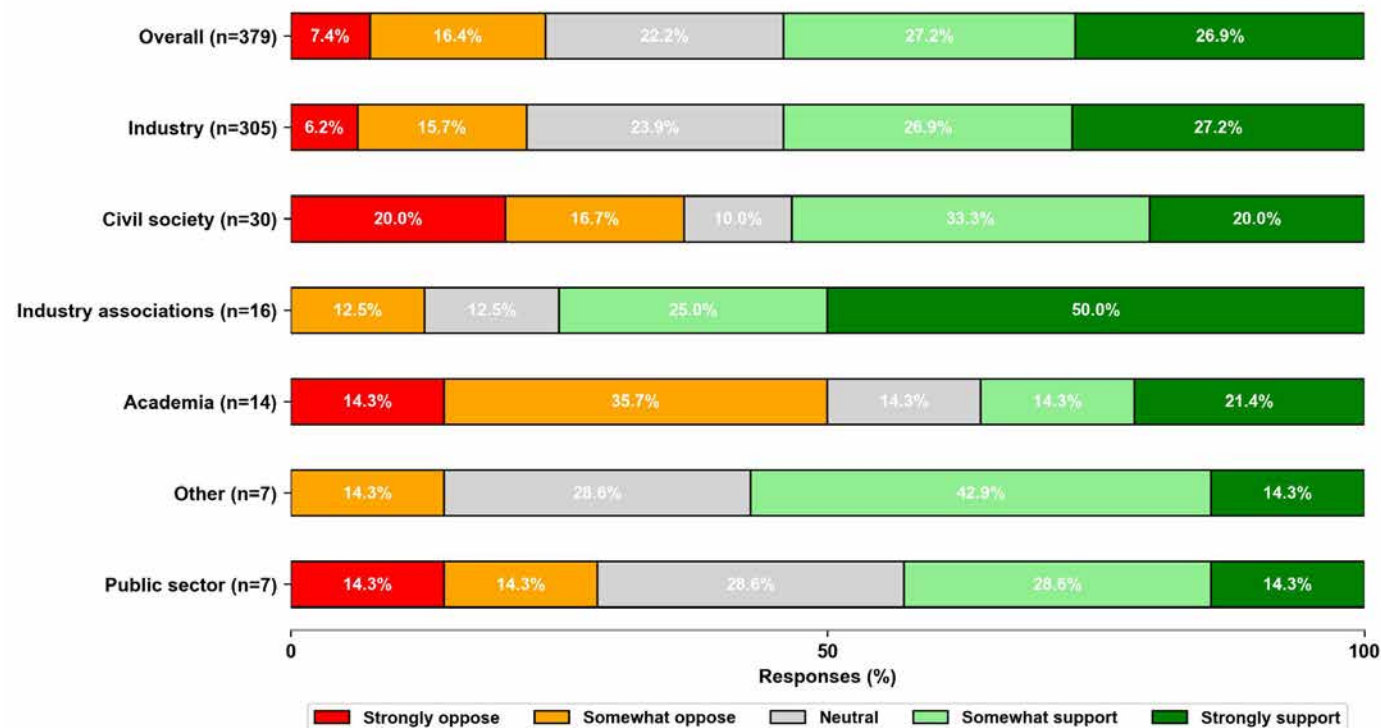
DETERMINING PERFORMANCE IN THE BASE YEAR

NEAR-TERM TARGETS FOR CATEGORY B COMPANIES

To what extent do you support or oppose the option for Category B companies to set only near-term targets?

Survey Responses

Q119: To what extent do you support or oppose the option for category B companies to set only near-term targets? - by Stakeholder Category



Key Insights

- Overall, over half of respondents support the requirement for Category B companies to set near-term targets only.
- Academia (36%) and the public sector (43%) show comparatively lower levels of support for this approach.
- Industry, civil society, and "other" stakeholders align with the overall trend of majority support.
- Industry associations show the strongest endorsement, with 75% supporting near-term targets only for Category B companies.



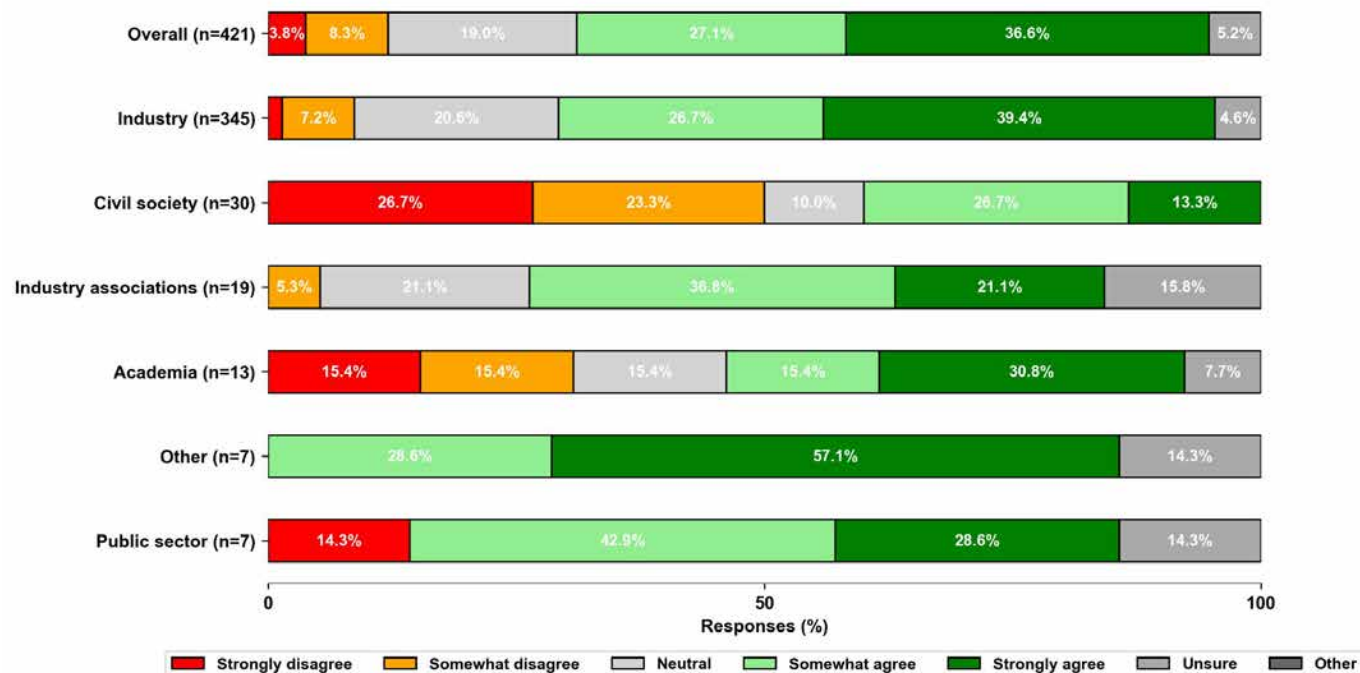
DETERMINING PERFORMANCE IN THE BASE YEAR

NEAR-TERM TARGETS FOR SECOND UPCOMING MILESTONE YEAR

To what extent do you agree that companies should have the option to set near-term targets for the second upcoming milestone year, if it is within 7 years (i.e., near-term targets with a timeframe of up to 7 years)? For example, a company setting targets in 2028 sets a 7-year target for 2035 (versus the current options of a 5-year timeframe or 2030).

Survey Responses

Q121: To what extent do you agree that companies should have the option to set near-term targets for the second upcoming milestone year, if it is within 7 years (i.e. near-term targets with a timeframe of up to 7 years)? For example, a company setting targets in 2028 sets a 7-year target for 2035 (versus the current options of a 5-year timeframe or 2030).
- by Stakeholder Category



Key Insights

- Overall, 64% of respondents agree that companies should be able to set near-term targets for the second upcoming milestone year, provided it falls within seven years.
- Civil society (40%) and academia (46%) show comparatively lower levels of agreement, suggesting a preference for not including this option.



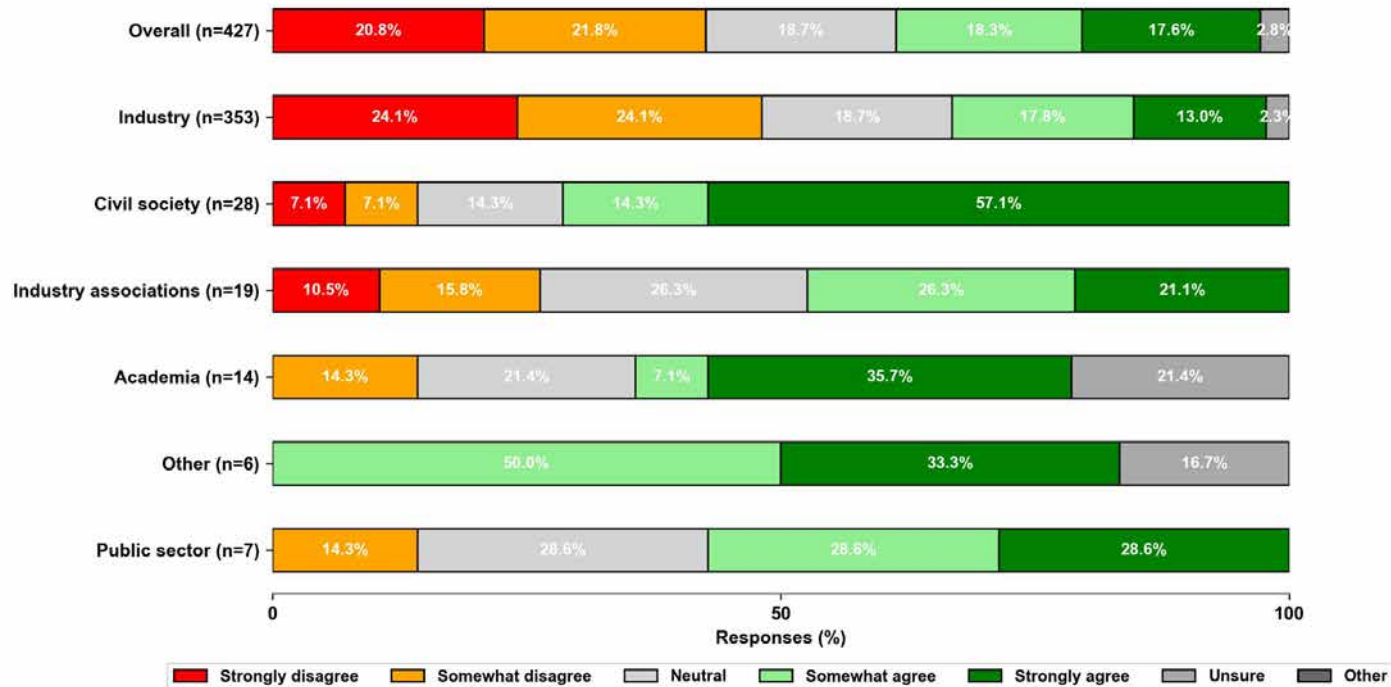
TARGET SETTING GENERAL REQUIREMENTS

MID-TERM TARGET

To what extent do you agree that companies should be required to set a mid-term target (e.g., a 10-year target) in addition to their 5-year near-term target?

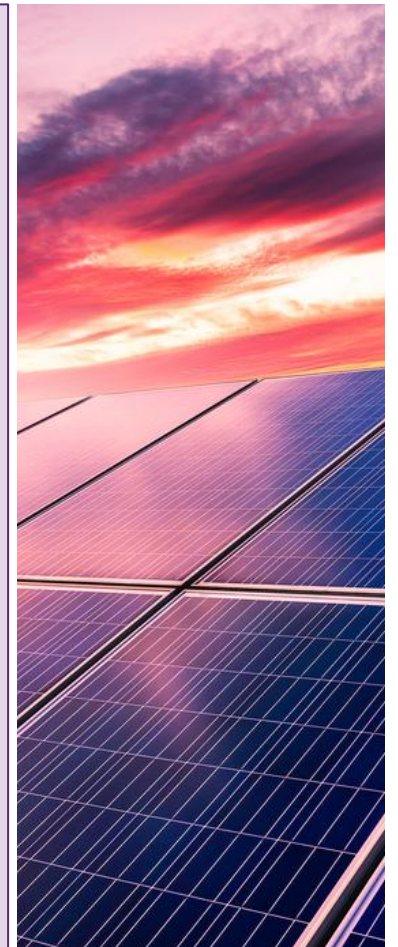
Survey Responses

Q123: To what extent do you agree that companies should be required to set a mid-term target (e.g. a 10-year target) in addition to their 5-year near-term target? - by Stakeholder Category



Key Insights

- Overall, 43% of respondents disagree with companies being required to set a mid-term target in addition to near-term targets, while only 36% agree with the requirement for mid-term targets.
- Most opposition comes from industry (48%) and industry associations (26%), whereas "other" stakeholders, academia, the public sector, and civil society are generally in support.



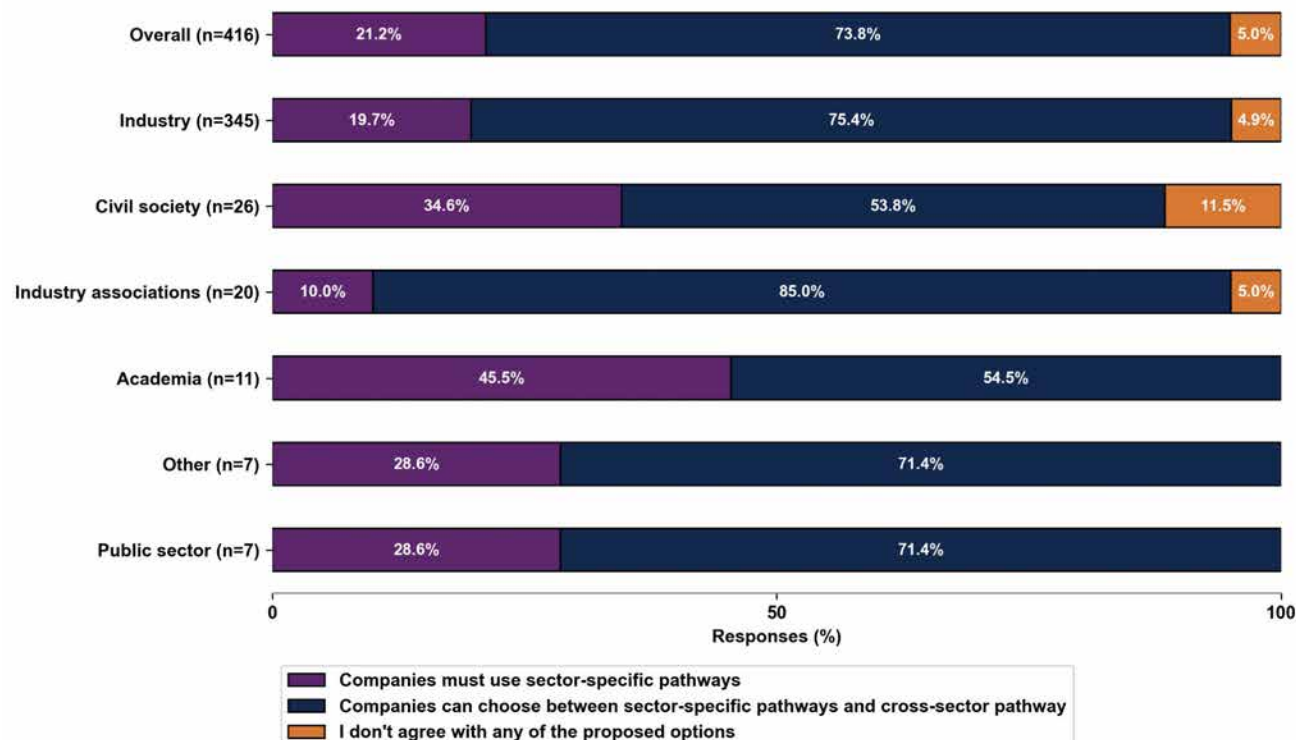
DETERMINING PERFORMANCE IN THE BASE YEAR

USE OF SECTOR-SPECIFIC PATHWAYS

Should the use of sector specific pathway be an option or a requirement for companies?

Survey Responses

Q125: Should the use of sector specific pathway be an option or a requirement for companies? - by Stakeholder Category



Key Insights

- Overall, 74% of respondents support making the sector-specific pathway optional for companies, providing flexibility to choose between the sector-specific and cross-sector pathways.
- Most stakeholder groups show strong support for this option, with over 70% in favor. However, support is lower among academia and civil society, where only around 54% of respondents endorse making the sector-specific pathway optional.



GENERAL TARGET SETTING

KEY TAKEAWAYS

Updates to general target setting:

- In line with the first public consultation results, **scope 1 and scope 2 long-term targets** are mandatory for Category A companies, with some exemptions in scope 1. Category B companies are required to set **near-term scope 1 and scope 2 targets** only.
- **Near-term scope 3 targets** are mandatory for Category A companies, and optional for Category B companies. **Scope 3 long-term targets** are optional for all the companies.
- **Mid-term targets** are not included for consultation in the second consultation draft.
- **Sector-specific pathways** have been integrated in the standard and this framework will be assessed during pilot-test.



2. SUMMARY OF CONSULTATION FEEDBACK

2.6 ADDRESSING SCOPE 1 EMISSIONS

SCOPE 1 TARGETS

CONSULTATION OVERVIEW

- **Separation of scope 1 and 2 targets:** Concern that efforts may be disproportionately allocated, given scope 1 is usually less material for many companies. Additional feedback noted that this separation may not provide the flexibility for electrification strategies, which could reduce scope 1, but increase scope 2 emissions.
- **Method choice:** Linear Contraction was preferred over Budget-Conserving Contraction (47% to 31%), which was considered too complex. Respondents consider linear contraction as more broadly applicable to companies at different stages of their decarbonization journey.
- **Correcting for scope 1 budget overshoot:** 71% of respondents support SBTi implementing measures to address scope 1 underperformance. 52% support addressing underperformance via the method only (Option 1 - BCC, Option 2 - LC), 28% support requiring additional removals (Option 3 - LC with removals).
- **Role of scope 1 metrics:** 35% support alignment metrics, while 44% oppose/strongly oppose. Upon reflection the consultation question language was unclear. Key concerns of responders: Distract from emissions reductions, too complex with too many new targets being added, too tech prescriptive, and not SBTi's role. Support for optionality, if options are clearly defined, and universally applicable.

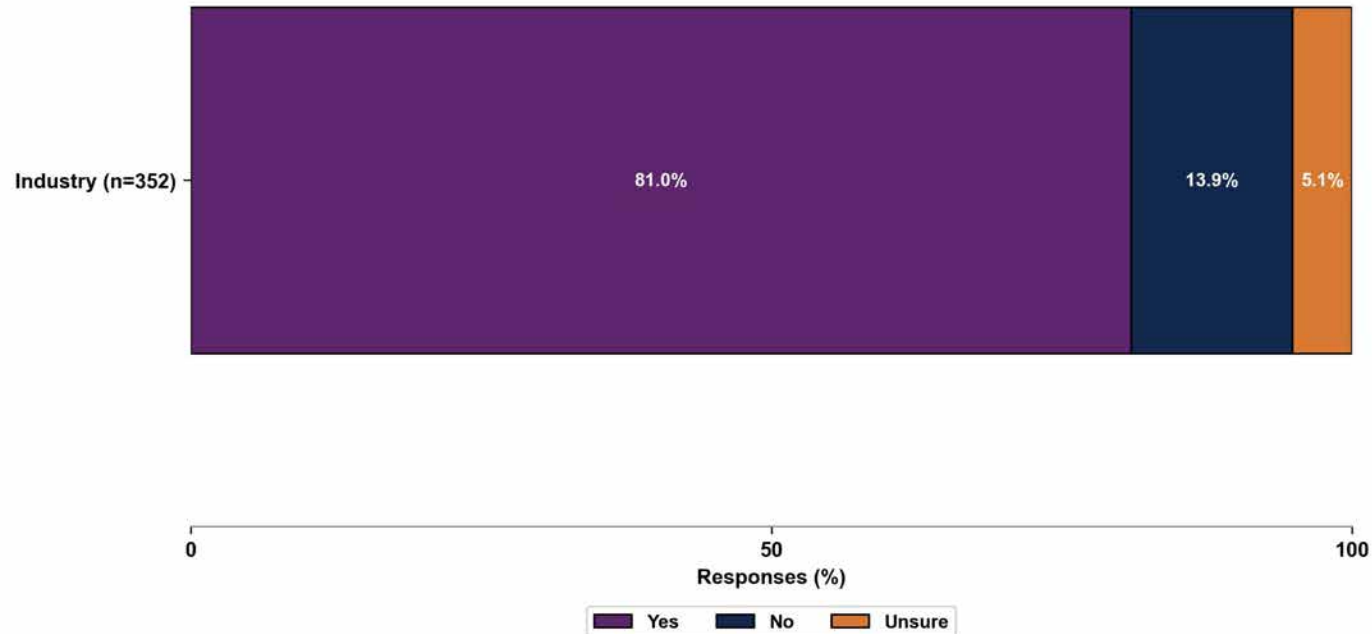
DETERMINING PERFORMANCE IN THE BASE YEAR

ACCESS TO 2020 SCOPE 1 EMISSIONS

Do you have access to your annual scope 1 emissions data from 2020, to be able to estimate cumulative emissions over time?

Survey Responses

Q127: Do you have access to your annual scope 1 emissions data from 2020, to be able to estimate cumulative emissions over time? - by Stakeholder Category



Key Insights

- Most companies have access to emissions data with 81% of respondents reported having their annual scope 1 emissions data for 2020, while 14% do not have this data, and 5% are unsure.



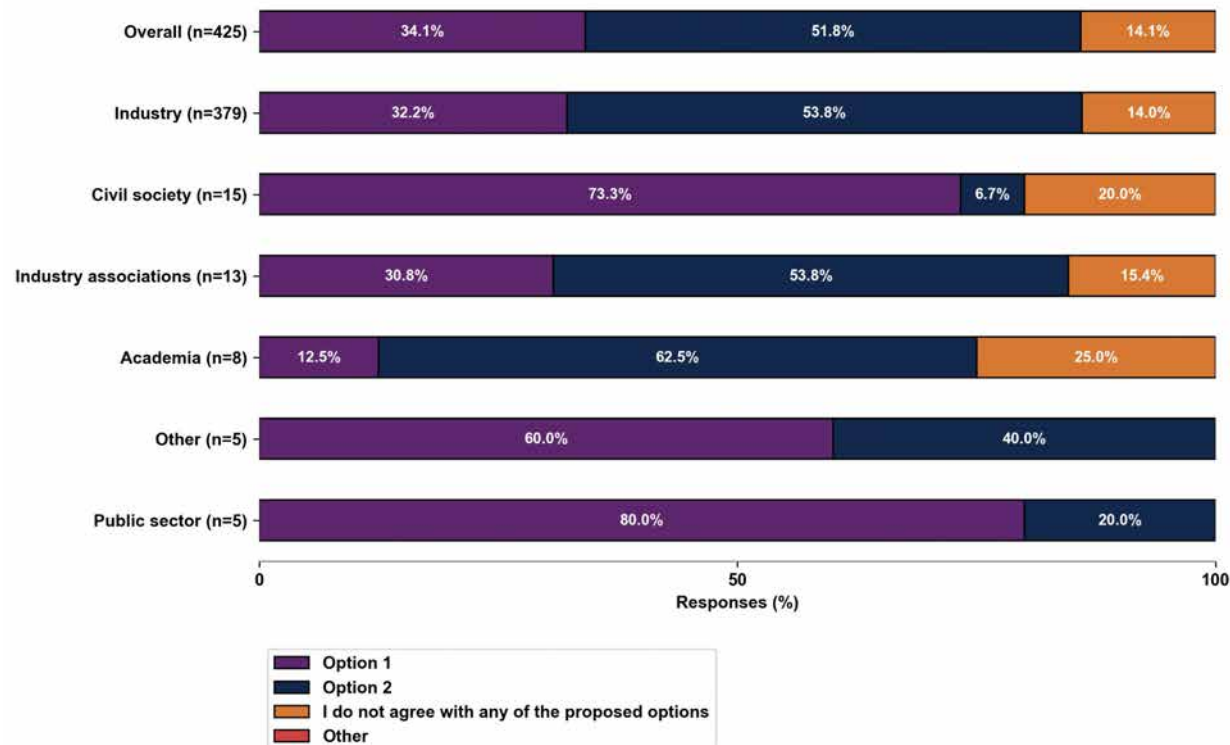
DETERMINING PERFORMANCE IN THE BASE YEAR

APPROACH FOR CALCULATING SCOPE 1 TARGETS

Which option do you prefer for calculating scope 1 targets (per Appendix 1, p.9)?

Survey Responses

Q128: Which option do you prefer for calculating scope 1 targets (per Appendix 1, p.9)? - by Stakeholder Category



Option 1: Budget-Conserving Contraction approach, where target ambition levels are a function of past performance and ensure emissions are reduced at levels required to reach net-zero by 2050 and conserving the budget of cross-sector pathway.

Option 2: Linear Contraction approach, where target ambition levels are not a function of past performance and only ensure emissions are reduced at levels required to reach net-zero by 2050.

Key Insights

- Overall, over half of respondents favor Option 2, while 34% prefer Option 1.
- Industry, industry associations, and academia support Option 2, whereas public sector, "other" stakeholders, and civil society lean toward Option 1.



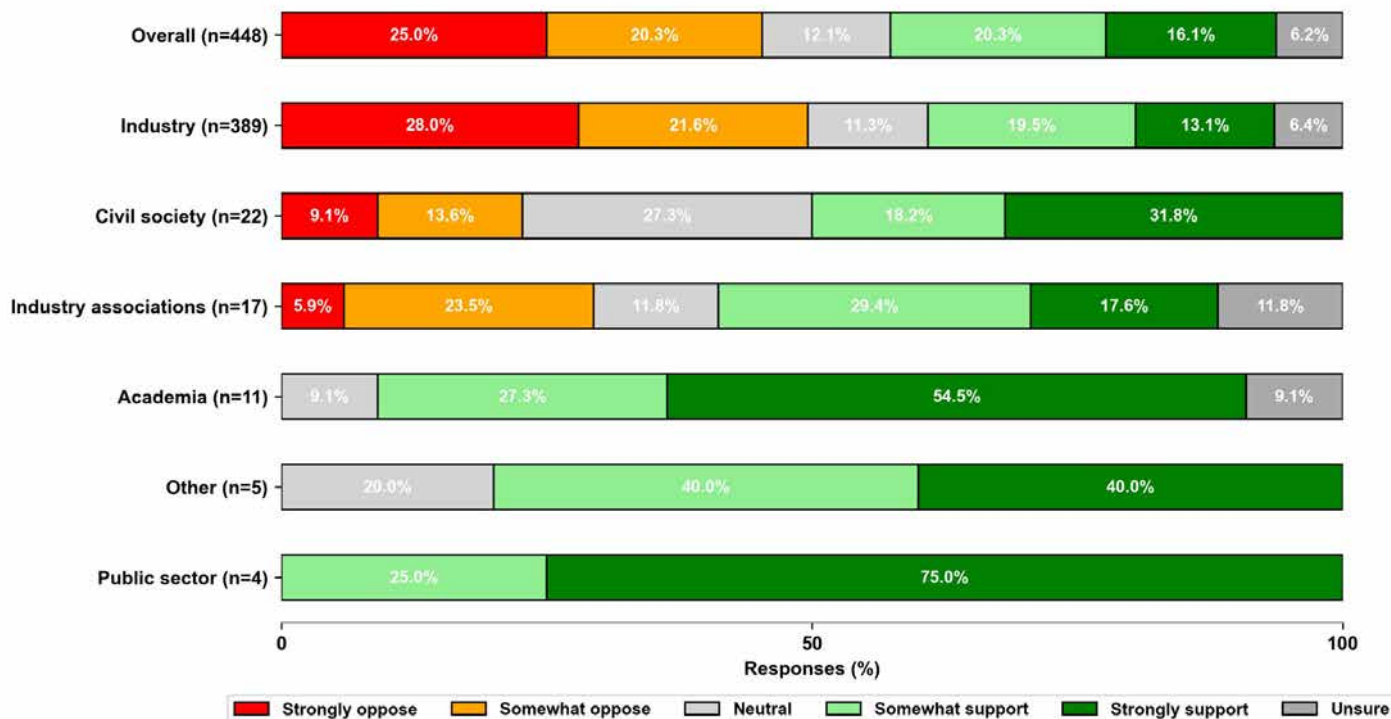
DETERMINING PERFORMANCE IN THE BASE YEAR

ALIGNMENT METRICS AND TARGETS FOR SCOPE 1

To what extent would you support or oppose including alignment metrics and targets for scope 1 in addition to emission reduction metrics targets?

Survey Responses

Q130: To what extent would you support or oppose including alignment metrics and targets for scope 1 in addition to emission reduction metrics targets? - by Stakeholder Category



Key Insights

- Overall, views are split: 45% oppose including alignment metrics and targets in addition to emission reduction targets, while 36% support this additional requirement.
- Academia, "other" stakeholders, and the public sector show widespread support for including alignment metrics and targets.
- Industry (50%), civil society (23%), and industry associations (29%) show higher levels of opposition to this requirement.



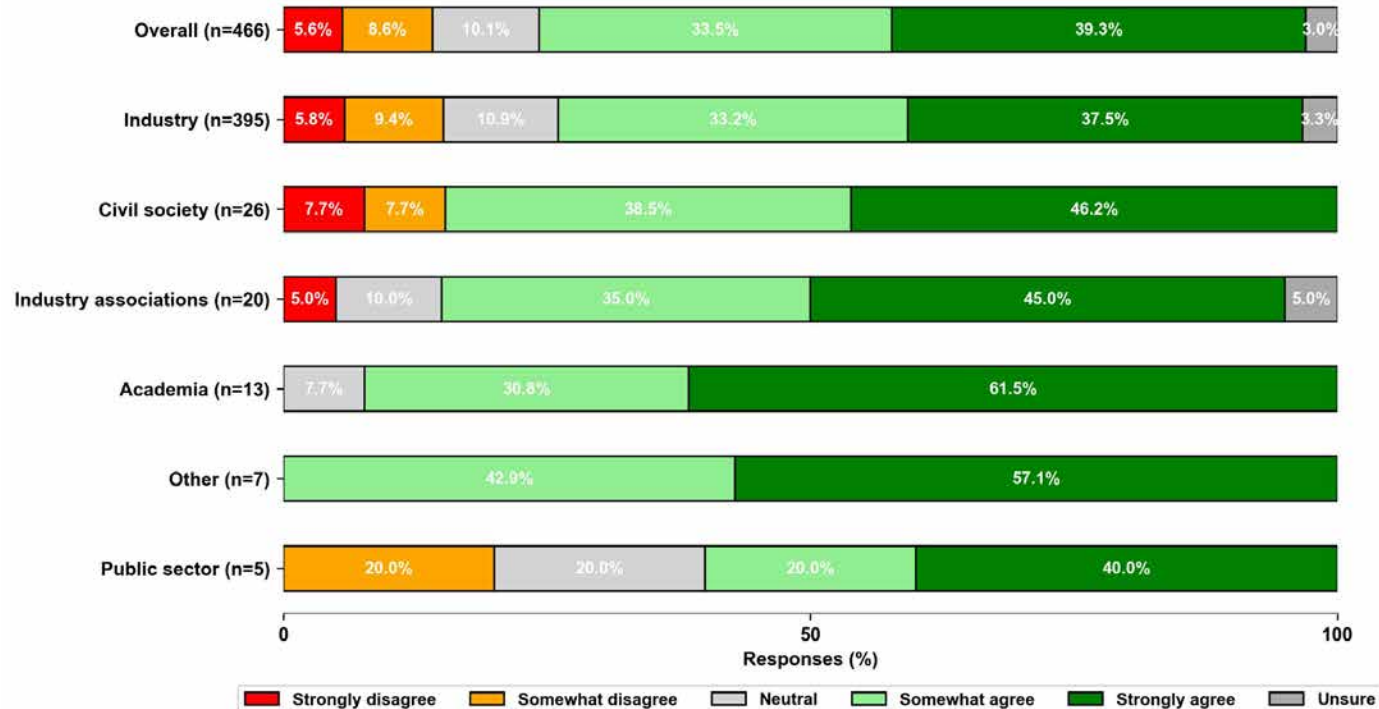
DETERMINING PERFORMANCE IN THE BASE YEAR

UNDERPERFORMANCE IN NEAR-TERM SCOPE 1 TARGETS

To what extent do you support or oppose including measures to address underperformance against near-term scope 1 targets when targets have been missed by a limited amount?

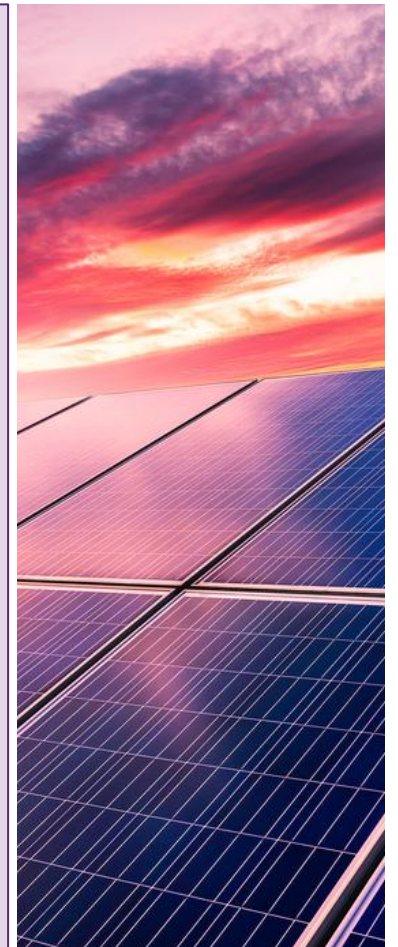
Survey Responses

Q132: To what extent do you support or oppose including measures to address underperformance against near-term scope 1 targets when targets have been missed by a limited amount? - by Stakeholder Category



Key Insights

- Overall, 73% of respondents support including measures to address underperformance in near-term scope 1 targets.
- This support is consistent across stakeholder groups.
- Some opposition exists from the public sector (20%), industry (15%), and civil society (15%).

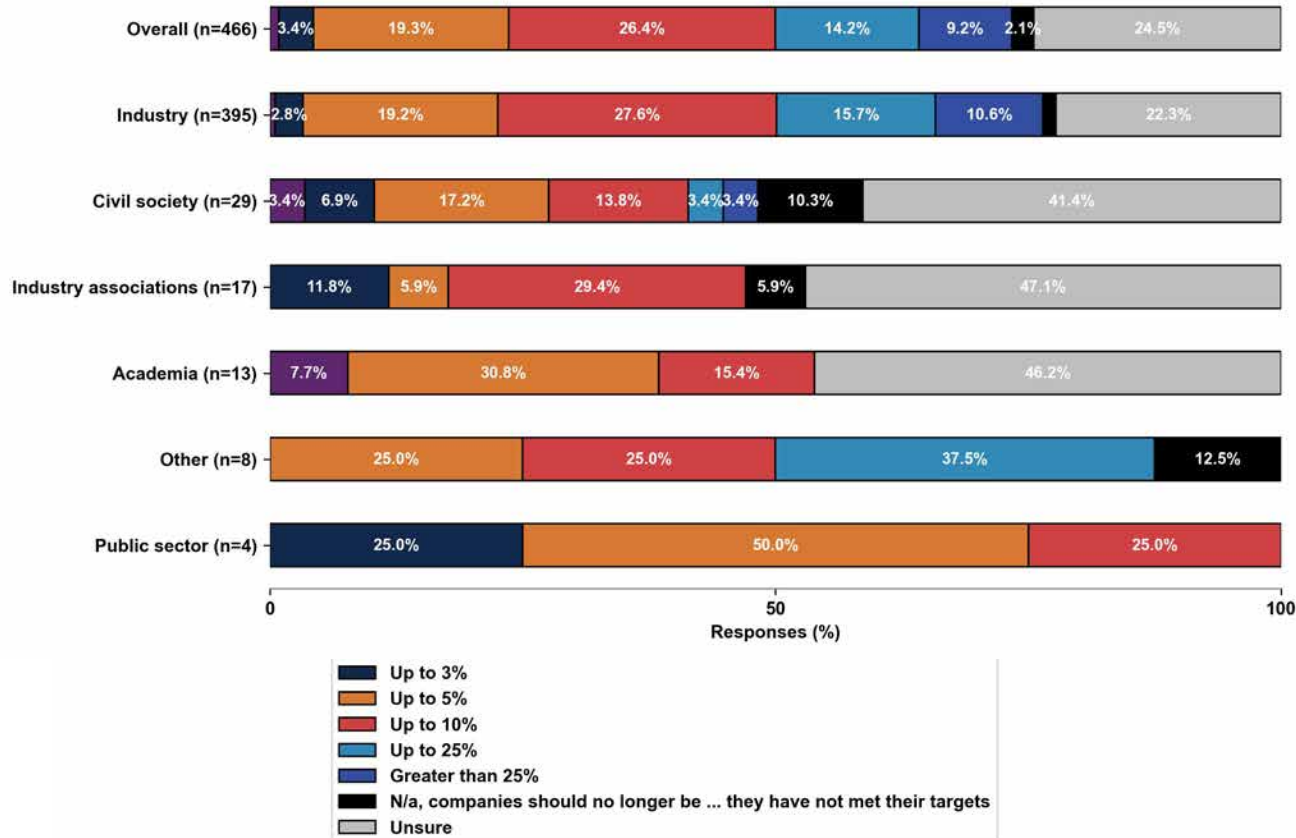


ADDRESSING SCOPE 1 EMISSIONS

LEVEL OF UNDERPERFORMANCE ALLOWABLE TO CLAIM CONFORMANCE

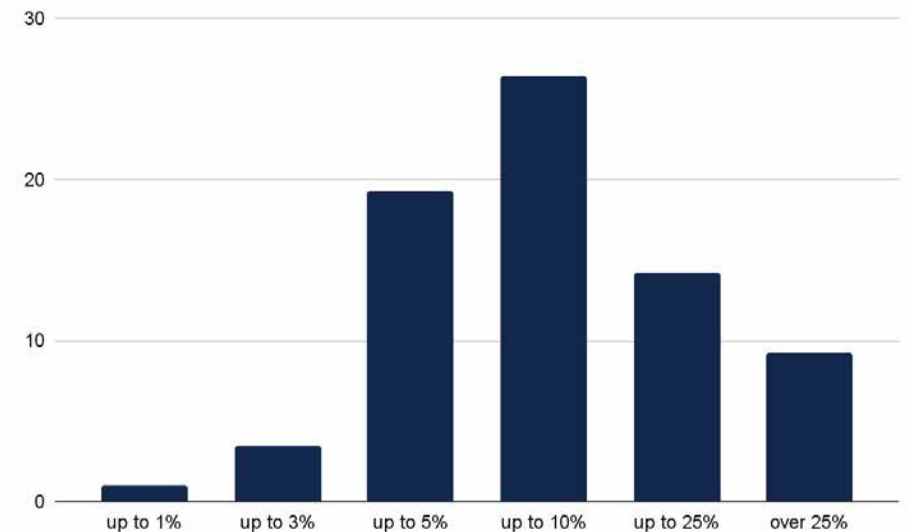
At what level of underperformance (see example above) should the SBTi allow companies to continue to claim conformance with the Standard in the next cycle, and be eligible for corrective measures to address that underperformance?

Q134: At what level of underperformance (see example above) should SBTi allow companies to continue to claim conformance with the standard in the next cycle, and be eligible for corrective measures to address that underperformance? - by Stakeholder Category



Key Insights

- Opinions are split on the level of underperformance that allows a company to continue claiming conformance.
- Industry and industry associations prefer up to 10% underperformance. Civil society, academia, and the public sector favour a stricter limit of up to 5%, while "other" stakeholders prefer up to 25%.
- Nearly 25% of respondents are unsure of the appropriate threshold.



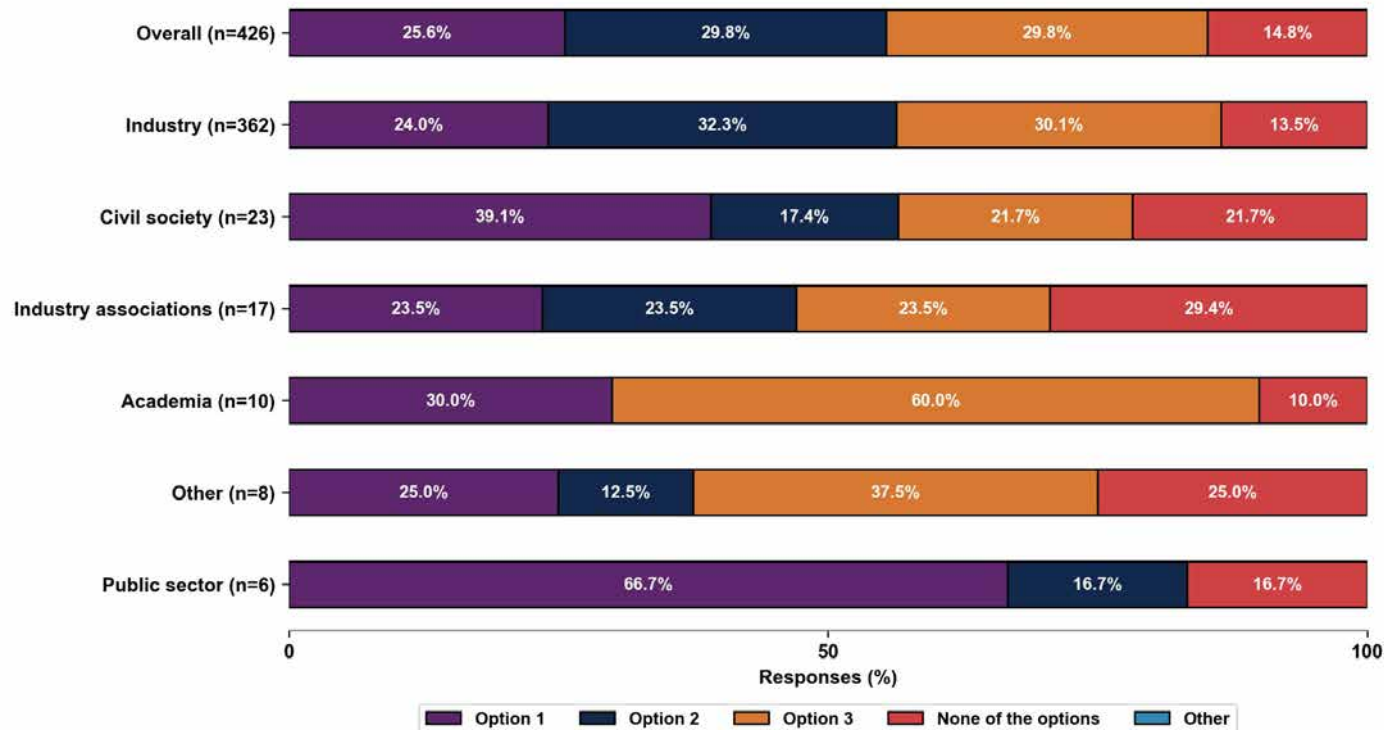
ADDRESSING SCOPE 1 EMISSIONS

LEVEL OF UNDERPERFORMANCE ALLOWABLE TO CLAIM CONFORMANCE

What option would you prefer for companies to address underperformance of scope 1 targets?

Survey Responses

Q136: What option would you prefer for companies to address underperformance of scope 1 targets? - by Stakeholder Category



Option 1: Budget-Conserving Contraction approach.

Option 2: Linear Contraction approach.

Option 3: Linear Contraction approach with permanent removals.

Key Insights

- Overall, respondents are almost equally split between Option 1, 2, and 3.
- Most stakeholder groups reflect this divisive viewpoint.
- Academia shows a strong preference for Option 3 (60%), while the public sector strongly favours Option 1 (67%).



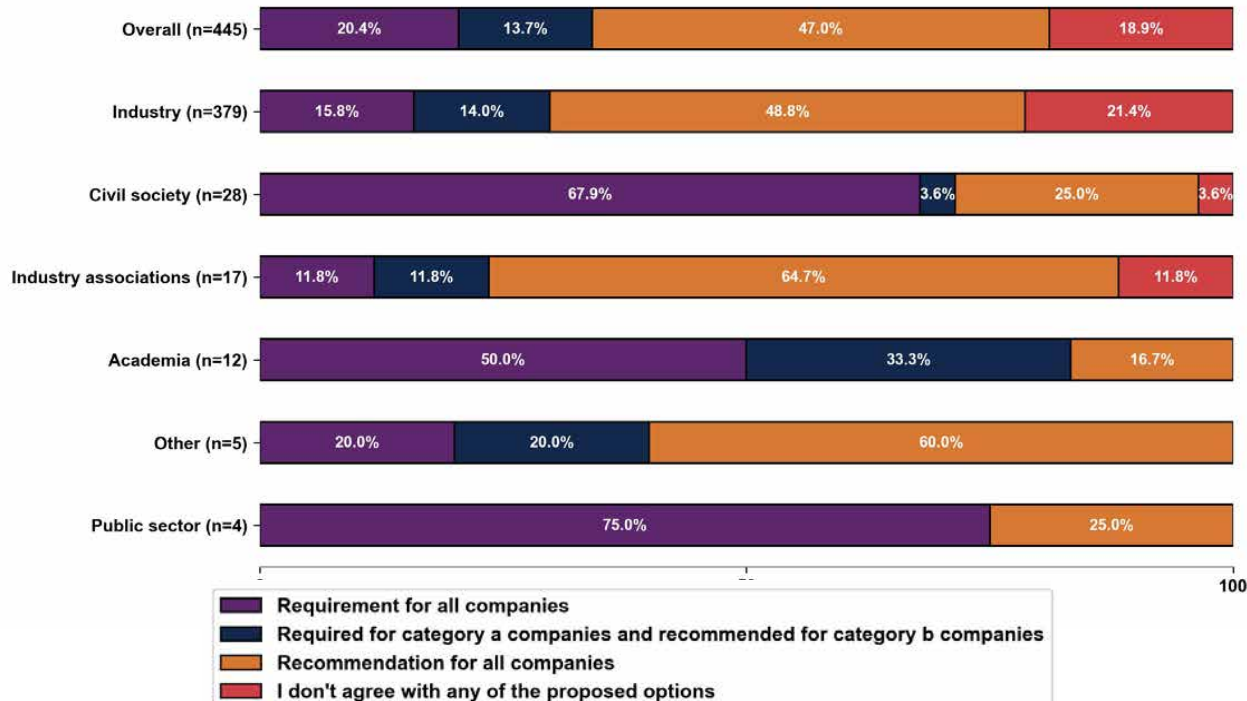
ADDRESSING SCOPE 1 EMISSIONS

FOSSIL FUEL POLICY

Should the provision for companies with equipment or assets powered by fossil fuels to develop a fossil fuel policy in which they commit to end the consumption of fossil fuels in line with a net-zero pathway be a mandatory requirement or a best practice recommendation?

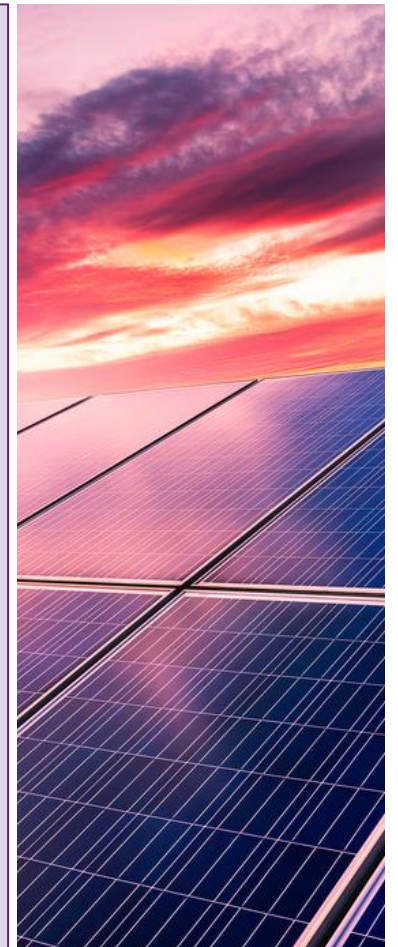
Survey Responses

Q138: Should the provision for companies with equipment or assets powered by fossil fuels to develop a fossil fuel policy in which they commit to end the consumption of fossil fuels in line with a net-zero pathway be a mandatory requirement or a best practice recommendation? - by Stakeholder Category



Key Insights

- Overall, 47% of respondents support this stipulation being implemented as a best practice recommendation, rather than a mandatory requirement.
- Public sector, civil society, and academia diverge from the overall view, advocating that the stipulation should be mandatory for all companies.



SCOPE 1 TARGETS

KEY TAKEAWAYS

- The SBTi proposes to **maintain the separation of scope 1 and scope 2 targets**, recognizing the distinct nature of decarbonization within each scope. The SBTi also plans to introduce more specialized requirements for scope 1 and 2 targets to ensure they **more effectively address the specific emission sources within each scope**.
- The SBTi proposes to **focus on the Linear Contraction approach** scope 1 target-setting method for emissions based targets. This is based on further research which showed that when using a more recent base year, the differences in ambition rates between Budget Conserving Contraction and Linear Contraction are significantly reduced, as well as the public consultation results and the comparative simplicity of the method.
- Instances of **underperformance against targets is proposed to be addressed through adjustments to target-setting methods**, rather than through the purchase of additional removals. This approach reflects feedback indicating that the removals option has caused confusion and overlaps with the proposed framework for taking responsibility for ongoing emissions.



2. SUMMARY OF CONSULTATION FEEDBACK

2.7 ADDRESSING SCOPE 2 EMISSIONS

SCOPE 2 TARGETS

CONSULTATION OVERVIEW

- **Dual targets:** 58% of respondents oppose requiring both location-based and market-based or zero-carbon electricity scope 2 targets, while 36% support the proposal.
- **Zero-carbon electricity targets (ZCE):** Public consultation shows general support for the transition from renewable electricity target to ZCE targets (63% of all respondents).
- **“Indirect mitigation” for scope 2 emissions in markets where sourcing ZCE is constrained:** 60% of all public consultation respondents support that companies should be allowed to contribute to ZCE in other grids as an interim measure to address scope 2 emissions, where sourcing within the grids in which the company powers its operations is not possible (“indirect mitigation”).

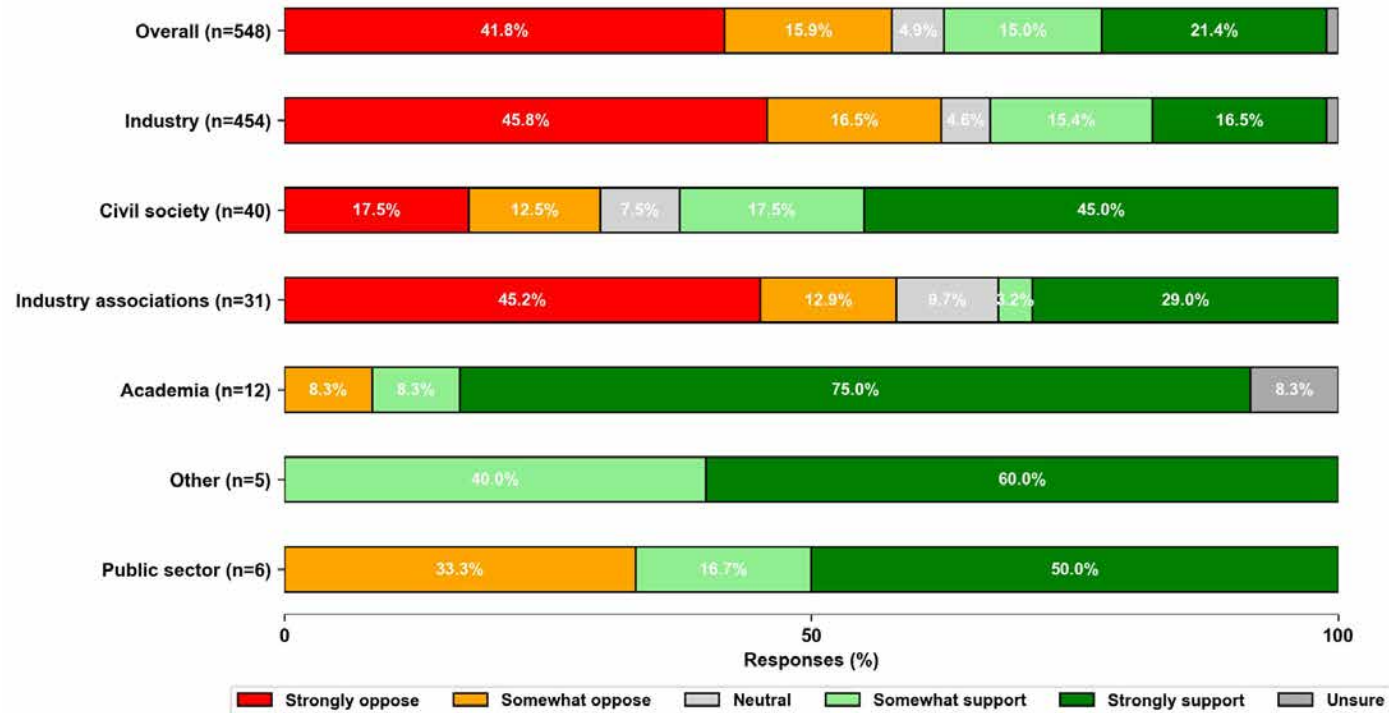
ADDRESSING SCOPE 2 EMISSIONS

REQUIREMENTS ON SCOPE 2 TARGET TYPES

To what extent do you support the requirement for companies to have a location-based target as well as a market-based or zero-carbon electricity target?

Survey Responses

Q140: To what extent do you support the requirement for companies to have a location-based target as well as a market-based or zero-carbon electricity target? - by Stakeholder Category



Key Insights

- Overall, 48% of respondents disagree with requiring companies to have a location-based target in addition to a market-based or zero-carbon electricity target, while 36% agree.
- Industry (62%) and industry associations (58%) are largely opposed to this requirement.
- Academia and “other” stakeholders strongly support the requirement, with the public sector and civil society showing moderate support.



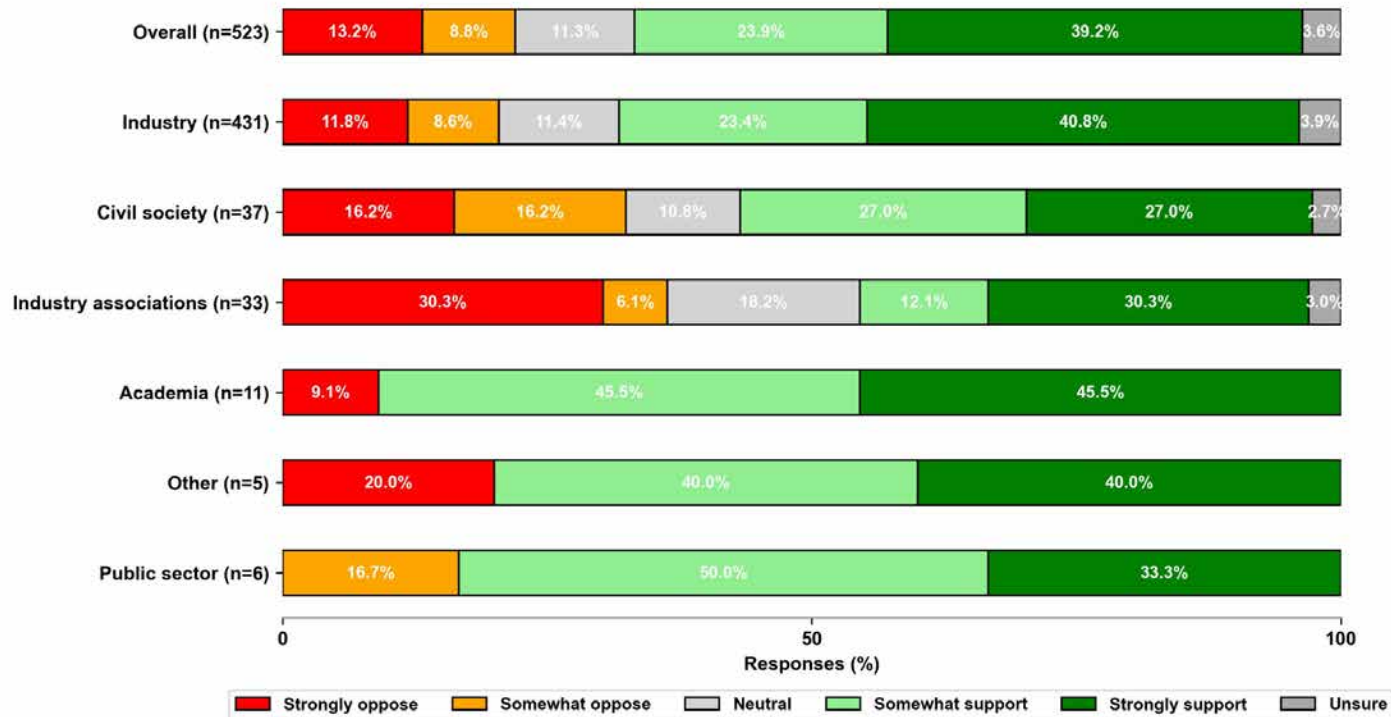
ADDRESSING SCOPE 2 EMISSIONS

ZERO-CARBON ELECTRICITY TARGETS

To what extent do you support the transition from renewable electricity targets to zero-carbon electricity targets?

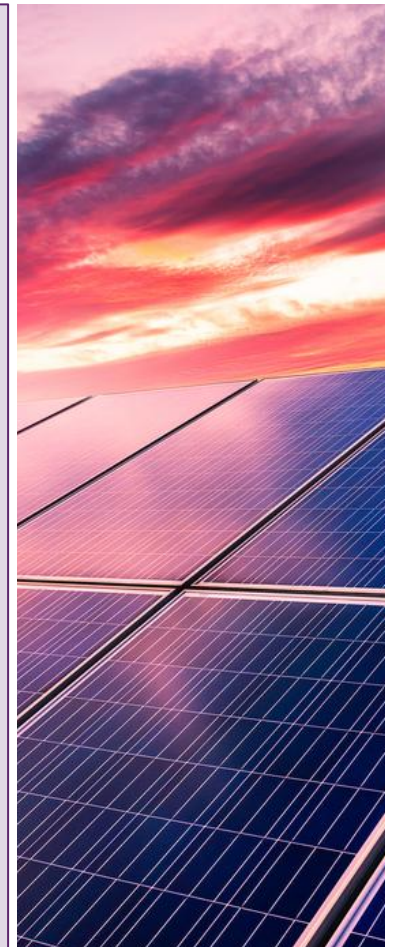
Survey Responses

Q142: To what extent do you support the transition from renewable electricity targets to zero-carbon electricity targets? - by Stakeholder Category



Key Insights

- Overall, 63% of respondents support transitioning from renewable electricity targets to zero-carbon electricity targets.
- Industry, academia, "other" stakeholders, and the public sector generally support this transition.
- The strongest opposition comes from industry associations (36%) and civil society (32%), indicating some concerns or reservations about the shift to zero-carbon electricity targets.



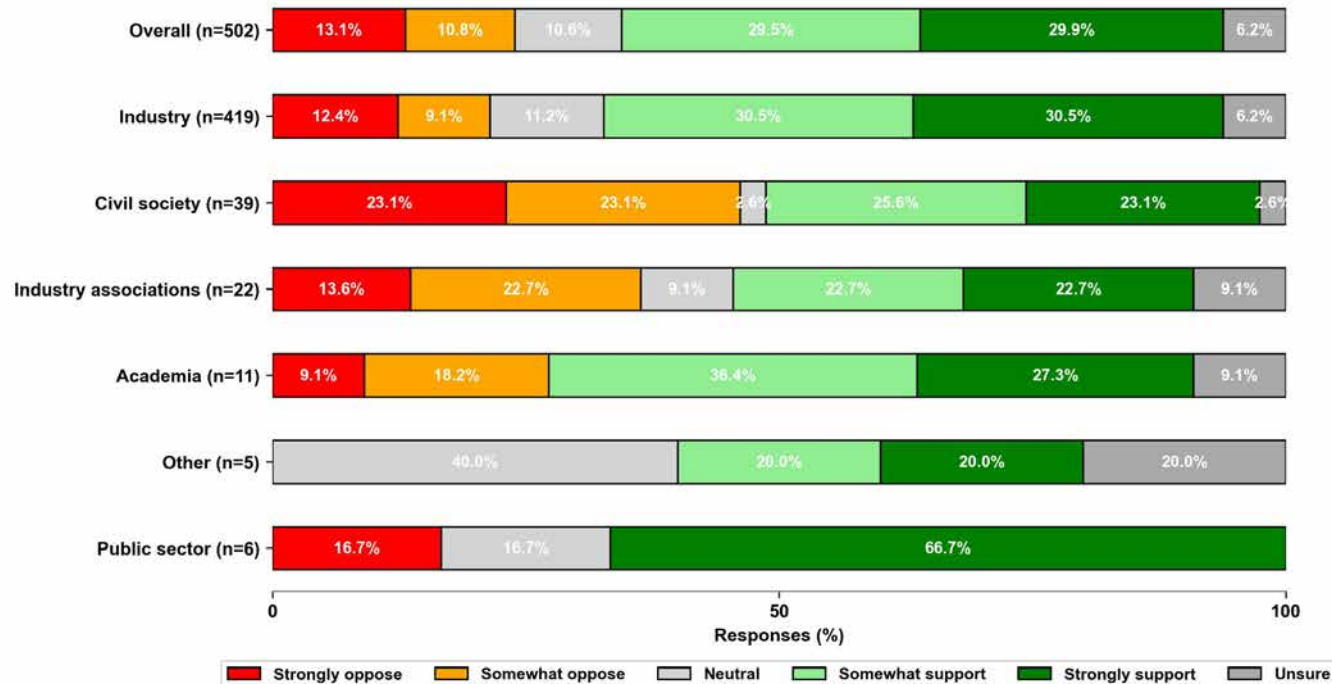
ADDRESSING SCOPE 2 EMISSIONS

ZERO-CARBON ELECTRICITY TARGETS

To what extent do you support the requirement for companies to contribute to zero-carbon electricity in other grids as an interim measure to address scope 2 emissions where sourcing within the grids in which the company powers its operations is not possible?

Survey Responses

Q144: To what extent do you support the requirement for companies to contribute to zero-carbon electricity in other grids as an interim measure to address scope 2 emissions where sourcing within the grids in which the company powers its operations is not possible? - by Stakeholder Category



Key Insights

- Overall, 59% of respondents support requiring companies to contribute to zero-carbon electricity in other grids as an interim measure.
- Industry and academia show a similar spread of views, broadly reflecting the overall results.
- The public sector shows the strongest support (67%), while industry associations (36%) and civil society (46%) show the most opposition.



SCOPE 2 TARGETS

KEY TAKEAWAYS

- **Dual targets:** In the latest draft the dual target requirement has been retired, and instead a requirement for low-carbon electricity alignment targets has been added with optional scope 2 emissions reduction targets. The SBTi is consulting on how energy efficiency should be incorporated into the standard.
- **Zero-carbon electricity targets:** Public consultation shows general support for the transition from renewable electricity target to ZCE targets (63% of all respondents), and so this has been retained with a slight modification to “low-carbon” electricity to improve technology neutrality and align with the draft SBTi Power Sector pathway.
- **Indirect mitigation for scope 2 emissions in markets where sourcing ZCE is constrained:** SBTi has phased-out use of the term “indirect mitigation”. Companies are now instead recommended in the scope 2 section to make use of the Ongoing Emissions Responsibility (OER) framework for any emissions they exclude from their scope 2 targets. The SBTi is consulting on new options for determining the scope 2 target boundary.



2. SUMMARY OF CONSULTATION FEEDBACK

2.8 ADDRESSING SCOPE 3 EMISSIONS

SCOPE 3 TARGETS

CONSULTATION OVERVIEW

- **Timeframe:** A narrow majority of stakeholders support an additional requirement for long-term scope 3 targets (54% of respondents). Most opposition comes from industry stakeholders (34% disagree) though 50% agree.
- **General support for target boundary proposals:** Support for the 5% category threshold (58% of respondent); slight preference for raising emissions-intensive activity (EIA) thresholds (51% in favour of raising 1%; 50% in favour of raising 10k CO₂e). Support for 90% min. scope 3 coverage within the target boundary in the public consultation (54%).
- **Mandatory activity-level targets for EIAs supported** by 47% of respondents (87% academia, 71% civil society, 45% of industry in favour), whereas 40% disagree. The **most commonly selected threshold for requiring separate targets for EIAs is 5%** of total scope 3 emissions (33%), with 58% supporting a threshold of 5% or below. Most EIA's are in categories 1 and 11 which are "relevant" for 90% of companies.
- **Target methods:** Supplier engagement targets should be an optional method according to 72% of all stakeholders. 100% alignment of spend on tier 1 suppliers providing EIAs by 2030 is considered unfeasible by 71% of respondents. 29% feel it would be feasible with a lower threshold. Calls from industry and industry associations to adjust to 70-80% alignment by 2035 prioritising highest emitting suppliers.
- **Choice of the metrics:** Both alignment based on spend and on emissions were considered valuable by respondents.
- **Transition benchmarks:** Support for the recognition of in-transition benchmarks based on the pathways, rather than solely the net-zero aligned benchmark.
- **Indirect mitigation** should count toward target achievement according to 78% of respondents with the proposed guardrails.
- **Policies** are supported in the public consultation as a recommendation, with preference that they remain a recommendation spanning from 47% to 53% across different policy types.

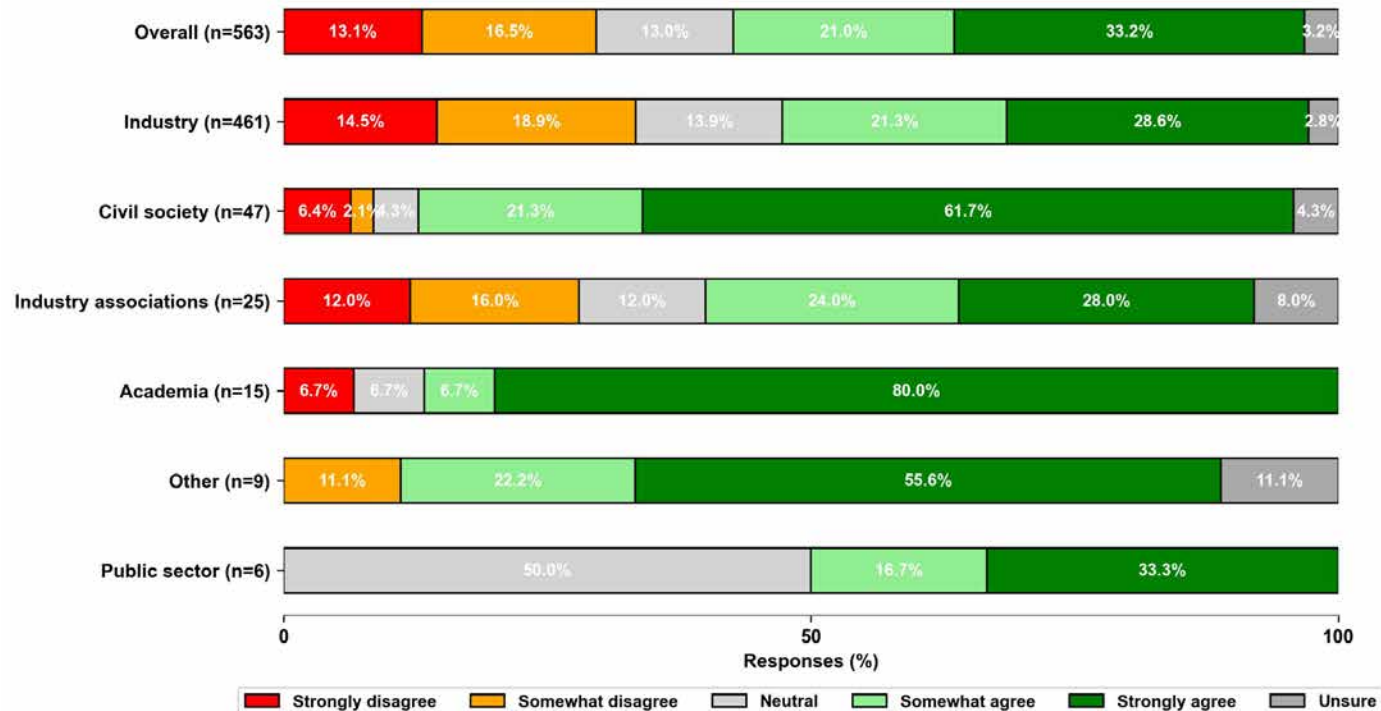
ADDRESSING SCOPE 3 EMISSIONS

LONG-TERM SCOPE 3 TARGET

To what extent do you agree companies should be required to set long-term scope 3 targets in addition to the commitment to reaching net-zero emissions by 2050?

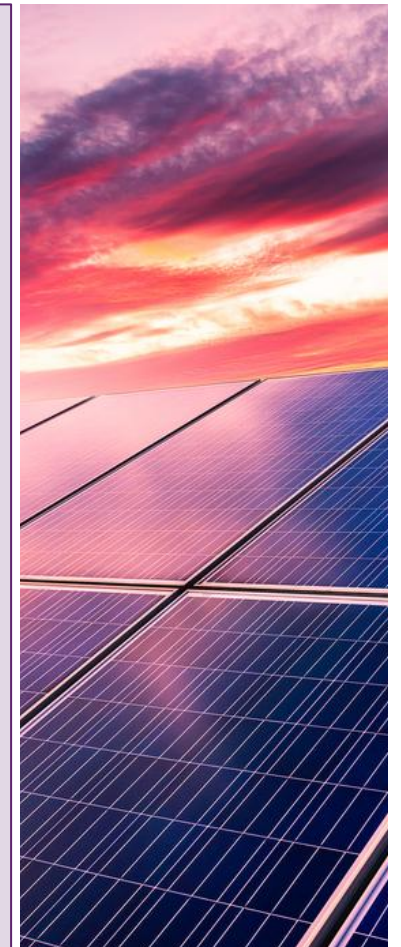
Survey Responses

Q146: To what extent do you agree companies should be required to set long-term scope 3 targets in addition to the commitment to reaching net-zero emissions by 2050? - by Stakeholder Category



Key Insights

- 54% of respondents support the requirement that companies should set long-term scope 3 targets. Most opposition comes from industry stakeholders (34%).



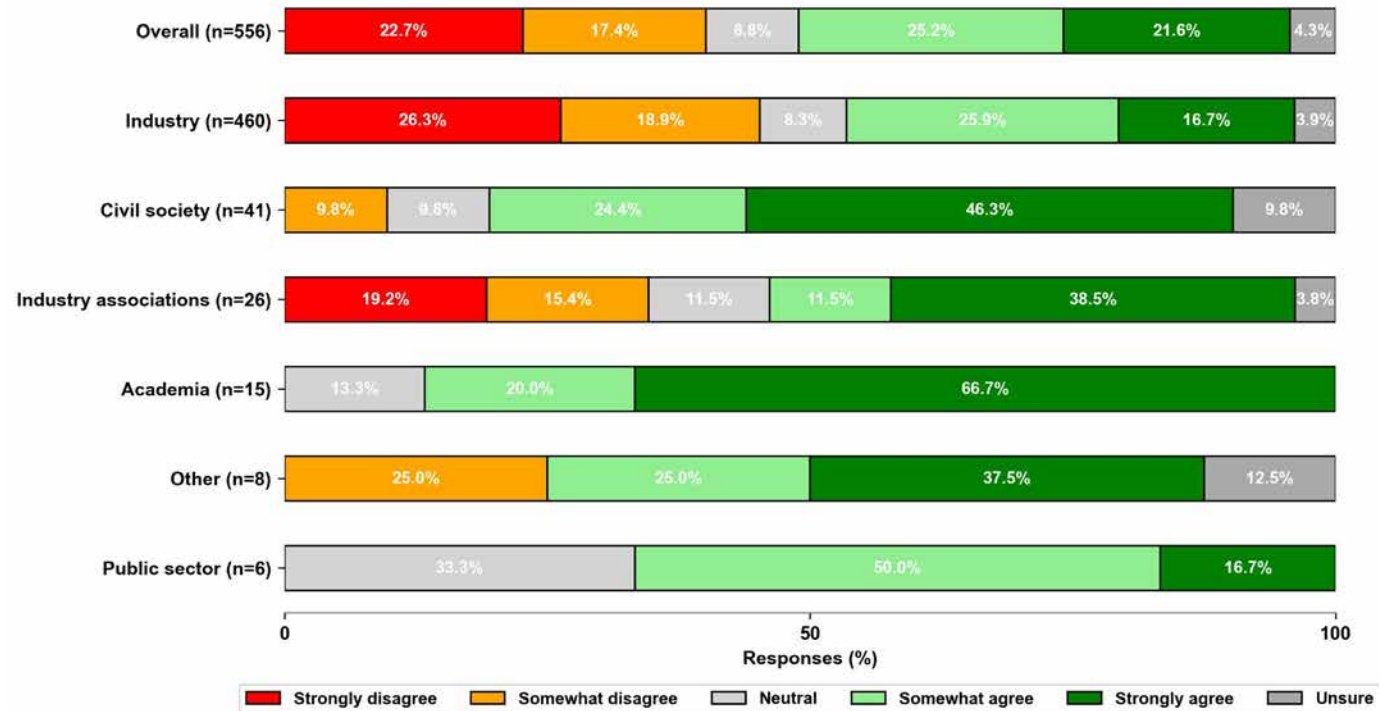
ADDRESSING SCOPE 3 EMISSIONS

ACTIVITY-LEVEL TARGETS

To what extent do you agree activity-level targets should be mandatory for emission-intensive activities (EIAs)?

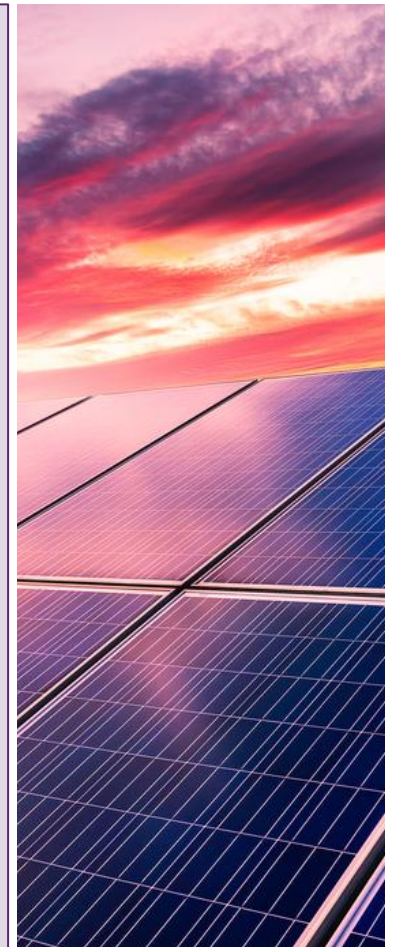
Survey Responses

Q148: To what extent do you agree activity-level targets should be mandatory for emission-intensive activities? - by Stakeholder Category



Key Insights

- 47% of respondents agree with activity-level targets for EIAs, whereas 40% of respondents disagree.
- Agreement is more relevant across academia (87%) and civil society (71%); whereas more disagreement is expressed by industry (45%) and industry associations (35%).



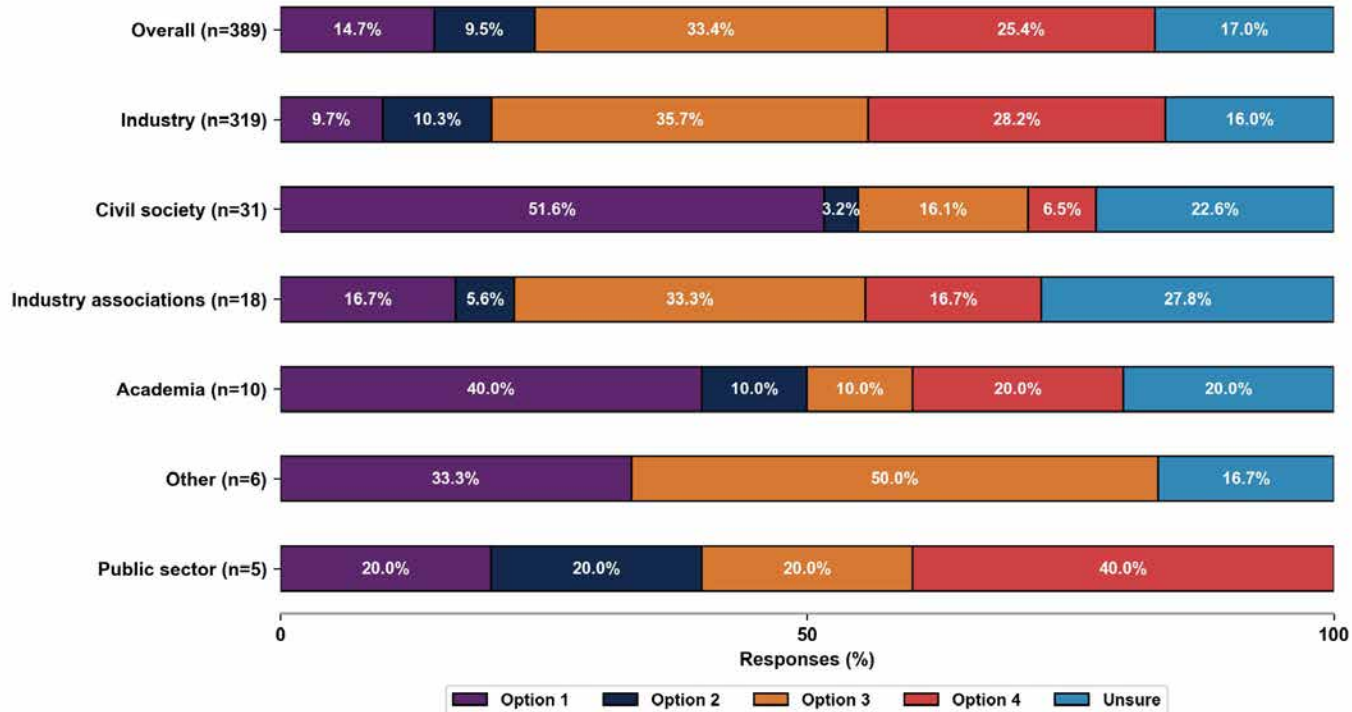
ADDRESSING SCOPE 3 EMISSIONS

SIGNIFICANCE THRESHOLD FOR EMISSIONS-INTENSITY ACTIVITY TARGETS

If you agree, what do you think is the significance threshold for requiring an emissions-intensive activity to have its own specific activity-level target?

Survey Responses

Q150: If you agree, what do you think is the significance threshold for requiring an emissions-intensive activity to have its own specific activity-level target? - by Stakeholder Category



Option 1: Emission-intensive activity represents >1% of total scope 3 emissions.

Option 2: Emission-intensive activity represents >3% of total scope 3 emissions.

Option 3: Emission-intensive activity represents >5% of total scope 3 emissions.

Option 4: Emission-intensive activity represents >10% of total scope 3 emissions.

Key Insights

- Overall, Option 3 receives the most support, though views are spread across all four options.
- Industry mirrors the overall distribution of preferences.
- Civil society (52%) and academia (40%) favour Option 1 with a 1% threshold.
- Public sector shows strongest support for the 10% threshold, with some backing from industry.

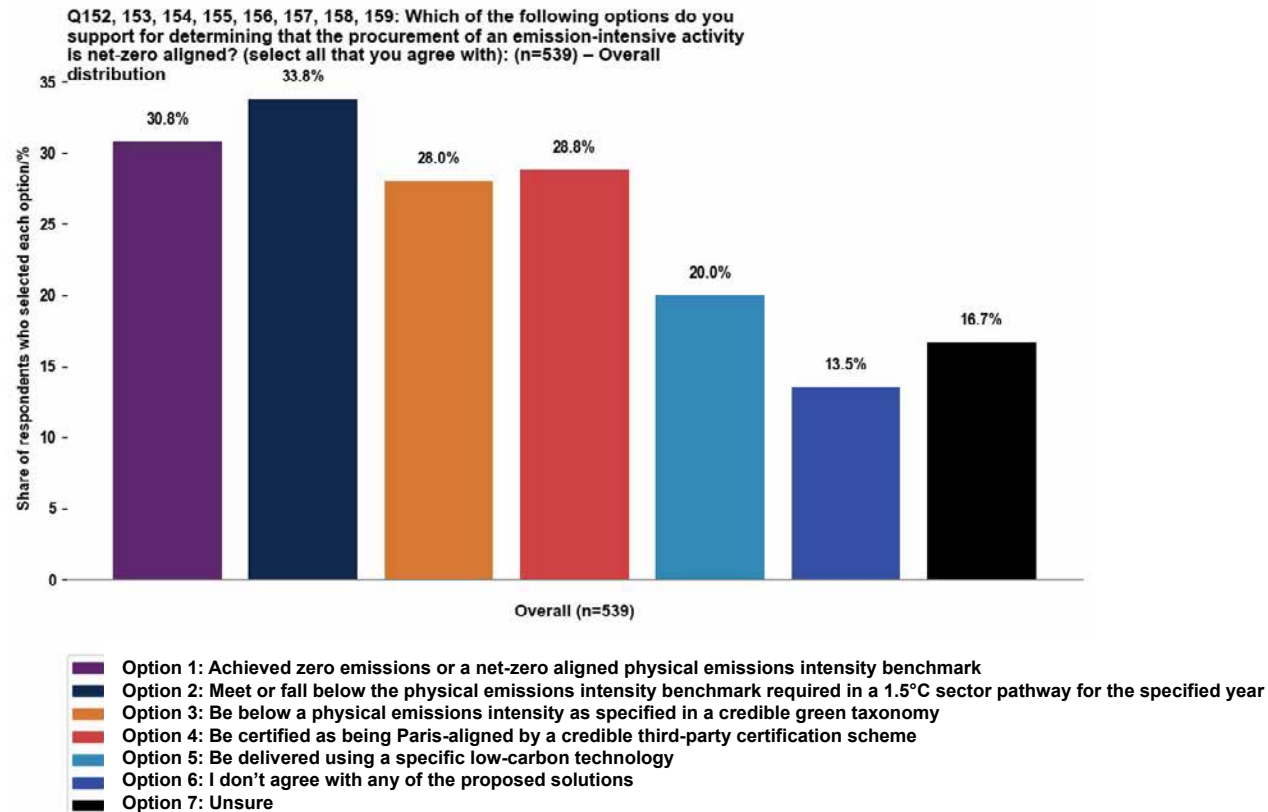


ADDRESSING SCOPE 3 EMISSIONS

NET-ZERO ALIGNMENT OF EMISSION-INTENSIVE ACTIVITIES

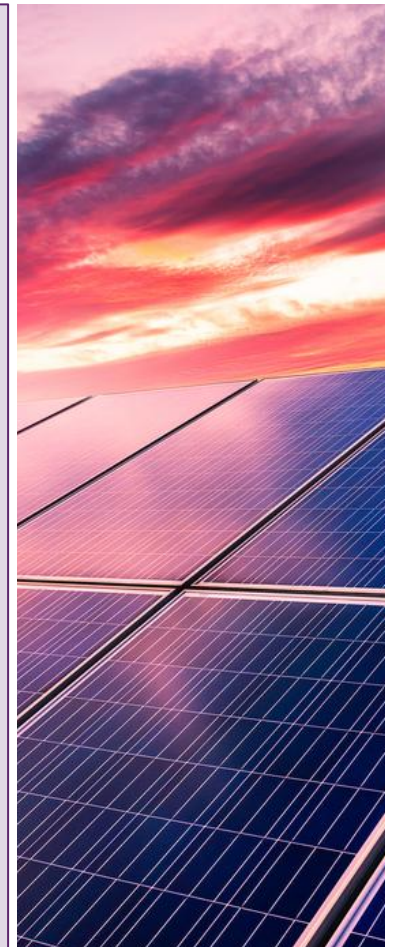
Which of the following options do you support for determining that the procurement of an emission-intensive activity is net-zero aligned? (Select all that you agree with):

Survey Responses



Key Insights

- Overall, responses are split across the different options proposed.
- There is stronger consensus on using emission intensity benchmarks from pathways, as well as confidence in the SBTi to define benchmarks, and the use of third-party certification or taxonomies.
- The method receiving the least support is the use of low-carbon technology.

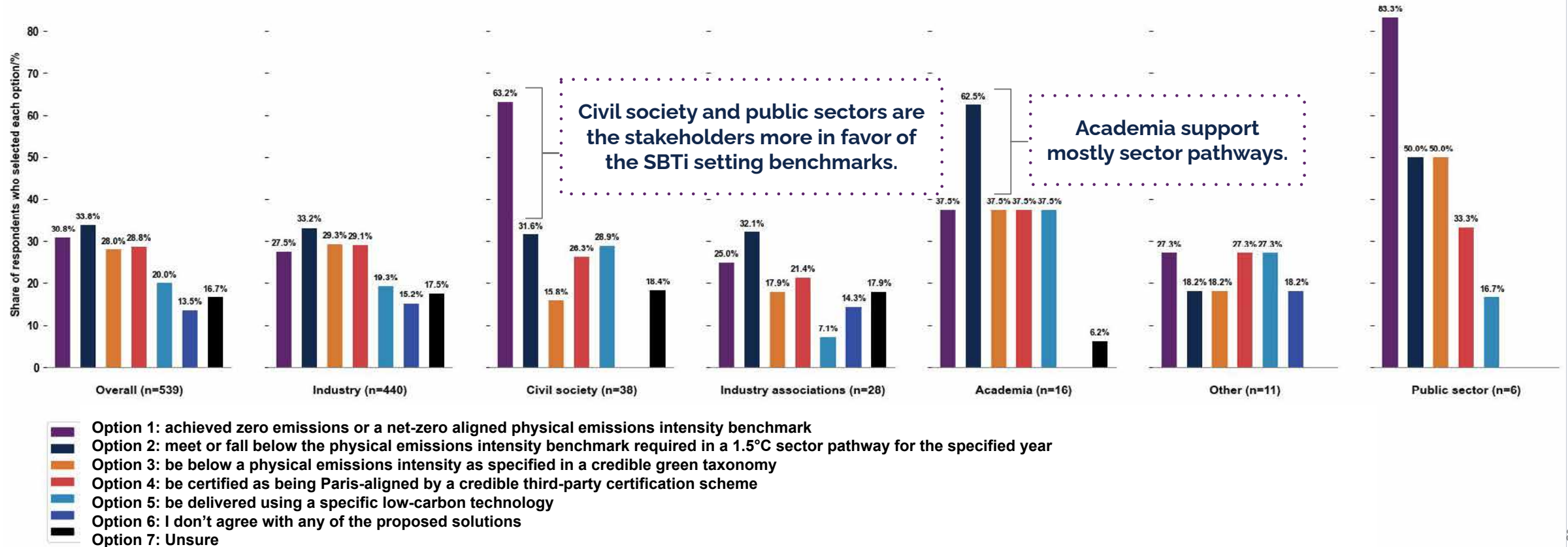


ADDRESSING SCOPE 3 EMISSIONS

NET-ZERO ALIGNMENT OF EMISSION-INTENSIVE ACTIVITIES

Which of the following options do you support for determining that the procurement of an emission-intensive activity is net-zero aligned? (Select all that you agree with):

Q152, 153, 154, 155, 156, 157, 158, 159: Which of the following options do you support for determining that the procurement of an emission-intensive activity is net-zero aligned? (select all that you agree with): (n=539) – by Stakeholder Category



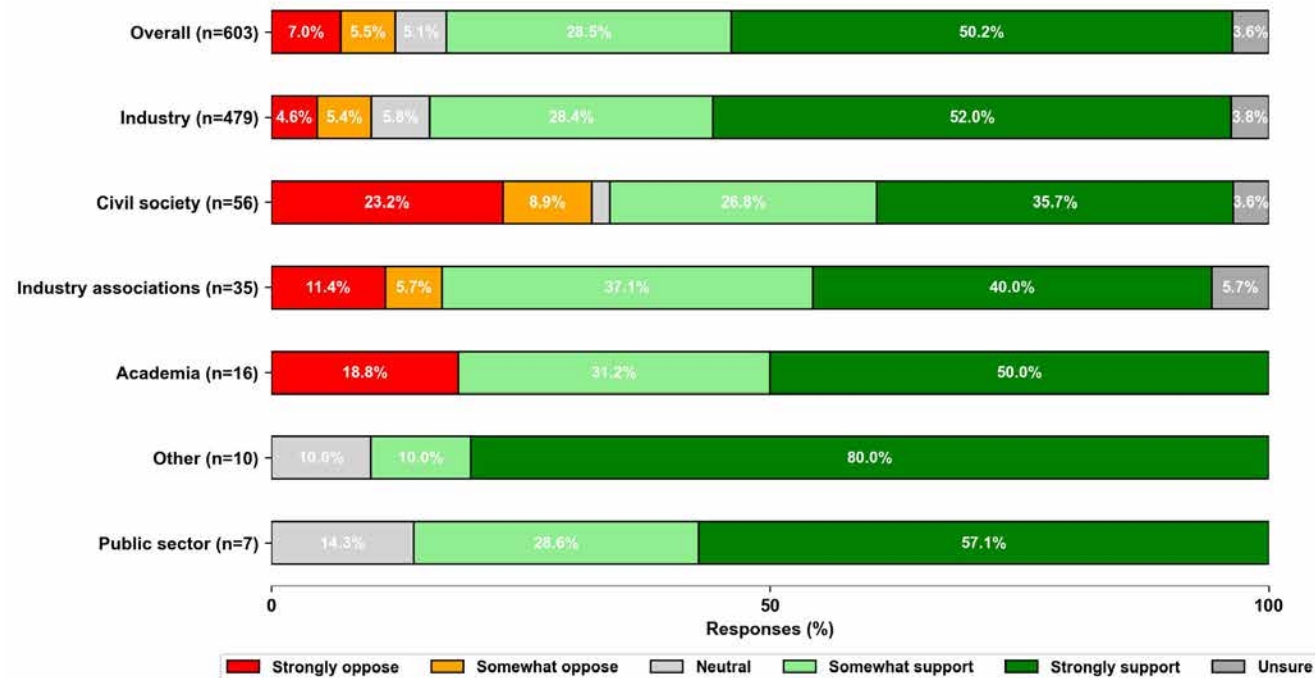
ADDRESSING SCOPE 3 EMISSIONS

INDIRECT MITIGATION IN SCOPE 3 TARGET ACHIEVEMENT

To what extent do you support or oppose the proposal for indirect mitigation to count towards scope 3 target achievement, under the condition that it is only used as an interim measure if direct mitigation is not possible, delivers measurable comparable outcomes to direct mitigation and is reported separately to direct mitigation?

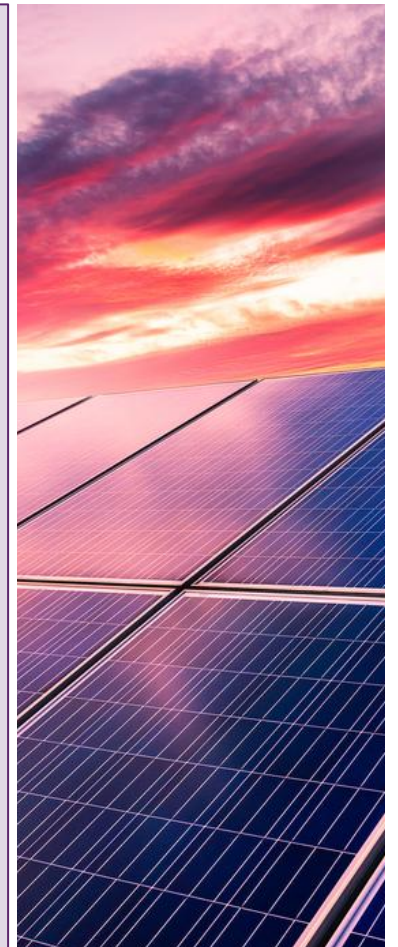
Survey Responses

Q161: To what extent do you support or oppose the proposal for indirect mitigation to count towards scope 3 target achievement, under the condition that it is only used as an interim measure if direct mitigation is not possible, delivers measurable comparable outcomes to direct mitigation and is reported separately to direct mitigation? - by Stakeholder Category



Key Insights

- Overall, almost 80% of respondents support counting indirect mitigation toward scope 3 target achievement. Civil society (32%) and academia (19%) express the most opposition.
- Key concerns include:
 - Lack of guarantee on actual emissions reductions and uncertainty over additionality.
 - Confusion with Beyond Value Chain Mitigation (BVCM) boundaries and risk of reduced investment in direct reductions.



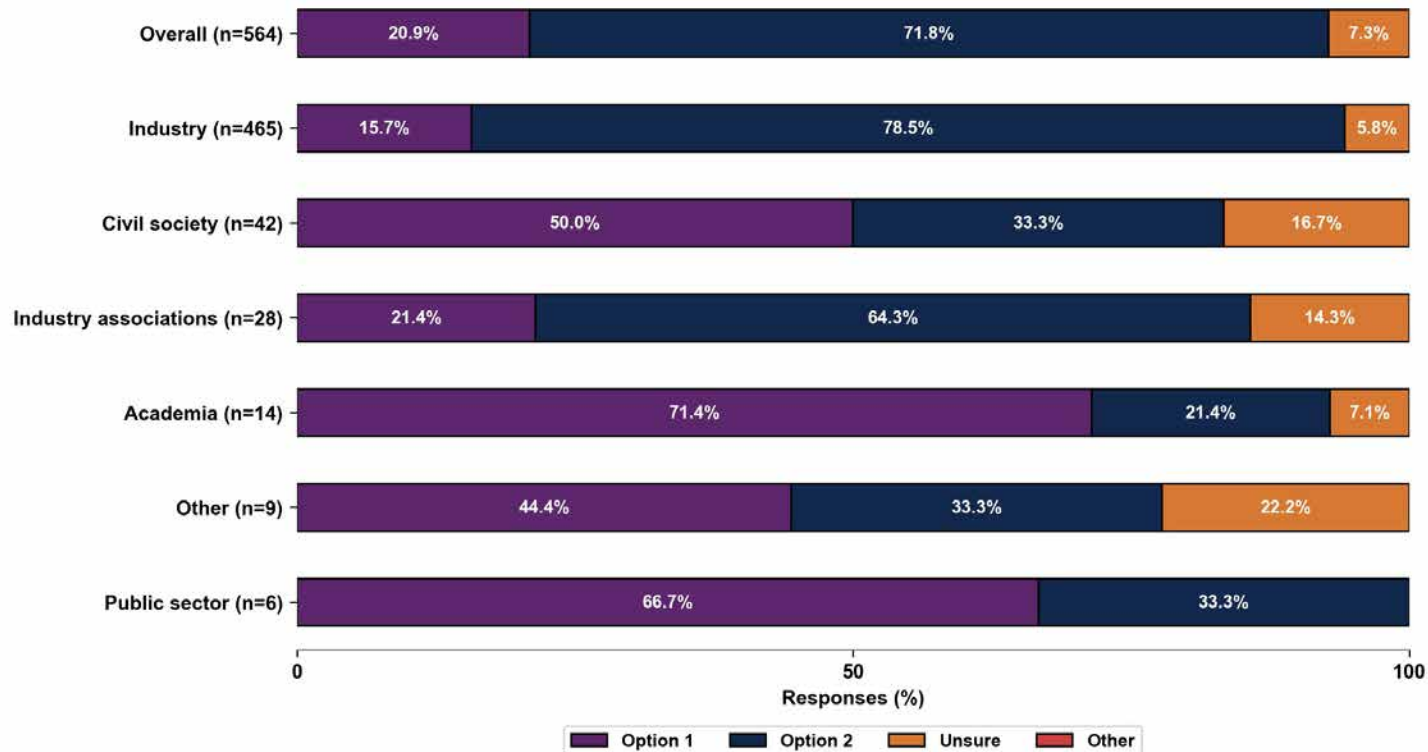
ADDRESSING SCOPE 3 EMISSIONS

TIER 1 SUPPLIER ENGAGEMENT TARGETS

How do you think tier 1 supplier engagement targets should be incorporated into the standard?

Survey Responses

Q163: How do you think tier 1 supplier engagement targets should be incorporated into the standard? - by Stakeholder Category

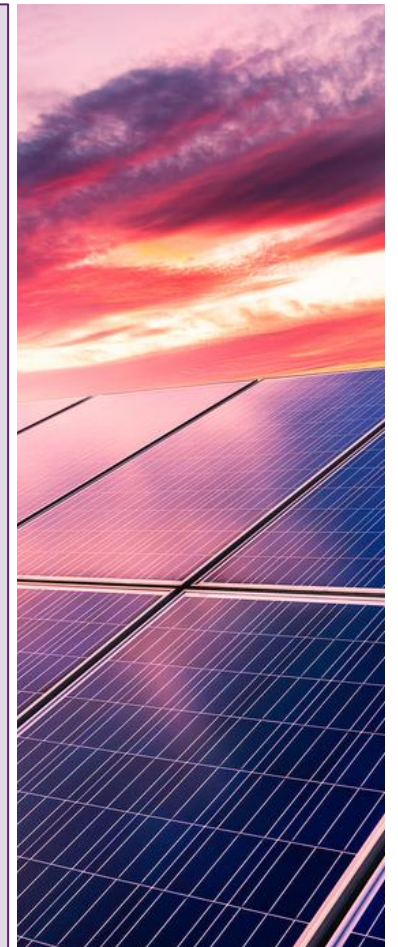


Option 1: As a mandatory requirement for all companies setting scope 3 targets (i.e., in addition to other targets covering this portion of emissions).

Option 2: As an optional method companies may use to address relevant emissions within the target boundary (i.e., instead of other targets covering this portion of emissions).

Key Insights

- Overall, 72% of respondents agree that supplier engagement targets should be an optional method.
- This view is echoed among industry and industry associations.
- Academia, public sector, civil society, and "other" stakeholders are more supportive of making it a mandatory requirement.

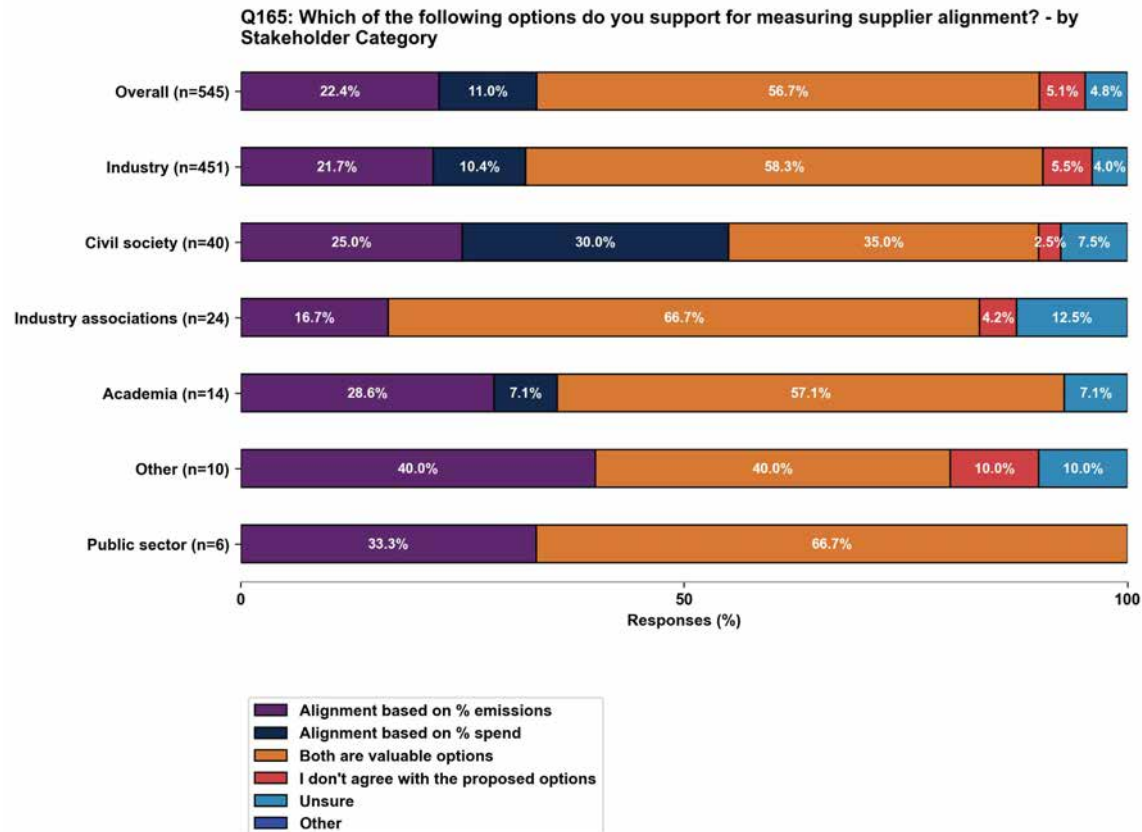


ADDRESSING SCOPE 3 EMISSIONS

MEASUREMENT OF SUPPLIER ALIGNMENT

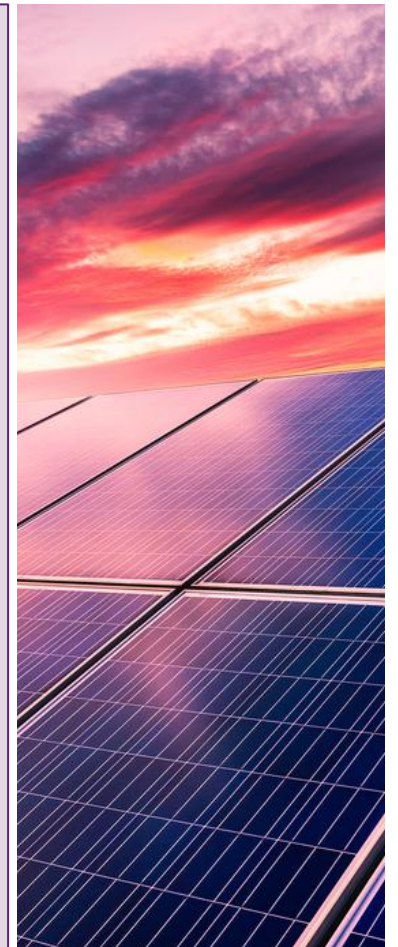
Which of the following options do you support for measuring supplier alignment?

Survey Responses



Key Insights

- Overall, 57% of respondents support using both metrics, with this preference reflected across most stakeholder groups.
- Public sector and "other" stakeholders show the highest support for alignment based on % emissions.



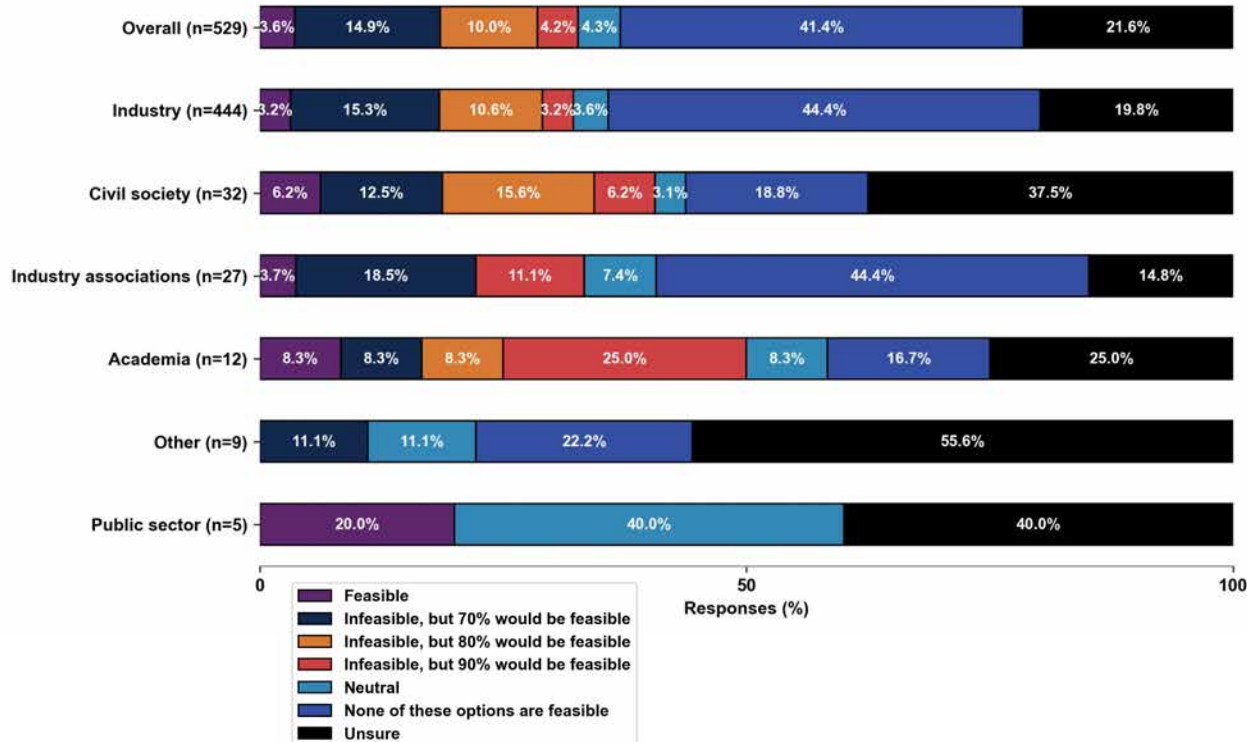
ADDRESSING SCOPE 3 EMISSIONS

100% TIER 1 ALIGNMENT BY 2030

To what extent do you think it is feasible for companies to achieve 100% of spend on tier 1 suppliers providing emission-intensive activities to be going to suppliers that are “transitioning” (i.e., have set a science-based target) by 2030?

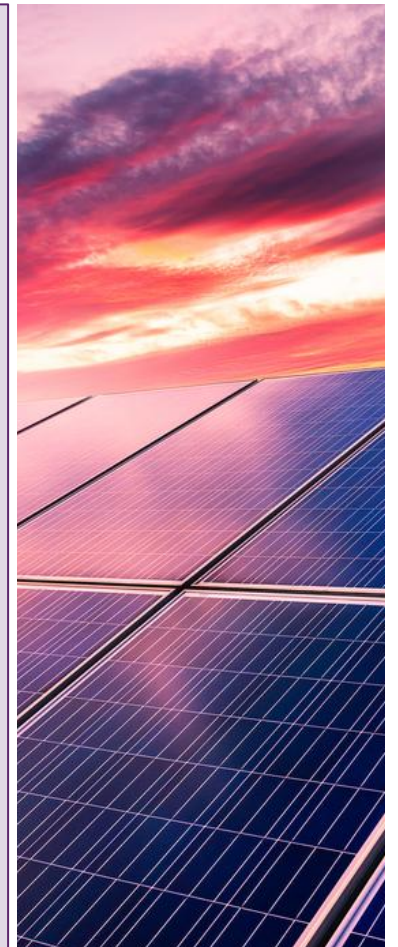
Survey Responses

Q167: To what extent do you think it is feasible for companies to achieve 100% of spend on tier 1 suppliers providing emission-intensive activities to be going to suppliers that are “transitioning” (i.e. have set an SBT) by 2030? - by Stakeholder Category



Key Insights

- Overall, 41% of respondents consider 100% Tier 1 alignment by 2030 not feasible, particularly among industry (44%) and industry associations (44%).
- Among those supporting the deadline, the most common suggestion is to lower the threshold to 70%.
- Some stakeholder groups are more optimistic—20% of the public sector view it as feasible, while 25% of academia and 16% of civil society support feasibility with reduced thresholds (90% and 80%).



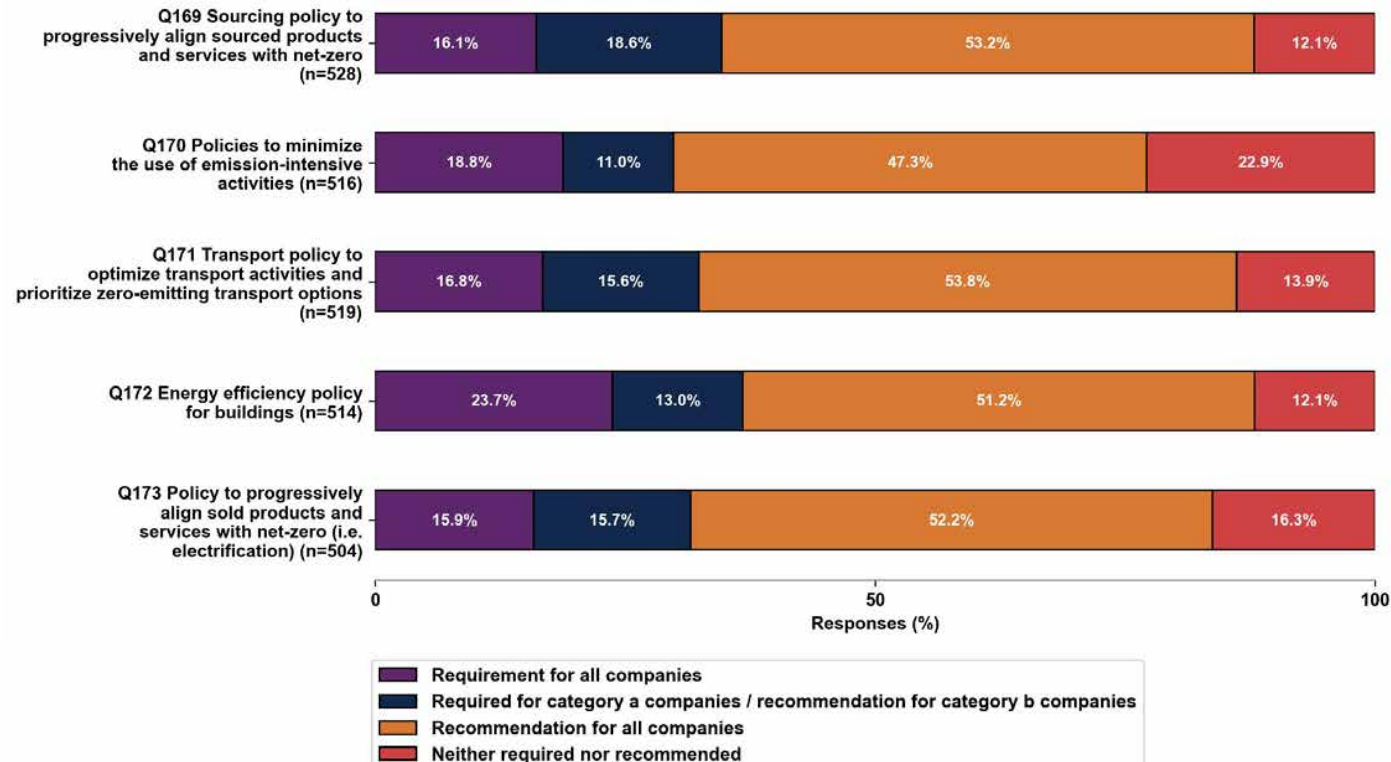
ADDRESSING SCOPE 3 EMISSIONS

INCLUSION OF POLICIES OVERVIEW

Should the following policies be included as a requirement or recommendation?

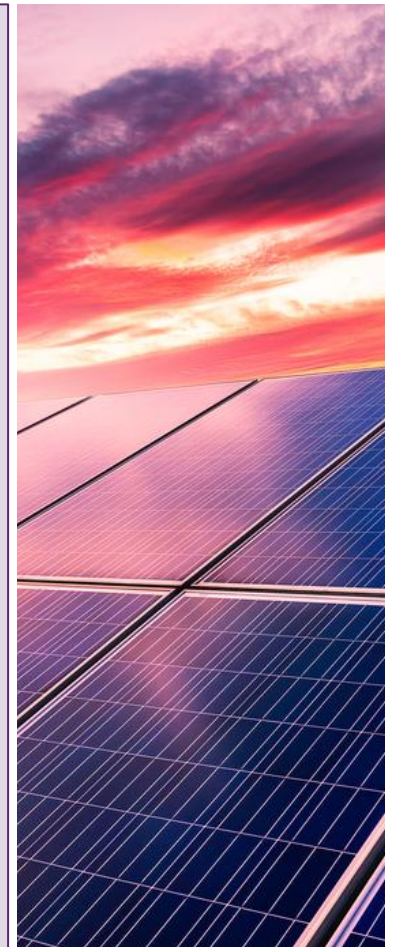
Survey Responses

Q169,170,171,172,173: Should the following policies be included as a requirement or recommendation?



Key Insights

- Across all proposed policies, recommendation is the preferred approach..
- The policy to minimize emission-intensive activities receives the highest level of pushback (23%).
- Respondents show relatively stronger support for requiring the energy efficiency policy (24%) compared to other policies.
- In general, policies are perceived as a possible tool but not as a robust alternative to targets, because of verification challenges.



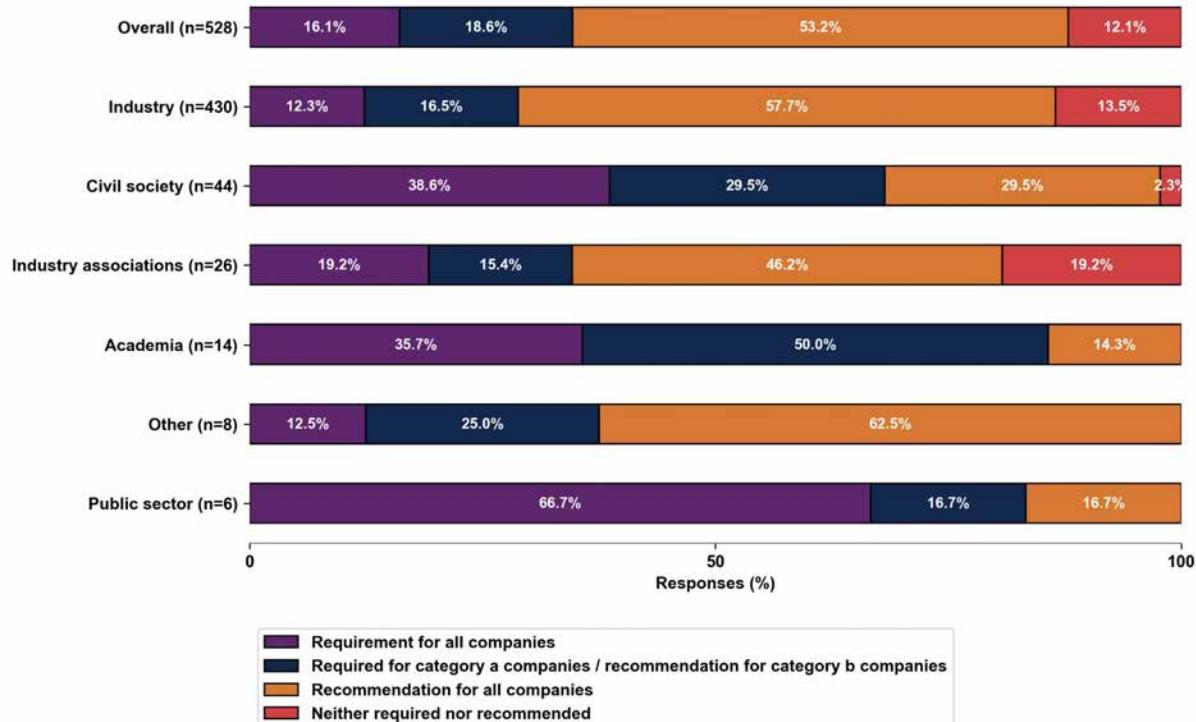
ADDRESSING SCOPE 3 EMISSIONS

SOURCING POLICY

Should the policy on sourcing alignment be included as a requirement or recommendation?

Survey Responses

Q169: Should the following policies be included as a requirement or recommendation? | Sourcing policy to progressively align sourced products and services with net-zero - by Stakeholder Category



Key Insights

- Overall, 53% of respondents prefer the sourcing policy to be included as a recommendation.
- This view is shared by industry, industry associations, and "other" stakeholders.
- Civil society and academia show stronger support for making it a requirement, at least for Category A companies, while the public sector shows the highest support (67%) for a requirement for all companies.



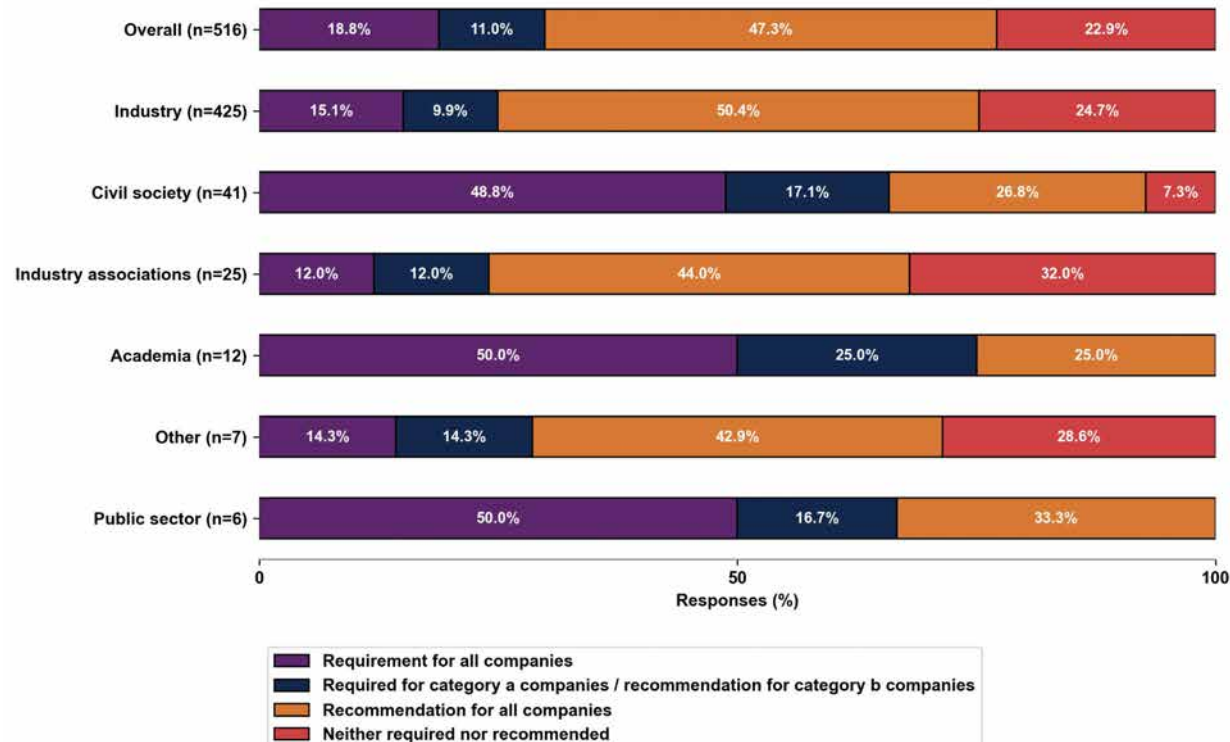
ADDRESSING SCOPE 3 EMISSIONS

POLICY ON MINIMIZING EMISSION-INTENSIVE ACTIVITIES (EIAs)

Should the policy on minimizing emission-intensive activities be included as a requirement or recommendation?

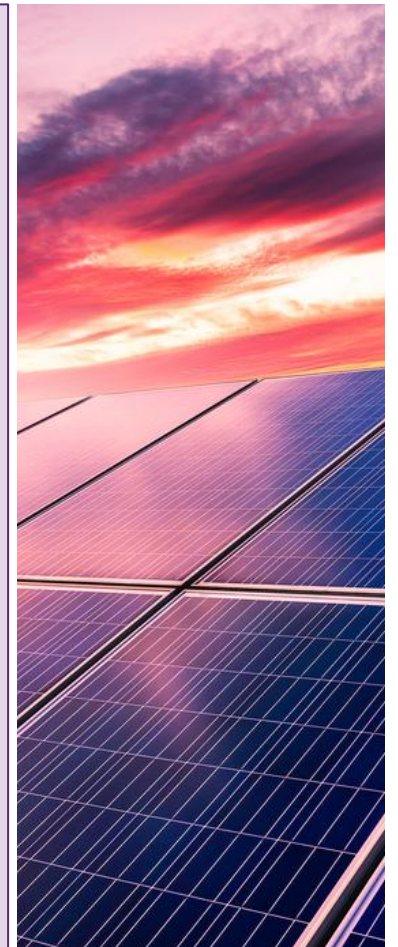
Survey Responses

Q170: Should the following policies be included as a requirement or recommendation? | Policies to minimize the use of emission-intensive activities - by Stakeholder Category



Key Insights

- Overall, 47% of respondents prefer the policies to minimize the use of emission-intensive activities to be included as a recommendation.
- This view is shared by industry, industry associations, and "other" stakeholders.
- Civil society, academia and the public sector show stronger support for making it a requirement, at least for Category A companies.



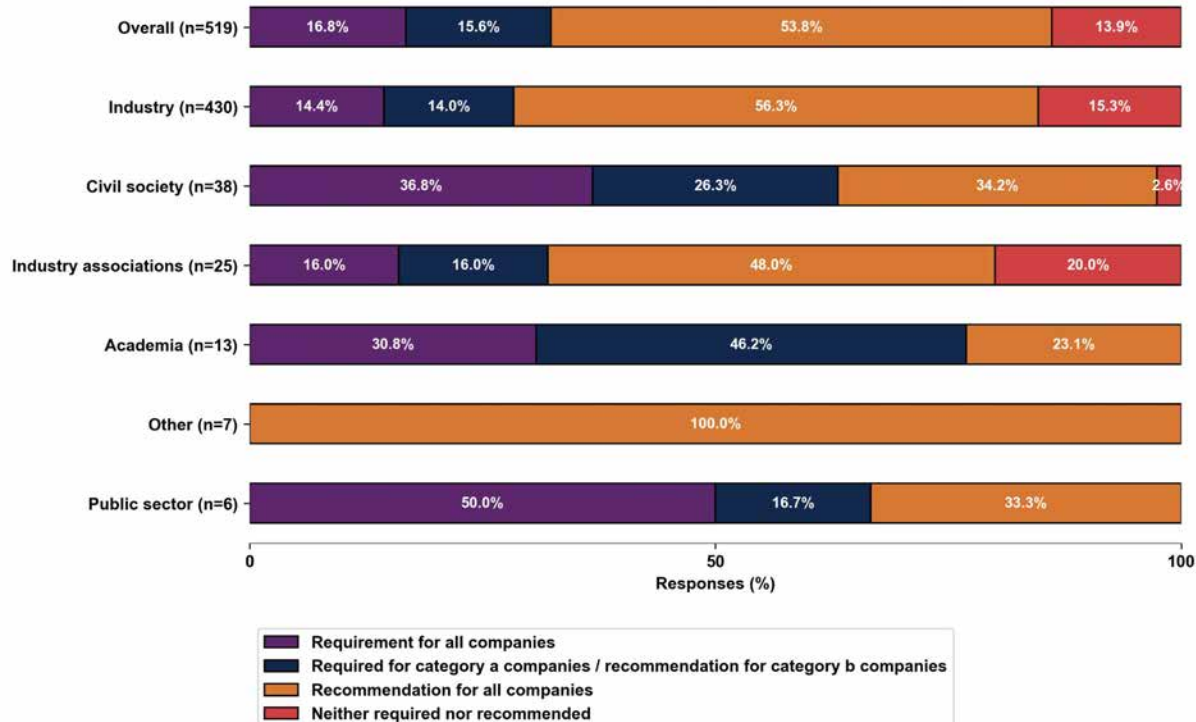
ADDRESSING SCOPE 3 EMISSIONS

TRANSPORT POLICY

Should the transport policy be included as a requirement or recommendation?

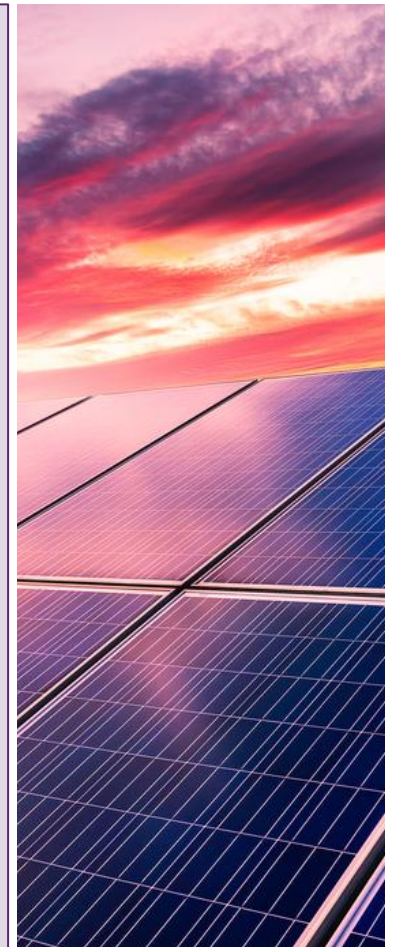
Survey Responses

Q171: Should the following policies be included as a requirement or recommendation? | Transport policy to optimize transport activities and prioritize zero-emitting transport options - by Stakeholder Category



Key Insights

- Overall, 54% of respondents prefer the transport policy to be included as a recommendation.
- This view is shared by industry, industry associations, and "other" stakeholders.
- Civil society, academia and the public sector show stronger support for making it a requirement, at least for Category A companies.



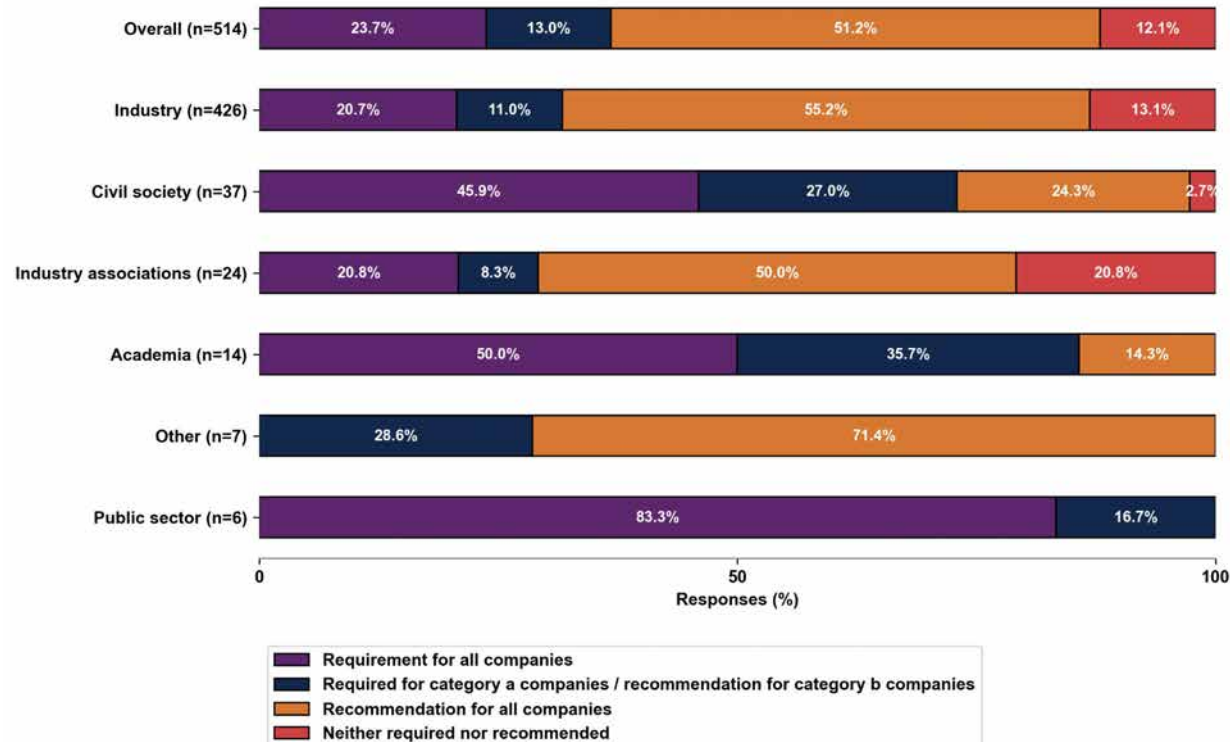
ADDRESSING SCOPE 3 EMISSIONS

ENERGY EFFICIENCY POLICY

Should the energy efficiency policy be included as a requirement or recommendation?

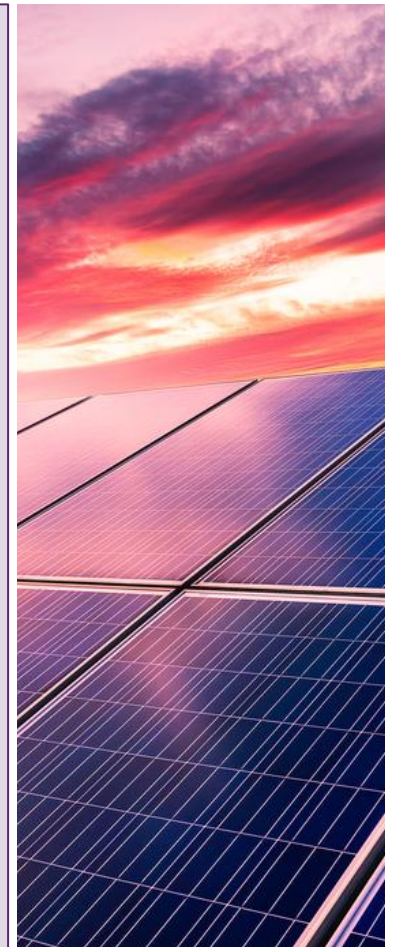
Survey Responses

Q172: Should the following policies be included as a requirement or recommendation? |
Energy efficiency policy for buildings - by Stakeholder Category



Key Insights

- Overall, 51% of respondents prefer the energy efficiency policy to be included as a recommendation.
- This view is shared by industry, industry associations, and "other" stakeholders.
- Civil society and academia show stronger support for making it a requirement, at least for Category A companies, while the public sector shows the highest support (83%) for a requirement for all companies.



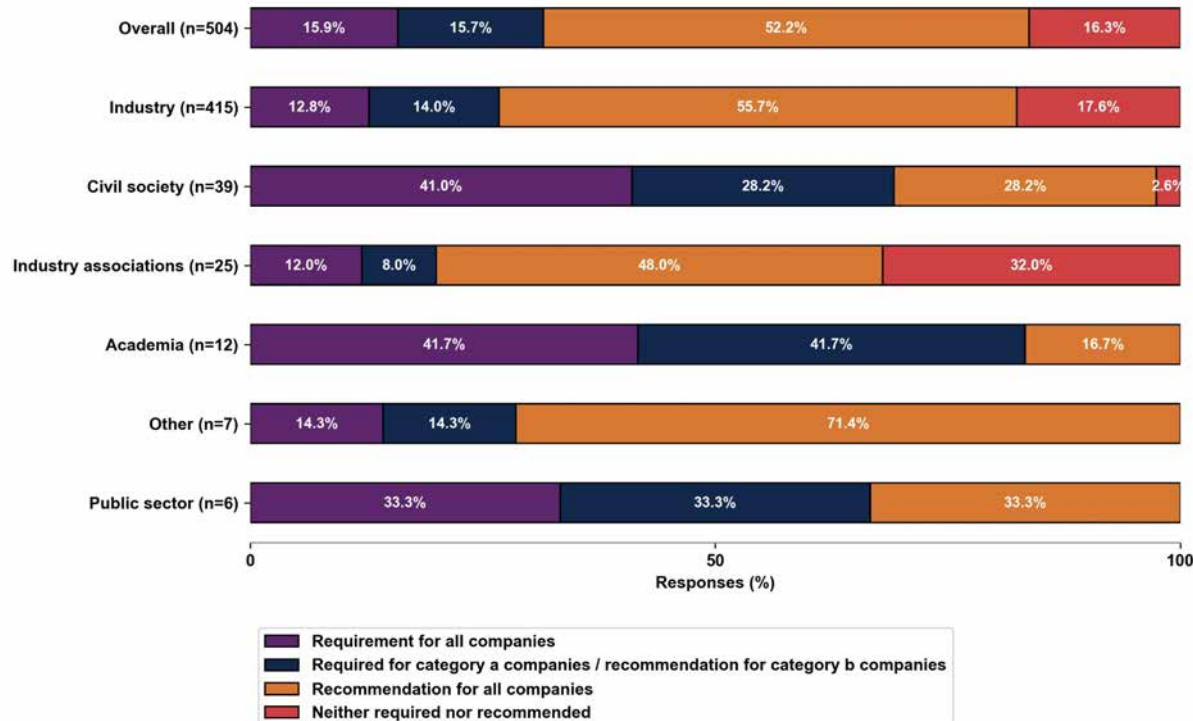
ADDRESSING SCOPE 3 EMISSIONS

ALIGNMENT OF SOLD PRODUCTS POLICY

Should the policy on alignment of sold products be included as a requirement or recommendation?

Survey Responses

Q173: Should the following policies be included as a requirement or recommendation? | Policy to progressively align sold products and services with net-zero (i.e. electrification) - by Stakeholder Category



Key Insights

- Overall, 52% of respondents prefer the policy to align sold products and services with net-zero to be included as a recommendation.
- This view is shared by industry, industry associations, and "other" stakeholders.
- Civil society, academia and the public sector show stronger support for making it a requirement, at least for Category A companies.



SCOPE 3 TARGETS

KEY TAKEAWAYS

- **Timeframes:** Long-term scope 3 targets for Category A companies are optional. Near and long-term scope 3 targets are optional for Category B.
- **Emissions coverage:** Scope 3 emissions category-based relevance assessment (e.g., include categories contributing $\geq 5\%$ of total scope 3 emissions) confirmed in the secondo consultation draft. Within relevant categories, companies would then set separate targets for priority commodities (“formerly EIAs”) $\geq 5\%$ of emissions, unless justified (e.g., data limitations). This threshold was raised in line with the feedback received.
- **Minimum boundary:** To ensure focus on the most important emission sources, and given the expected emission coverage with the threshold proposed, no minimum boundary was included in the updated proposal.
- **Exclusions:** Incorporation of possible exclusion from the target boundary to enable greater focus on the emissions that companies can influence.
- **Methodological flexibility:** Different target methods allowed with specific category-level indication on the most suitable methods based on the emission sources. Supplier / customer alignment included as optional methods, among emission intensity, volume alignment and other category-specific options.
- **Metrics:** Emissions, spend and volume-based metrics allowed.
- **Transition benchmarks:** Instead of only using net-zero “end state” benchmarks, transition benchmarks are recognized toward target progress
- **Indirect mitigation** is reframed into sectoral level intervention and counts toward near-term volume alignment targets.
- **Policies:** Policies removed as standalone recommendations and instead their intent is integrated into new methods (e.g. circularity, transport, sourcing, energy efficiency). Companies may reference any policies in transition plans.



2. SUMMARY OF CONSULTATION FEEDBACK

2.9 ADDRESSING RESIDUAL EMISSIONS

ADDRESSING RESIDUAL EMISSIONS

CONSULTATION OVERVIEW

- **Framework for addressing residual emissions:**
 - **Option (1) Require removal targets:** 60% of respondents consider that this option could create a barrier to entry. While 62% of respondents agree that requiring removal target would support SBTi mission.
 - **Option (2) Recognized removal targets;** 60% of respondents consider that this option would not create a barrier to entry; 58% agree that that this model will support the SBTi to deliver on its mission, although the civil society is skeptical of this model, with 56% disagreement.
 - **Option (3) Removals and/or additional abatement:** 62% of respondents consider that this option would not create a barrier to entry; 69% agree that that this model will support the SBTi to deliver on its mission.
- **Applicability of removal requirements:** 21% of respondents think the proposed residual emission framework options (i.e., option 1, 2 and 3 above) should apply to all companies, while 33% think they should apply to Category A companies and be recommend for Category B companies.
- **Durability thresholds:**
 - **Approach for determining minimum durability:** 61% of overall respondents preferred a gradual transition approach.
 - **Durability threshold for CO₂ residual emissions in like-for-like approach:** Mixed viewed with 16% of respondents supporting a 1000 year durability threshold for residual CO₂ emissions, 31% supporting 200 years while 30% of respondents don't agree with any of the proposed options.
- **Approach for companies without projected scope 1 residual emissions:** Mixed views with slight preference (36%) for allowing removals for justified hard to abate emissions with minimum durability increasing over time, however preferences are varied across stakeholder group and no option received more than 50% support from any stakeholder group.

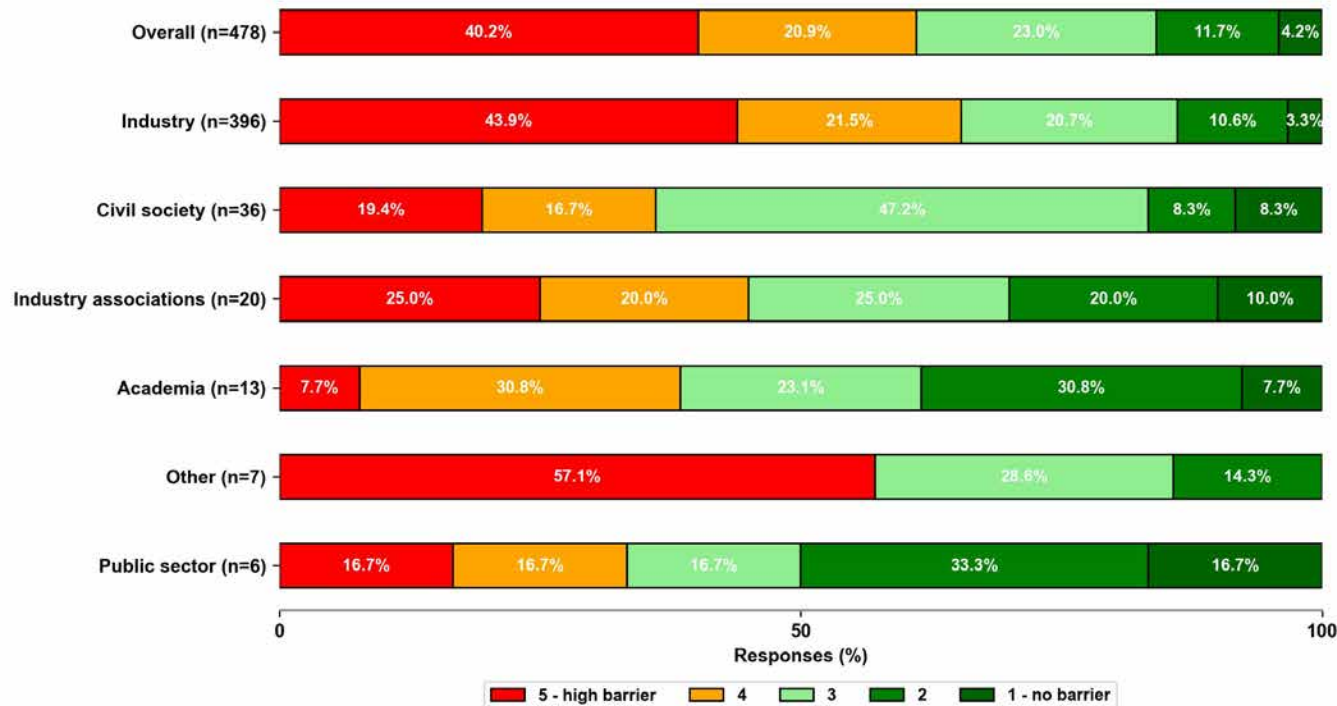
ADDRESSING RESIDUAL EMISSIONS

REMOVAL TARGETS REQUIREMENT

To what extent do you think that requiring removal targets could present a barrier to entry for companies seeking validation against SBTi standards?

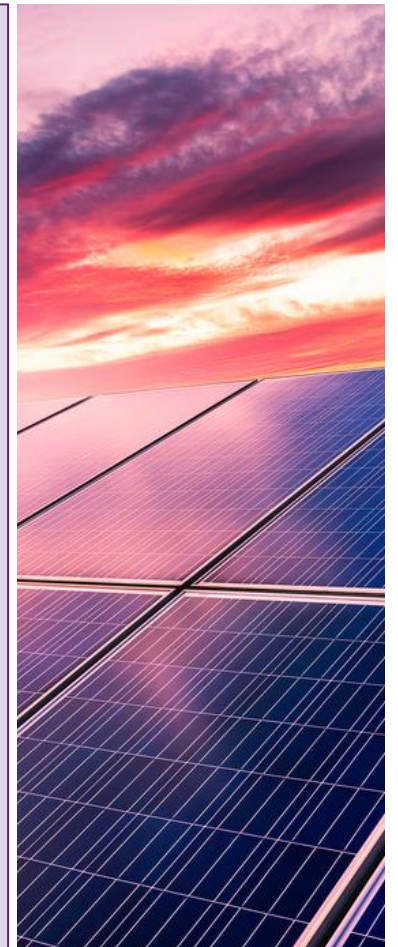
Survey Responses

Q175: To what extent do you think that the proposed approaches could present a barrier to entry for companies seeking validation against SBTi standards? | Option 1: Require removal targets - by Stakeholder Category



Key Insights

- Overall, 61% of respondents view the requirement for removal targets as a barrier.
- This perspective is shared by industry (65%) and "other" stakeholders (57%).
- Public sector, industry associations, and academia show mixed views, while civil society leans more neutral or sees no barrier.



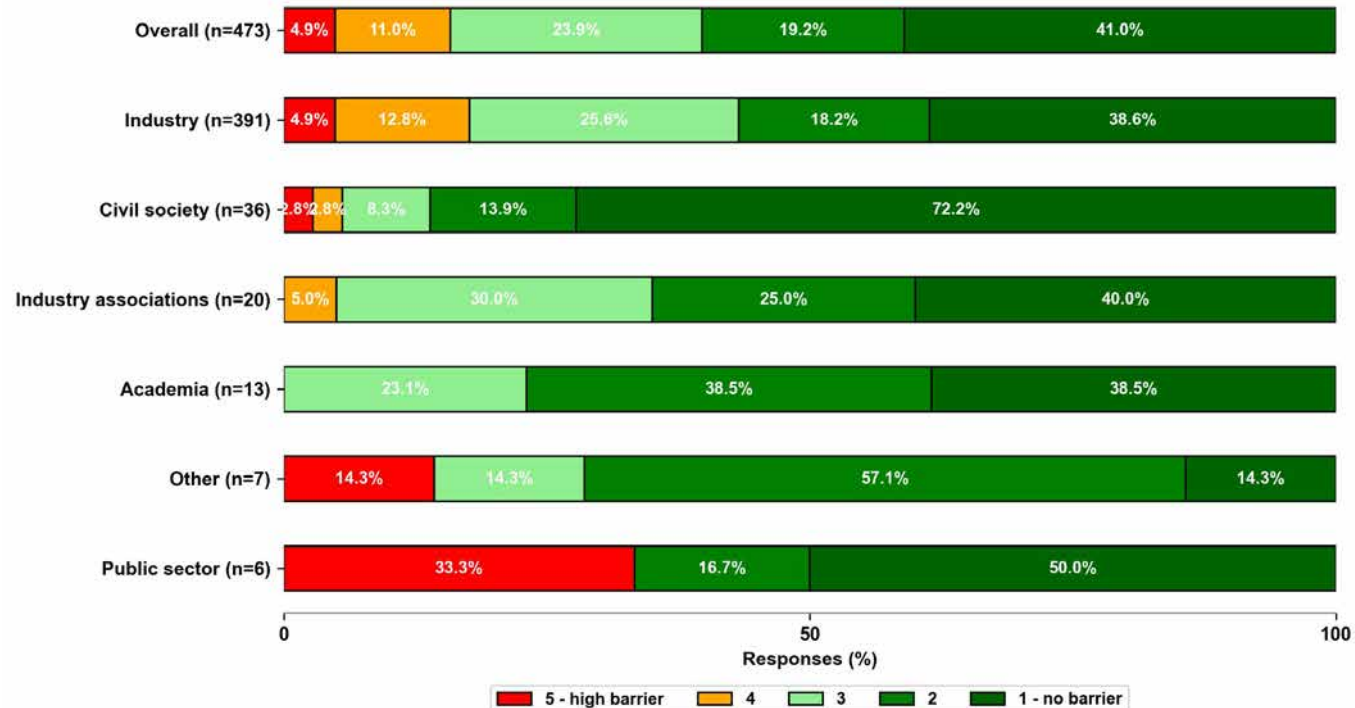
ADDRESSING RESIDUAL EMISSIONS

REMOVAL TARGETS RECOGNITION

To what extent do you think that recognizing removal targets could present a barrier to entry for companies seeking validation against SBTi standards?

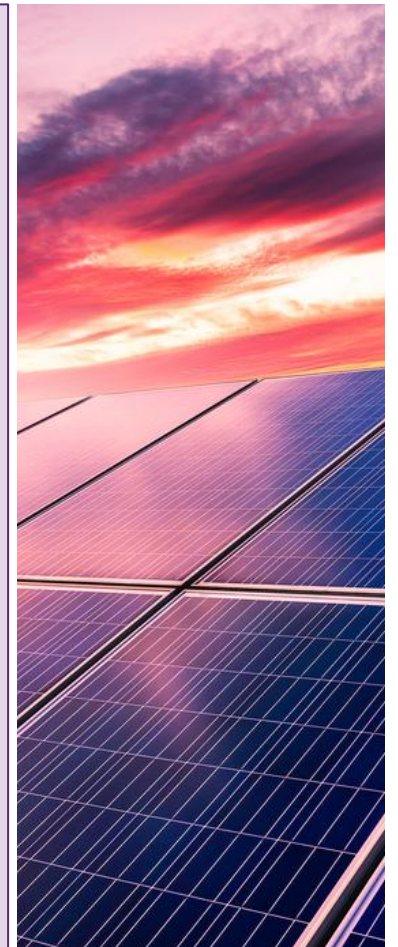
Survey Responses

Q176: To what extent do you think that the proposed approaches could present a barrier to entry for companies seeking validation against SBTi standards? | Option 2: Recognize removal targets - by Stakeholder Category



Key Insights

- Overall, a majority of respondents (60%) agree that recognizing removal targets does not pose a barrier to entry for companies.
- This view is consistently reflected across all stakeholder groups, indicating broad confidence that recognizing removal targets won't likely be an obstacle to participation.



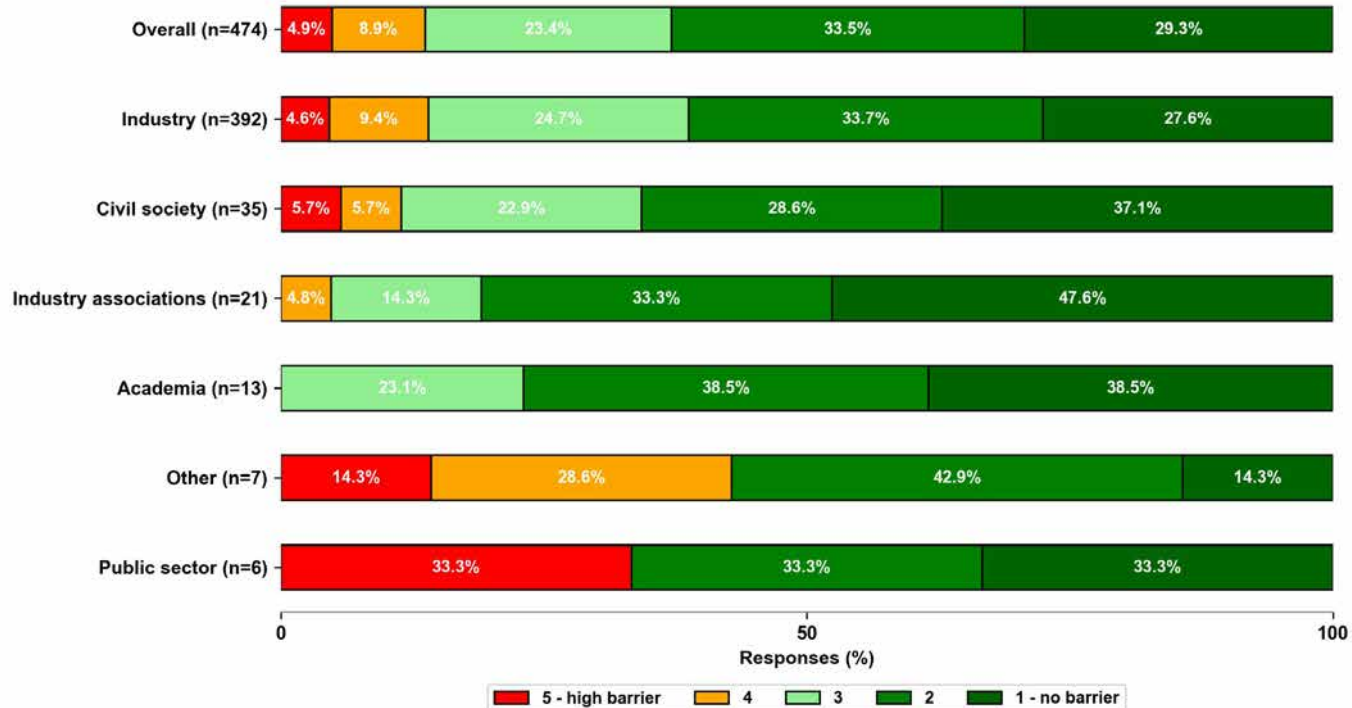
ADDRESSING RESIDUAL EMISSIONS

ADDITIONAL ABATEMENT OR REMOVALS TO ADDRESS RESIDUAL EMISSIONS

To what extent do you think that requiring residual emissions to be addressed through additional abatement or removals could present a barrier to entry for companies seeking validation against SBTi standards?

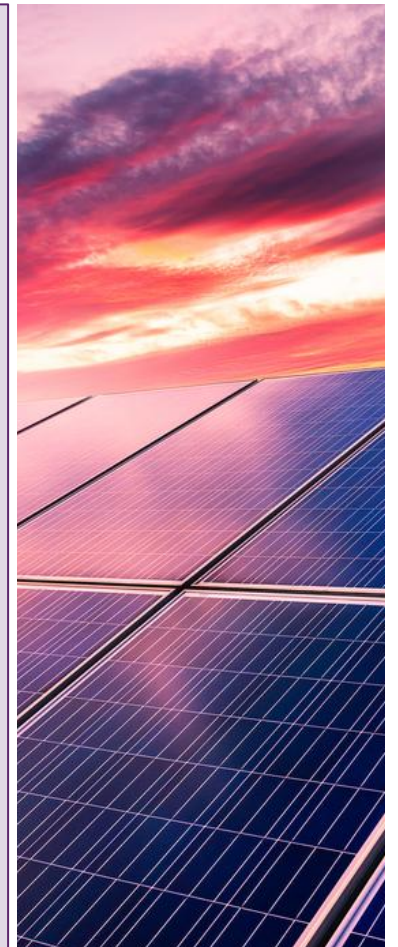
Survey Responses

Q177: To what extent do you think that the proposed approaches could present a barrier to entry for companies seeking validation against SBTi standards? | Option 3: Residual emissions addressed through additional abatement or removals - by Stakeholder Category



Key Insights

- A majority of respondents (63%) agree that requiring residual emissions to be addressed through additional abatement or removals does not pose a barrier to entry.
- This view is consistently reflected across all stakeholder groups, indicating broad confidence that addressing residual emissions through additional abatement or removals won't likely be an obstacle to participation.



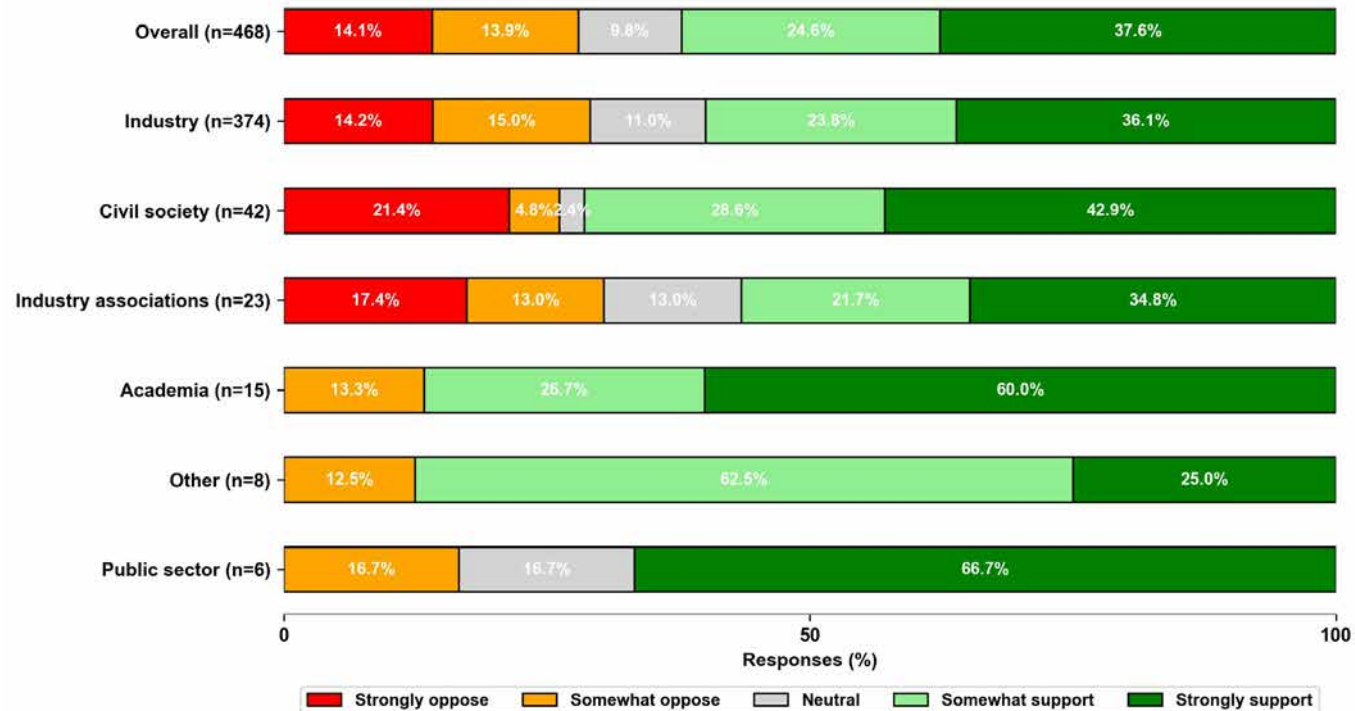
ADDRESSING RESIDUAL EMISSIONS

REQUIREMENT OF REMOVAL TARGETS

To what extent do you think requiring removal targets support the SBTi in its mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C”?

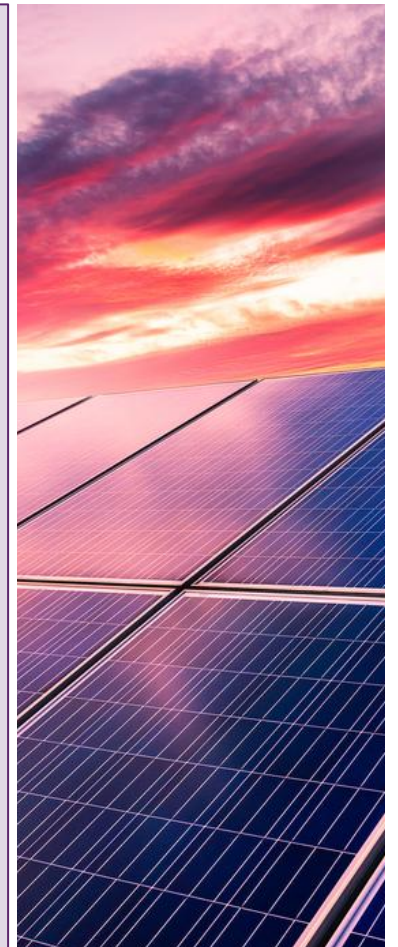
Survey Responses

Q179: To what extent do you think the proposed approaches support the SBTi in its mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C”? | Option 1: Require removal targets - by Stakeholder Category



Key Insights

- 62% of respondents agree that requiring removal targets would support the SBTi mission.
- This perspective is consistently reflected across all stakeholder groups, indicating broad recognition that integrating removal targets can strengthen alignment with SBTi's mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C.”



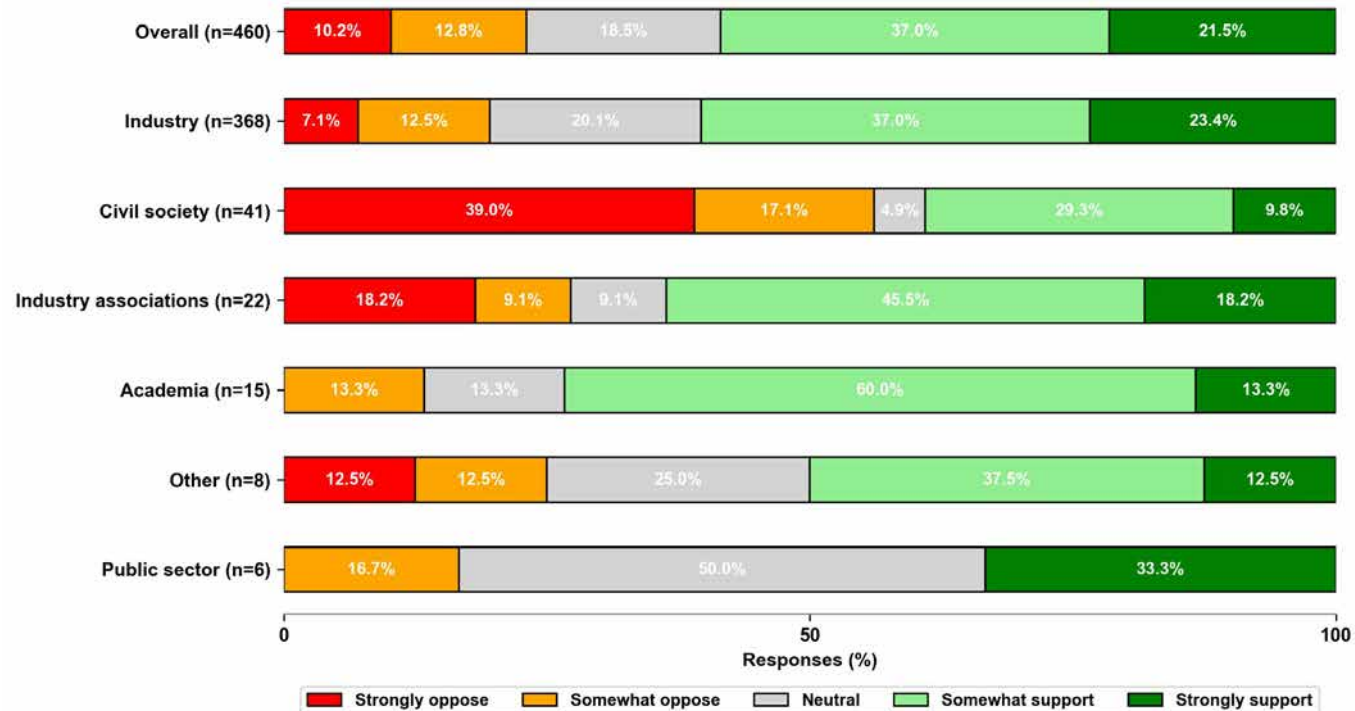
ADDRESSING RESIDUAL EMISSIONS

RECOGNITION OF REMOVAL TARGETS

To what extent do you think the proposed approaches support the SBTi in its mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C”?

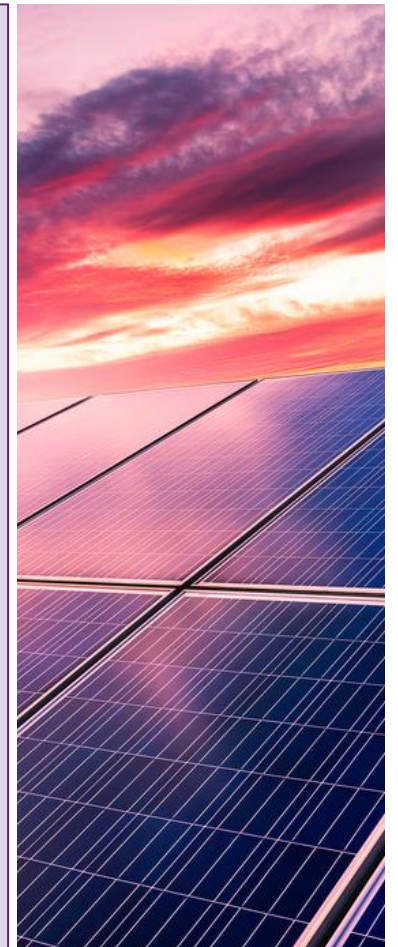
Survey Responses

Q180: To what extent do you think the proposed approaches support the SBTi in its mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C”? | Option 2: Recognize removal targets - by Stakeholder Category



Key Insights

- Overall, 59% of respondents agree that recognizing removal targets would support the SBTi mission.
- This perspective is generally reflected across all stakeholder groups, except for civil society, where 56% disagree, and the public sector, where 50% maintain a neutral stance.



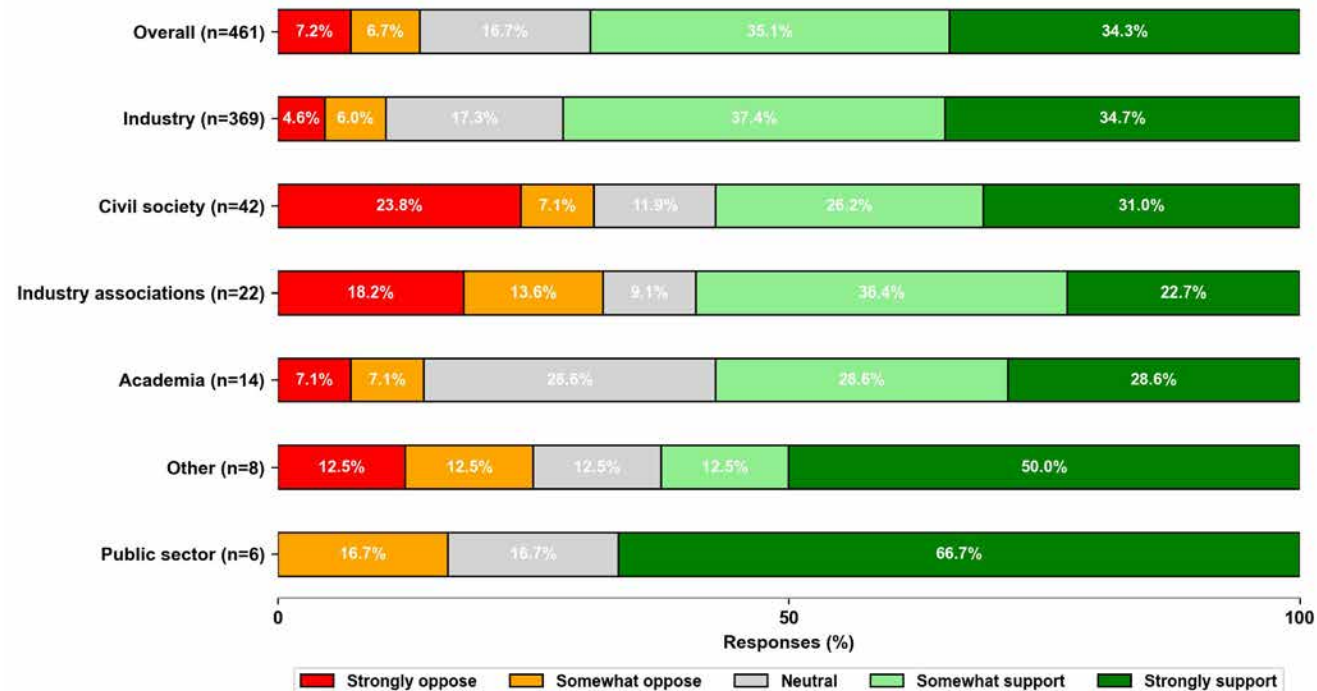
ADDRESSING RESIDUAL EMISSIONS

REQUIREMENT OF ADDITIONAL ABATEMENT OR REMOVALS

To what extent do you think the proposed approaches support the SBTi in its mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C”?

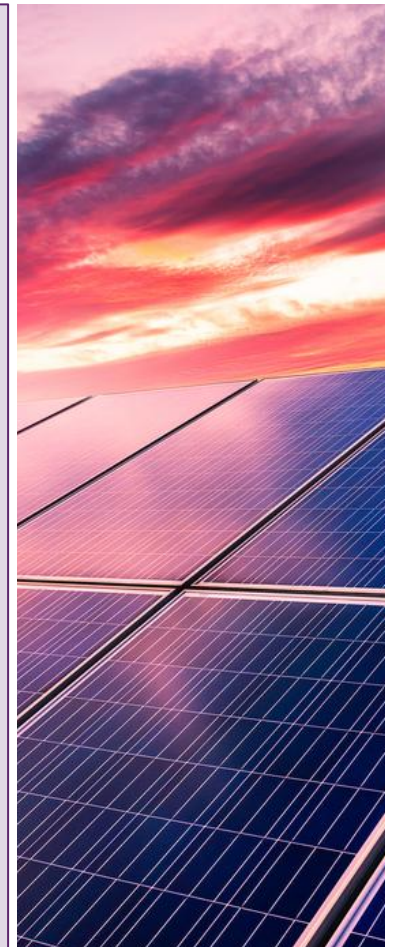
Survey Responses

Q181: To what extent do you think the proposed approaches support the SBTi in its mission “to drive science-based climate action in the corporate sector consistent with limiting warming to 1.5°C”? | Option 3: Residual emissions addressed through additional abatement or removals - by Stakeholder Category



Key Insights

- Overall, 69% of respondents support the requirement of additional abatement or removals of residual emissions as supportive for the SBTi mission.
- This perspective is generally reflected across all stakeholder groups, except for civil society and industry associations with 31% and 32% disagreement respectively.

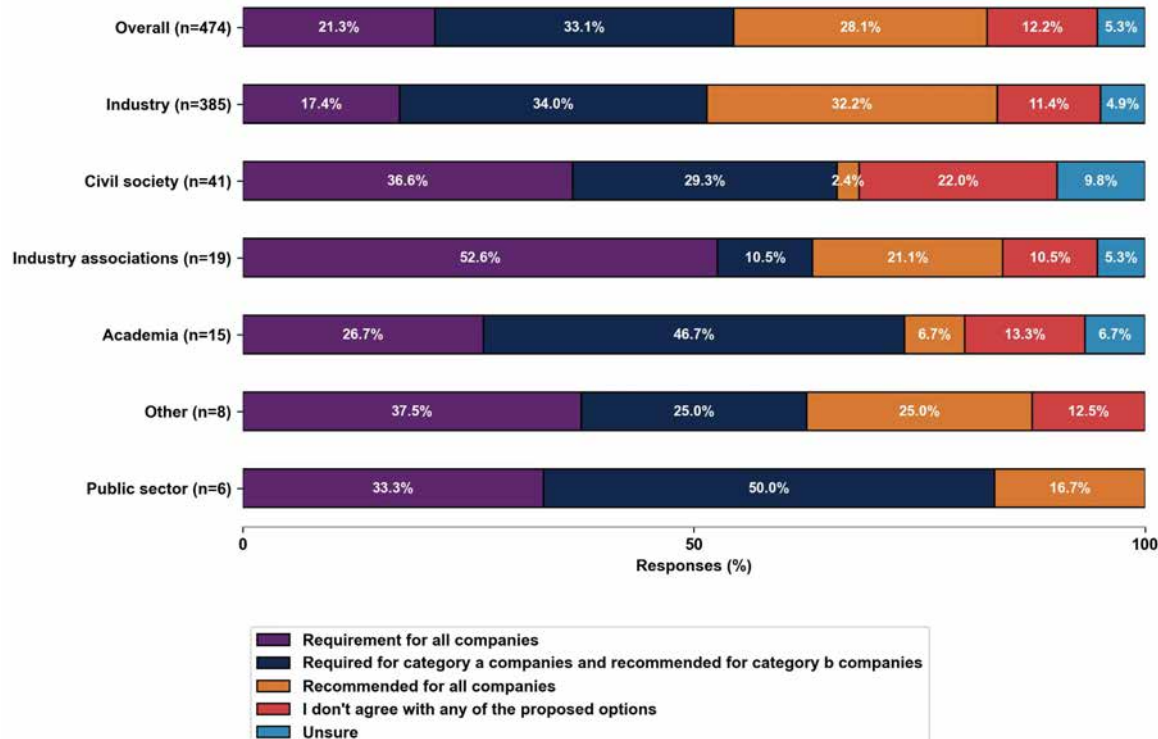


ADDRESSING RESIDUAL EMISSIONS REMOVAL TARGETS

Which companies do you think the proposed removal requirements [options 1, 2, 3] should apply to?

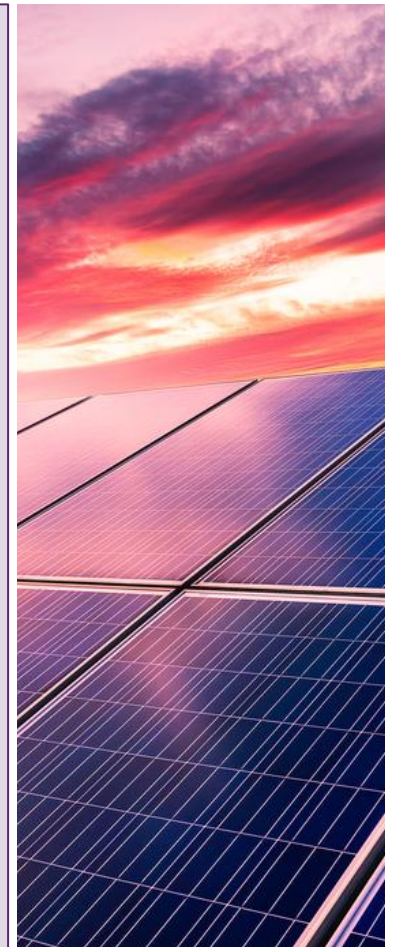
Survey Responses

Q184: Which companies do you think the proposed removal requirements [options 1, 2, 3] should apply to? - by Stakeholder Category



Key Insights

- Stakeholders are divided on which companies the proposed removal requirements should apply to.
- Industry associations show a stronger preference, with 53% supporting the requirement for all companies.
- Academia and the public sector generally support applying the requirement to Category A companies and recommending it for Category B companies.



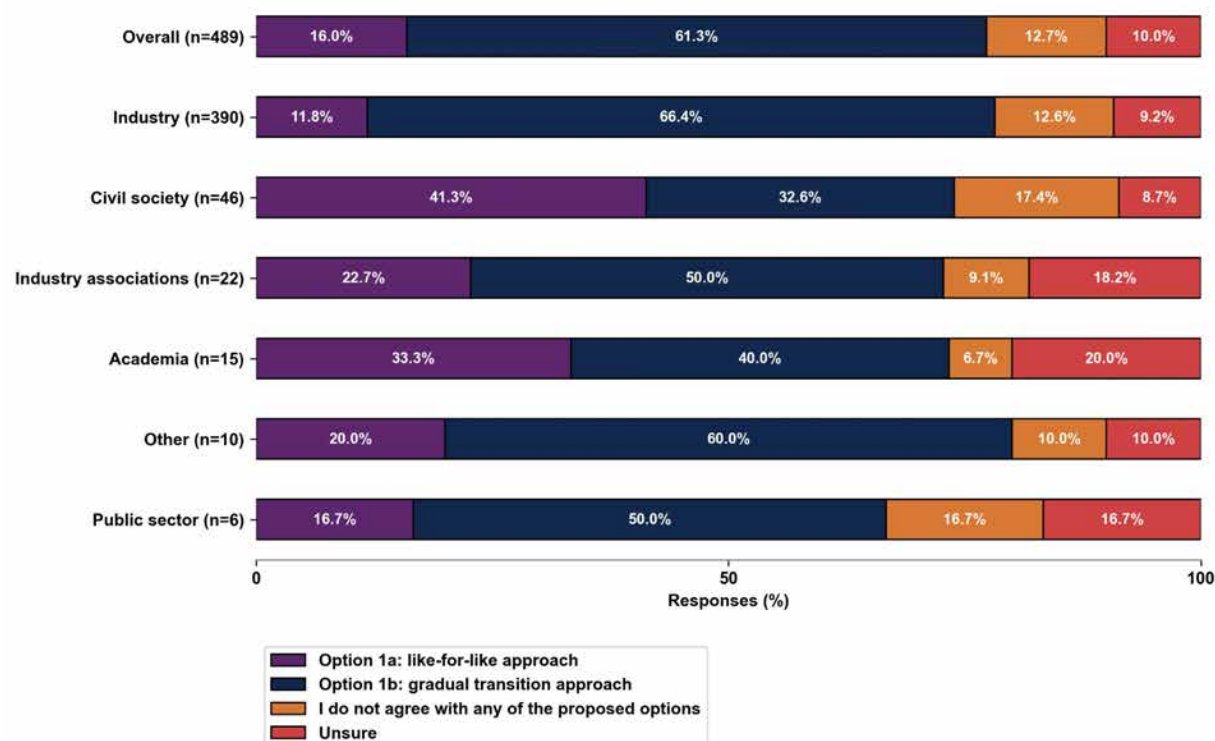
ADDRESSING RESIDUAL EMISSIONS

DURABILITY THRESHOLD FOR ELIGIBLE REMOVALS

Which of the following approaches do you support for determining the minimum durability threshold for eligible removals? (figure 5, documentation of target setting methods).

Survey Responses

Q186: Which of the following approaches do you support for determining the minimum durability threshold for eligible removals? (Figure 5, Documentation of Target Setting Methods). - by Stakeholder Category



Key Insights

- Overall, 61% of respondents preferred a gradual transition approach.
- This preference is reflected across most stakeholder groups, including industry (66%), "other" stakeholders (60%), industry associations (50%), the public sector (50%), and academia (40%).
- Civil society is the only group showing a stronger preference for a like-for-like approach, with 41% in favor.



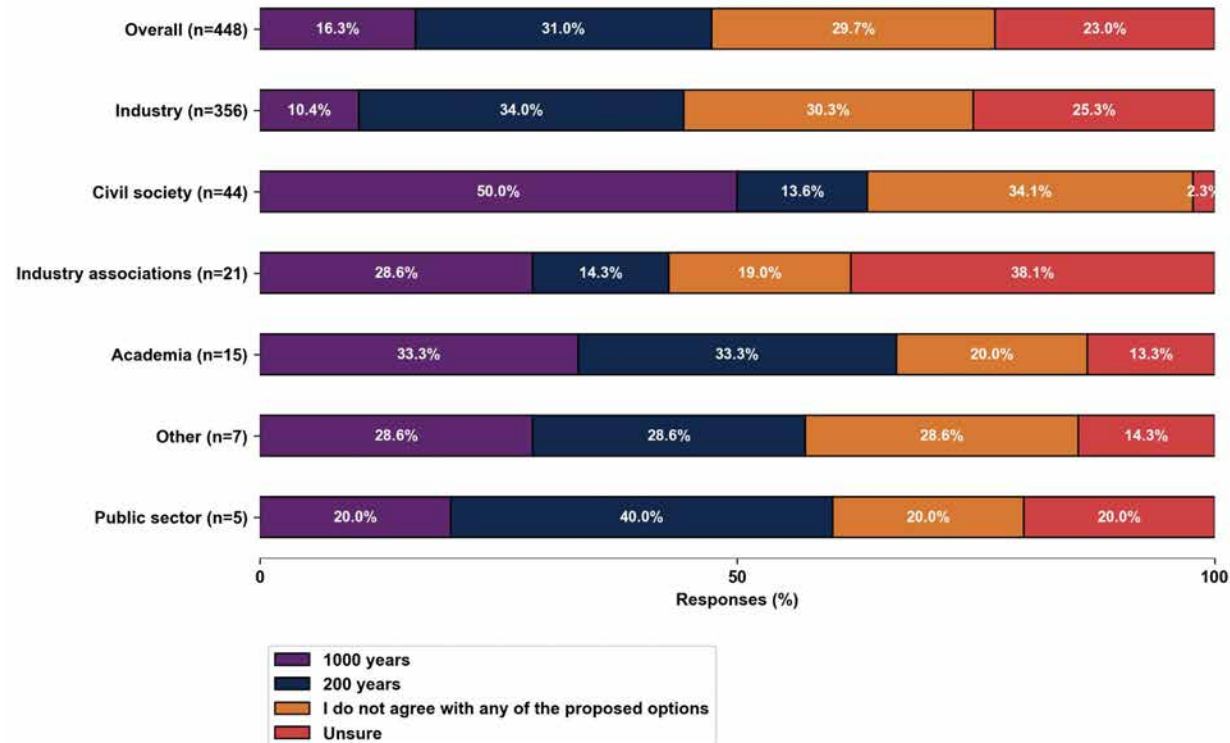
ADDRESSING RESIDUAL EMISSIONS

DURABILITY THRESHOLD FOR CO₂ RESIDUAL EMISSIONS

Which durability threshold do you support for addressing co₂ residual emissions as outlined in appendix 1 (case 1(a))?

Survey Responses

Q188: Which durability threshold do you support for addressing CO₂ residual emissions as outlined in Appendix 1 (case 1(a))? - by Stakeholder Category



Key Insights

- Respondents are divided on the proposed timeframes, with 31% supporting 200 years and 30% not agreeing with any of the options.
- Different stakeholder groups show varying preferences, and no option receives more than 50% support in any group.
- The public sector (40%) and industry (34%) predominantly support 200 years, while civil society (50%) mainly favors 1000 years. Academia is evenly split, with 33% supporting 200 years and 33% supporting 1000 years.



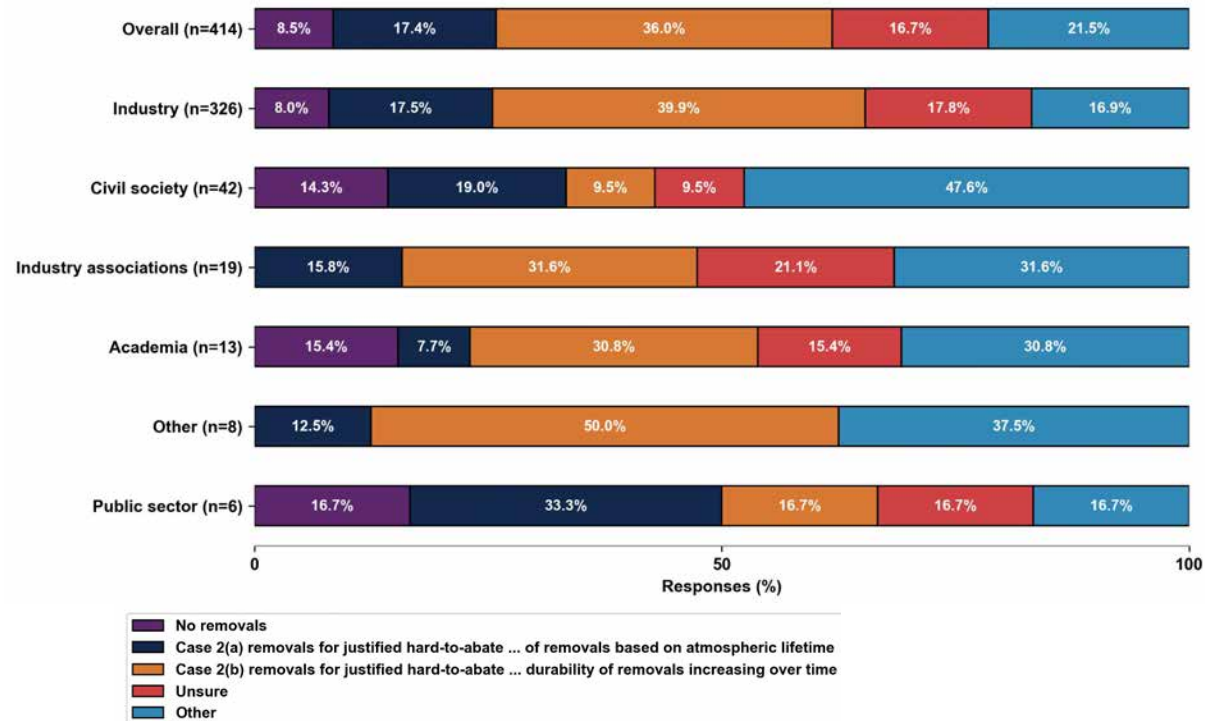
ADDRESSING RESIDUAL EMISSIONS

APPROACHES FOR REMOVALS

Which of the following approaches for removals do you support most for companies without projected residual emissions? (figure 5, documentation of target-setting methods).

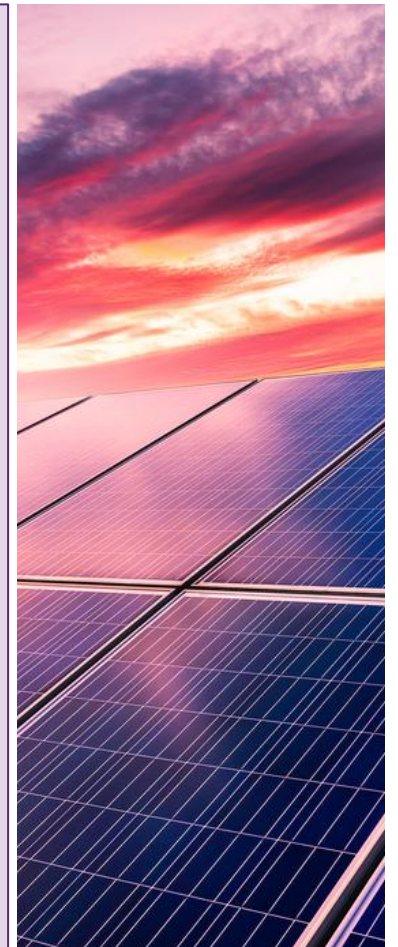
Survey Responses

Q190: Which of the following approaches for removals do you support most for companies without projected residual emissions? (Figure 5, Documentation of Target-setting Methods).
- by Stakeholder Category



Key Insights

- Overall, respondents are divided, with the highest preference for Case 2(b) at 36%. Stakeholder preferences vary, and no option receives more than 50% support in any group.
- Case 2(b) is preferred by industry (40%) and "other" stakeholders (50%).
- Civil society (48%) primarily favors "other" as the preferred option. Academia (31%) and industry associations (32%) show equal support for Case 2(b) and "other."
- The public sector is the only group that prefers Case 2(a), with 33% in favor.



ADDRESSING RESIDUAL EMISSIONS

KEY TAKEAWAYS

Updates to addressing residual emissions:

- **Framework for addressing residual emissions:** Support for removal activities - both verified, ex-post removal outcomes and funding for CDR innovation and scaling - is optionally recognized through the Ongoing Emissions Responsibility framework proposed in the second consultation draft. From 2035, Category A companies are required to take responsibility for the impact of ongoing emissions by supporting the delivery of verified, ex-post removals.
- **Applicability of removal requirements:** Recognition is open to both Category A and Category B companies. Mandatory responsibility from 2035 is applicable to Category A companies only, optional recognition for Category continues alongside this.
- **Durability thresholds:** Durability thresholds are not applicable for Ongoing Emissions Responsibility recognition. From 2035, the gradual transition approach applies to the mandatory ongoing emissions responsibility requirement for Category A companies.
- **Approach for companies without projected scope 1 residual emissions:** Removals activities are recognized and, at a later date, required as part of the Ongoing Emissions Responsibility framework. This framework is based on the emissions companies emit on the way to net-zero (i.e., "ongoing") and thus all companies are eligible to support removal activities, regardless of their projected scope 1 residual emissions.



2. SUMMARY OF CONSULTATION FEEDBACK

2.10 TARGET TRANSPARENCY

TARGET TRANSPARENCY

CONSULTATION OVERVIEW

- **Disclosure on public policy dependency:** 49% of respondents support the SBTi requiring companies to disclose their dependency on public policy (e.g., laws, regulations) and other dependencies in meeting their targets.
 - Stronger support was observed among public-interest stakeholders (civil society - 69%, academia - 91%, public sector - 100%), compared to private-sector groups where 57% of industry associations and 40% of industry oppose the requirement.
- **Public policy dependency within SBTi pathways:** 67% of respondents support the SBTi increasing transparency around the dependencies embedded within SBTi pathways for target setting.

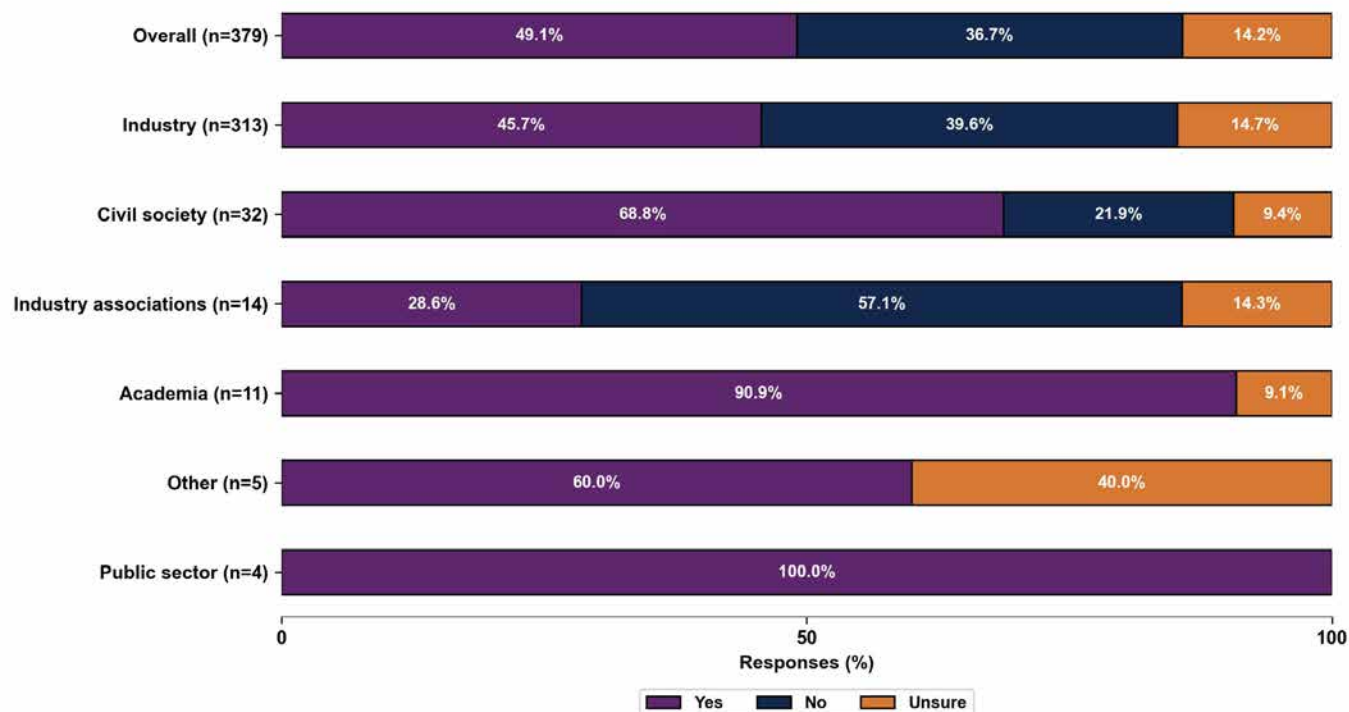
TARGET TRANSPARENCY

NET-ZERO ALIGNMENT OF EMISSION-INTENSIVE ACTIVITIES

Should SBTi require companies to disclose their dependency on public policy (e.g., laws, regulations) and other dependencies in meeting their targets?

Survey Responses

Q192: Should SBTi require companies to disclose their dependency on public policy (e.g., laws, regulations) and other dependencies in meeting their targets? - by Stakeholder Category



Key Insights

- Overall, 49% of respondents support companies disclosing their dependency on public policy to meet their targets.
- Support is generally stronger among public-interest stakeholders, including civil society, academia, and the public sector.
- Private-sector groups, such as industry and industry associations, show greater opposition to making public policy disclosure a requirement.



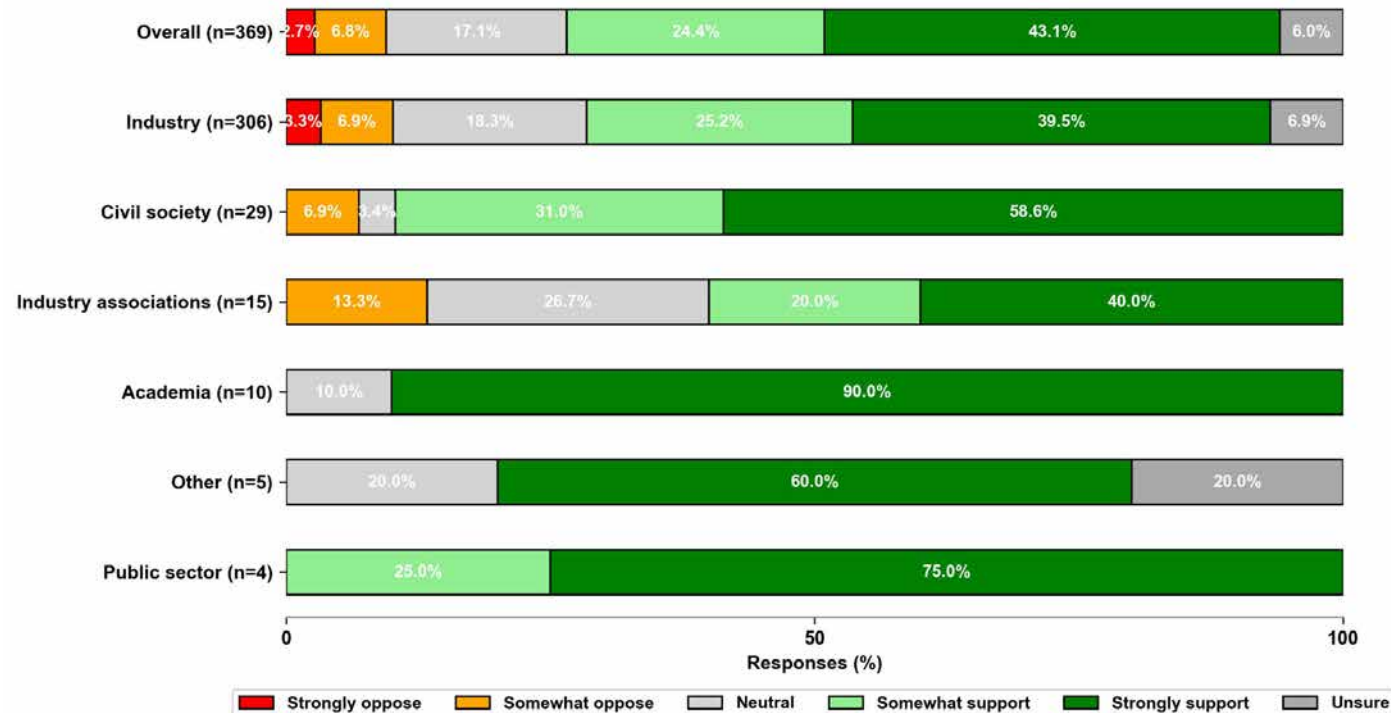
TARGET TRANSPARENCY

NET-ZERO ALIGNMENT OF EMISSION-INTENSIVE ACTIVITIES

To what extent do you support or oppose SBTi increasing transparency around the dependencies (e.g. public policy, technology) embedded within SBTi pathways for target-setting?

Survey Responses

Q194: To what extent do you support or oppose SBTi increasing transparency around the dependencies (e.g. public policy, technology) embedded within SBTi pathways for target-setting? - by Stakeholder Category



Key Insights

- Overall, 68% of respondents support the SBTi increasing transparency around the dependencies embedded within SBTi pathways for target-setting.
- This support is consistent across all stakeholder groups.
- The highest opposition comes from industry associations (13%) and industry (10%), although these groups still show majority support for increasing transparency around dependencies.



TARGET TRANSPARENCY

KEY TAKEAWAYS

- **Disclosure on public policy dependency:** Companies are required to publicly disclose the key dependencies that could significantly affect their ability to achieve their targets within 6 months of initial or renewal validation.
- **Public policy dependency within SBTi pathways:** Pathways appendix outlines the key assumptions and dependencies in SBTi pathways to provide more transparency.



2. SUMMARY OF CONSULTATION FEEDBACK

2.11 ADDRESSING THE IMPACT OF ONGOING EMISSIONS

ADDRESSING THE IMPACT OF ONGOING EMISSIONS

CONSULTATION OVERVIEW

Key findings of consultation process to date:

- **Inventive model:** 59% of respondents agree that recognition on the SBTi Target Dashboard and enabled claims will incentivize companies to take action to address the impact of their ongoing emissions.
- **Responsibility for addressing ongoing emissions (emissions coverage):**
 - Half of respondents agreed that companies should take full responsibility for ongoing emissions (i.e., 100% of scopes 1, 2 and 3).
 - 64% of respondents supported differentiated responsibility for Category B companies, whereby Category B companies only need to address the impact of scope 1 and scope 2 emissions.
- **Budget determining method:** Split views on whether the SBTi should adopt Money-for-Ton as the method to determine the scale of the BVCM pledge: 46% support while 22% oppose.
- **Timescale:** Split views between supporting annual BVCM contributions (41%) and allowing flexibility between annual contributions and contributions at the end of the target cycle (35%).
- **Abatement target performance threshold for recognition:** 79% of respondents support “meaningful progress”, as opposed to “full target achievement”. Views on how to define ‘meaningful progress’ were mixed.
- **Additional reporting elements:** Respondents were asked to indicate whether they considered several additional reporting elements—beyond those included in the first consultation draft—important for inclusion in future versions. Most frequently selected elements were: volume of mitigation outcomes achieved through BVCM and social and environmental safeguarding principles for BVCM activities.
- **Verification mechanisms:** Third party verification programs was most frequently selected as a credible and effective verification mechanism for recognizing companies' BVCM contributions, followed by independent audits and reporting through established GHG protocols.

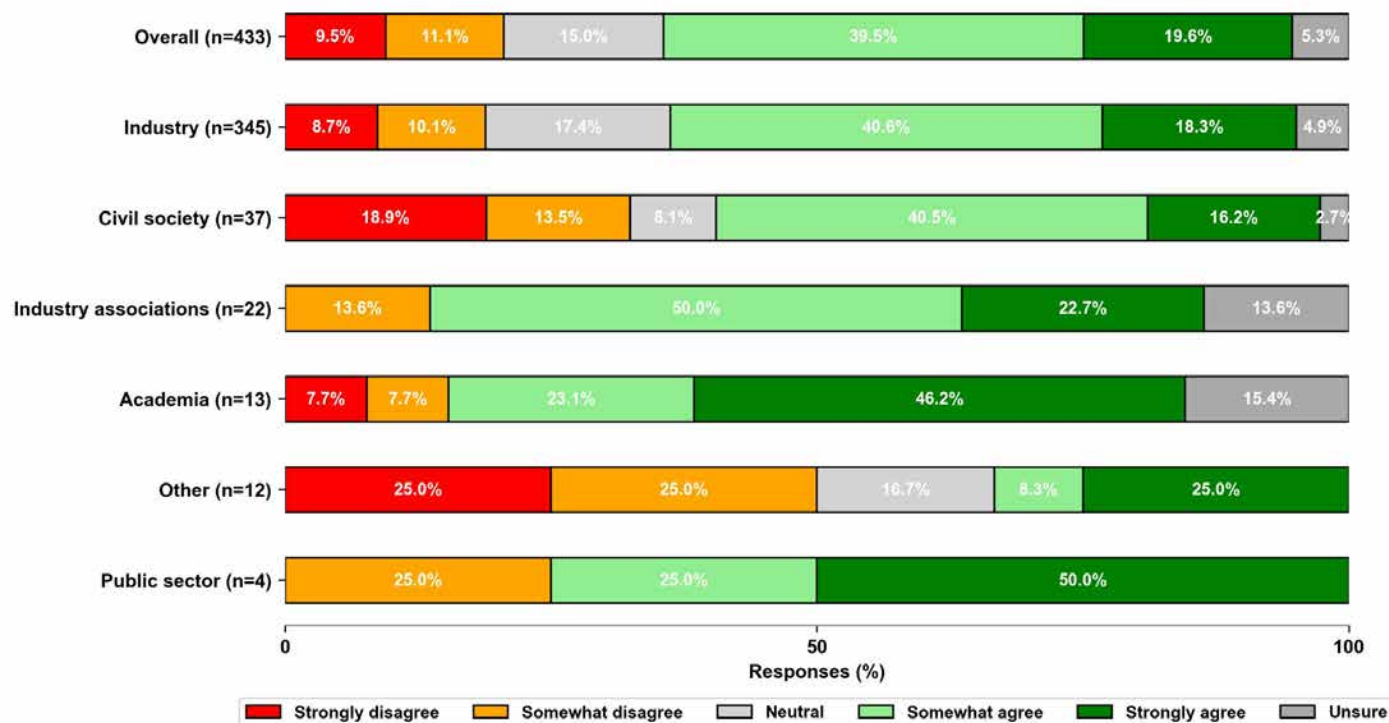
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

INCENTIVES LINKED TO OPT-IN RECOGNITION ON SBTi DASHBOARD

To what extent do you think that the proposal for opt-in recognition on SBTi dashboard and the enabled claims will incentivize companies to take action to address ongoing emissions?

Survey Responses

Q197: To what extent do you think that the proposal for opt-in recognition on SBTi dashboard and the enabled claims will incentivize companies to take action to address ongoing emissions? - by Stakeholder Category



Key Insights

- Overall, 59% of respondents agree with the proposal for opt-in recognition on the SBTi dashboard, noting that the enabled claims will incentivize companies to take action on ongoing emissions. This level of support is reflected among both industry and civil society respondents.
- Support is higher among the public sector (75%), industry associations (73%), and academia (69%).
- "Other" stakeholders show the highest level of disagreement, with 50% in opposition compared to 21% overall.



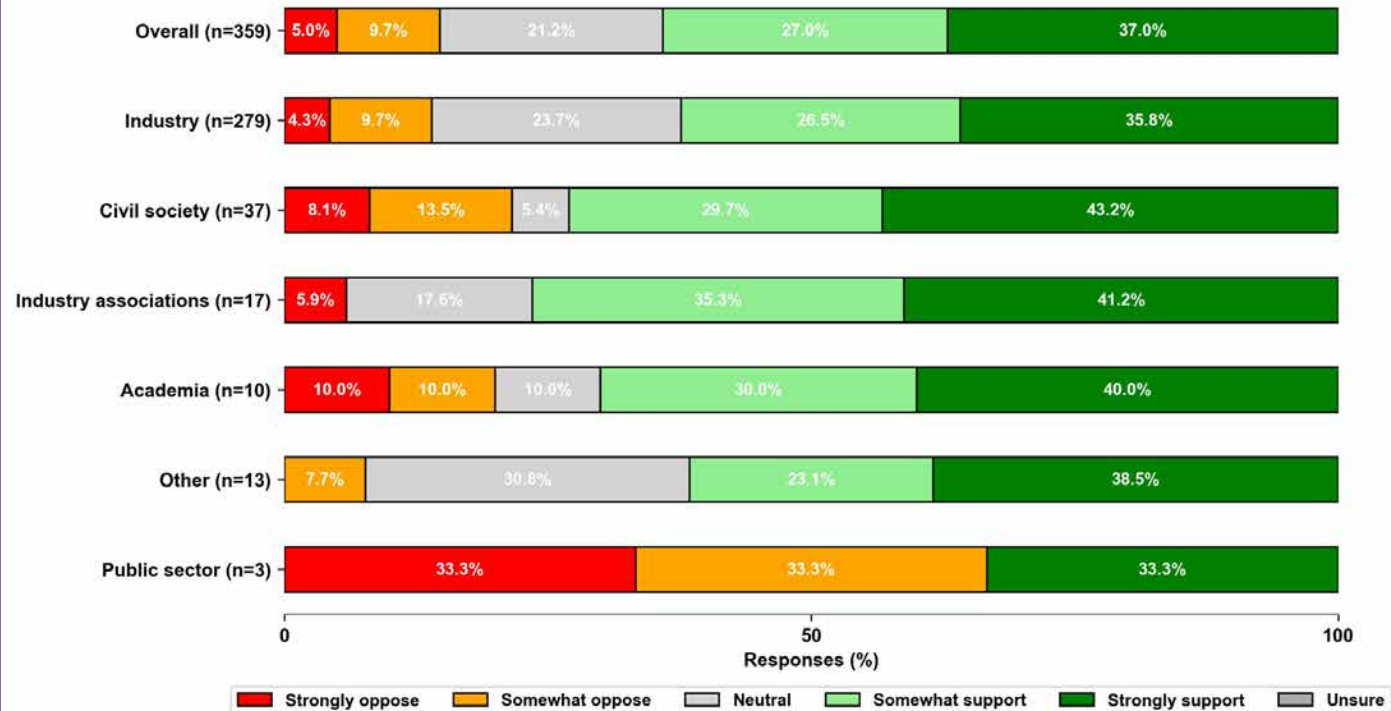
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

RECOGNITION FOR CATEGORY B COMPANIES ADDRESSING ONLY SCOPE 1 AND 2

To what extent do you support or oppose offering category b companies recognition for addressing ongoing emissions if they address only scope 1 and 2?

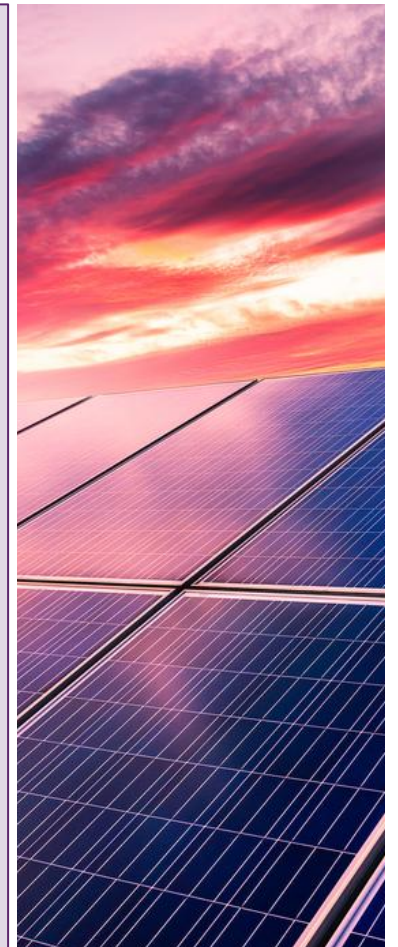
Survey Responses

Q199: To what extent do you support or oppose offering category B companies recognition for addressing ongoing emissions if they address only scope 1 and 2? - by Stakeholder Category



Key Insights

- Overall, 64% of respondents agree that Category B companies' efforts should be recognized even if they only address Scope 1 and 2 emissions.
- This level of support is generally reflected across stakeholder groups, except for the public sector, which is evenly split (33%) across strongly oppose, somewhat oppose, and strongly support.



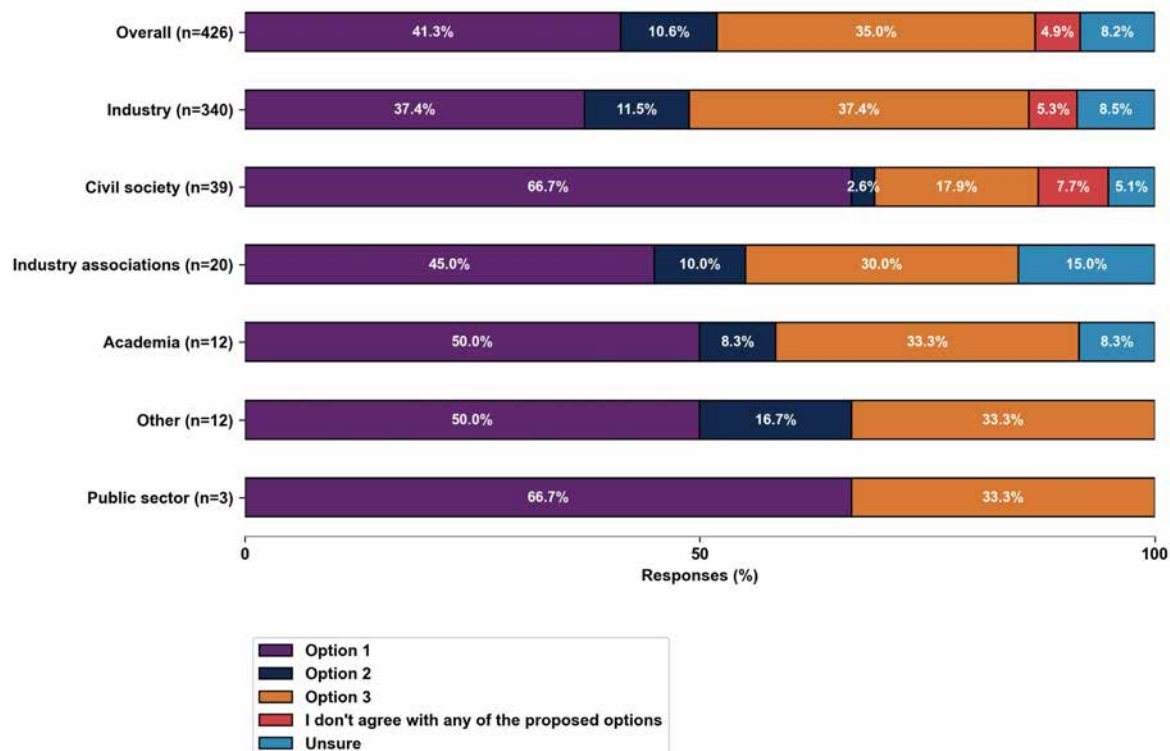
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

TIMESCALE TO ADDRESS ONGOING EMISSIONS

Which timescale do you support most for companies making BVCM contributions to address ongoing emissions?

Survey Responses

Q201: Which timescale do you support most for companies making BVCM contributions to address ongoing emissions? - by Stakeholder Category



Option 1: On an annual basis

Option 2: At the end of the target cycle

Option 3: Flexible to either option

Key Insights

- Overall, 41% of respondents support option 1, while 35% support option 3. Across all stakeholder groups, option 2 receives the least support.
- Civil society and the public sector show the strongest preference for option 1, with 67% in favor, while academia and "other" stakeholders show 50% support.
- Industry respondents are evenly split between option 1 and option 3, with 37% supporting each.



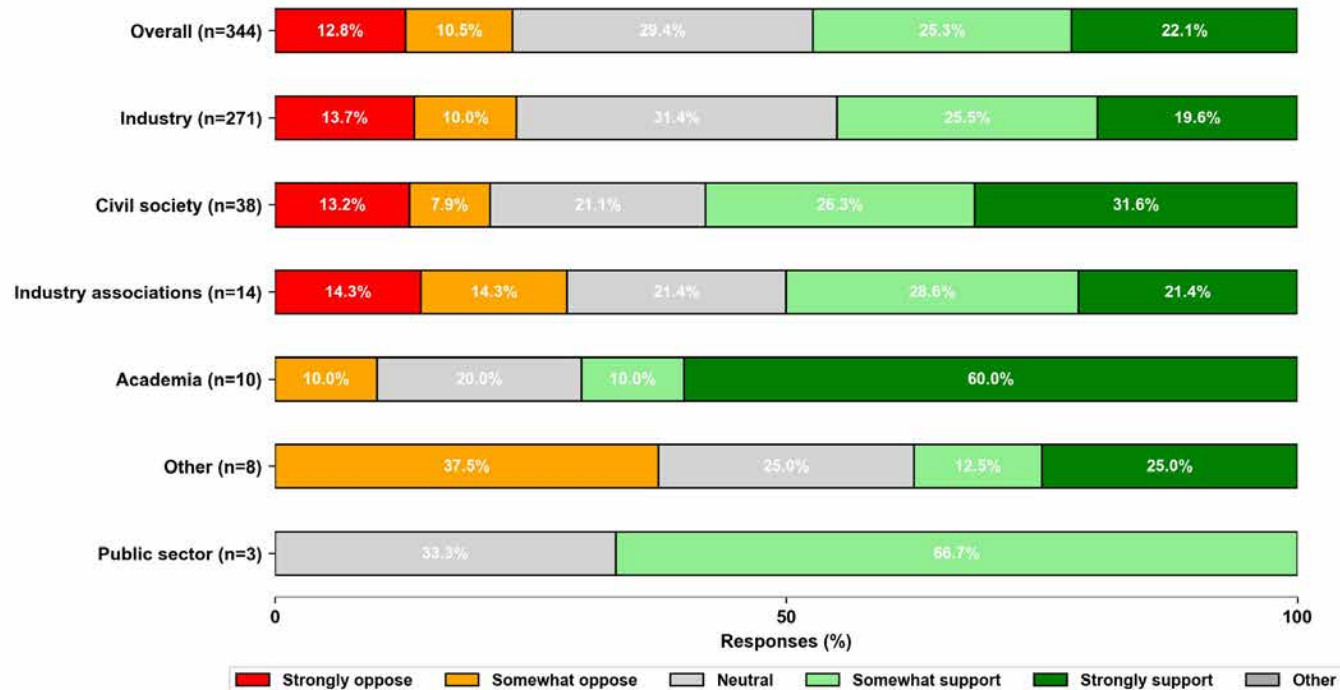
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

MONEY FOR TON METHOD

To what extent do you support or oppose adopting the money for ton method from SBTi's BVCM Report's (p41) best practice method for determining the scale of BVCM contribution in ?

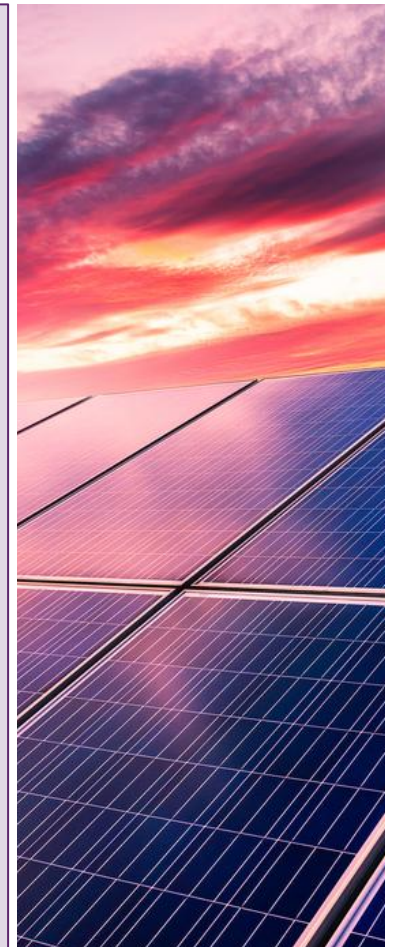
Survey Responses

Q203: To what extent do you support or oppose adopting the following elements from SBTi's BVCM report's (p41) best practice method for determining the scale of BVCM contribution in CNZS V2.0? | Method: Money-for-ton as the method to determine the BVCM budget - by Stakeholder Category



Key Insights

- Overall, 47% of respondents support the "money for ton" approach, 23% oppose it, and 29% express a neutral opinion.
- These views are largely consistent across stakeholder groups, with some variation.
- "Other" stakeholders show higher opposition at 38%, academia demonstrates strong support at 70%, and the public sector has an almost 70/30 split, with approximately 70% in support and 30% neutral.



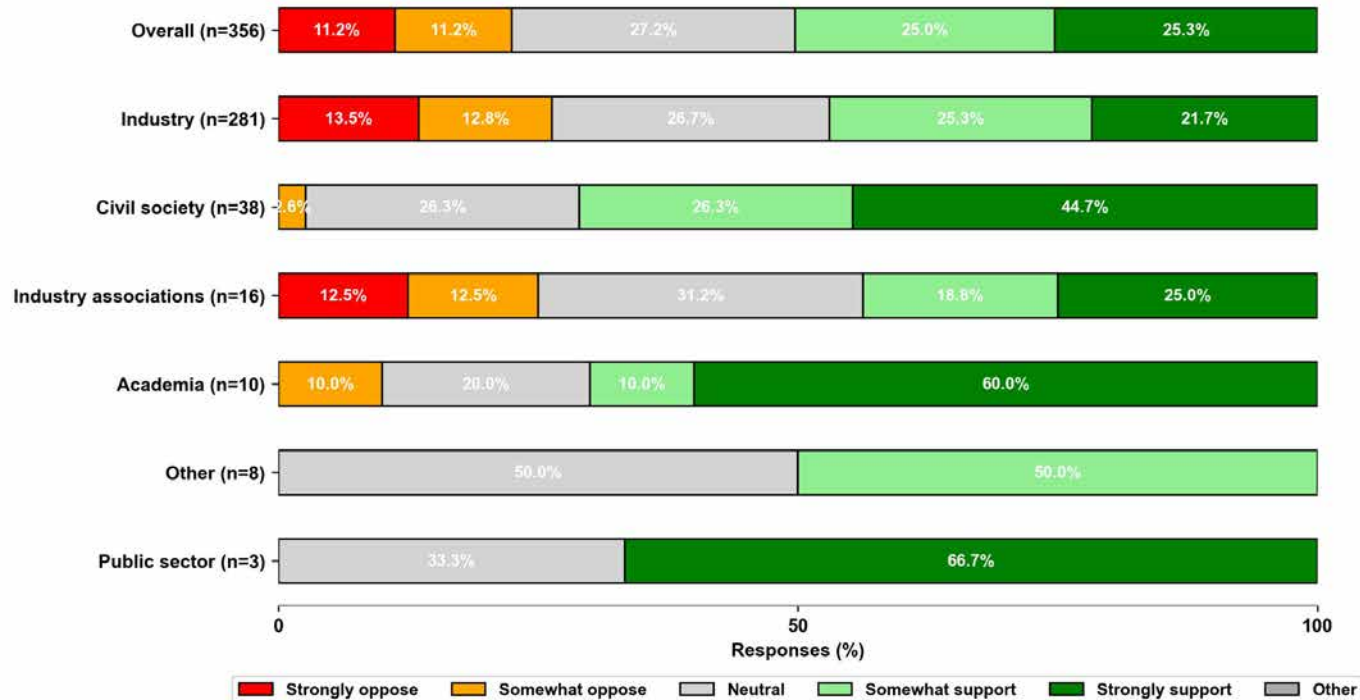
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

COVERAGE OF EMISSIONS METHOD

To what extent do you support or oppose adopting the coverage of emissions method from SBTi's BVCM Report's (p41) best practice method for determining the scale of BVCM contribution in Version 2.0 of the Standard?

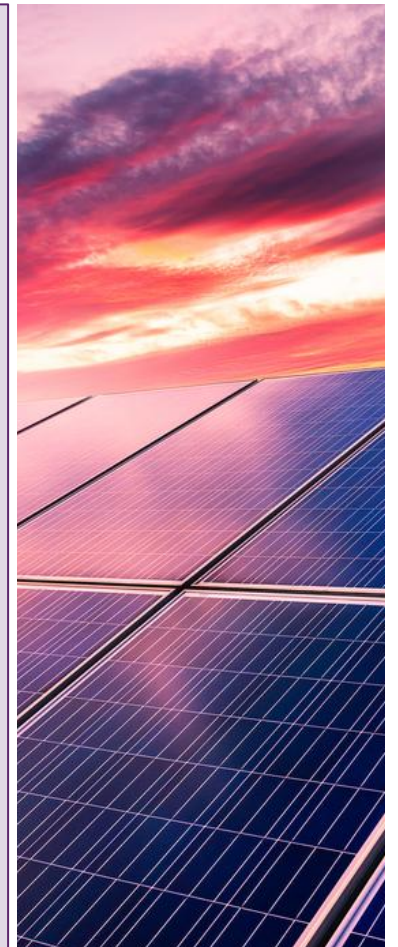
Survey Responses

Q204: To what extent do you support or oppose adopting the following elements from SBTi's BVCM report's (p41) best practice method for determining the scale of BVCM contribution in CNZS V2.0? | Coverage of emissions: Companies take full responsibility for ongoing emissions i.e. total scope 1, 2 and 3 - by Stakeholder Category



Key Insights

- Overall, 50% of respondents support companies taking full responsibility for ongoing emissions, with 22% in opposition and 27% neutral.
- This pattern is similarly reflected among industry and industry association respondents.
- Civil society, "other" stakeholders, and the public sector generally hold supportive or neutral views.
- Academia shows strong support at 70%, with only 10% in opposition.



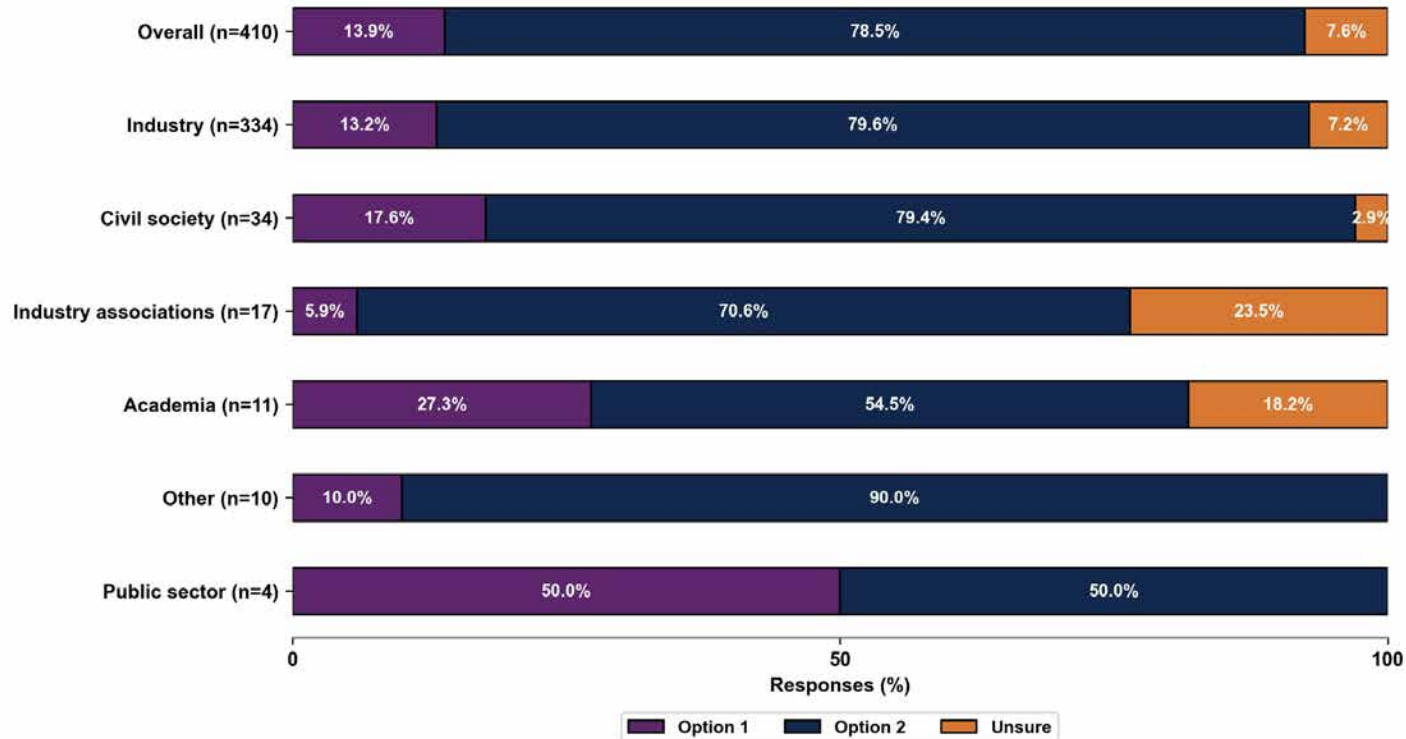
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

THRESHOLD FOR TARGET PROGRESS

Which threshold for target progress should companies meet to be eligible for optional recognition?

Survey Responses

Q206: Which threshold for target progress should companies meet to be eligible for optional recognition? - by Stakeholder Category

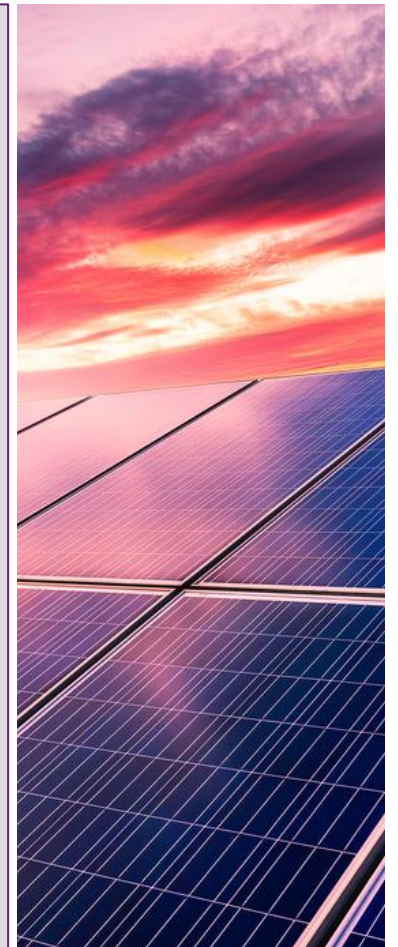


Option 1: Achievement of their science-based targets

Option 2: Meaningful progress against their science-based targets

Key Insights

- Overall, there is strong support for option 2, with 79% of respondents in favor.
- This preference is reflected across most stakeholder groups, except for academia and the public sector.
- In the public sector, respondents are evenly split between option 1 and option 2, while in academia, 27% support option 1 and 55% support option 2.



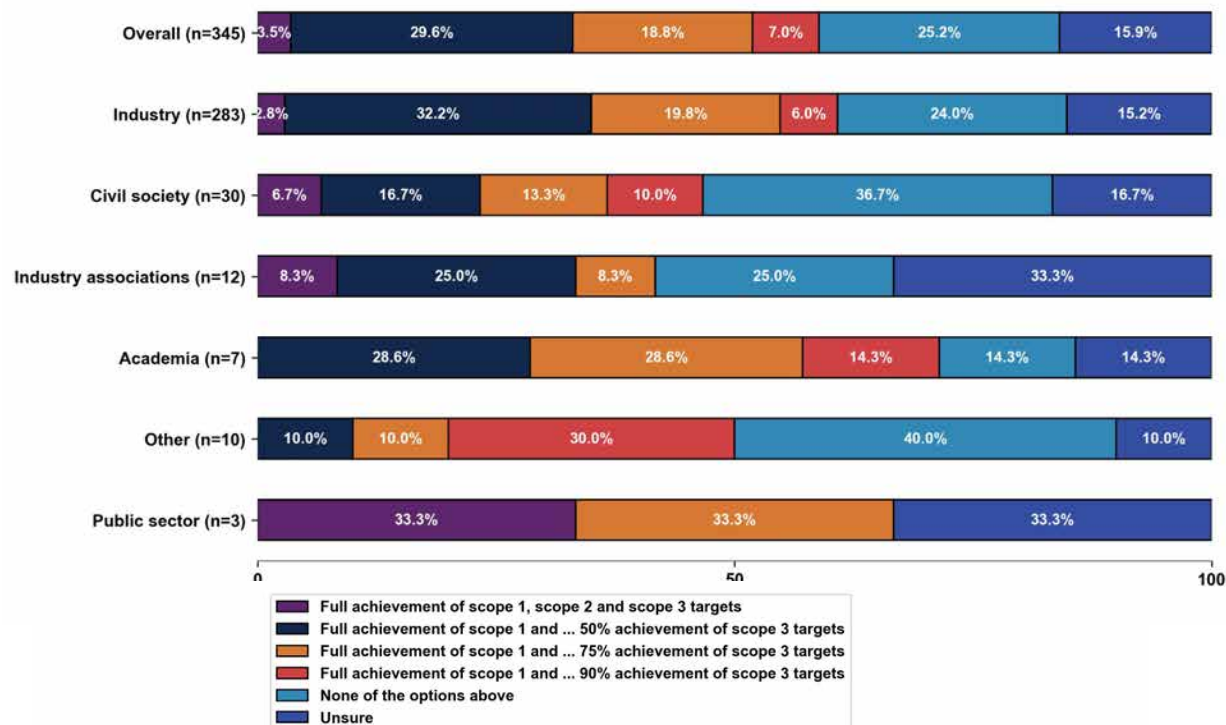
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

'MEANINGFUL' TARGET PROGRESS

If you selected option 2, which of the following options do you support as 'meaningful progress' for optional recognition?

Survey Responses

Q208: If you selected option 2, which of the following options do you support as 'meaningful progress' for optional recognition? - by Stakeholder Category



Key Insights

- Overall, and across stakeholder groups, respondents are divided on what constitutes "meaningful progress" for optional recognition.
- This indicates a lack of consensus among stakeholders on this topic, suggesting that additional guidance or clarification may be needed to inform decision-making.



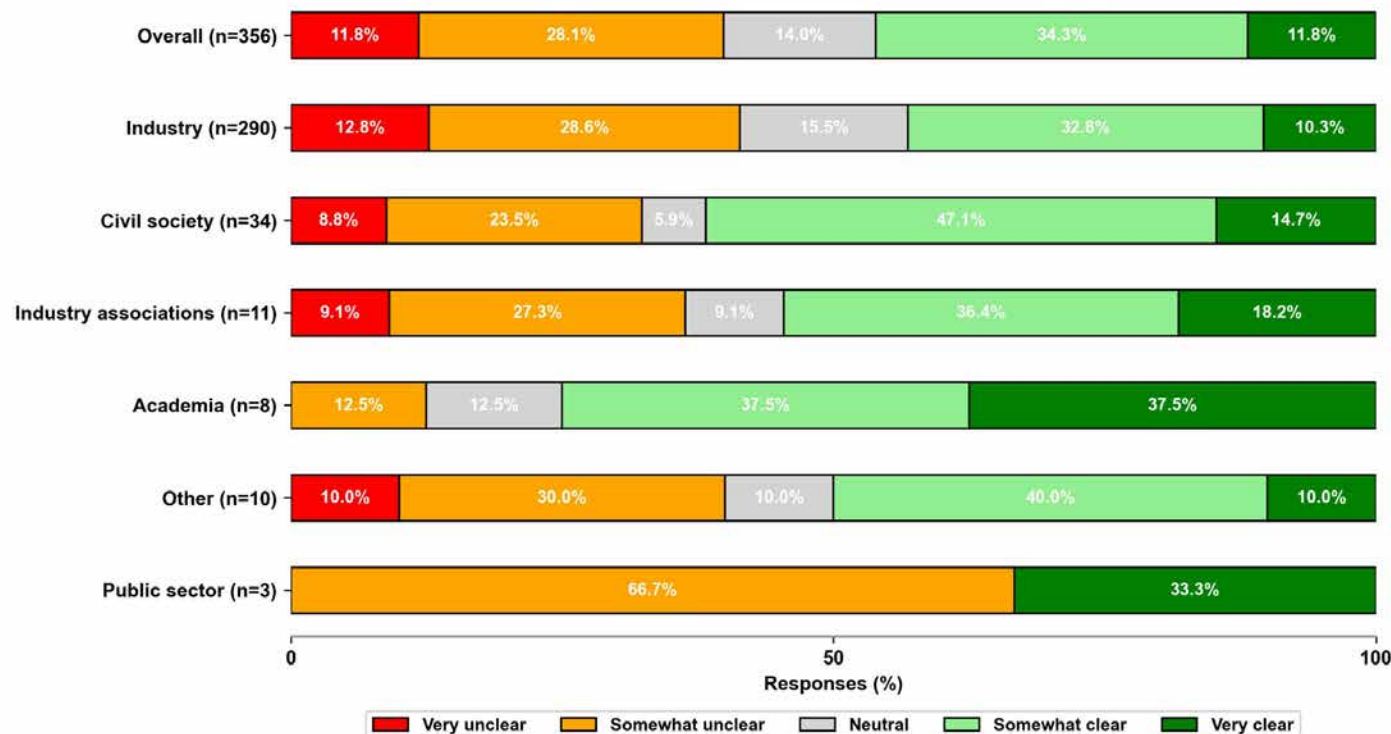
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

REPORTING ON ACTIONS TO ADDRESS ONGOING EMISSIONS

How clear is the described process for companies to report their actions to address ongoing emissions?

Survey Responses

Q211: How clear is the described process for companies to report their actions to address ongoing emissions? - by Stakeholder Category



Key Insights

- Views are divided on whether the described process for companies to report their actions to address ongoing emissions is clear, with 46% of respondents agreeing it is clear and 40% considering it unclear.
- This split is generally reflected across stakeholder groups, except for academia, where 75% find the process clear, and the public sector, where 67% consider it unclear.



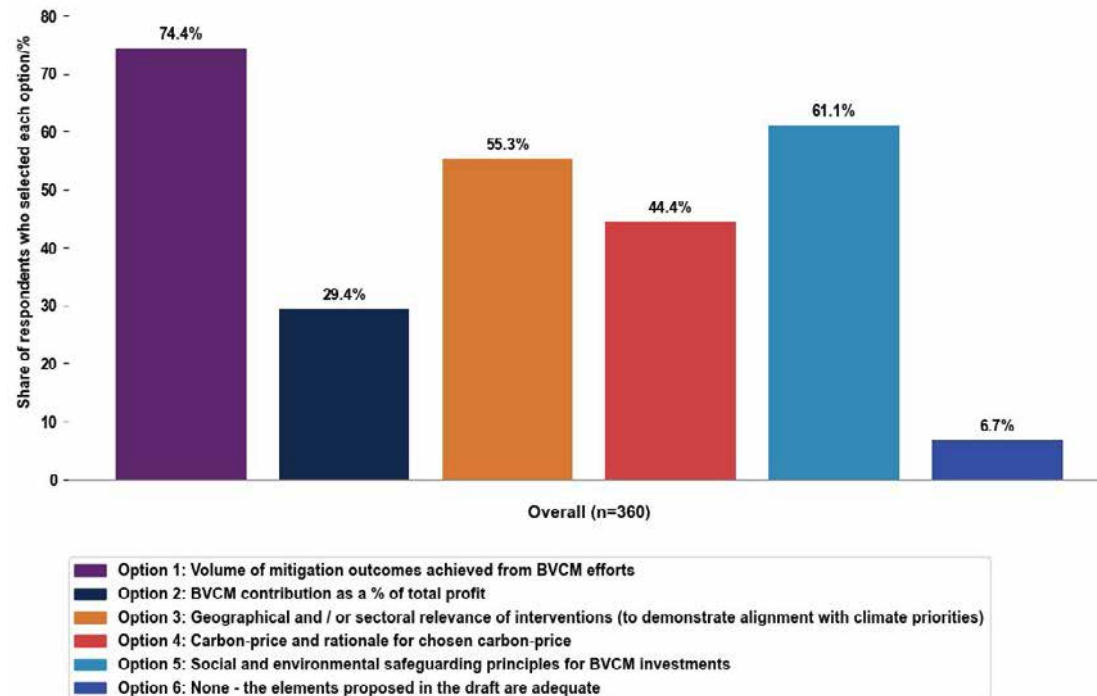
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

COMMUNICATION OF BVCM EFFORTS

Beyond the reporting elements outlined in criterion 22, which of the following reporting elements, if any, do you consider important to ensure transparent and credible communications of companies' BVCM efforts? (Select all that apply)

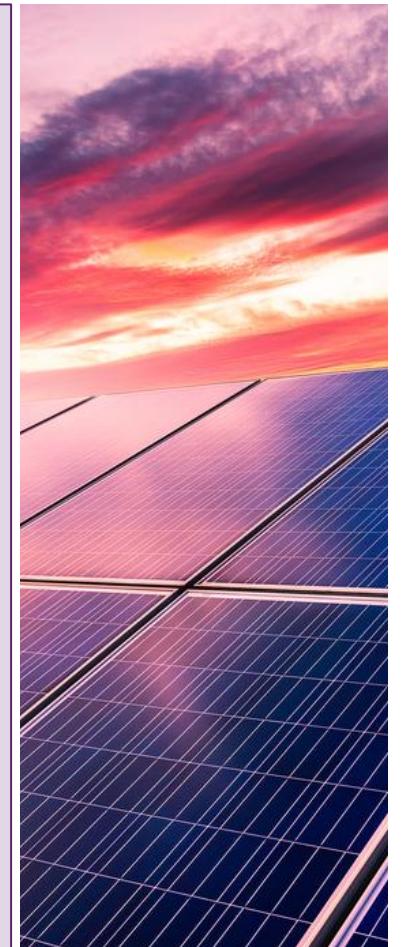
Survey Responses

Q213, 214, 215, 216, 217, 218: Beyond the reporting elements outlined in CNZS-C22, which of the following reporting elements, if any, do you consider important to ensure transparent and credible communications of companies' BVCM efforts? (Select all that apply) (n=360) – Overall distribution



Key Insights

- Overall, 74% of respondents agree that Option 1—the volume of mitigation outcomes achieved from BVCM efforts—is important to ensure transparent and credible communication of companies' BVCM efforts.
- This is followed by 61% support for Option 5, covering social and environmental safeguarding principles for BVCM investments, and 55% support for Option 3, addressing the geographical and/or sectoral relevance of interventions to demonstrate alignment with climate priorities.



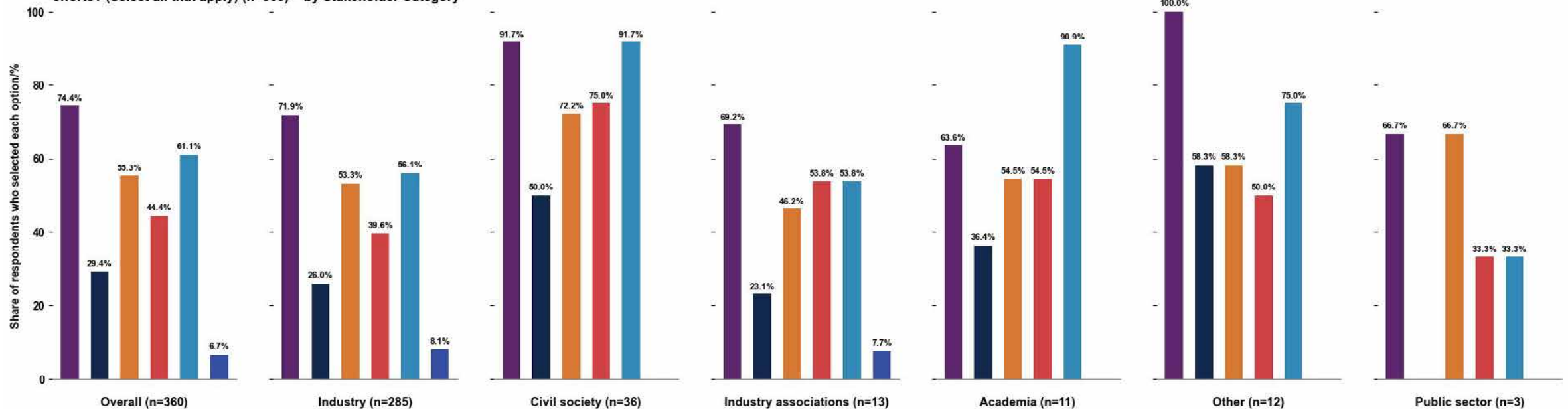
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

COMMUNICATION OF BVCM EFFORTS

Beyond the reporting elements outlined in criterion 22, which of the following reporting elements, if any, do you consider important to ensure transparent and credible communications of companies' BVCM efforts? (Select all that apply)

- Option 1: Volume of mitigation outcomes achieved from BVCM efforts
- Option 2: BVCM contribution as a % of total profit
- Option 3: Geographical and / or sectoral relevance of interventions (to demonstrate alignment with climate priorities)
- Option 4: Carbon-price and rationale for chosen carbon-price
- Option 5: Social and environmental safeguarding principles for BVCM investments
- Option 6: None - the elements proposed in the draft are adequate

Q213, 214, 215, 216, 217, 218: Beyond the reporting elements outlined in CNZS-C22, which of the following reporting elements, if any, do you consider important to ensure transparent and credible communications of companies' BVCM efforts? (Select all that apply) (n=360) – by Stakeholder Category



The most voted reporting element is the **volume of mitigation outcome achieved from BVCM efforts**.

Especially among **civil society and academia**, there is interest also in the **disclosure of social and environmental safeguarding principles for BVCM investments**.

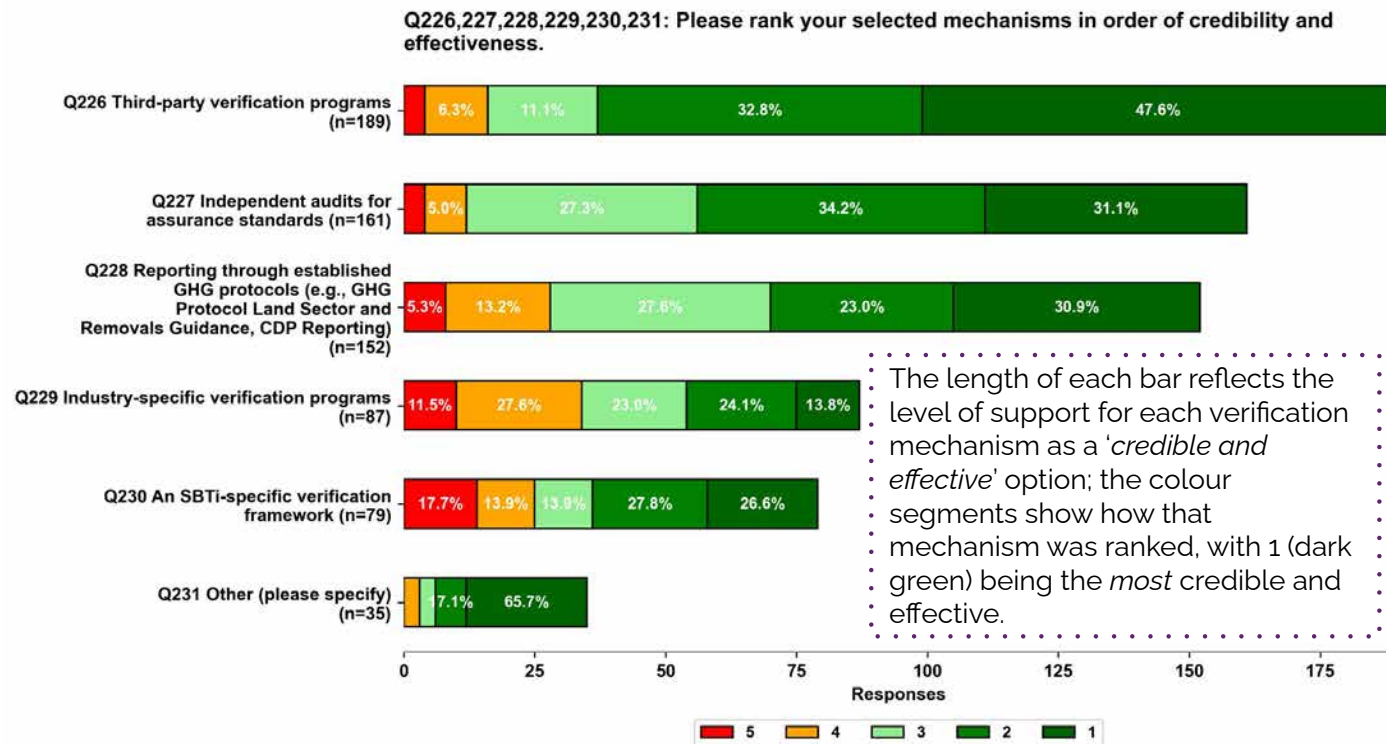
Civil society also largely supports reporting on geographical or sectoral relevance and carbon pricing rationale

ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

Which verification mechanisms do you consider the most credible and effective for recognizing companies' BVCM contributions? Please rank your selected mechanism in order of credibility and effectiveness

Survey Responses



Key Insights

- Third-party verification programs emerged as the most credible and effective mechanism both in terms of total votes (189) and highest ranking.
- Independent audits and reporting through GHG protocols received similarly high support and are considered valuable for credibility and effectiveness (161 and 152 votes).
- Industry specific verification programs and an SBTi specific verification program received comparatively lower levels of support (87 and 79 votes).



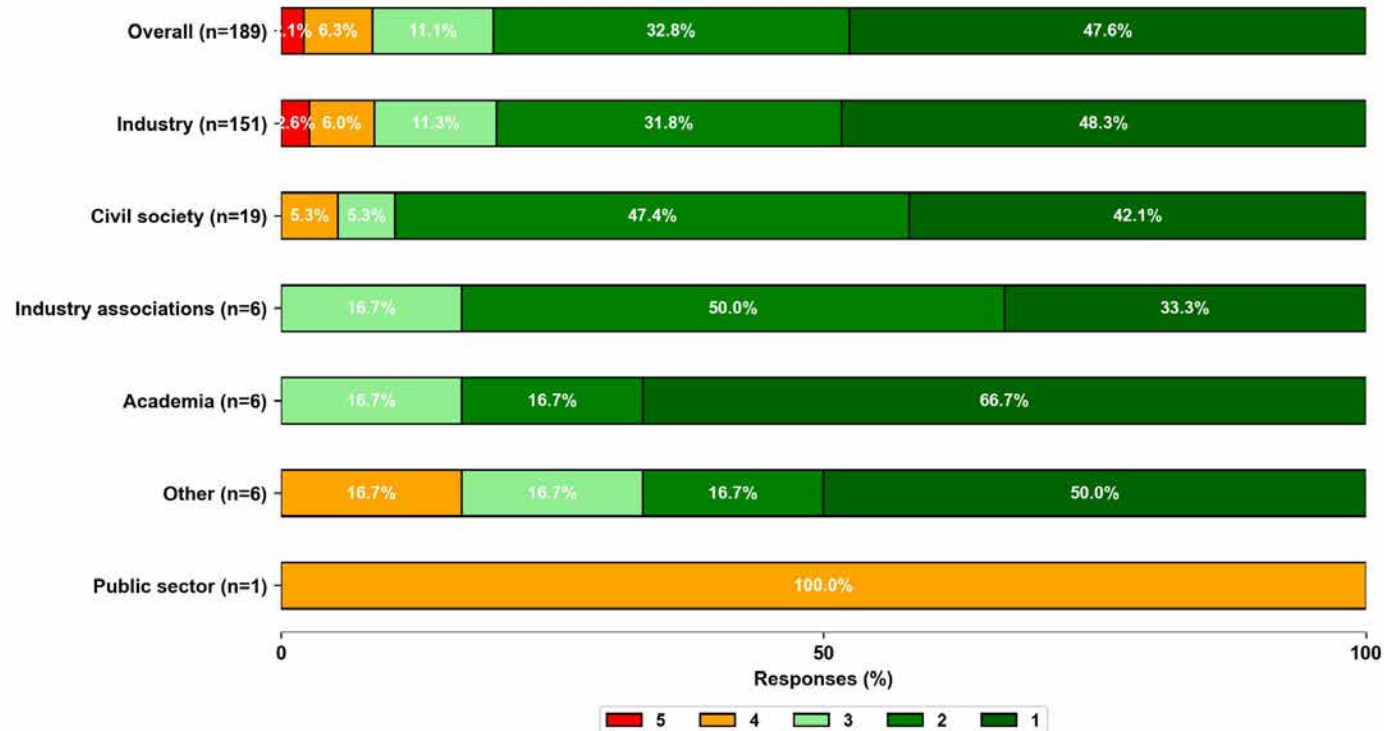
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

*Please rank your selected mechanisms in order of credibility and effectiveness.
Third-party verification*

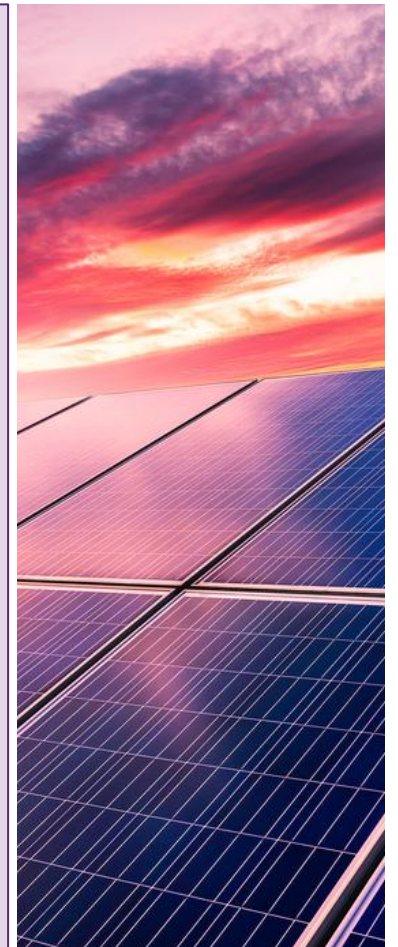
Survey Responses

Q226: Please rank your selected mechanisms in order of credibility and effectiveness. |
Third-party verification programs - by Stakeholder Category



Key Insights

- Overall, third-party verification is viewed as the most effective and credible mechanism by 48% of respondents, and as the second-best mechanism by 33%.
- Civil society and industry associations differ from other stakeholder groups, perceiving third-party verification primarily as the second-best option rather than the top choice.



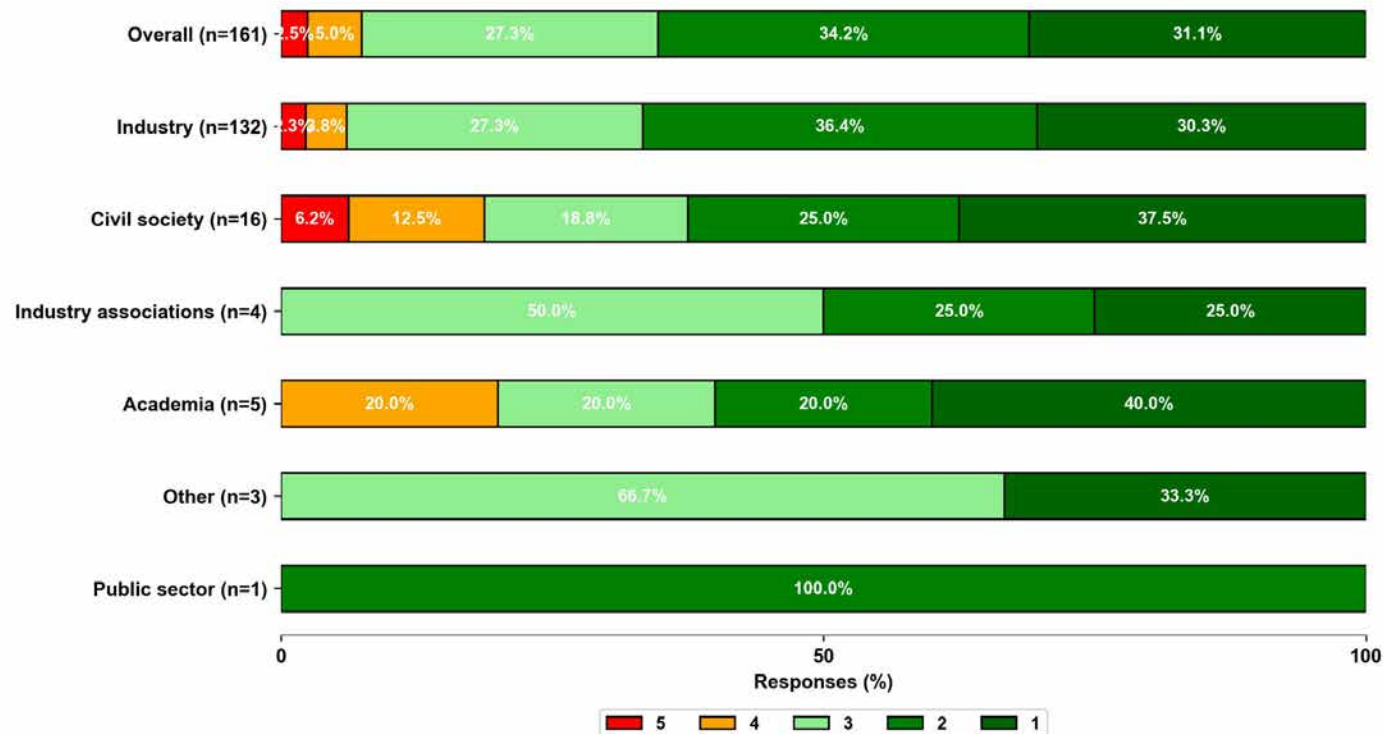
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

*Please rank your selected mechanisms in order of credibility and effectiveness.
Independent audits for assurance standards*

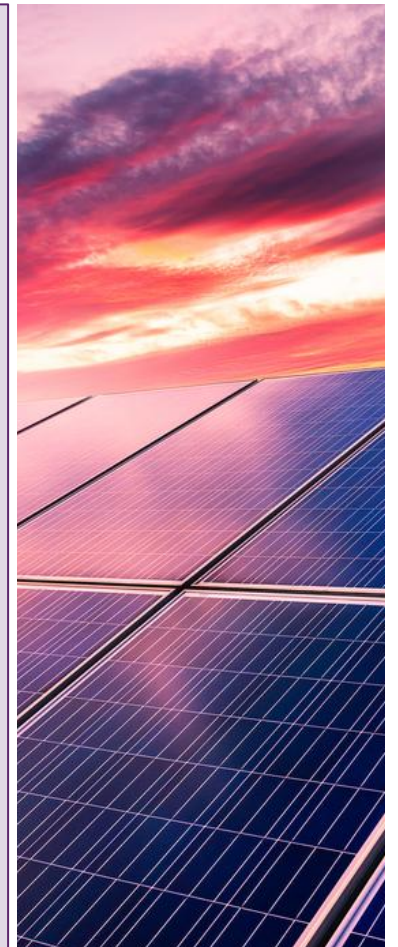
Survey Responses

Q227: Please rank your selected mechanisms in order of credibility and effectiveness. |
Independent audits for assurance standards - by Stakeholder Category



Key Insights

- Overall, independent audits is viewed as the second most effective and credible mechanism by 34% of respondents, and as the most effective mechanism by 31% if respondents.
- Civil society and academia differ from other stakeholder groups, perceiving independent audits as the top choice rather than the second-best option.



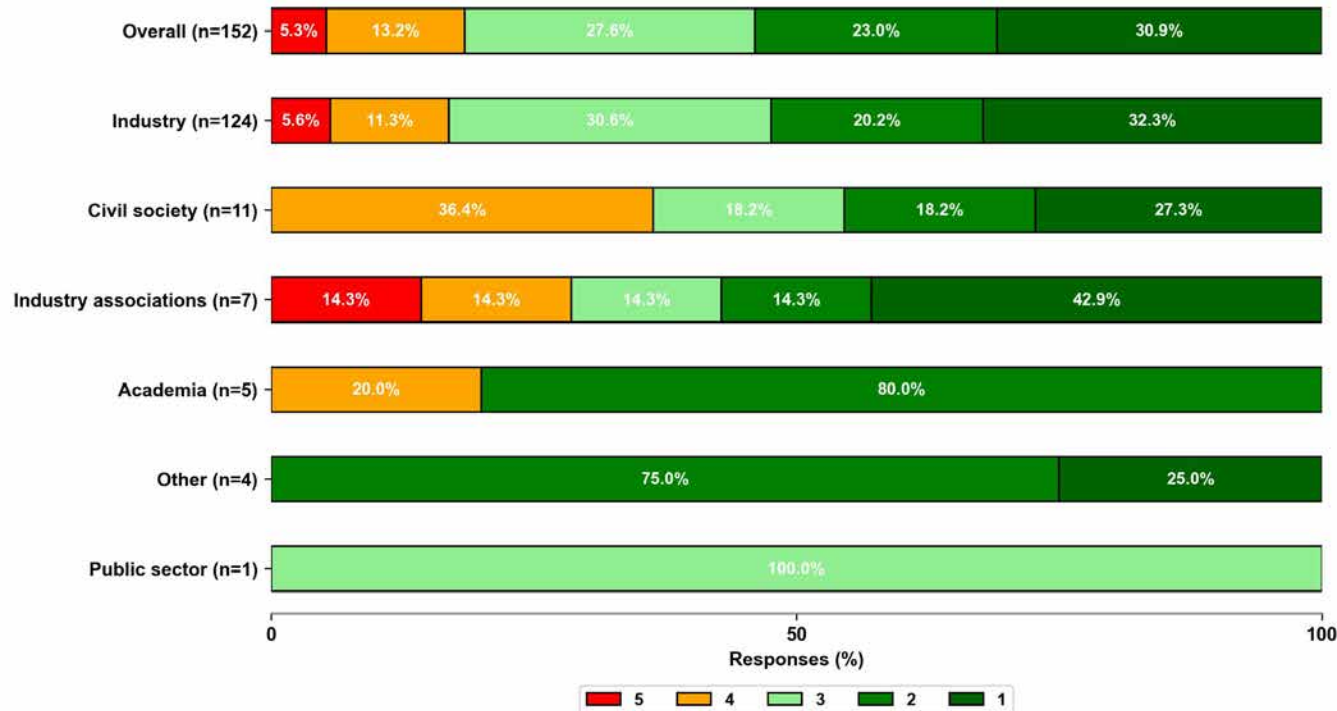
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

*Please rank your selected mechanisms in order of credibility and effectiveness.
Established GHG Protocols*

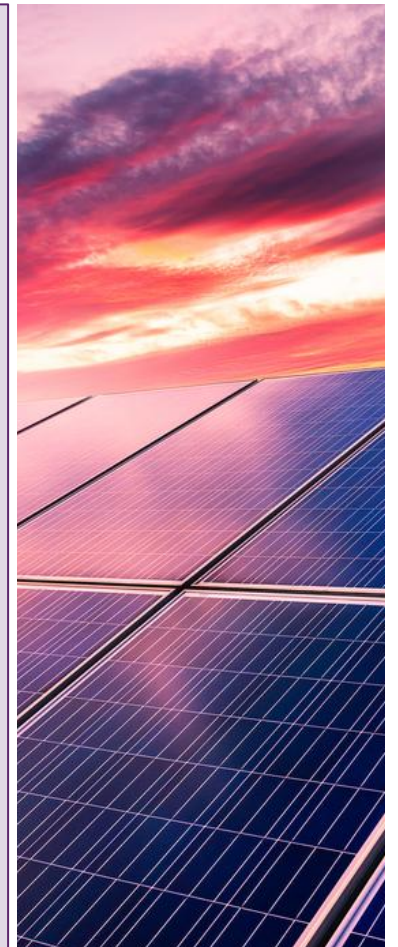
Survey Responses

Q228: Please rank your selected mechanisms in order of credibility and effectiveness. | Reporting through established GHG protocols (e.g., GHG Protocol Land Sector and Removals Guidance, CDP Reporting) - by Stakeholder Category



Key Insights

- Overall, established GHG protocols are viewed as the most effective and credible mechanism by 31% of respondents, as the second-best mechanism by 23%, and as the third-best option by 28% of respondents.



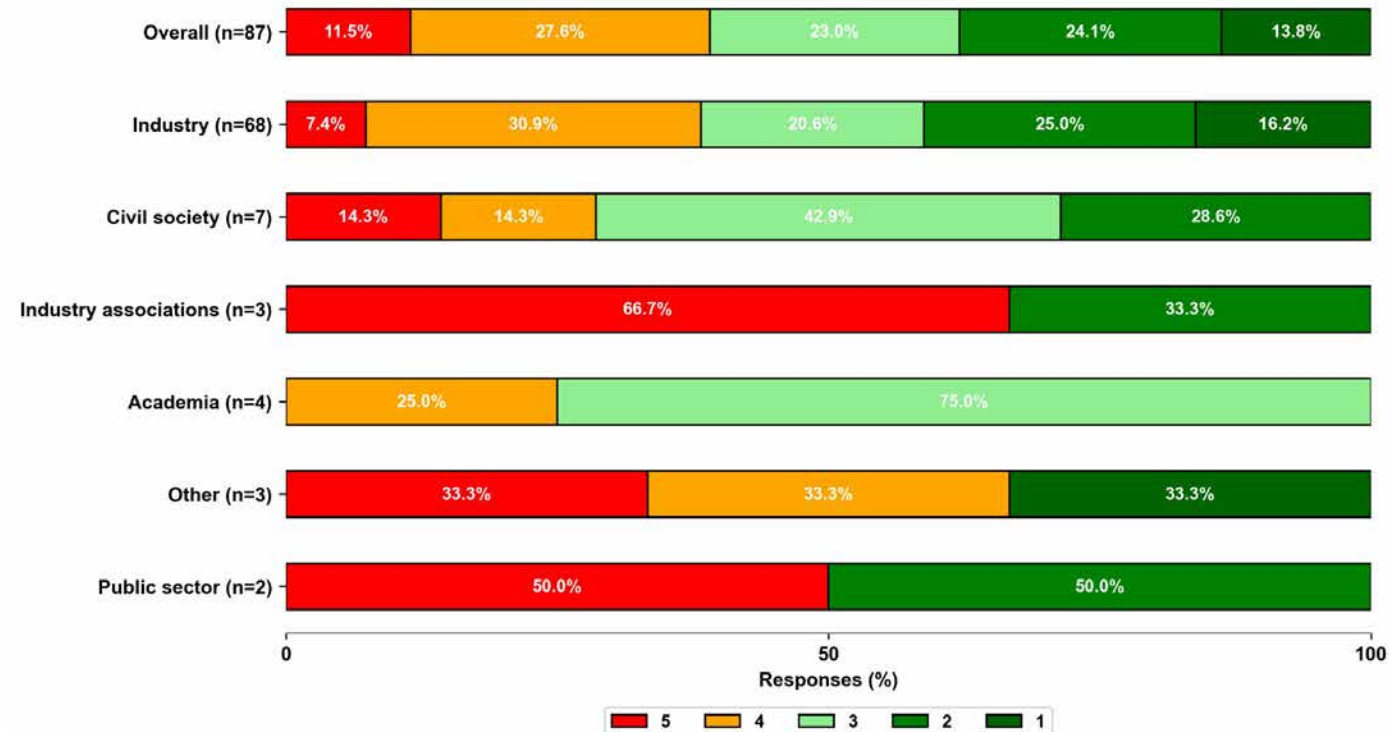
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

*Please rank your selected mechanisms in order of credibility and effectiveness.
Industry-specific verification programs*

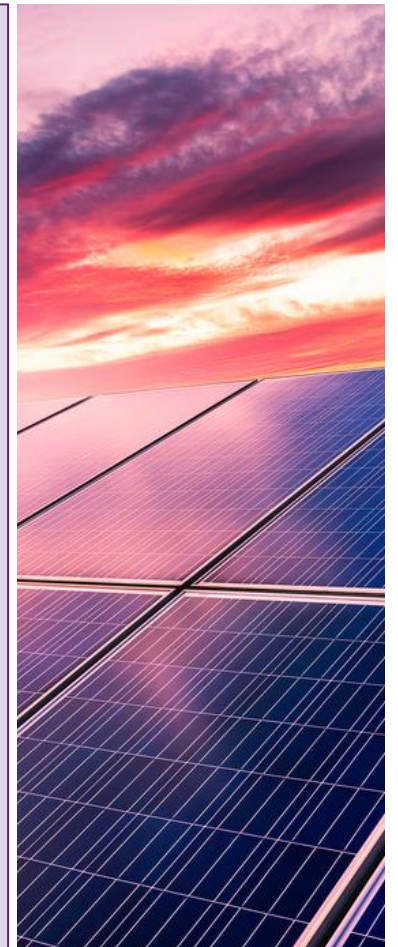
Survey Responses

Q229: Please rank your selected mechanisms in order of credibility and effectiveness. |
Industry-specific verification programs - by Stakeholder Category



Key Insights

- Overall, industry-specific verification programs received relatively low support, with 28% of respondents ranking it as one of their least preferred options (number 4).
- Industry associations view industry-specific verification programs as the least credible and effective mechanism, with 67% ranking it as their lowest preference (number 5).



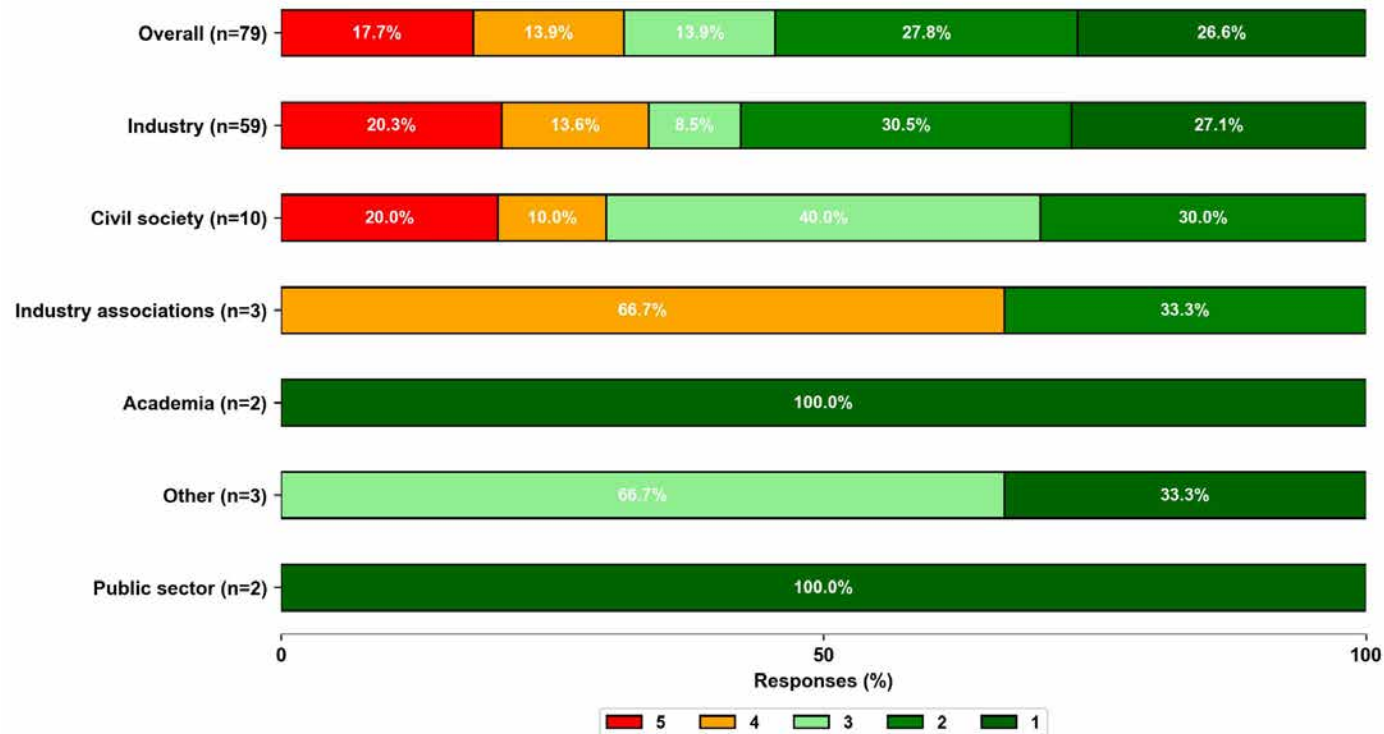
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

*Please rank your selected mechanisms in order of credibility and effectiveness.
SBTi-specific verification programs*

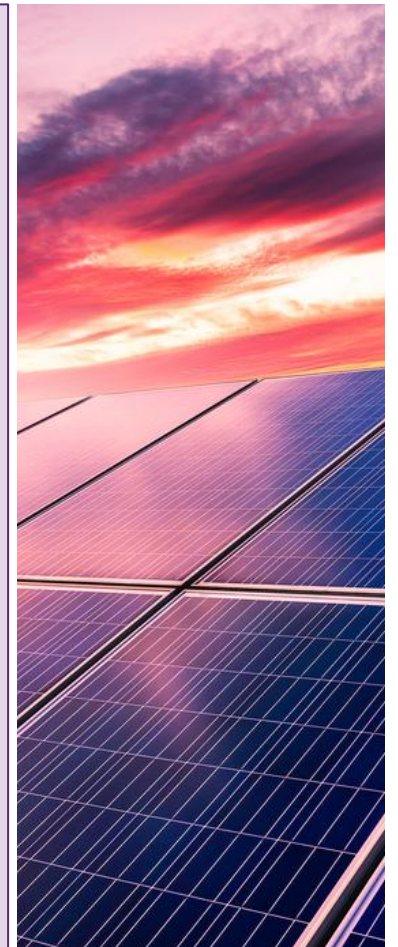
Survey Responses

Q230: Please rank your selected mechanisms in order of credibility and effectiveness. | An SBTi-specific verification framework - by Stakeholder Category



Key Insights

- Overall, an SBTi-specific verification framework received relatively low support, with 18% of respondents ranking it as their least preferred option (number 5).
- The public sector and academia differ from other stakeholder groups, viewing an SBTi-specific verification framework as their top choice.



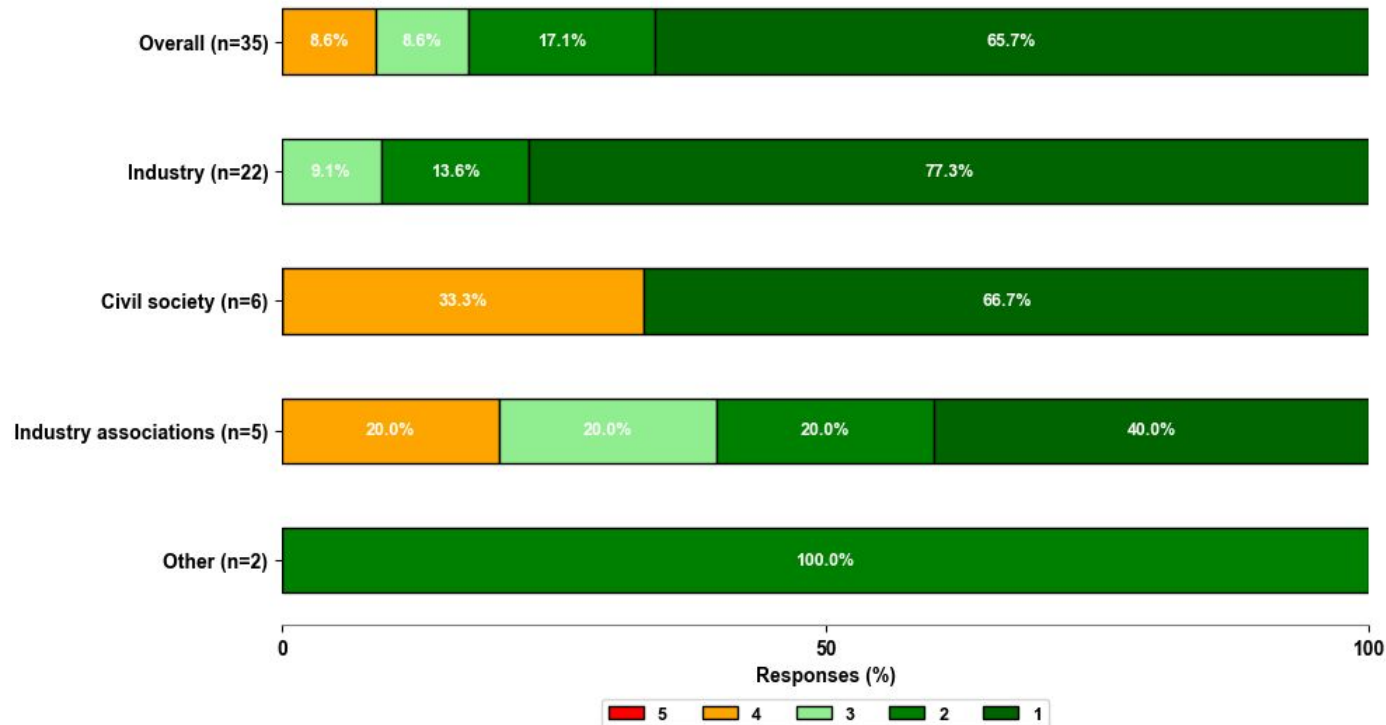
ADDRESSING THE IMPACT OF ONGOING EMISSIONS

VERIFICATION MECHANISMS FOR BVCM CONTRIBUTIONS

Please rank your selected mechanisms in order of credibility and effectiveness.
Other

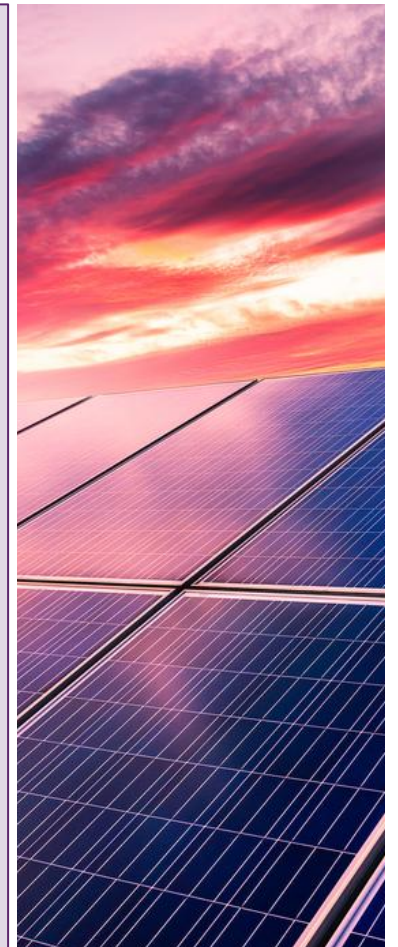
Survey Responses

Q231: Please rank your selected mechanisms in order of credibility and effectiveness. |
Other (please specify) - by Stakeholder Category



Key Insights

- Respondents selecting "Other" as a mechanism generally perceived it as credible and effective.
- "Other" received fewer overall votes compared with predefined options.
- Specific mechanisms cited under "Other" are not captured in the scope of the graphic or explanation.



ADDRESSING THE IMPACT OF ONGOING EMISSIONS

KEY TAKEAWAYS

Updates to addressing the impact of ongoing emissions:

- **Inventive model:** Companies that meet the optional criteria for taking responsibility for the impact of their ongoing emissions will be eligible to make contribution claims and will be recognized on the SBTi Target Dashboard across two recognition labels: 'Recognized' and 'Leadership'.
- **Responsibility for addressing ongoing emissions (emissions coverage):**
 - Companies that take responsibility for at least 1% of ongoing scope 1-3 emissions are eligible for the 'Recognized' status.
 - Category A companies that take responsibility for 100% scope 1-3 ongoing emissions are eligible for the 'Leadership' status, while for Category B the 'Leadership' status coverage is 100% scopes 1 and 2 ongoing emissions.
- **Budget determining method:**
 - For 'Recognized' status companies choose between ex-post mitigation funding approach and a carbon pricing approach (i.e., Ton-for-Ton or Money-for-Ton).
 - For 'Leadership' status companies follow a carbon price approach with a minimum volume of ex-post mitigation outcomes to be delivered (i.e., Money-for-Ton with embedded Ton-for-Ton).
- **Timescale:** The frequency of contributions is flexible across the near-term target cycle, but all funds must be disbursed during the target cycle.
- **Abatement target performance threshold for recognition:** Companies will be eligible for recognition if they have delivered a minimum of 90% performance on all targets within the applicable target cycle.
- **Additional reporting elements:** Detailed reporting requirements specified across two categories: mitigation impact contributions and climate finance contributions.
- **Verification mechanisms:** Supported activities need to adhere to relevant integrity principles, with third party assurance in place to demonstrate compliance. Illustrative principles are set out and will be consulted upon as part of the second public consultation process.



2. SUMMARY OF CONSULTATION FEEDBACK

2.12 ASSESSING AND COMMUNICATING PROGRESS

ASSESSING AND COMMUNICATING PROGRESS

CONSULTATION OVERVIEW

Key findings of consultation process to date:

- **Data for substantiating target progress:** 80% of respondents agree that the requirements are sufficient to ensure robust and reliable data to substantiate target progress.
- **Third party assurance for Category B companies:** The first public consultation draft requires Category A companies obtain third-party verification for data substantiating target progress. 43% of respondents supported applying this requirement to Category B companies too.
- **Third party assurance for scope 1 Budget-Conserving Contraction approach:** There are split views around third-party assurance for scope 1 emissions in case of Budget-Conserving Contraction approach (41% suggest a recommendation, 40% a requirement).
- **Progress assessment:** The progress assessment process is considered sufficiently robust for 69% of respondents, and is clear for 56% of respondents.
- **New target submission timeframe:** 70% of respondents agree it would be feasible to require companies to undergo performance assessment and submit new target for validation within a 12-month timeframe after the previous target period ending.

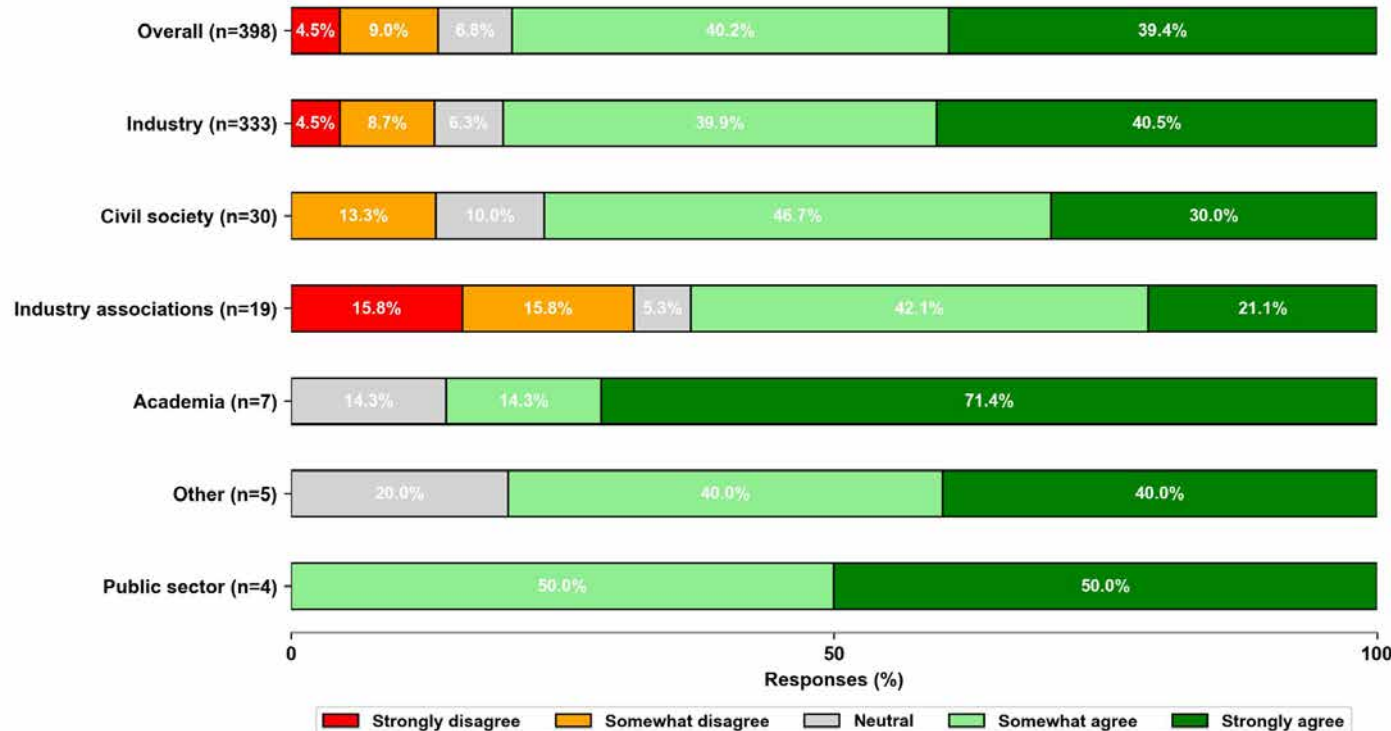
ASSESSING AND COMMUNICATING PROGRESS

SUBSTANTIATING TARGET PROGRESS

To what extent do you think that the proposed requirements are sufficient to ensure robust and reliable data for substantiating target progress?

Survey Responses

Q232: To what extent do you think that the proposed requirements are sufficient to ensure robust and reliable data for substantiating target progress? - by Stakeholder Category



Key Insights

- Overall, 80% of respondents agree that the requirements are sufficient to ensure robust and reliable data for substantiating target progress.
- Agreement is broadly consistent across stakeholder groups, with the largest divergence from industry associations (32% disagreement).

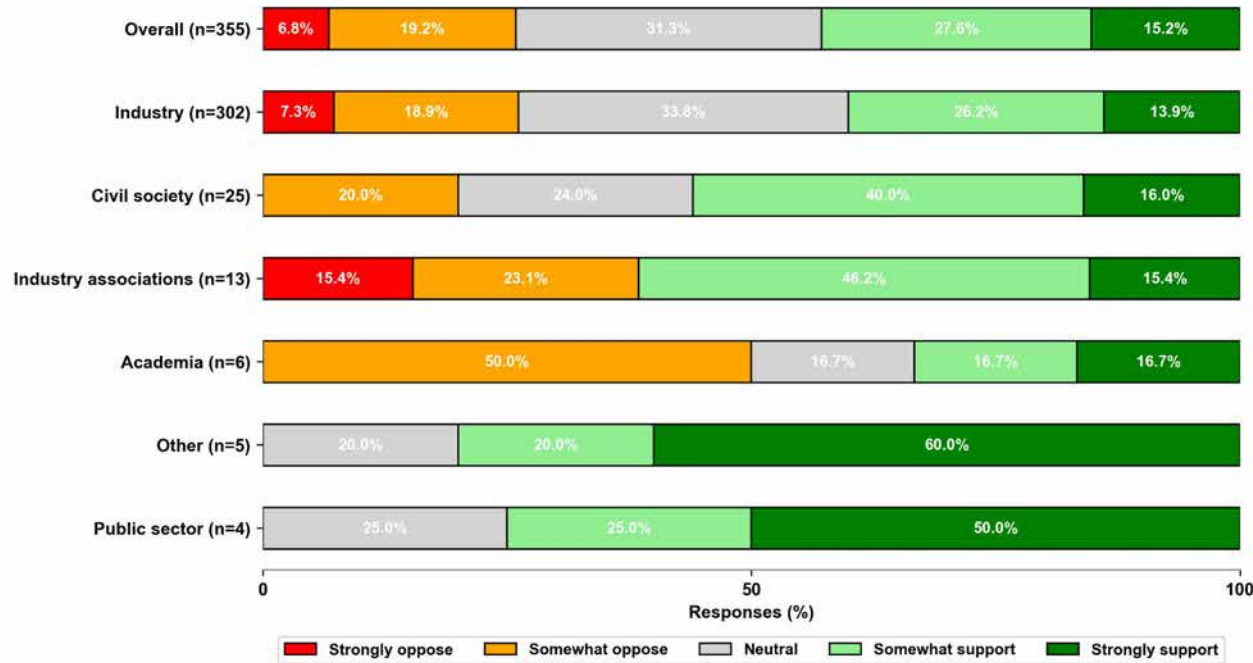


ASSESSING AND COMMUNICATING PROGRESS

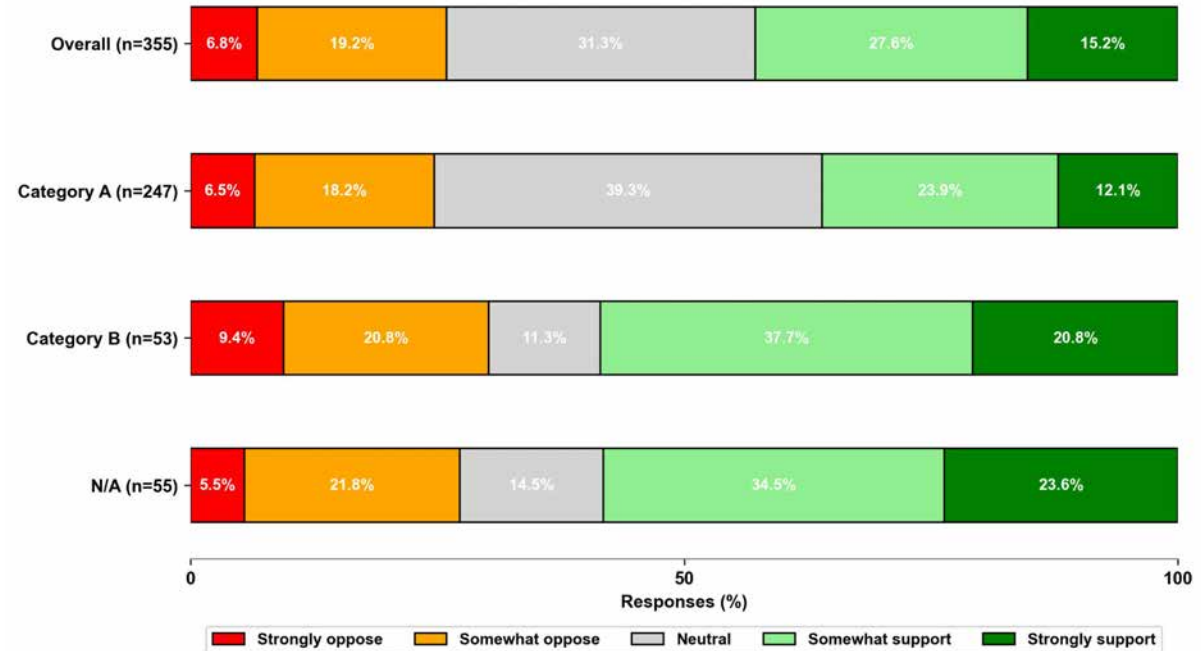
THIRD-PARTY ASSURANCE FOR TARGET PROGRESS

To what extent would you support a requirement for Category B companies to provide evidence of third-party assurance for data substantiating target progress?

Q234: To what extent would you support a requirement for category B companies to provide evidence of third-party assurance for data substantiating target progress? - by Stakeholder Category



Q234: To what extent would you support a requirement for category B companies to provide evidence of third-party assurance for data substantiating target progress? - by Category AB



- 43% of respondents support the requirement for third-party assurance for Category B companies.
- Support for this requirement increases among Category B company respondents (59%).
- There is no significant decrease in support at the geographical level.

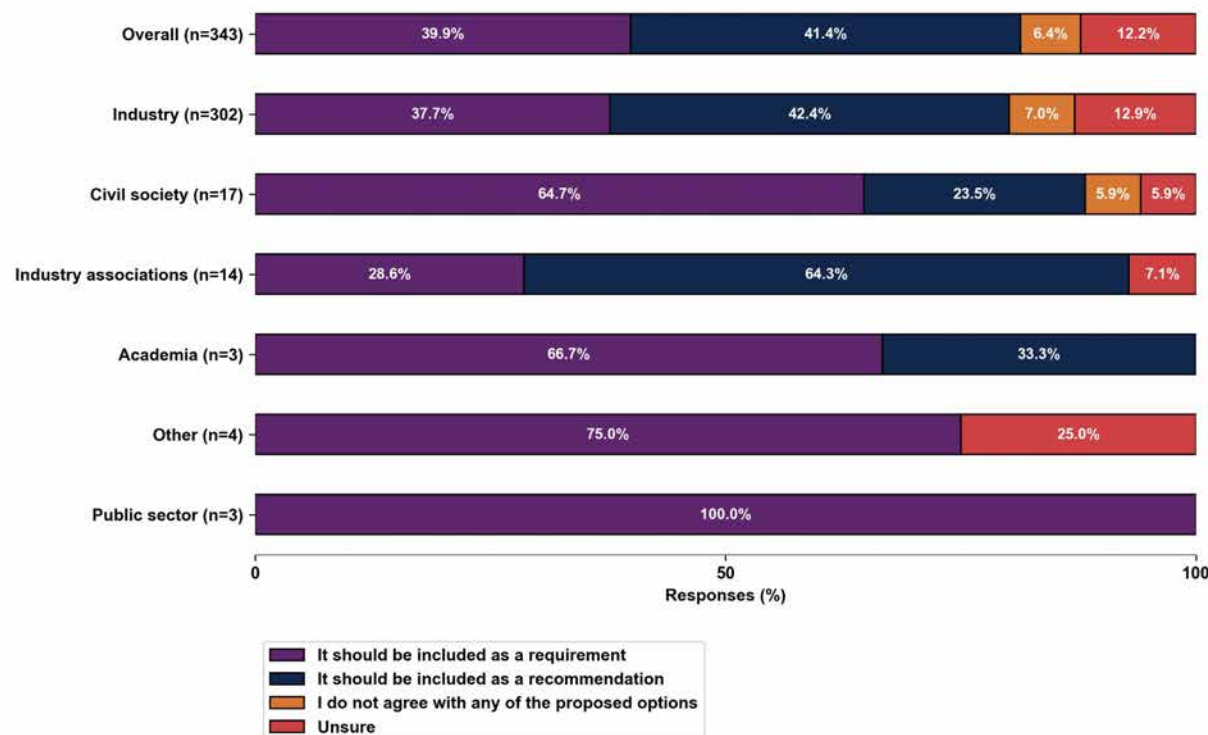
ASSESSING AND COMMUNICATING PROGRESS

THIRD-PARTY ASSURANCE FOR SCOPE 1 EMISSIONS

If the Budget-Conserving Contraction target-setting method proposed for scope 1 is implemented, do you think that c23.5 should be a requirement or a recommendation (third-party assurance for scope 1 emissions)?

Survey Responses

Q236: If the Budget-Conserving Contraction target-setting method proposed for scope 1 is implemented, do you think that C23.5 should be a requirement or a recommendation (third-party assurance for scope 1 emissions)? - by Stakeholder Category



Key Insights

- Stakeholder views are split on third-party assurance for Scope 1 emissions under a Budget-Conserving Contraction approach, with 41% supporting it as a recommendation and 40% as a requirement.
- Certain stakeholder groups show a stronger preference for a mandatory requirement: civil society (65%), academia (67%), "other" stakeholders (75%), and public sector respondents (100%).



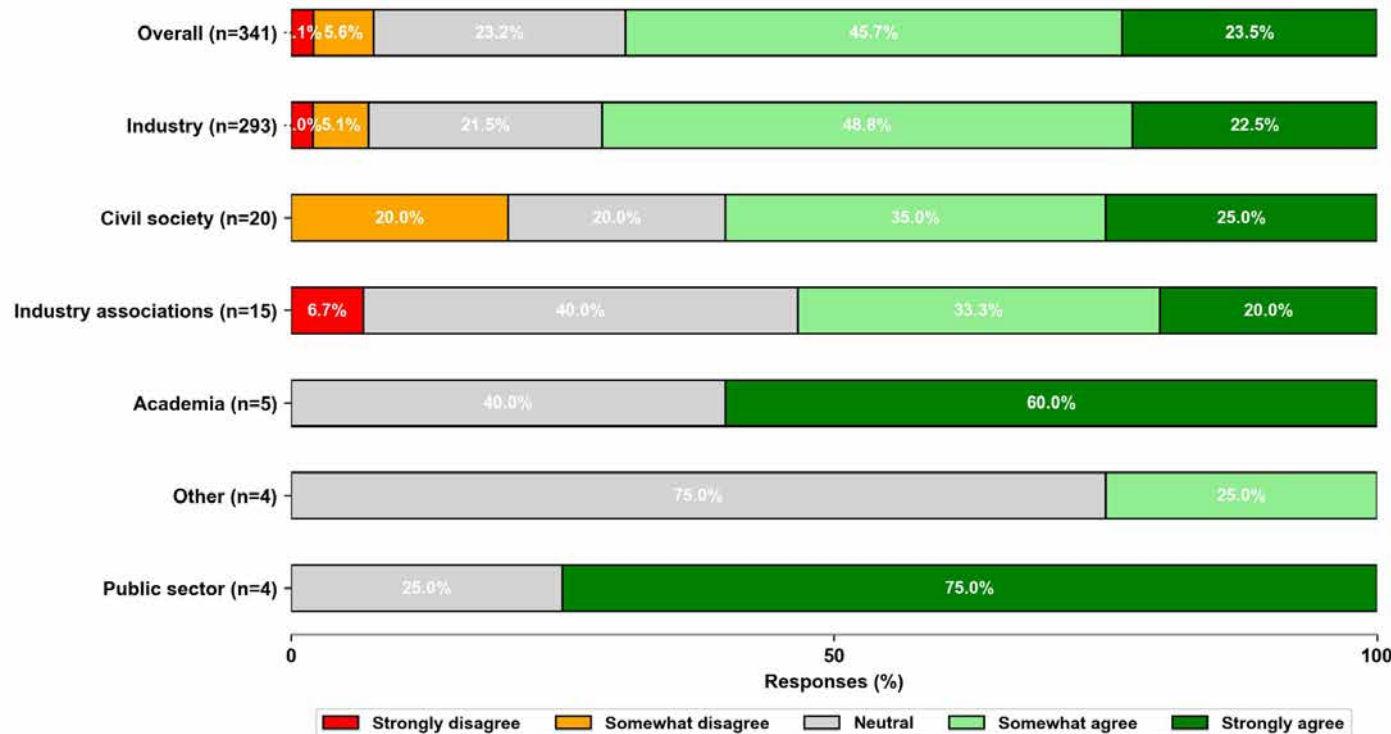
ASSESSING AND COMMUNICATING PROGRESS

PROGRESS ASSESSMENT PROCESS

To what extent do you agree that the progress assessment process is sufficiently robust?

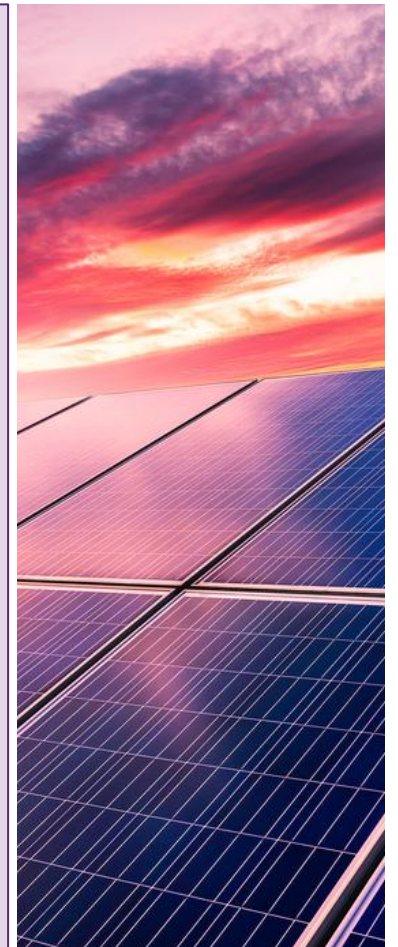
Survey Responses

Q238: To what extent do you agree that the progress assessment process is sufficiently robust? - by Stakeholder Category



Key Insights

- There is broad agreement (69%) that the progress assessment process is sufficiently robust.
- This consensus is consistent across most stakeholder groups, with the exception of "other" stakeholders, who are predominantly neutral (75%).



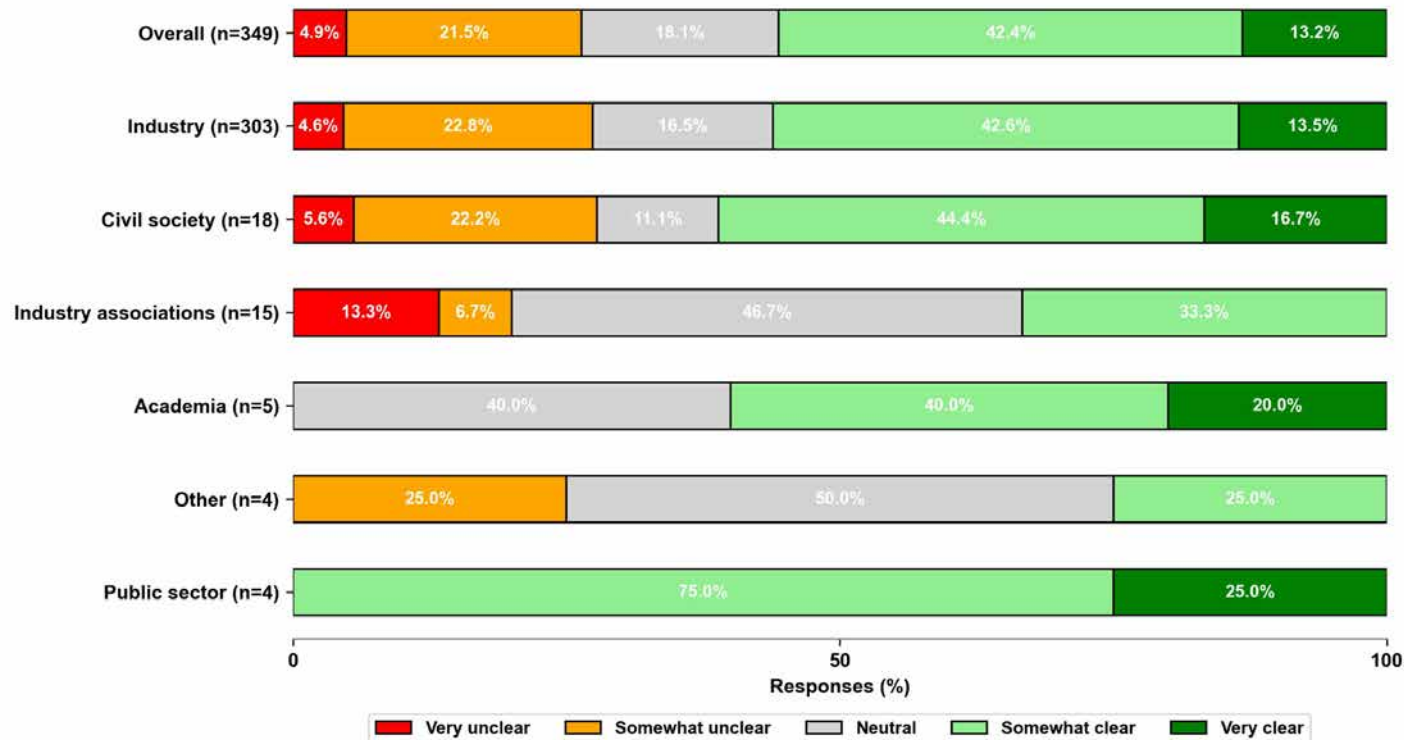
ASSESSING AND COMMUNICATING PROGRESS

CLARITY OF PROCESS FOR SETTING NEW TARGETS

How clear is the process for setting new targets?

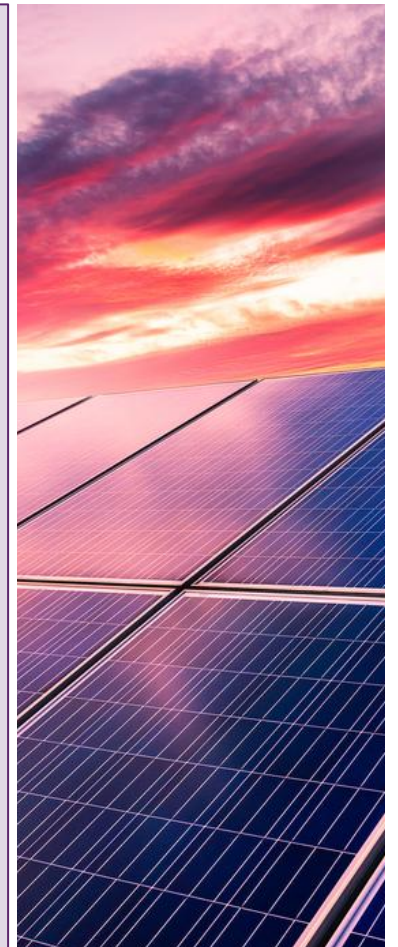
Survey Responses

Q240: How clear is the process for setting new targets? - by Stakeholder Category



Key Insights

- Over half of respondents (56%) agree that the process for setting new targets is clear.
- Most stakeholder groups share this view, except:
 - “Other” stakeholders are predominantly neutral (50%), with 25% in disagreement.
 - Industry associations show lower clarity, with only 33% agreeing that the process is clear.
- These results highlight the need for greater transparency and clarity in the target-setting process.



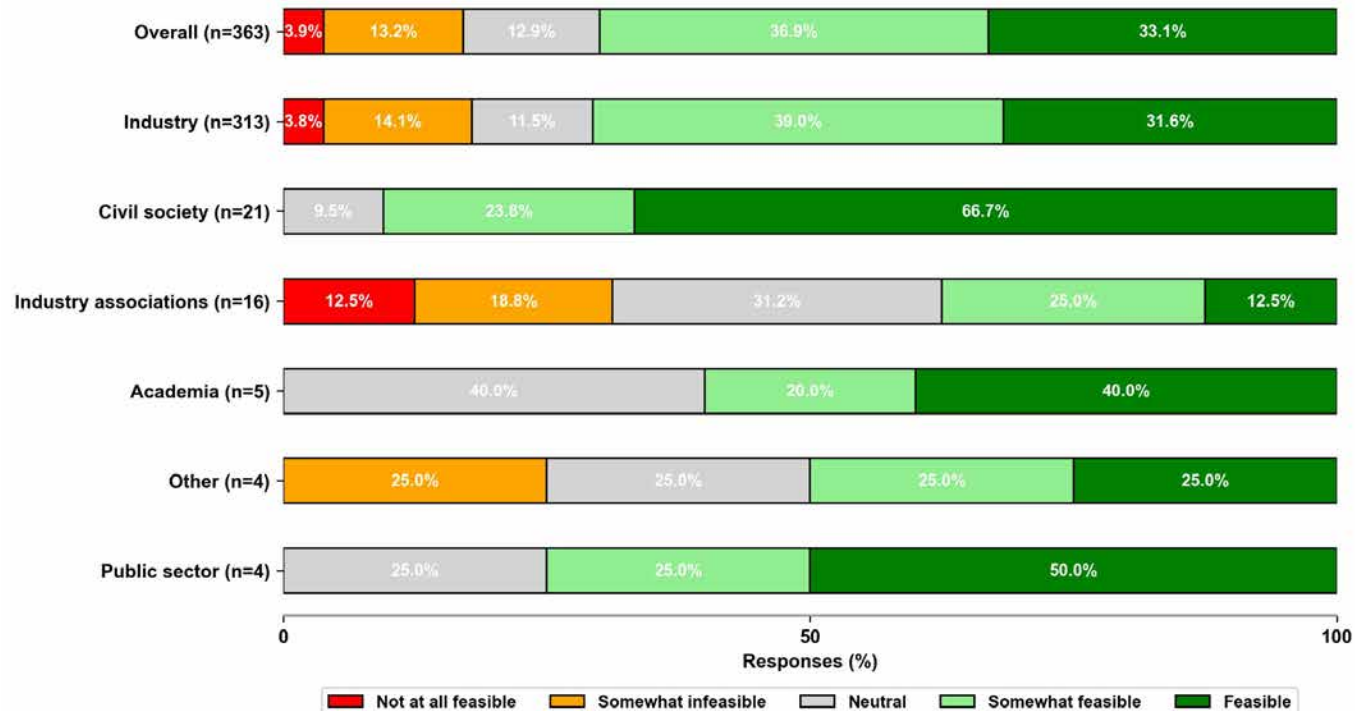
ASSESSING AND COMMUNICATING PROGRESS

PROGRESS ASSESSMENT AND RENEWAL VALIDATION

To what extent do you think it is feasible to undergo progress assessment and renewal validation within 12 months of the end of the previous target cycle?

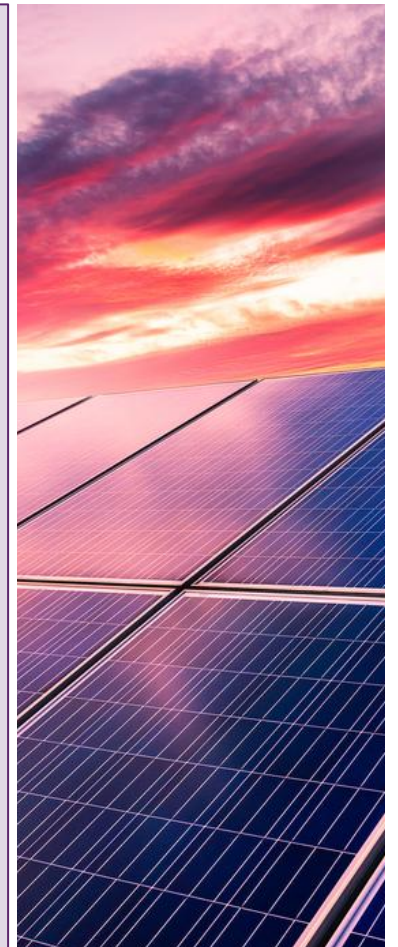
Survey Responses

Q242: To what extent do you think it is feasible to undergo progress assessment and renewal validation within 12 months of the end of the previous target cycle? - by Stakeholder Category



Key Insights

- Overall, 70% of respondents consider it feasible to complete progress assessment and renewal validation within 12 months of the previous target cycle.
- Support is strong across most stakeholder groups with civil society showing the highest agreement (91%).
- Industry associations demonstrate the greatest disagreement, with 31% questioning the feasibility.



ASSESSING AND COMMUNICATING PROGRESS

KEY TAKEAWAYS

- Category B companies should be **recommended to obtain third party assurance** for data substantiating target progress, as there was not strong support for implementing a requirement.
- Scope 1 **Budget-Conserving Contraction approach is not being pursued** as a method in the next draft.
- **Submissions for new target validations** will be required no later than 12 months after the end of the previous target timeframe, and SBTi is exploring how to bridge gaps in targets during this period through the 2nd public consultation.



2. SUMMARY OF CONSULTATION FEEDBACK

2.13 CLAIMS

- **Support, credibility and incentivization:** All proposed claims types (application, ambition, renewal, and conformance) reach at least 55% consensus on general support, clarity, credibility, and their role as an incentive for corporate climate action. Application and conformance claims had the lowest support overall.
- **Additional claims:** The consultation asked questions about additional claims including Paris-Alignment claims, temperature-alignment, net-zero alignment, target progress claims, performance claims, target achievement, and net-zero achievement. There was support for the SBTi to explore all of the claims.
- **Substantiating claims:** The most important elements to substantiate progress, performance, or achievement claims are obtaining assurance of data for the base year and the target year (89% and 87% support, respectively).
- **Contribution claims:** 53% of respondents agree that contribution claims are perceived to incentivize companies to take responsibility for ongoing emissions, 32% disagree.

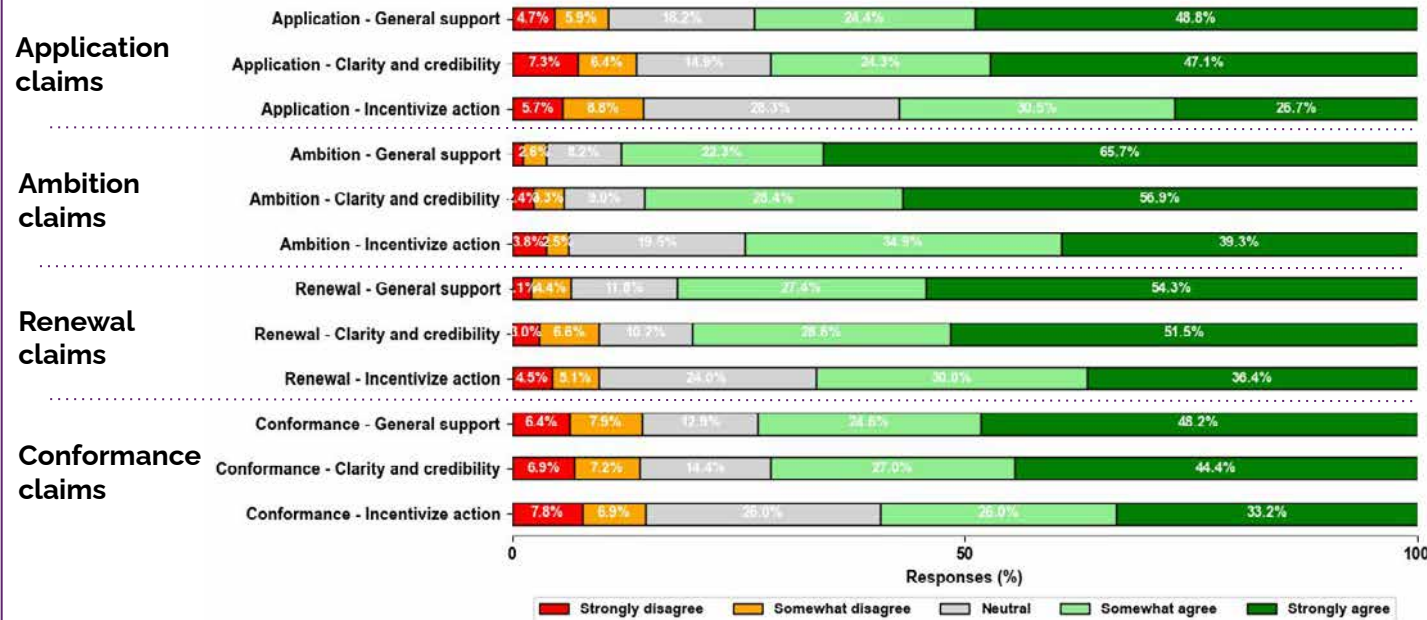
CLAIMS

PERCEPTION OF PROPOSED CLAIMS (OVERVIEW)

Overview: Perception of the proposed claims in terms of support, credibility and influence on action

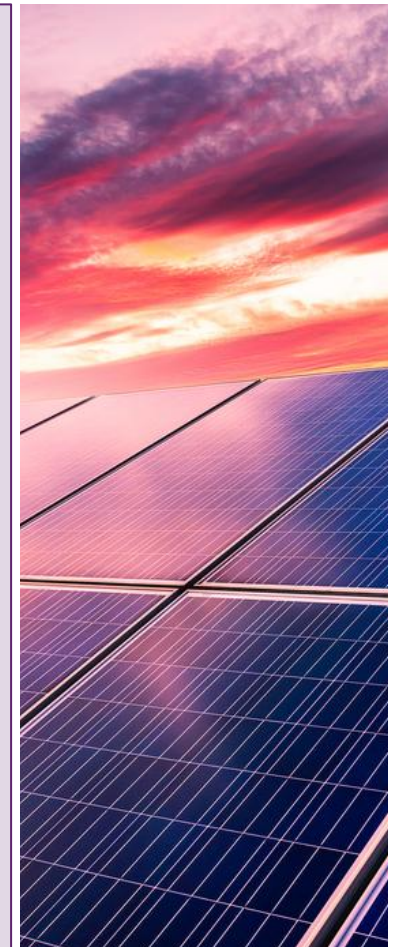
Survey Responses

Overview of agreement/support for different claims, by question focus



Key Insights

- All claim types—application, ambition, renewal, and conformance—reach at least 55% consensus on general support, clarity, credibility, and their role as an incentive for corporate climate action.
- Application and conformance claims perform comparatively weaker across all indicators.



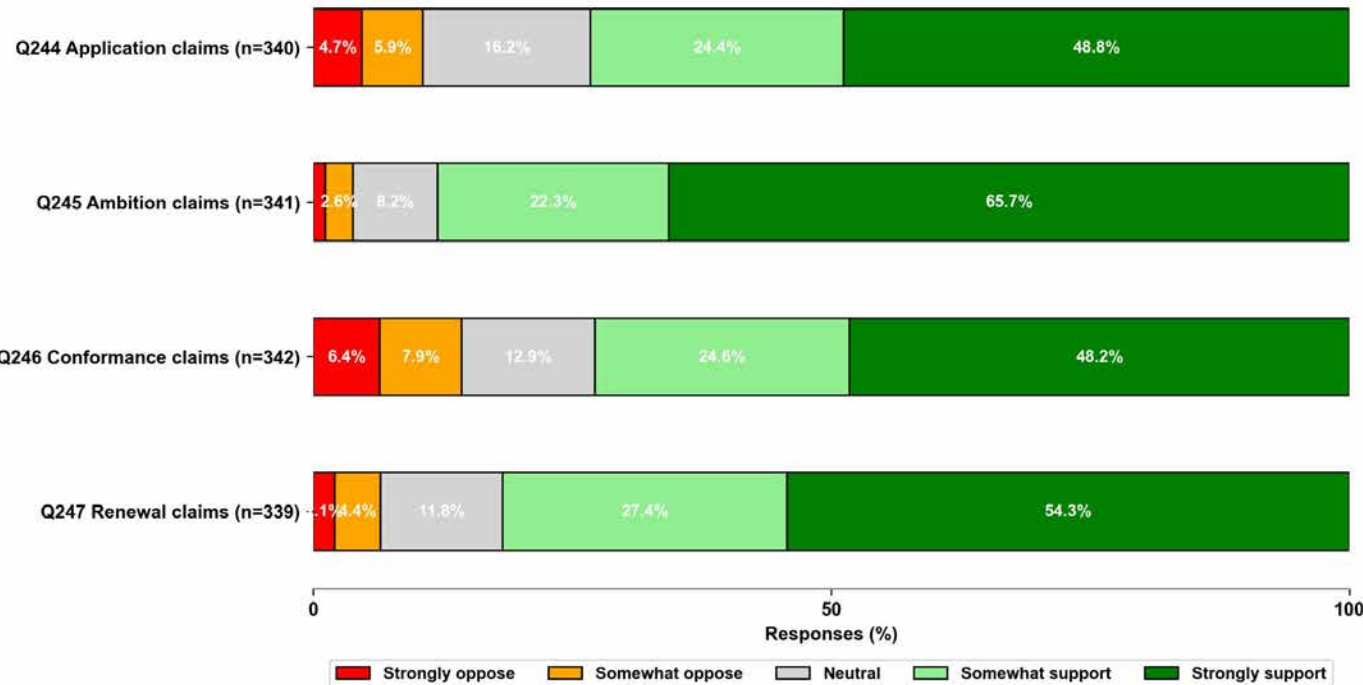
CLAIMS

GENERAL SUPPORT OF PROPOSED CLAIMS (OVERVIEW)

Overview: To what extent do you support or oppose the proposed claims?

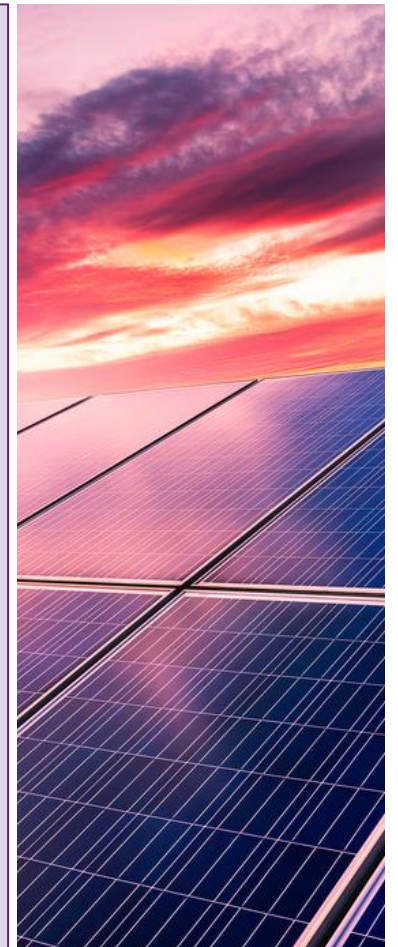
Survey Responses

Q244,245,246,247: To what extent do you support or oppose the proposed claims?



Key Insights

- General support for all types of proposed claims. Slightly higher resistance for conformance (14%) and application claims (11%).
- Concerns that application claims may be misleading or too complex, especially if rejected targets aren't disclosed or if claims are difficult for even climate professionals to interpret.
- Concerns that conformance claims may mislead stakeholders, as companies could appear compliant despite lapsed targets; adding warnings or a "non-conformance" signal has been suggested.



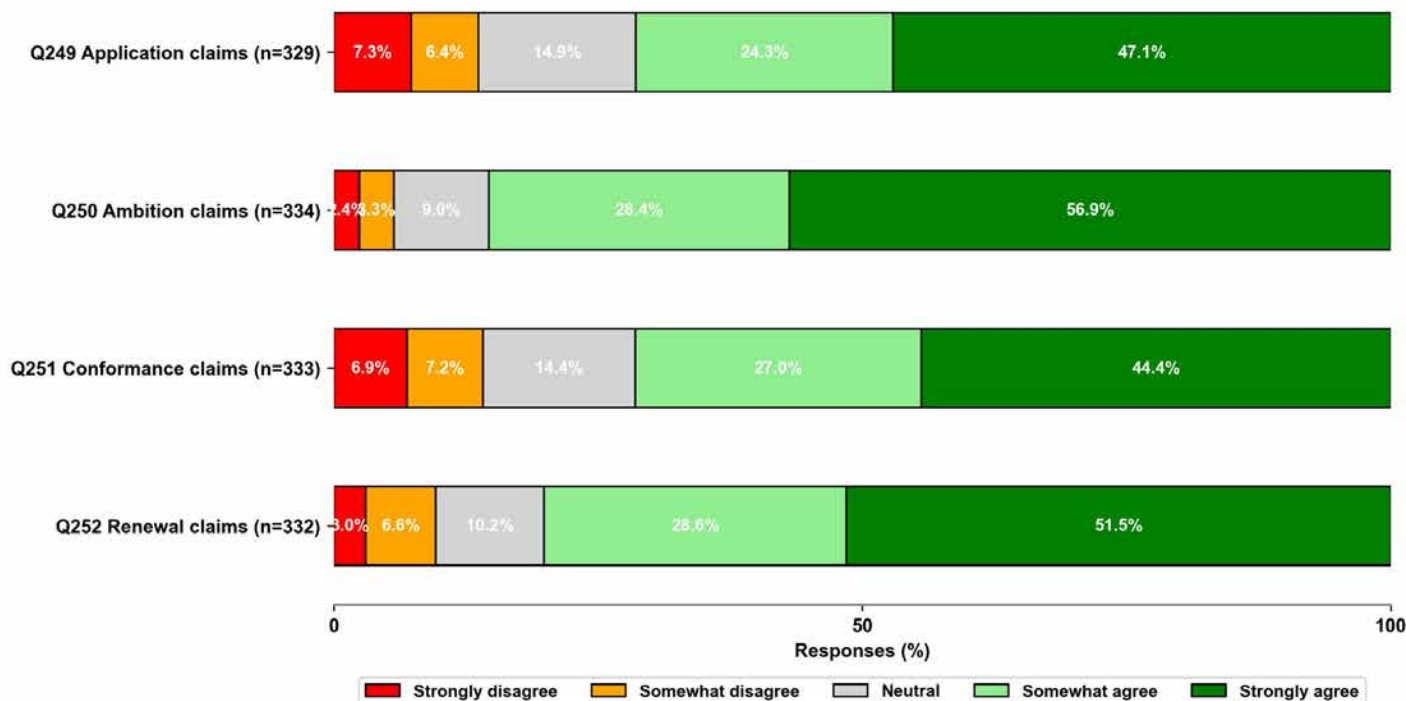
CLAIMS

CLARITY AND CREDIBILITY OF CLAIMS (OVERVIEW)

Overview: To what extent do you agree that the proposed claims provide clear and credible information for stakeholders such as investors, consumers, and regulators?

Survey Responses

Q249,250,251,252: To what extent do you agree that the proposed claims provide clear and credible information for stakeholders such as investors, consumers, and regulators?



Key Insights

- All proposed claims are generally seen as clear and credible, though conformance and application claims show lower clarity (14%).
- A feedback example suggests application claims may lack credibility without validation and offer limited value; transparency is preferred.
- Some respondents raised that multiple claims could be confusing and reduce public understanding.
- Key feedback highlights that conformance claims are not sufficiently informative and require high familiarity with SBTi standards



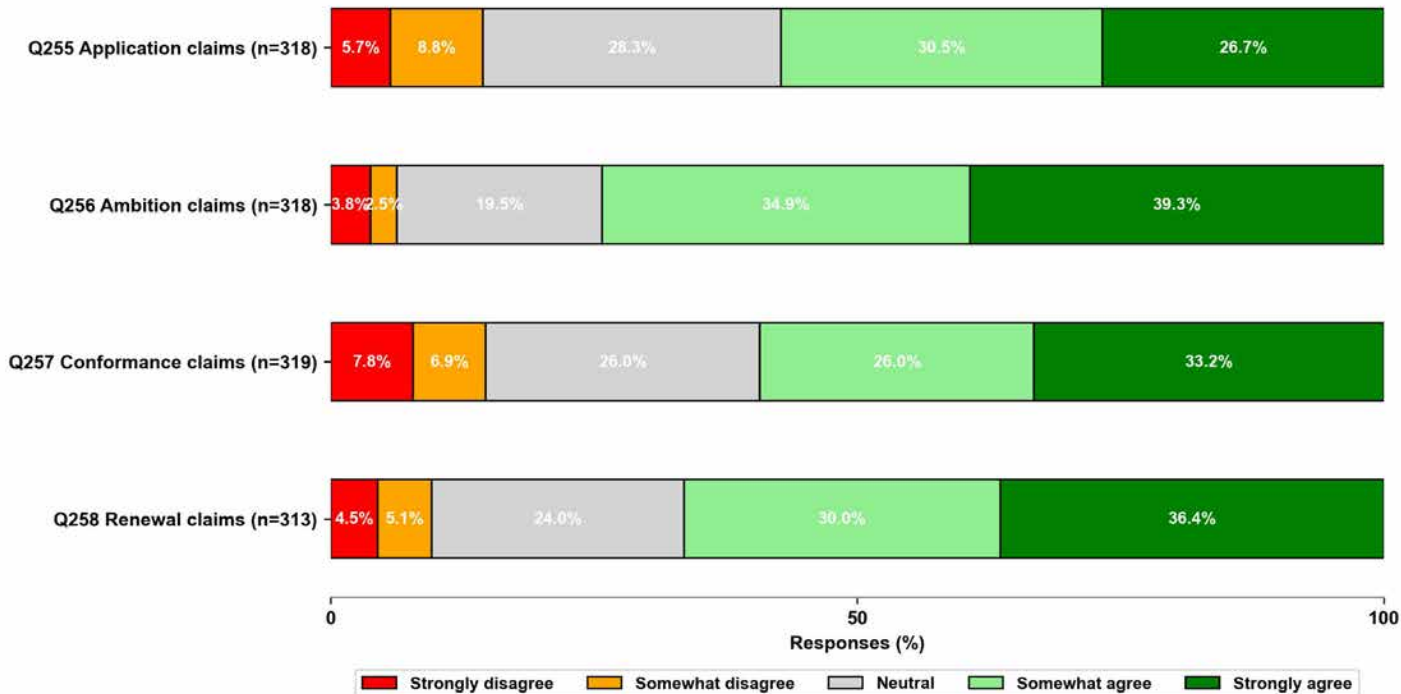
CLAIMS

INCENTIVIZATION OF ACTION THROUGH CLAIMS (OVERVIEW)

Overview: To what extent do you agree that the claims proposed incentivize voluntary corporate climate action?

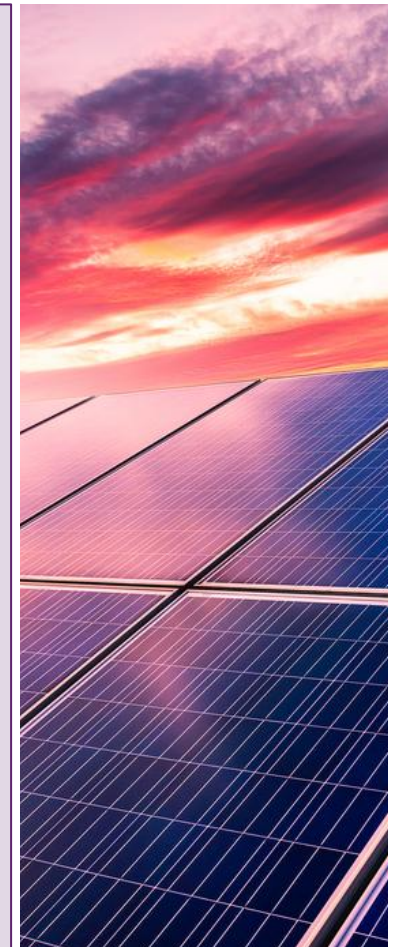
Survey Responses

Q255,256,257,258: To what extent do you agree that the claims proposed incentivize voluntary corporate climate action?



Key Insights

- A majority of respondents agree that both application (57%) and conformance (59%) claims incentivize voluntary corporate climate action, though these receive the lowest support among all claim types.
- Ambition claims show the highest agreement (74%), followed by renewal claims (66%), indicating stronger perceived motivational impact for these claim types.



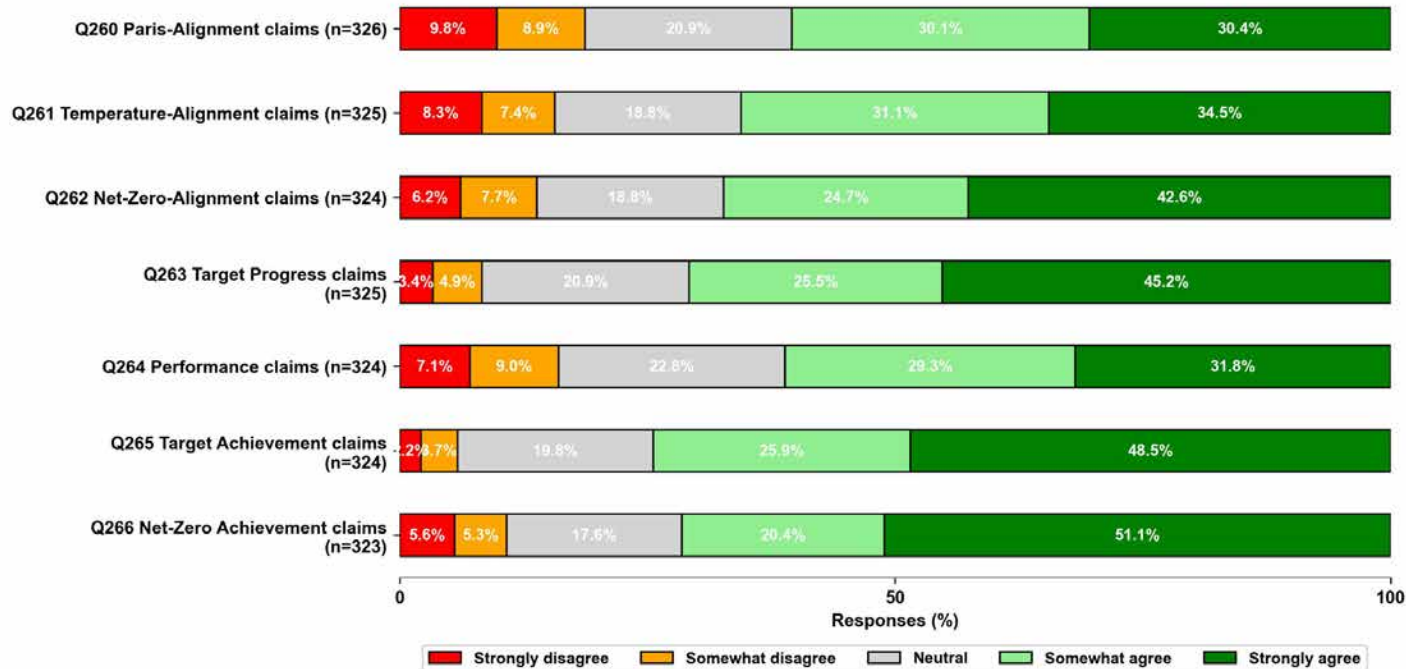
CLAIMS

CREDIBILITY & PREVENTING GREENWASHING: ADDITIONAL CLAIMS (OVERVIEW)

Overview: To what extent do you agree that the SBTi should explore these additional claims to effectively incentivize voluntary climate action while ensuring credibility and preventing greenwashing?

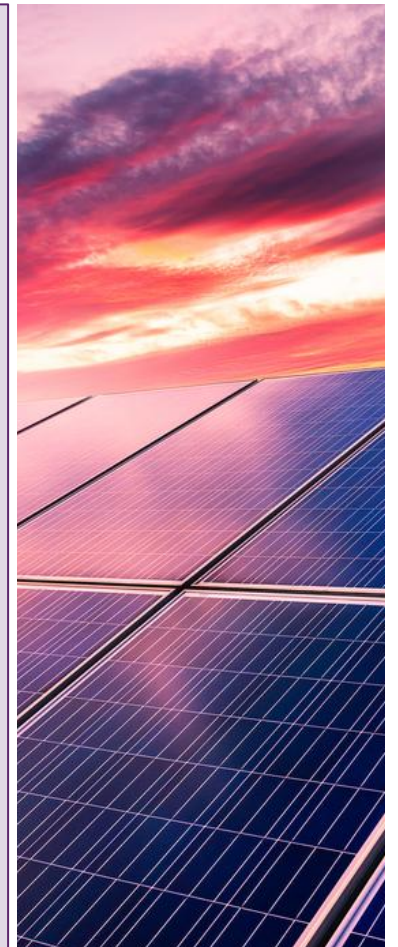
Survey Responses

Q260,261,262,263,264,265,266: To what extent do you agree that SBTi should explore these additional claims to effectively incentivize voluntary climate action while ensuring credibility and preventing greenwashing?



Key Insights

- Among additional claims, support is strongest for target achievement claims (74%), net-zero achievement claims (72%) and target progress claims (71%).
- Performance and Paris-alignment claims receive comparatively lower, yet still solid, support (61% each).



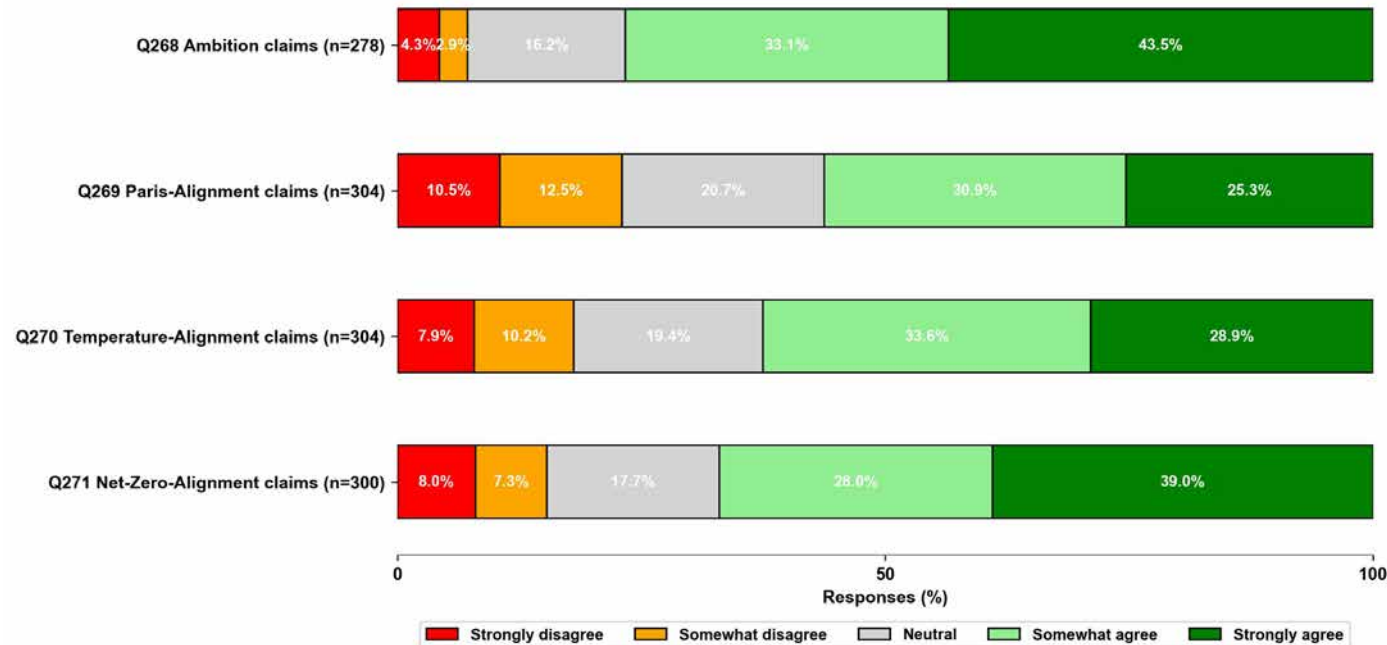
CLAIMS

TRANSPARENCY AFTER VALIDATION OF CLAIMS (OVERVIEW)

Overview: To what extent do you think these claims would ensure clear and transparent communications after initial validation?

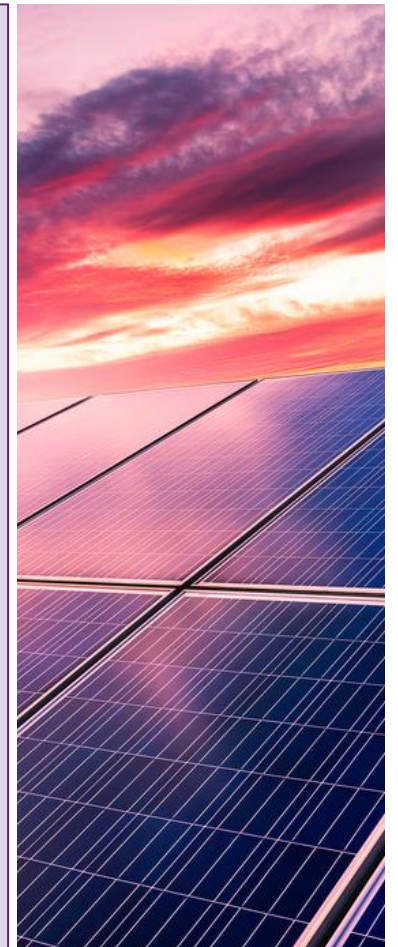
Survey Responses

Q268,269,270,271: To what extent do you think these claims would ensure clear and transparent communications after initial validation?



Key Insights

- After initial validation, ambition claims are viewed as the most credible (77%), followed by net-zero alignment (67%), temperature alignment (63%), and Paris-alignment claims (56%).



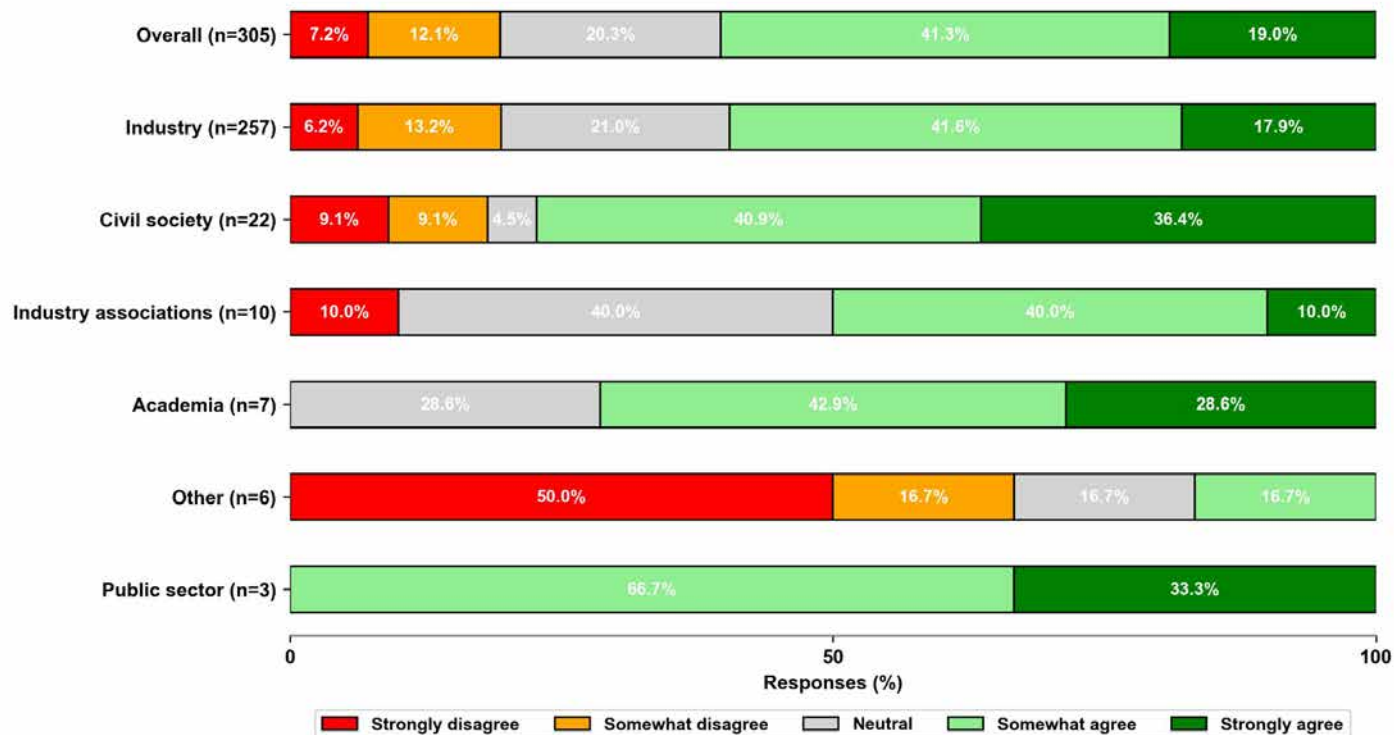
CLAIMS

PERFORMANCE INCENTIVIZATION: CONFORMANCE CLAIMS

To what extent do you agree that the currently proposed conformance claims incentivize performance and recognize progress against targets?

Survey Responses

Q273: To what extent do you agree that the currently proposed Conformance claims incentivize performance and recognize progress against targets? - by Stakeholder Category



Key Insights

- Overall, 59% of respondents agree that conformance claims incentivize performance and recognize progress against targets.
- Views are split across stakeholder groups, with the greatest disagreement among "other" stakeholders (67%).
- Feedback from dissenting "other" stakeholders, primarily standard-setting organizations, highlights concerns that conformance claims may be confusing/meaningless without sufficient understanding of the SBTi by the intended audience.



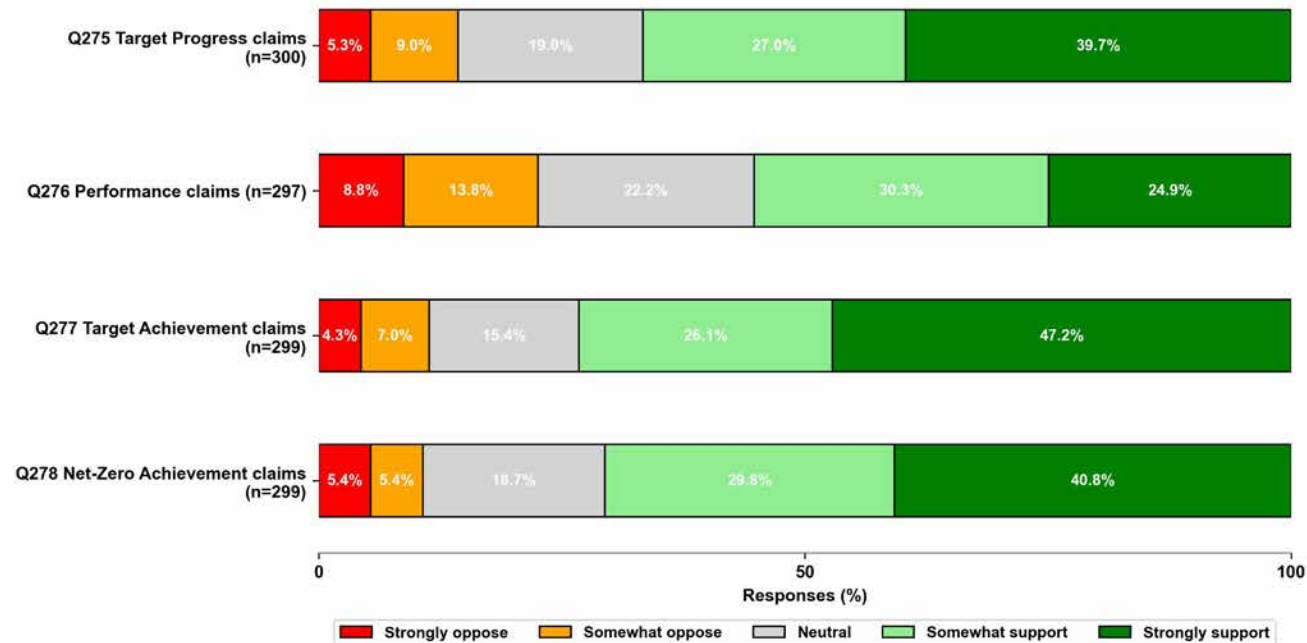
CLAIMS

RISKS AND ASSURANCE REQUIREMENTS OF ADDITIONAL CLAIMS (OVERVIEW)

Overview: To what extent would you support or oppose any of the below additional claims, knowing the potential risks and intensified assurance requirements?

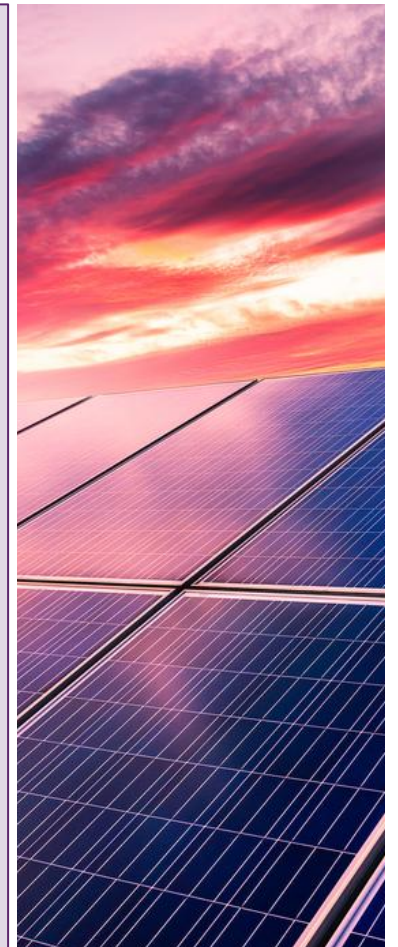
Survey Responses

Q275,276,277,278: To what extent would you support or oppose any of the below additional claims, knowing the potential risks and intensified assurance requirements?



Key Insights

- Among performance-related claims, target achievement claims receive the most support (73%), while performance claims receive the least (55%).



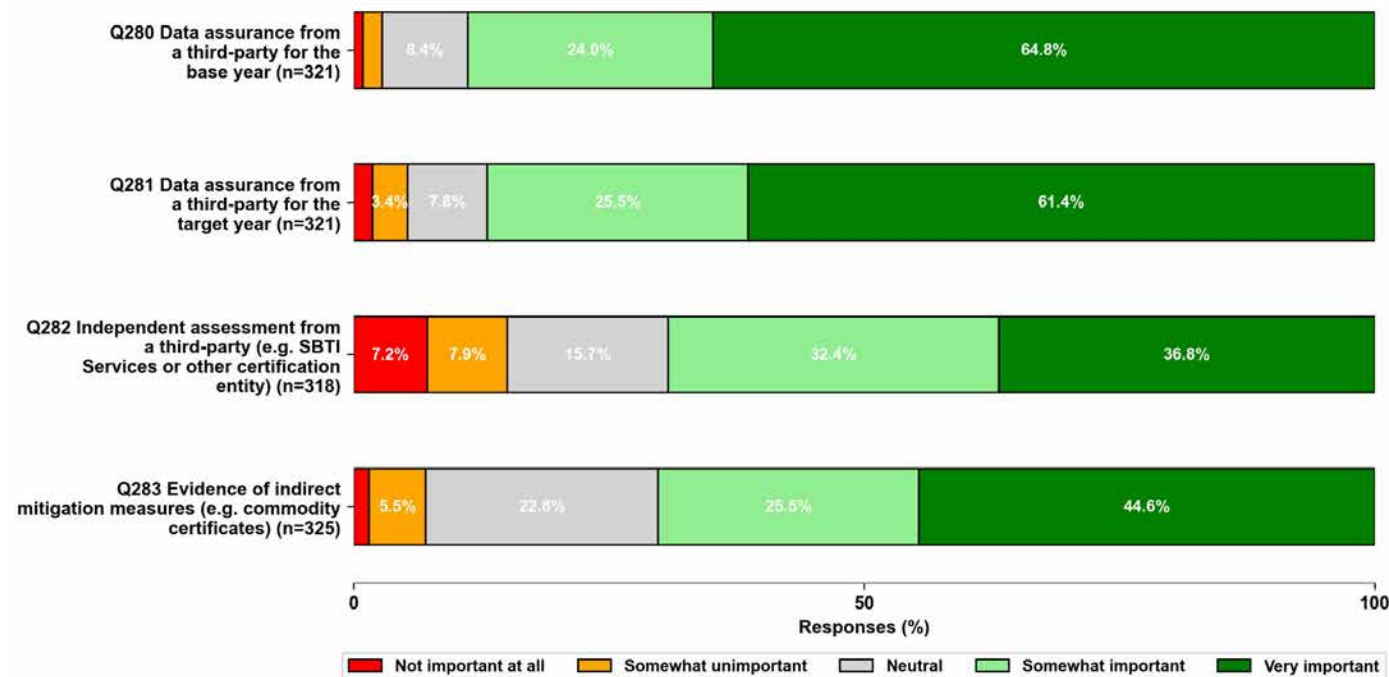
CLAIMS

ASSURANCE METHODS TO SUBSTANTIATE CLAIMS (OVERVIEW)

Overview: How important do you think the following elements are to substantiate progress, performance, or achievement claims?

Survey Responses

Q280,280,281,282,283: How important do you think the following elements are to substantiate progress, performance, or achievement claims?



Key Insights

- Respondents indicate that the most important elements to substantiate progress, performance, or achievement claims are data assurance at the base and target years (89% and 87% support, respectively).
- The least preferred methods are independent third-party assessment (69%) and evidence of indirect mitigation measures (70%).



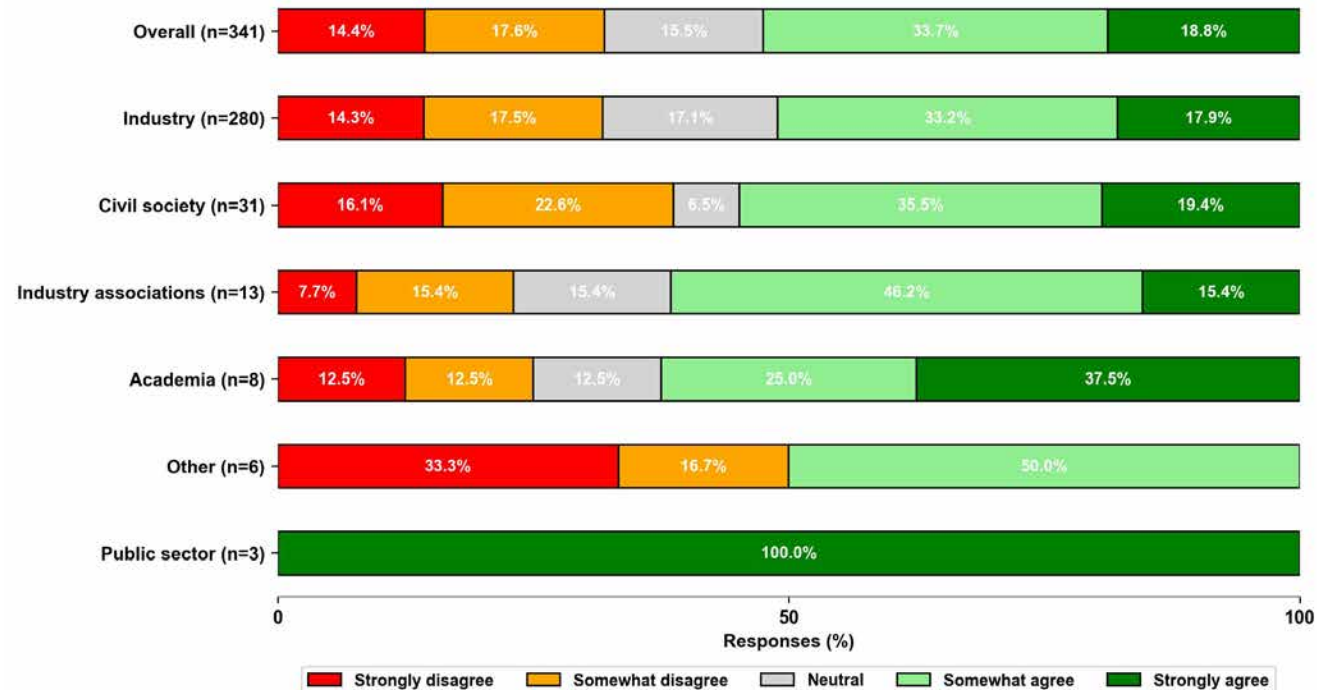
CLAIMS

INCENTIVIZATION OF RESPONSIBILITY OF CONTRIBUTION CLAIMS

To what extent do you agree that enabling a contribution claim, e.g. “company a has been found conformant with SBTi standard and contributed \$1 million to climate projects beyond its value chain, supporting global decarbonization efforts” would incentivize companies to take responsibility for ongoing emissions?

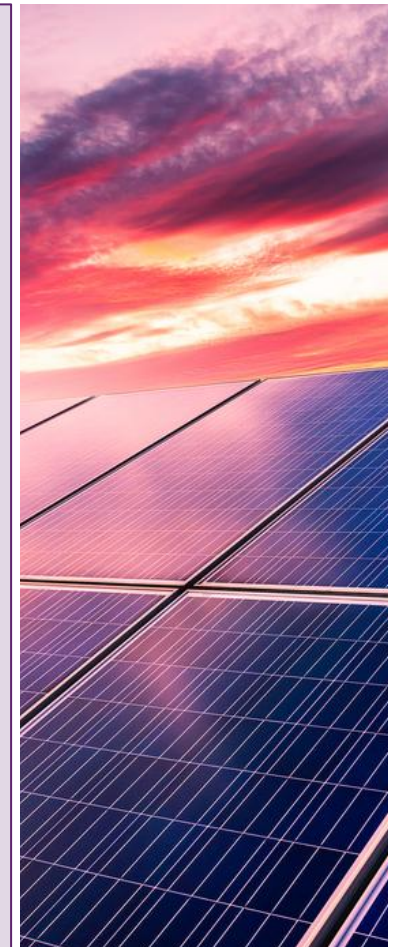
Survey Responses

Q285: To what extent do you agree that enabling a Contribution Claim, e.g. “Company A has been found conformant with SBTi standard and contributed \$1 million to climate projects beyond its value chain, supporting global decarbonization efforts” would incentivize companies to take responsibility for ongoing emissions? - by Stakeholder Category



Key Insights

- Overall, 53% of respondents believe contribution claims incentivize companies to take responsibility.
- Views are split across stakeholders with full agreement from the public sector and greatest skepticism among “other” stakeholders (50%) and civil society (39%).



- **Claims types:** The second public consultation draft introduces a more comprehensive set of claims that companies may make across the validation cycle, including both conformance status and target-related claims. All claims are expected to undergo legal review to mitigate risks and ensure alignment with existing and emerging regulations and best practice.
- **Claims framework:** The SBTi envisages that development of a robust claims framework and management system will extend beyond the development of Version 2.0 of the Standard. This includes development of a claim user guide that would sit alongside the Standard. In this context, “framework” refers to the typology and categorization of SBTi-related claims organizations may make. This is distinct from the monitoring component, which encompasses processes for tracking, verifying, and managing claims in practice. Together, the framework and monitoring elements form the overall claims system.



ANALYSIS METHODOLOGY ANNEX

BACKGROUND INFORMATION

ANALYSIS METHODOLOGY

The analysis of feedback from the first public consultation on the SBTi Corporate Net-Zero Standard Version 2.0 integrated quantitative and qualitative techniques to capture both measurable trends and deeper insights across respondent groups, regions, and sectors.

Data Cleaning & Preparation: Survey responses were consolidated, validated, and anonymized to create a clean, reliable dataset. Each response was categorized by stakeholder type, region, company characteristics, and engagement level to enable consistent comparison across groups.

Quantitative Analysis: Closed-ended survey questions were analyzed programmatically to identify key patterns and distributional trends. Results were visualized across multiple dimensions to highlight differences in perspectives among stakeholder types, company categories, and regions.

Qualitative Analysis: Although the main consultation report does not cover qualitative findings of the public consultation in detail, a description of the analysis process is included here for completeness. Open-text responses were reviewed to capture stakeholder perspectives, emerging themes, and detailed suggestions. Insights were synthesized through a structured process, ensuring a balanced interpretation of qualitative input aligned with SBTi's technical framework.

Together, these three components provided a comprehensive view of consultation feedback—combining quantitative evidence with qualitative depth to inform the continued development of the SBTi Corporate Net-Zero Standard. Further detail can be found in the next slides.

ANALYSIS METHODOLOGY

DATA CLEANING

STEP 1: Dataset Creation

Process to create dataset:

- Imported SurveyMonkey dataset (June 3, 2024 – 1,313 responses)
- Filtered for completed submissions → 859 valid responses
- Added 7 manual survey submissions received before June 1
- Removed 10 duplicate entries (same respondent, identical answers)
- Anonymised personal data (name, organization, job title) - however, in some cases company names were mentioned in open-text answers, which was not possible to remove.

STEP 2: Disaggregation & Categorization

Each response classified by:

- Stakeholder Type – industry, association, civil society, academia, public sector, other
- Company Category – Category A / Category B / not specified (based on HQ, turnover, employees)
- SBTi Engagement – none, commitment, near-term, near-term + net-zero
- Region – per SBTi regional grouping
- World Bank Income Group – high, upper-middle, lower-middle, low income

STEP 3: Stakeholder Mapping

Stakeholders were mapped into the following broad categories:

1. Corporate (Private Sector) → industry
2. Financial Institutions → industry
3. Professional Services & Consultancies → industry
4. Industry Associations & Business Networks → industry associations
5. Government & Public Sector → public sector
6. State-Owned Enterprises (SOEs) → industry
7. Multilateral & International Organizations → public sector
8. Academia, Research Institutions & Think Tanks → academia
9. Civil Society & Advocacy NGOs → civil society
10. Service-Oriented Non-Profits & Foundations → civil society
11. Non-Profit Business Member Organization → industry associations
12. Standard-Setting Bodies → other
13. N/A - responding as an individual → other
14. Media & Journalism → other
15. Labor Union & Worker Organizations → civil society

BACKGROUND INFORMATION

QUANTITATIVE ANALYSIS

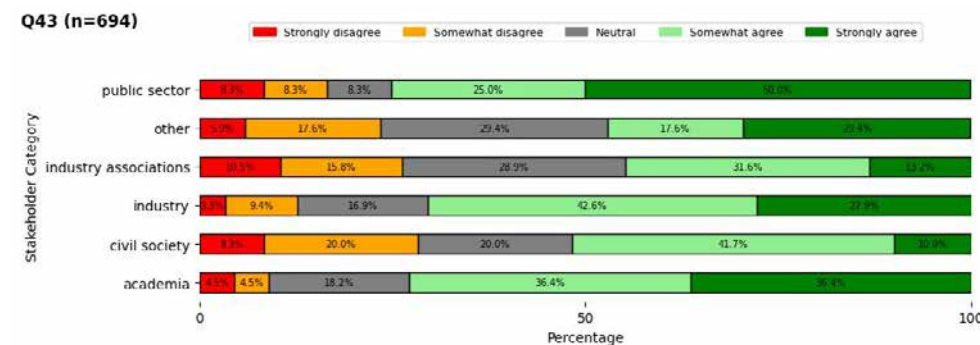
A **Python-based analysis script** was developed to process all quantitative survey responses in a **consistent and reproducible** manner. This ensured that every analytical output was generated using the same methodological framework.

The script performs the following key functions:

- **Plots all questions** to show both the **overall distribution** of responses and distributions by key **disaggregation factors**.
- **Groups questions by theme**, ensuring that items of a similar nature are visualized in a consistent format.
- For **Likert-scale questions** (e.g., “To what extent...”), results are displayed using **stacked bar charts** to illustrate the relative balance of agreement levels.
- For **“select all that apply”** questions, results are shown as **non-stacked bar charts**, representing the proportion of respondents selecting each option.

Each slide presents (see example to the right):

- The **overall response distribution** for a given question, and
- The corresponding **disaggregation by stakeholder type**.



Notes on Data Treatment:

- Responses were normalized against the total number of valid responses per question.
- Open-ended responses were categorized under “Other.”
- “Not applicable to me” responses were excluded from both charts and total response counts.
- Certain questions were restricted to industry respondents (corporates, financial institutions, consultancies, practitioners, and state-owned enterprises), resulting in corresponding disaggregations.
- Where relevant, additional charts were generated for alternative disaggregation factors such as Category A/B and World Bank Income Group.
- Complete charts covering all five disaggregation dimensions — Region, Category A/B, Stakeholder Category, World Bank Income Group, and Relationship to SBTi — are available in the supplementary dataset.

BACKGROUND INFORMATION

QUALITATIVE ANALYSIS

Although the main consultation report does not cover qualitative findings of the public consultation in detail, a description of the analysis process is included here for completeness. In some cases, feedback from these qualitative responses form the “key insights” described in the report.

The **qualitative responses** submitted during SBTi's first public consultation were analyzed through a **structured, multi-step process** designed to capture the most salient concerns, suggestions, and values expressed by stakeholders. The objective was to understand diverse perspectives across stakeholder categories and ensure a balanced, inclusive interpretation of the data.

The analysis focused on questions where respondents did **not demonstrate broad agreement** with the proposed requirements — defined as instances where the combined share of *strongly support*, *somewhat support*, and *neutral* responses was **below 66%** overall.

Open-text responses were first reviewed on a **question-by-question basis** to identify and summarize the key themes raised. This stage ensured that each consultation question was assessed within its own context, reflecting both the range of viewpoints and the depth of stakeholder input. The preliminary findings were **peer reviewed** by members of the **SBTi Technical Department** with subject-matter expertise on the relevant topics.

Building on this foundation, a **second phase of analysis** was conducted to associate the themes identified in the initial review with **specific stakeholder categories** (e.g., corporates, academia, civil society, etc.), enabling a more granular understanding of how different groups responded to particular aspects of the consultation. All **outputs**, including thematic summaries and stakeholder mappings, underwent **comprehensive manual review** by members of the SBTi Technical Team. Analysts cross-checked the original comments to validate the **accuracy, relevance, and consistency** of insights and stakeholder classifications.

The **SBTi Technical Department** received and reviewed a **summary log** outlining the main perspectives expressed by each stakeholder group.

THANK YOU

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