



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CORPORATE NET-ZERO STANDARD V2 PILOT TEST PHASE 2 PARTICIPANT TERMS OF REFERENCE

Version 1.0

June 2025

ABOUT 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 (together with SBTi, the “SBTi Group”). 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.

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VERSION HISTORY

Version	Change/update description	Release date	Effective dates
1.0	<ul style="list-style-type: none">Initial release	June 16, 2025	June 16, 2025

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1. INTRODUCTION

This document outlines the Terms of Reference for the companies participating in Phase 2 of the pilot test for the Corporate Net-Zero Standard V2. This project is a major revision of the SBTi Corporate Net-Zero Standard and it will be carried out according to the [Standard Operating Procedure \(SOP\) for Development of SBTi Standards](#).

The pilot testing process is designed to ensure the effectiveness, feasibility, and clarity of the draft [Corporate Net-Zero Standard V2](#) before its finalization. It involves two sequential phases that combine broad input collection with in-depth, practical testing by selected companies. The goal is to refine the draft based on real-world insights and implementation experience.

Phase 1: Company Survey

The first phase of the pilot test involves a comprehensive company survey. The aim of this phase is to:

- Collect insights from a broader sample of companies beyond those participating in Phase 2.
- Gather input to refine the draft Standard, bringing it closer to a finalized version that is robust and practical.
- Assess organizational interest in participating in Phase 2.

Participation in Phase 1 (completing the survey) does not commit companies to participate in Phase 2 of the pilot test. However, completing the Phase 1 survey is required to be considered for Phase 2.

Phase 2: Company Submission

Phase 2 of the pilot test involves a structured trial and data submission by selected companies. This phase will focus on testing a close-to-final version of the draft Standard or specific components of it. By using real-world data selected companies will help:

- Identify implementation challenges.
- Validate methodological assumptions underpinning the Standard.
- Inform the final iteration of the draft Standard through detailed feedback.

2. ABOUT THE CORPORATE NET-ZERO STANDARD V2 PROJECT

2.1 Objectives

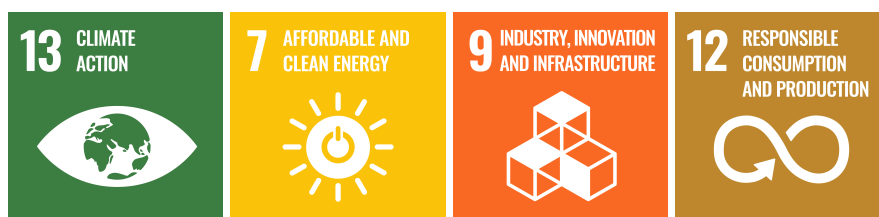
The overall aim of this major revision is to ensure that the Corporate Net-Zero Standard continues to be a credible Standard for setting and delivering on ambitious, science-based corporate targets aimed at achieving net-zero consistent with 1.5°C at the global level by 2050.

In order to achieve this, the objectives of the Corporate Net-Zero Standard V2 are to align with the latest science and best practice, enhance the SBTi's approach to addressing value chain (scope 3) emissions, integrate continuous improvement and assessment of target achievement, and improve the structure and interoperability of the Standard.

More detail on the objectives of the Corporate Net-Zero Standard V2 project are outlined in the [Project Terms of Reference](#).

2.2 Sustainability Outcomes

The implementation of the Corporate Net-Zero Standard seeks to especially contribute to the following UN SDGs:



These four key SDGs have been selected as particularly relevant for the following reasons:

- **SDG 13 - Climate Action:** Science-based targets focus on reducing greenhouse gas emissions, directly contributing to climate action by addressing climate change and its impacts.
- **SDG 7 - Affordable and Clean Energy:** Meeting science-based targets often requires transitioning to renewable energy and improving energy efficiency, promoting clean and sustainable energy sources.
- **SDG 9 - Industry, Innovation, and Infrastructure:** Companies working toward science-based targets typically need to innovate and adopt sustainable practices, supporting the development of resilient infrastructure and sustainable industrialization.
- **SDG 12 - Responsible Consumption and Production:** Science-based targets encourage companies to redesign production processes, optimize resource use and manage waste, aligning with the goal of promoting sustainable consumption and production.

2.3 Deliverables

The key output of this project is the Corporate Net-Zero Standard V2 (normative document¹), which is supported by the following deliverables:

Interim deliverables:

- [Project Terms of Reference](#).
- [Publication of evidence submitted to the SBTi](#) as part of the Call for Evidence on Environmental Attribute Certificates (without SBTi assessment).

¹ As defined in the [SBTi Standard Operating Procedure for Development of SBTi Standards](#).

- [SBTi assessment of the evidence submitted to the SBTi](#) as part of the Call for Evidence on Environmental Attribute Certificates.
- [Independent systematic review of scientific literature](#) to understand the effectiveness of corporate carbon offsetting as an alternative to direct emissions abatement.
- [Scope 3 discussion paper](#), which sets out a potential updated approach to scope 3 target setting, describing underlying principles and concepts.
- [Revision to the cross-sector pathway](#).
- [Revision of target-setting metrics and methods for scope 1](#).
- [Initial draft for public consultation](#).
- Initial public consultation feedback report.
- Second draft for public consultation.
- Second public consultation feedback report.
- Pilot testing feedback report.
- Basis for conclusions report.

Final deliverables:

- Updated Corporate Target-Setting Tool(s).
- Criteria Assessment Indicators².

An estimated timeline of pilot test deliverables, milestones and meetings can be found in [Annex I](#) of this document.

3. PILOT TEST GOVERNANCE

3.1 Governance

The pilot testing of the Corporate Net-Zero Standard V2 target-setting criteria will be conducted collaboratively by the SBTi and SBTi Services. Participants in the pilot test will engage with both entities throughout the process. Any data submitted by pilot test participants will be shared between the SBTi and SBTi Services for the purposes of this pilot, in compliance with the [SBTi Data Privacy Policy](#). This Terms of Reference provides an overview of the roles and responsibilities of SBTi and pilot test participants. Detailed terms of the agreement between SBTi Services and the participants will be specified in the contract issued by SBTi Services.

Pilot test participants will provide documented feedback as part of the development of the project. Participants in the pilot test do not have any decision-making authority over SBTi Standards or standardized instruments, such as guidance, tools and methods.

Any potential strategic decisions or changes to SBTi Standards will be conducted according to the SBTi [Standard Operating Procedure \(SOP\) for Development of SBTi Standards](#), overseen by our [Technical Governance](#).

² Produced by the SBTi validation services body.

3.2 Antitrust

Participants shall not engage in any discussion, activity or conduct that may infringe on any local or international antitrust or competition law. For example, the following shall not be discussed during any meeting of the pilot testing:

- Current or future prices, pricing strategies or price related information.
- Output, capacity, inventory levels or costs.
- Data related to market share.
- Current or future marketing strategies.

4. OBJECTIVES OF THE PILOT TEST

The objectives of the pilot test are to:

- Ensure the Corporate Net-Zero Standard V2 target-setting criteria are robust, clear and practical.
- Identify any challenges for implementing the Corporate Net-Zero Standard V2 across the applicable activities of established companies³, including listed companies, private and public-sector for-profit companies that operate in any sector globally.
- Inform the development of the Corporate Net-Zero Standard V2 final draft before it is sent for approval.
- Test the feasibility of validating companies against the Standard and the clarity of the written requirements.

The SBTi is not seeking feedback on the scientific underpinnings of the Corporate Net-Zero Standard V2 through this process. The purpose of the pilot test is to test clarity of the resources, rather than the concepts and principles underpinning the criteria and recommendations within the Standard.

The pilot test is independent of the SBTi official target validation process and will not lead to an approved target. All companies (regardless of participation in the pilot test) shall use the final Corporate Net-Zero Standard V2, respecting specified timelines when it is published for official target validations. Companies must use valid and published versions of SBTi Standards and tools to set and submit targets for official target validation.⁴ Targets set using draft pilot materials are not counted as part of an official target validation.

Though independent of the SBTi validation process, participation in the pilot test can support companies' subsequent target validation against the finalized Standard by providing companies with a detailed understanding of expected requirements for the forthcoming Standard.

³ An established company is defined as any for-profit company with at least one year of operations that has proof of legal registration, records of commercialization and financial statements.

⁴ Alternative methods or tools may be considered where this has been specified within SBTi Standard requirements and will be assessed on a case by case basis prior to agreement.

5. COMPOSITION OF THE PILOT TEST SAMPLE

To ensure thorough testing of the Standard's feasibility, it is important to select a pilot testing sample that covers a wide range of cases (for example, in all regions, sectors, emissions profiles, and business models) in order to ensure a diversity of companies are selected to participate in the pilot. The intention is for the Corporate Net-Zero Standard V2 pilot test participants to represent established companies that operate in any sector globally.

The pilot test sample is selected to cover a diverse range of companies in terms of:

- Company sector, including consideration of companies operating in emissions-intensive sectors⁵.
- Company size, including consideration of Category A and B companies⁶.
- Region, including consideration of Category A and B companies⁷.
- SBTi status:
 - Companies with SBTi-validated science-based targets, including those with near-term targets only as well as net-zero targets.
 - Companies without validated science-based targets.
- Business models, including consideration of position within the value chain.
- Emissions profile.

The SBTi shall use best endeavors to achieve diversity among pilot test companies, however, the outcomes of the pilot test shall not be invalidated by its inability to achieve an optimum level of diversity.

6. SELECTION OF PILOT TEST COMPANIES

Companies can apply to join the Corporate Net-Zero Standard V2 Pilot Test Phase 2: Company Submission by completing the Pilot Test Phase 1: Company Survey.

The project team may identify and invite companies to apply to participate in phase 2 of the pilot test based on their relevance to the scope of the Corporate Net-Zero Standard V2.

Applications will be assessed through an evaluation of the needs of the Corporate Net-Zero Standard V2 project and based on particular sample size and diversity needs for the pilot test.

Pilot test participants are expected to participate for the full duration of the Corporate Net-Zero Standard V2 pilot, but can also resign at any point. Pilot test participants shall inform the SBTi in writing if they would like to voluntarily terminate their participation before

⁵ A predefined list of high-emissions activities can be found in Annex D of the draft Standard ([see pages 87-91](#)).

⁶ Company size categorization in the draft Standard is determined based on scope 1 and 2 emissions, balance sheet, net turnover and employee number ([see pages 21-23](#)).

⁷ The regional categorization in the draft Standard follows the World Bank classification, grouping companies in upper- and upper-middle-income countries together and those in low- and lower-middle-income countries together ([see pages 21-24](#)).

the pilot testing period is complete with a notice period of at least 10 working days, and follow the applicable termination requirements and measures specified below.

The SBTi retains the right to terminate pilot test participation (e.g., due to breaching of applicable SBTi policies or regulations, any term in this document, project termination, etc.) with immediate effect.

The SBTi will communicate the reason for termination to the participant. If the participant is dissatisfied with the reason for termination, they have a right to raise a complaint to standardscomplaints@sciencebasedtargets.org.

In case of termination of participation in the pilot test, the following requirements and measures will apply:

- Pilot test participants shall agree to delete all materials provided to them by the SBTi during the pilot test and inform the SBTi when they have done so in writing.
- Pilot test participants shall then be removed from all further communications regarding the pilot test.
- Pilot test participants shall inform all parties that they previously informed of their participation in the pilot that they are no longer part of the pilot in writing.

If participants resign or are terminated during the pilot test, the SBTi may replace these with additional participants.

The SBTi will inform the pilot test participants about the finalization of the project, and the conclusion of the pilot test.

7. TIMEFRAME AND OBLIGATIONS

7.1 Timeframe

Phase 1: Company Survey

This survey is the first phase of company pilot testing for the draft Corporate Net-Zero Standard V2. Through this survey, the SBTi will collect insights that will be used to inform the next version of the draft Standard. The Company Survey will be open for 60 days, from June 16, 2025 to August 15, 2025.

To answer the survey, respondents should have knowledge of and gather supporting data about their company's profile, emissions footprint and decarbonization activities (split across scope 1, scope 2, scope 3, removals, and BVCM).

If a company completes the survey and indicates interest in participating in Phase 2, the survey will also serve as the application form to participate.

Phase 2: Company Submission

The Corporate Net-Zero Standard V2 pilot test phase 2 will begin with a preparation period from October 6, 2025 until October 31, 2025. This period involves early preparation of company data submissions, along with Q&A sessions with the SBTi project team to help address any questions and ensure readiness ahead of the testing period. The pilot testing period will then run for five weeks from November 3, 2025 until December 5, 2025. During this period, companies submit their targets along with supporting evidence, and SBTi Services conducts a review of the materials provided. The SBTi Services team's review will inform the analysis of findings, which will be shared with participants and included in a published pilot test feedback report. Please see [Annex I](#) for more details.

The expected hours needed to participate in this pilot test will depend on several factors, including the readiness and availability of the data requested of the company and the complexity of the participant's operations. Participation in this pilot test requires certain obligations, such as data pre-preparation, as outlined in section 7.2. Assuming this pre-preparation is complete, a target of moderate complexity is estimated to require 20 - 30 hours to complete the target calculations and target submission form, and to participate in engagement with the SBTi, as needed.

7.2 Pilot Test Participant Obligations

By agreeing to participate in the pilot test, participants are obligated to:

- Adhere to the terms set out in the signed contractual agreement with SBTi Services regarding participation in this pilot testing.
- Adhere to this Terms of Reference document.
- Review provided materials, e.g., welcome packet, draft Standard (or relevant elements of the Standard).
- Have a comprehensive GHG inventory prepared in accordance with the GHG Protocol, prior to beginning the pilot test.
- Deliver relevant data needed to evaluate the criteria and the feasibility of validation against the criteria.
- Provide detailed feedback through surveys and direct feedback to the SBTi.
- Engage with the SBTi through workshops, a written question and answer process, office hour opportunities, and 1-to-1 engagements (as needed).

7.3 SBTi Obligations

The SBTi Corporate Net-Zero Standard V2 project team will:

- Provide participants with a welcome packet that includes critical information regarding the pilot test materials and pilot test process.
- Hold a kickoff meeting with participants to introduce the expectations, goals and objectives of the pilot testing.
- Provide the necessary resources to participants in the pilot test.
- Arrange the opportunities for engagement indicated in the pilot test project timeline and any additional meetings deemed necessary by the project team.

7.4 Engagements

Engagement with pilot test participants will be primarily through the following activities:

- Participants will be encouraged to submit written questions to the SBTi directly throughout the pilot test period. On at least a weekly basis, the SBTi will provide answers to received questions either directly to the asker, or will share the question and answer (anonymously) to all participants if the question has relevance to multiple participants. This will allow for important answers to be shared with all participants on a rolling basis while maintaining the anonymity and confidentiality of individual participants' data.
- The SBTi will host office hours during the pilot testing process. Participants will be encouraged to book individual time during the office hours period to discuss the pilot testing with the SBTi on a 1-on-1 basis. Participants are encouraged to send questions to be discussed in advance of a scheduled office hours session.
- Participants will also be encouraged to request longer 1-on-1 meetings with the SBTi to address more complex issues, should schedules allow.
- The SBTi may send a survey to pilot test participants to gather their insights and feedback on general pilot test questions.

The SBTi will endeavor to arrange engagement opportunities with sufficient notice and hold meetings at a reasonable time of day. If participants cover a wide range of time zones, the SBTi may repeat meetings and will offer office hours at multiple times.

7.5 Confidentiality

Participants shall not distribute materials that are not available in the public domain to any person in advance of publication without explicit written permission from the SBTi. Participants agree to treat as confidential any information provided to them by the SBTi while participating in the pilot test.

Any materials obtained during the pilot may only be used for the purposes of the SBTi Corporate Net-Zero Standard V2 pilot test and must not be used for any other purpose.

Any information submitted by participants to the SBTi in carrying out the responsibilities outlined in this document will remain confidential in accordance with all relevant SBTi policies, including but not limited to [Conflict of Interest Policy](#) and all relevant and applicable data protection and data privacy regulations and legislation including GDPR. All information collected by the SBTi will be used solely for the purposes of this pilot test, except where participants have provided explicit consent for other uses. The SBTi shall retain information in accordance with its [Data Privacy Policy](#), [Standard Operating Procedure](#), or any regulatory or legislative requirements.

7.6 Language

All written and oral communication, including but not limited to meetings, emails and discussions, shall be conducted in the English language. The SBTi may arrange for the provision of interpreters for meetings or translations of documents upon request.

8. ACKNOWLEDGEMENT

Pilot test participation is voluntary. Pilot test participants do not receive any financial remuneration and the pilot test is independent of the SBTi official target validation process that would lead to an approved target.

Pilot test participants are not expected to provide funding to the SBTi. In instances where a pilot test participant is a funder of the SBTi, this will not confer any special status in the pilot test, project governance or oblige the funding organization to participate in the pilot test, nor will it confer any special status in official target validations once the Corporate Net-Zero Standard V2 has been finalized and implemented.

The SBTi may publicly acknowledge pilot test participants as contributors to the Corporate Net-Zero Standard V2 on the SBTi website. However, this is not a requirement, nor is it a requirement for the participant to publicly state their participation or commit to the SBTi. Participants will have the option to declare their preferred level of confidentiality prior to the pilot test commencing.

9. COMMUNICATIONS

Pilot test participants shall not use the SBTi logo in any capacity relating to the pilot.

Pilot test participants and the SBTi shall use the following wording when communicating about pilot test participation and will not portray or imply any other association or collaboration between the participant and the SBTi:

- *“Participant of the Science Based Targets initiative (SBTi) pilot test for the Corporate Net-Zero Standard V2” OR*
- *“[Member name] participates in the Science Based Targets initiative’s (SBTi) pilot test for the development of the Corporate Net-Zero Standard V2. Pilot test participants have an informative role only, and decisions on final technical resources will be made by the SBTi Technical Council or the Board of Trustees.”*

In circumstances in which a full description of the pilot test group is required, pilot test participants shall use the following wording:

- *“The Corporate Net-Zero Standard V2 pilot test participants are a group of volunteer organizations with relevant activities to the scope of the Corporate Net-Zero Standard V2 that act in an informative capacity to the SBTi by testing the resources of the Corporate Net-Zero Standard V2 using real world data, during the development of the project.”*

Pilot test participants must not conflate participation in the pilot test to SBTi target validation and must not use their role in the pilot test group to make claims about target validation decisions. Participants of the pilot test group that have an existing SBTi validated target can continue to communicate their target following the guidelines for target reporting outlined in existing SBTi Standards and guidance.

Pilot test participants should not comment publicly on the pilot test or act as an SBTi spokesperson on behalf of the pilot test as a whole or other pilot test participants.

Any media/journalist enquiries about the work of the pilot test should be forwarded to and managed via the SBTi Communications Department (communications@sciencebasedtargets.org). Any general enquiries regarding the pilot test should be sent to standards@sciencebasedtargets.org.

ANNEX I: ESTIMATED TIMELINE FOR CORPORATE NET-ZERO STANDARD V2 PILOT TEST

MONTH	JUNE					JULY				AUGUST				SEPTEMBER					OCTOBER				NOVEMBER				DECEMBER				
Week of	02	09	16	23	30	07	14	21	28	04	11	18	25	01	08	15	22	29	06	13	20	27	03	10	17	24	01	08	15	22	29
1) Companies are invited to apply to participate in pilot testing through the Pilot Test Phase 1: Company Survey																															
2) Selection of participants, companies are informed about their participation Phase 2 and receive all relevant documents																															
3) Companies prepare their data submissions and participate in Q&As																			X	X	X	X									
4) Pilot Test Phase 2: Companies submit their targets, SBTi conducts review of targets and supporting evidence																															
5) Analysis of the outcomes of Pilot Test Phase 2: Company Submission																															
6) Presentation and publication of Pilot Test Phase 2 feedback report																															

SBTi
on
pause

X = office hours / Q&A / other informative call with pilot test companies



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