



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTi CORPORATE NET-ZERO STANDARD VERSION 2.0 CRITERIA

June 2026

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. Partner organizations who facilitated SBTi's growth and development are CDP, the United Nations Global Compact, the We Mean Business Coalition, World Resources Institute (WRI), and World Wide Fund for Nature (WWF).

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The SBTi reserves the right to revise this document according to a set revision schedule or as advisable to reflect the most recent emissions scenarios, regulatory, legal, or scientific developments, or changes to GHG accounting best practices.

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VERSION HISTORY

Version	Change/update description	Release date	Effective dates
1.0		October 28, 2021	October 28, 2021 to April 10, 2023
1.1	Non-substantive revision. For a detailed list of revisions made in Version 1.1, please refer to Annex I of the Main Changes document for Version 1.2 of the Corporate Net-Zero Standard.	April 11, 2023	From April 11, 2023 to March 12, 2024
1.2	Non-substantive revision. Relevant elements of the Target Validation Protocol and Corporate Manual (both retired) were consolidated into this version of the Corporate Net-Zero Standard. For a detailed list of revisions made to develop Version 1.2, please refer to Table 1 of the Main Changes document for Version 1.2 of the Corporate Net-Zero Standard.	March 13, 2024	From March 13, 2024
1.3	Non-substantive revision. Correction to bioenergy accounting requirements (C11), clarification of sold and/or distributed fossil fuels target applicability (C37), clarification of near-term target timeframe (C17 and C23), and clarification on long-term target years for companies in the power and maritime sectors. Introduction of near-term target year recommendation (R6) to support alignment of near-term target years with the mandatory transition period of the forthcoming update to SBTi's Corporate Net-Zero Standard V2.0.	September 15, 2025	From September 15, 2025
1.3.1	Non-substantive revision. Update to absolute contraction method for near-term targets, to accommodate targets set using more recent target base years. Addition of recommendations listed in Corporate Near-Term Criteria (R5, R8) for consistency across documents and updates to subsequent recommendation numbers.	April 14, 2026	From April 14, 2026
2.0	Full revision. A first consultation draft of this document was released on March 18, 2025, and a second consultation draft on November 6, 2025. For a detailed list of revisions made to develop Version 2.0, please refer to Table 1 of the Main Changes document for Version 2.0 of the Corporate Net-Zero Standard.	June 11, 2026	February 1, 2027

Version 2.0 of the SBTi Corporate Net-Zero Standard has been developed through a formal and transparent multi-stakeholder process in accordance with the [Standard Operating Procedure for Development of SBTi Standards](#). A more detailed outline of the revision process can be found in the [Project Terms of Reference](#). Stakeholders can submit feedback on the Corporate Net-Zero Standard V2.0 using the [Feedback Form](#). Within a maximum of five years and a minimum of one year of the date of approval of an SBTi Standard, the SBTi shall oversee a formal consultation to undertake a review of the Corporate Net-Zero Standard to ensure continued relevance and effectiveness.

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INTRODUCTION

Disclaimer: This document is intended to provide an overview of the Corporate Net-Zero Standard Version 2.0 (CNZS V2.0) criteria. For complete normative requirements and context, users shall refer to the main [Corporate Net-Zero Standard](#).

The mission of the Science Based Targets initiative (SBTi) is to accelerate science-based corporate climate action consistent with net-zero by 2050 or sooner, contributing to international efforts aimed at limiting temperature change to 1.5°C by the end of the century.

Scope

The Corporate Net-Zero Standard V2.0 is intended for companies globally. All companies shall use the Corporate Net-Zero Standard V2.0 as the foundational standard, and determine if any SBTi Sector Standards, including the Financial Institutions Net-Zero Standard, also apply. Where another applicable SBTi Standard specifies that certain Corporate Net-Zero Standard requirements are modified, superseded, or not applicable, companies shall follow that Standard's criteria

The Corporate Net-Zero Standard V2.0 includes two company categories based on company size and geography¹ as set out in Table 1.

Table 1. Company category thresholds, conditions, and geographies.

Thresholds and conditions	Geography ²	Company category
Meets at least one of the following: <ul style="list-style-type: none">• Net turnover: ≥ €450 million• FTE³: ≥ 1,000	Any country	Category A
Scope 1 and 2 emissions are ≥ 10,000 tCO ₂ e, or at least two of the following: <ul style="list-style-type: none">• Balance sheet: ≥ €25 million• Net turnover: ≥ €50 million• FTE: ≥ 250	High-income countries	Category A
Does not meet the Category A criteria in the rows above	Any country	Category B

SBTi Assurance Model

The Corporate Net-Zero Standard V2.0's validation cycle includes two main assessments:

- **Target Validation:** Through this process, an SBTi-recognized validation body assesses a company's conformance with the applicable Corporate Net-Zero Standard Target Validation criteria from which a company's targets are validated.
- **End-of-cycle Assessment:** Through this process, an SBTi-recognized validation body assesses a company's conformance with applicable Corporate Net-Zero Standard End-of-cycle Assessment criteria.

¹ Geography is determined by the jurisdiction of incorporation of the ultimate parent company and is classified using the [World Bank economic income categories](#).

² Based on the jurisdiction in which the ultimate parent company is incorporated.

³ Full-time equivalents (FTEs), representing the annual average number of employees, adjusted to reflect full-time working hours.

Neither the SBTi nor any SBTi-recognized validation body independently verifies the emissions data or other information provided by companies. Responsibility for the accuracy and completeness of data submitted to the SBTi during any assessment remains with the company and any third-party assurance provider it uses. Where required under the Corporate Net-Zero Standard V2.0, companies are expected to obtain independent third-party assurance of specified information.

Language & terminology

The working language for SBTi Standards is English. As necessary, the SBTi may arrange translations of SBTi Standards into languages other than English. These translated versions of Standards are for information only; in case of doubt, the official English-language version shall be deemed definitive.

This SBTi Corporate Net-Zero Standard V2.0 Criteria does not include a table of definitions of key terms. To see this table, please refer to the full SBTi Corporate Net-Zero Standard V2.0 document. The [SBTi Glossary](#) provides a comprehensive list of terms and acronyms used across the SBTi's technical resources.

Important terms used within the Corporate Net-Zero Standard Version 2.0 are described below:

1. **“Shall”** indicates required conditions for companies that submit science-based targets to an SBTi-recognized validation body for assessment.
2. **Recommendations** are expressly drafted as such, i.e., “Companies are recommended to”. Recommendations are important as they reflect good practices, but they are not required.
3. **“May”** signifies a permission expressed by the Standard.
4. **“Can”** refers to the ability of a user of the Standard or to a possibility open to the user.
5. **“Must”** denotes external constraints that are not Standard requirements, but are provided for informational purposes. For instance, “must” could pertain to compliance with applicable laws in a user’s country, region, or sector.
6. **“Submit”** refers to providing information to an SBTi-recognized validation body for review or decision as part of an assessment process.
7. **“Report”** refers to public disclosure of information in free and publicly accessible locations, such as company websites or annual reports, without access barriers. Where companies are required to consent to displaying information through the “SBTi Dashboard”, this information will be published by the SBTi, and companies are not required to report this information separately unless specified.

The **criteria (CNZS-C#)** and **sub-criteria (C#.#)** are the Corporate Net-Zero Standard’s requirements; companies shall conform to them to be assessed by an SBTi-recognized validation body. Each criterion indicates the following elements:

- **Company category** indicates the applicability of the criterion, its sub-criteria, and recommendations to each category of company.
- Some criteria are marked as **“optional”** next to the company categorization. If a company chooses to follow an optional criterion, it shall do so in full, including all sub-criteria.
- **Assessment stage** indicates when the criterion is assessed.

Criteria may be accompanied by **recommendations (R#.#)**, which indicate best practices that companies are encouraged to follow.

1. NET-ZERO GOVERNANCE

1.1 Leadership accountability for science-based targets

Intent: To ensure that companies' science-based targets are supported by strong governance, with oversight at the highest level of the organization, clear management responsibility for implementation, and integration of climate targets into corporate strategy and decision-making.

CNZS-C1. Companies shall obtain internal approval at the highest level of governance to set and submit SBTi targets, and ensure oversight of target implementation at that level.

Company category: All companies
Assessment stage: Target Validation

- C1.1. **Accountability:** The company's highest governing body (i.e., Board of Directors or equivalent) shall agree to assume overall accountability for SBTi targets, including setting and submitting targets for validation, and overseeing target implementation.
- C1.2. **Governance disclosure:** Companies shall submit and report a description of the governance structures responsible for overseeing and implementing their targets.
- C1.3. **Review mechanisms:** Companies shall establish documented processes for reporting progress, periodic review and adjustment of targets to reflect evolving science, company performance, and best practice.

Recommendations:

- R1.1. **Responsibility:** Companies are recommended to assign clear roles and responsibilities for overseeing and implementing targets within senior management and governance structures (e.g., C-suite leadership supported by dedicated governance).
- R1.2. **Policy engagement:** Companies are recommended to ensure that public policy engagement, lobbying activities, and advocacy efforts are consistent with and supportive of their climate targets. Companies are recommended to follow best-practice frameworks such as [InfluenceMap](#), the [Guide for Responsible Corporate Engagement in Climate Policy](#), or the [Global Standard on Responsible Corporate Climate Lobbying](#).

1.2 Developing a transition plan

Intent: To ensure that a company's validated targets are supported by a credible, time-bound transition plan that outlines how targets will be implemented, identifies key assumptions and dependencies, and provides transparent governance and accountability for implementation. *For the purposes of the Corporate Net-Zero Standard V2.0, the transition plan focuses on the actions and timelines required to deliver the company's validated targets.*

CNZS-C2. Companies shall develop and maintain a transition plan that demonstrates how they will implement their science-based targets.

Company category: All companies
Assessment stage: Target Validation

- C2.1. **Plan content:** Transition plans shall describe the actions and corresponding timeframes required to implement the company's targets in a manner consistent with reaching net-zero by no later than 2050. The plan shall include the following:
- Target details:** All SBTi-validated science-based targets, including any targets validated under applicable SBTi Sector Standards.
 - Scope:** Transition plans shall include all emissions sources and activities covered by the company's validated targets.⁴
 - Actions:** A description of the actions expected to meet near-term targets, indicative actions over the following 5 years, and, for Category A companies and companies using applicable scope 1 methods, a high-level roadmap over the long term toward net-zero.⁵
 - Assumptions and dependencies:** Key assumptions and external dependencies that could materially affect the company's ability to implement its targets, and a description of the actions they will take to actively manage those dependencies.
 - Unabated fossil fuel phase out:** If relevant, a commitment to phase out revenue from products and services from the use of unabated fossil fuels in line with net-zero pathways.⁶
 - Emissions-intensive activity plan:** If companies have identified significant emissions-intensive activities (EIAs) in their value chain (see CNZS-C6), they shall develop a plan to decarbonize these emissions.
- C2.2. **Approval:** Transition plans shall be formally approved and adopted by the company's highest governing body (e.g., the Board of Directors or an equivalent body).
- C2.3. **Company strategy:** Companies shall ensure that their transition plans are aligned with or integrated into their corporate strategies.

⁴ For example, Category A companies are required to cover scope 1–3 targets; Category B companies that have set near-term targets for scopes 1 and 2 are only required to cover those targets.

⁵ Companies setting near-term scope 1 emissions intensity or asset transition targets are subject to additional long-term target and transition planning requirements.

⁶ This means that emissions from unabated fossil fuel use are reduced as far as possible, leaving only a limited level of residual emissions.

- C2.4. **Plan disclosure (Category A only):** Category A companies shall publish a disclosure of their transition plan, including, at a minimum, the elements described in CNZS-C2.1, within 15 months of completing Target Validation, or sooner if required for compliance with applicable national or subnational regulatory frameworks.⁷
- C2.5. **Regular review:** Companies shall review their transition plans at least every five years and update them as necessary.⁸

Recommendations

- R2.1. **Additional plan content:** Companies are recommended to demonstrate how their transition plans are supported by financial planning and robust governance structures, with clear accountability, incentives, and oversight mechanisms.
- R2.2. **Plan disclosure (all companies):** While Category A companies are required to publish a disclosure of their transition plan within 15 months, all companies are recommended to do so upon completing Target Validation.
- R2.3. **Guidance:** Companies are recommended to develop transition plans in line with international standards such as the Transition Planning Taskforce (TPT) Disclosure Framework. When applicable, companies must ensure compliance with applicable national or subnational regulatory frameworks, such as the disclosure requirements set out in ESRS E1-1 (“Transition plan for climate change mitigation”), and the accompanying implementation guidance published by the European Financial Reporting Advisory Group (EFRAG).
- R2.4. **Transition support:** Category A companies are recommended to support Category B companies within their value chain in developing and implementing a transition plan through financial cooperation, capacity building, and/or technology transfer.

⁷ Companies are recommended to obtain independent legal advice to ensure compliance with applicable regulatory requirements regarding transition plan publication.

⁸ For existing plans available at the time of Target Validation, the review cycle is calculated from the plan’s original publication date.

2. TARGET BASE YEAR ASSESSMENT

2.1 Organizational & operational boundaries

Intent: To establish clear and comprehensive organizational and operational boundaries as the foundation for the consistent application of all SBTi Standards, including Sector Standards, and for setting, tracking, and assessing progress against targets.

CNZS-C3. Companies shall define organizational and operational boundaries to which all applicable SBTi Standards criteria shall be applied.

Company category: All companies
Assessment stage: Target Validation

- C3.1. **Boundary definition:** Organizational and operational boundaries shall be defined in alignment with applicable GHG Protocol Standards, using the most recent and effective versions available, or as required for compliance with applicable national or subnational regulatory frameworks.
- C3.2. **Group-level boundary:** Companies shall establish their organizational boundary at the ultimate parent company level. If subsidiaries operate as distinct businesses, they may establish their organizational boundary at the subsidiary level, provided they can justify that approach.⁹
- C3.3. **Subsidiary coverage:** Companies shall include the activities of all subsidiaries within their organizational boundary. Where a subsidiary sets its own target, it shall also include the activities of any subsidiaries within its own organizational boundary.
- C3.4. **Parent disclosure:** If a company setting targets is a subsidiary, it shall submit the full legal name of its ultimate parent company as part of the Target Validation process.
- C3.5. **Reporting:** Companies shall report the selected consolidation approach used to define organizational boundaries in the next reporting cycle following Target Validation.

⁹ As set out in Introduction, company categorization thresholds are determined based on the consolidated group, regardless of the level at which the organizational boundary is set. This ensures comparability and fairness across large corporate groups.

2.2 Selecting a target base year

Intent: To ensure that, at the start of each target cycle, companies select a target base year that reflects their current organizational structure and emissions profile. This aligns with SBTi target-setting methods, which determine ambition based on current emissions rather than historical base years, while maintaining accountability and building on achieved emissions reductions.

CNZS-C4. Companies shall select a target base year that accurately reflects the company's structure and activities.¹⁰

Company category: All companies
Assessment stage: Target Validation

- C4.1. **Near-term target base year:** Companies shall select the most recent year for which comprehensive emissions and other applicable data are available as the target base year for near-term targets.
- C4.2. **Target base year for subsequent target cycles:** In each subsequent target cycle, companies shall set a new target base year corresponding to the most recent year for which comprehensive data are available at the time of renewal.
- C4.3. **Most recent year exception:** Where the most recent year does not accurately reflect the company's structure and activities, companies shall select a different target base year that is representative of the company's structure and activities, and shall report the justification for doing so in the next reporting cycle following Target Validation.
- C4.4. **Consistency across targets:** Companies shall apply the target base year consistently across near-term targets.
- C4.5. **Earlier base year communication:** Companies may communicate their targets relative to an earlier reference year (e.g., inventory base year), provided that the equivalent ambition relative to that reference year has been reviewed and confirmed during validation.

Recommendations:

- R4.1. **Consistency between emissions and financial data:** Companies are recommended to align their GHG accounting periods with their annual financial reporting period to ensure consistency between financial and emissions data.

¹⁰A target base year is not necessarily the same as an inventory base year. The inventory base year, as defined by the GHG Protocol (2004), is "a historic datum against which a company's emissions are tracked over time." In contrast, the target base year is the reference year chosen when setting targets.

2.3 Target base year GHG inventory

Intent: To ensure companies establish a robust and transparent foundation for credible target setting and end-of-cycle progress assessment by accounting for and reporting a base year GHG inventory aligned with the GHG Protocol and other target-setting metrics.

CNZS-C5. Companies shall account and report a GHG emissions inventory aligned with the GHG Protocol Standards.

Company category: All companies
Assessment stage: Target Validation

- C5.1. **GHG Protocol Standards:** Companies shall account and report their GHG inventory in accordance with the GHG Protocol Standards and Guidance, using the most recent and effective versions available.
- C5.2. **Scope coverage:** Category A and Category B companies shall account and report scope 1 and scope 2 emissions, and Category A companies shall also report scope 3 emissions within their GHG inventory.
- C5.3. **GHG coverage:** Companies shall include all GHGs covered under the Kyoto Protocol, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃), and the groups of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) within their GHG emissions inventory.
- C5.4. **Inventory accounting approach:** Companies shall account for and report a physical GHG inventory. Where applicable, companies shall separately account for and report actions and market instruments that are not reflected in the physical GHG inventory, in accordance with relevant GHG accounting standards, where available. All such actions and market instruments shall meet the integrity criteria set out in Section 4.2 of the Target Implementation chapter.¹¹
- C5.5. **Land, bioenergy, and removals:** Companies shall account for and report forest, land, and agriculture (FLAG) emissions; bioenergy emissions; and both biogenic and technological removals in line with the [GHG Protocol Land Sector and Removals Standard](#) (LSRS), ensuring separation of emissions and removals and following all requirements related to GHG credits.¹²
- C5.6. **Minimum boundary for scope 3 categories** (categories 1–14): Companies shall define and report scope 3 emissions according to the minimum boundaries for scope 3 categories described in Table 5.4 of the GHG Protocol Corporate Value Chain (Scope 3) Standard.
 - a. **WTW transport emissions:** In addition to the minimum boundary defined in Table 5.4, companies shall account for and report all transportation-related scope 3 emissions on a well-to-wheel or well-to-wake (WTW) basis.

¹¹ Targeted amendments to GHG accounting aspects in the Standard, and any associated transitional arrangements related to updates of the GHG Protocol, will be considered upon conclusion of the GHG Protocol revision process.

¹² Until the GHG Protocol LSRS provides applicable accounting guidance for forestry emissions, companies may use an alternative methodology, provided that the methods and the underlying assumptions are robust and transparently reported.

- b. **Optional scope 3 emissions:** Where companies account for scope 3 emissions outside the minimum boundary, these emissions shall be reported separately and shall not be included in the determination of significant scope 3 categories (CNZS-C5.7).
- C5.7. **Significant scope 3 categories (Category A only):** Companies shall determine and report the scope 3 categories, as defined in the GHG Protocol Corporate Value Chain (Scope 3) Standard, that account for 5% or more of scope 3 categories 1–14 based on the physical GHG inventory.¹³
- C5.8. **Total electricity consumption:** Companies shall report their total consumption of electricity.¹⁴
- C5.9. **Low-carbon electricity (LCE):** Companies shall calculate and report the percentage of total electricity consumption¹⁵ that meets the threshold to be considered low-carbon, and, where applicable, the criteria in Sections 4.2 and 4.3 of the Target Implementation chapter.
- C5.10. **Data gaps and limitations:** Companies shall report material data gaps, methodological limitations, uncertainties, and the use of estimates or proxy data in preparing the GHG inventory.
- C5.11. **Reporting timeframe:** Companies shall report the information required by C5.1–C5.10 in the next reporting cycle following Target Validation, and consent to the relevant information being publicly displayed on the SBTi Dashboard within six months of completing Target Validation.

2.4 Identification of EIAs

Intent: To ensure that the most emissions-intensive value chain activities are explicitly visible and addressed through targets or transition planning, the identification and quantification of EIAs is required separately from broader scope 3 categories, with dedicated target-setting options available under CNZS-C15.

CNZS-C6. Companies shall identify and quantify emissions from emissions-intensive activities (EIAs) within their value chains.

Company category: Category A, Category B (optional)
Assessment stage: Target Validation

- C6.1. **Exposure to EIAs:** Companies shall identify EIAs listed in [Table A.1](#) that are present in their value chains.
- C6.2. **Quantification of EIA emissions:** Companies shall quantify scope 3 physical GHG inventory emissions from EIAs using the best available data. Where this quantification cannot be completed at the time of Target Validation, companies shall explain which EIAs have not been quantified, describe the data limitations, and complete the quantification in the next update to their

¹³ The target boundary for scope 3 target setting is based on significant scope 3 categories and is presented in CNZS-C14, which describes some allowable exclusions within significant categories.

¹⁴ Including from generation sources controlled by the company (scope 1) and from generation sources not controlled by the company (scope 2).

¹⁵ Ibid.

transition plan. Companies shall not assume the absence of an EIA without having conducted the relevant analysis.

- C6.3. **Identification of significant EIAs:** Companies shall consider an EIA significant if it represents 5% or more of scope 3 emissions (categories 1-14) in the physical GHG inventory, irrespective of the scope 3 category or categories in which it is reported. Companies may aggregate EIAs across scope 3 categories where the same EIA occurs across multiple categories.
- C6.4. **Reporting significant EIAs:** For each identified significant EIA, companies shall report both the associated absolute emissions and the percentage of total scope 3 emissions they represent in the physical GHG inventory.
- C6.5. **Reporting timeframe:** Companies shall report this information in the next reporting cycle following Target Validation. Where the company can credibly demonstrate that this is not feasible, it shall report the information in the second reporting cycle following Target Validation.

2.5 Third-party assurance

Intent: To strengthen the credibility and reliability of the target base year GHG emissions inventory and related calculations through independent third-party assurance. Assurance is required for Category A companies and strongly encouraged for Category B companies as a key mechanism to enhance transparency and confidence in reported emissions.

CNZS-C7. Companies shall obtain independent third-party assurance of the target base year GHG emissions inventory and associated required metrics.

Company category: Category A, Category B (optional)
Assessment stage: Target Validation

- C7.1. **Assurance coverage:** Assurance shall cover scope 1, scope 2, and scope 3 emissions for the target base year; low-carbon electricity calculations; emissions from significant emissions-intensive activities; and any other metrics used for target setting.
- C7.2. **Assurance level:** Companies shall obtain independent third-party assurance at a minimum level of limited assurance.
- C7.3. **Assurance provider:** Assurance shall be conducted by an accredited independent third party in accordance with internationally recognized assurance standards.¹⁶
- C7.4. **Reporting:** Companies shall report the following information in relation to their assurance process:
 - a. Time period.
 - b. Scope, including boundaries, emissions covered, and specific exclusions or limitations.
 - c. The methodology and standards used by the provider, along with any assumptions and data limitations.

¹⁶ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable. Where no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

- d. The type of assurance (e.g., limited, reasonable, or high).
 - e. A summary of findings, including any recommendations from the provider.
- C7.5. **Reporting timeframe:** Companies shall report the information in C7.4 in the next reporting cycle following the Target Validation, and give consent for the level of assurance to be publicly displayed on the SBTi Dashboard within six months after completing Target Validation.

2.6 Target base year recalculation

Intent: To ensure that target base year emissions and associated required metrics remain accurate, representative, and comparable over time by requiring recalculation in response to material structural or methodological changes.

CNZS-C8. Companies shall recalculate their target base year GHG emissions inventory and associated required metrics in response to significant changes.

Company category: All companies
Assessment stage: Target Validation (revalidation)

- C8.1. **Ongoing evaluation:** Companies shall evaluate whether a recalculation is required when any of the following events occur at any time during the target timeframe:
- a. Changes in organizational or operational boundaries (e.g., mergers, acquisitions, or divestments).
 - b. Changes in the consolidation approach (e.g., from an equity share approach to an operational control approach).
 - c. Changes in company activities that cause emissions to shift across scopes.
 - d. Changes in company activities that cause emissions to shift across scope 3 categories.
- C8.2. **End-of-cycle evaluation:** At the end of the target cycle, companies shall evaluate whether a recalculation is required due to the following events that may have occurred at any time during the target timeframe:
- a. Changes to methodologies used and/or data quality improvements.
 - b. Data or calculation errors.
- C8.3. **Significance threshold:** Companies shall apply a 5% significance threshold to determine whether recalculation is required; this threshold is met when the cumulative effect of identified changes results in a variation of 5% or more in total emissions for any individual scope (scope 1, 2, or 3) in the target base year. For scope 3, companies shall also assess whether changes cause any category to newly meet or cease to meet the 5% threshold for target coverage.
- C8.4. **Base year recalculation:** Where the significance threshold is exceeded, companies shall:
- a. Recalculate the target base year GHG emissions inventory; and
 - b. Update any associated required metrics accordingly.

- C8.5. **SBTi review:** Where recalculation is required, companies shall submit the revised target base year GHG emissions inventory and other metrics to the SBTi for review. As part of this process, the SBTi-recognized validation body shall assess whether the company's existing targets remain conformant with the Corporate Net-Zero Standard and any applicable SBTi Sector Standards (see CNZS-C20).
- C8.6. **Assurance (Category A only):** Companies shall obtain independent third-party assurance for the recalculated GHG emissions inventory and other metrics at a minimum level of limited assurance in accordance with [CNZS-C7](#).
- C8.7. **Reporting:** Companies shall:
- a. Report any target base year recalculations and the reasons for such recalculations in the next reporting cycle following the recalculation.
 - b. Provide consent for relevant information to be publicly displayed on the SBTi Dashboard within six months of completing the recalculation.

3. TARGET SETTING

3.1 General target setting

Intent: To ensure companies set robust targets for their operational and value chain emissions that drive measurable progress using standardized metrics and methods aligned to science-based net-zero pathways and established accounting approaches.

CNZS-C9. Companies shall set targets for emissions from their operations and value chain that are consistent with science-based net-zero pathways.

Company category: All companies
Assessment stage: Target Validation

- C9.1. **Separation of scopes:** Category A companies shall set separate scope 1, scope 2, and scope 3 targets. Category B companies shall set separate scope 1 and scope 2 targets.
- C9.2. **Near-term target timeframe:** Near-term targets shall cover a five-year period beginning at the start of the most recent reporting period at the time of submission for validation.
 - a. **Initial Target Validation:** Companies may optionally set targets that cover a period of less than five years to align with their business or reporting cycle when setting targets for the first time under the Corporate Net-Zero Standard V2.0.
 - b. **Subsequent Target Validations:** For subsequent target cycles, near-term targets shall cover the subsequent five-year period beginning in the year immediately following the previous target year.
- C9.3. **Long-term target timeframe:** Long-term targets shall be set for 2050 at the latest.
- C9.4. **Inventory basis for target setting:** Companies shall determine target ambition based on the physical GHG inventory, including the location-based method for scope 2.
- C9.5. **Target metrics, methods, and pathways:** Companies shall set targets using applicable and eligible SBTi metrics, methods, and pathways, and shall apply them consistently throughout the target timeframe.¹⁷
- C9.6. **Target ambition:** Targets shall be set to meet performance levels aligned with eligible net-zero pathways for the relevant year.
- C9.7. **Target dependencies:** Companies shall submit a description of the dependencies (e.g., technology readiness, supply chain capacity, finance, policy) that could materially affect the company's ability to implement its targets.¹⁸
- C9.8. **Separation of FLAG targets:** Where companies set forest, land, and agriculture (FLAG) targets, these shall be set and reported separately from non-FLAG targets and shall not be aggregated within a single target.

¹⁷ Additional science-based target-setting methods and pathways may be proposed to the SBTi for consideration in accordance with applicable procedures (forthcoming).

¹⁸ Disclosure of dependencies is for transparency purposes and does not alter the company's responsibility to pursue its targets on a best-efforts basis. Material dependencies are also addressed in the company's transition plan (see CNZS-C2.1.d), including actions to manage associated risks.

- C9.9. **Target aggregation:** Companies may aggregate targets within or across scopes for communication purposes, provided the targets are based on the same metric (e.g., emissions). These aggregated targets shall not constitute separate targets for assessing progress.¹⁹
- C9.10. **Maintaining net-zero performance:** Where companies have already reached the net-zero benchmark for a portion of activities or emissions sources within their operations or value chain, they shall maintain or further improve that level of performance year on year.

Recommendations:

- R9.1. **Accelerated ambition:** Companies with the capacity to transition faster are recommended to set targets that surpass the corresponding minimum requirements for target setting (e.g., the minimum target coverage or benchmark).
- R9.2. **Financial activities:** Companies with scope 3, category 15 emissions that do not meet the revenue threshold for mandatory application of the [Financial Institutions Net-Zero Standard](#) are recommended to apply that Standard when setting targets for these emissions.

3.2 Scope 1 targets

Intent: To ensure companies set comprehensive targets to reduce and ultimately eliminate scope 1 emissions from sources they own or control. Companies use standardized target-setting options appropriate to their activities, including absolute emissions reduction, sector-specific emissions intensity, or company-specific asset transition targets, all consistent with reaching net-zero emissions by 2050 at the latest.

CNZS-C10. Companies shall set near-term scope 1 targets for emissions from sources owned or controlled by the company.

Company category: All companies
Assessment stage: Target Validation

- C10.1. **Coverage:** Near-term targets shall cover 100% of scope 1 emissions.
- C10.2. **Target-setting options:** Companies shall set one or more near-term targets using any of the following options:
 - a. **Scope 1 absolute emissions reduction:** Targets to reduce absolute scope 1 emissions on a linear trajectory to residual levels by 2050 at the latest.
 - b. **Scope 1 emissions intensity reduction:** Targets to reduce scope 1 emissions intensity from applicable sector activities to reach residual levels by 2050 at the latest.
 - c. **Asset transition targets:** Targets to reduce scope 1 emissions in line with a trajectory defined by an Asset Decarbonization Plan. The plan shall set out a schedule to abate, retire, or decommission GHG-emitting assets

¹⁹ See CNZS-C19 for requirements in relation to consolidating scope 3 targets.

in a manner consistent with reaching net-zero emissions by 2050 or earlier, using predetermined milestones (e.g., timeline to phase out investment in new GHG-emitting assets and operation of existing assets) and/or a carbon budget derived from one or more reference science-based pathways.

C10.3. **Transition plan disclosure:** Where companies set scope 1 near-term emissions intensity reduction or asset transition targets, a transition plan shall be published at the time of Target Validation.

C10.4. **Target aggregation:** Companies that set more than one scope 1 near-term target shall aggregate those targets into a single consolidated scope 1 emissions target. This target is for communication purposes only and shall not constitute a separate target for assessing progress.

CNZS-C11. Companies setting near-term scope 1 emissions intensity or asset transition targets shall set long-term scope 1 targets to reduce emissions from sources owned or controlled by the company to residual levels by 2050 at the latest.

Company category: Category A, Category B (optional)

Assessment stage: Target Validation

C11.1. **Applicability:** Companies setting near-term scope 1 emissions intensity or asset transition near-term targets shall set long-term scope 1 targets.

C11.2. **Coverage:** Long-term targets shall cover 100% of scope 1 emissions.

C11.3. **Target ambition:** Long-term scope 1 targets shall be set to reach residual levels in line with applicable net-zero pathways.

C11.4. **Target aggregation:** Companies that set more than one scope 1 long-term target shall aggregate those targets into a single consolidated scope 1 emissions target. This target is only for communication purposes and shall not constitute a separate target for assessing target progress.

Recommendations:

R11.1. **Applicability:** Companies that set near-term scope 1 absolute emissions reduction targets are recommended to set long-term scope 1 targets.

3.3 Scope 2 targets

Intent: To enable companies to decarbonize their purchased electricity, heat, steam, and cooling, and contribute to the decarbonization of the energy systems that supply them, through the setting of comprehensive scope 2 targets. *Requirements for implementing scope 2 targets, including geographic and temporal matching, are covered in the Target Implementation chapter, Sections [4.3](#) and [4.4](#).*

CNZS-C12. Companies shall set near-term scope 2 targets for emissions from their purchased and consumed electricity, heat, steam, and cooling.²⁰

Company category: All companies
Assessment stage: Target Validation

- C12.1. **Coverage:** Near-term targets shall cover 100% of scope 2 emissions.
- C12.2. **Target-setting options:** Companies shall set one or more near-term targets using either of the following options:
 - a. **Low-carbon electricity (LCE) alignment targets:** Targets to increase the percentage of LCE used, contracted, or matched on a linear trajectory in line with an eligible net-zero pathway.
 - b. **Scope 2 absolute emissions reduction:** Targets to reduce scope 2 absolute emissions on a linear trajectory to a defined residual level that is consistent with an eligible net-zero pathway.
- C12.3. **Electricity consumption projections (Category A only):** Companies shall estimate and submit projected electricity consumption over the target timeframe, based on reasonable and transparent assumptions.
- C12.4. **Scope 2 targets for companies with high electricity demand growth (Category A only):** Companies with projected average annual electricity consumption growth exceeding 20% over the target cycle shall set a scope 2 emissions target, and optionally, an additional LCE alignment target.

CNZS-C13. Companies that choose to set long-term scope 2 targets shall reduce emissions from their purchased and consumed electricity, heat, steam, and cooling to residual levels by 2050 at the latest.

Company category: All companies (optional)
Assessment stage: Target Validation

- C13.1. **Coverage:** Long-term targets shall cover 100% of scope 2 emissions.
- C13.2. **Target-setting options:** Companies shall set one or more long-term targets using either of the following methods:
 - a. **Low-carbon electricity (LCE) alignment targets:** Targets to reach 100% of LCE generation used, contracted, or matched at a rate consistent with eligible net-zero pathways.
 - b. **Scope 2 absolute emissions reduction:** Targets to reach residual levels of scope 2 absolute emissions in line with an eligible net-zero pathway.

²⁰ “Purchased” refers to energy that is purchased or otherwise brought into the organization boundary.

3.4 Scope 3 targets

Scope 3 near-term target boundary

Intent: To ensure companies focus their scope 3 targets on the most material emissions sources in their value chains and where they can credibly take action, while allowing limited, justified exclusions for emissions where companies lack the practical ability to influence outcomes.

CNZS-C14. Companies shall set near-term scope 3 targets that cover significant scope 3 categories.

Company category: Category A, Category B (optional)
Assessment stage: Target Validation

- C14.1. **Significant categories:** Near-term targets shall cover at least all scope 3 categories that individually represent 5% or more of the company's scope 3 emissions in categories 1–14 based on the physical GHG inventory.²¹
- C14.2. **Optional exclusions:** Companies may exclude the following emissions from their near-term targets, regardless of whether they fall within a significant category:
- a. **Categories 1 and 2 (Purchased goods and services; Capital goods):** Cradle-to-gate emissions of second-hand goods.
 - b. **Category 3 (Fuel- and energy-related activities):**²² These emissions may be excluded where they are mitigated through reductions in energy consumption under scope 1 or scope 2 targets. Companies shall include category 3 emissions where required by applicable SBTi Sector Standards.
 - c. **Category 7 (Employee commuting):** Entire category.
 - d. **Category 8 (Upstream leased assets):** Emissions from leased assets where the company does not have operational control over the leased asset and has no contractual or practical means to influence its energy use or emissions performance, including through energy procurement decisions, fit-out specifications, or operational practices.
 - e. **Category 9 (Downstream transportation and distribution):** Emissions from transport activities where the company does not hold contractual or other direct means to influence the fuel type, transportation route, or mode of transport.
 - f. **Category 10 (Processing of sold products):** Emissions where downstream processing steps are unknown, or the company has no contractual relationship with the processor.
 - g. **Category 14 (Franchises):** Emissions where either: (i) franchisees operate as independent businesses under license and the franchisor cannot influence facility management; or (ii) franchisees lease space and do not control energy use.

²¹ This excludes optional emissions sources (except WTW transport emissions), i.e., those outside of the minimum scope 3 boundary.

²² This exclusion does not affect the WTW reporting requirement for transportation-related emissions.

- C14.3. **Reporting and justifying exclusions:** For each excluded activity, companies shall report:
- The applicable exclusion condition from CNZS-C14.2 and explain why it applies to their specific circumstances.
 - The amount of excluded emissions, both in absolute terms and as a percentage of scope 3 emissions (categories 1–14).
 - A description of the actions they intend to take to mitigate these excluded emissions.

Scope 3 target-setting options

Intent: To drive supplier, customer, and product performance compatible with a net-zero economy by ensuring that companies set comprehensive scope 3 targets using practical and science-based approaches. *When scope 3 activities are covered by targets set through applicable SBTi Sector Standards, including for forest, land, and agriculture (FLAG), companies are not required to set scope 3 targets for those same activities under the Corporate Net-Zero Standard.*

CNZS-C15. Companies shall set near-term scope 3 targets for value chain emissions using one of the eligible options.

Company category: Category A, Category B (optional)

Assessment stage: Target Validation

- C15.1. **Option 1 – overarching scope 3 absolute emissions reduction target:** Target to reduce absolute scope 3 emissions on a linear trajectory to a defined residual level that is consistent with an eligible net-zero pathway.
- C15.2. **Option 2 – overarching supplier and/or customer alignment target:** Target to increase the share of tier 1 suppliers and/or customers (based on emissions, spend, or revenue) that are in transition or net-zero aligned.²³
- C15.3. **Option 3 – category- or activity-specific targets:** Targets applied to specific scope 3 categories or activities within categories (e.g., steel, cement, chemicals), individually or in combination.²⁴ Eligible target-setting options are stated below in three groups and summarized in Table 3, which specifies scope 3 category eligibility.

Group A: Upstream emissions for which sector-specific or commodity pathways exist. *Applicable for category 1 (Purchased goods and services – commodities for which pathways exist), category 2 (Capital goods – commodities for which pathways exist), category 4 (Upstream transportation and distribution), category 6 (Business travel), and category 9 (Downstream transportation and distribution).²⁵ The following options are eligible:*

²³ This target may cover suppliers, customers, or both within a single target and applies to scope 3 categories where the company has direct relationships with identifiable tier 1 suppliers or customers. It does not extend to categories where no such direct relationship exists or where supplier/customer alignment is not a valid option as set out in Table 3. Where targets are set using financial metrics (spend and revenue), companies shall set separate targets for spend (upstream) and revenue (downstream).

²⁴ Targets that use the same method, metric, and pathway may be combined across categories.

²⁵ Category 9 (Downstream transportation and distribution) is listed under “upstream emissions” as methods are the same as for category 4 (Upstream transportation and distribution).

- a. **Scope 3 emissions reduction:** Targets to reduce absolute scope 3 emissions or emissions intensity to a defined residual level on a trajectory specified in sector pathways.
- b. **Volume alignment:** Targets to increase the share of purchased commodities or transport that are lower carbon or net-zero aligned.
- c. **Supplier alignment:** Targets to increase the share of tier 1 suppliers (based on emissions or spend) that are in transition or net-zero aligned.

Group B: Upstream emissions not covered by targets using group A options. *The following options are eligible:*

- d. **Scope 3 emissions reduction:** Targets to reduce absolute scope 3 emissions on a linear trajectory to a defined residual level that is consistent with an eligible net-zero pathway.
- e. **Supplier alignment:** As described in C15.3.c above.

Group C: Downstream emissions. *The following options are eligible:*

- f. **Scope 3 emissions reduction:** Targets to reduce absolute scope 3 emissions or emissions intensity to a defined residual level on a trajectory specified in an eligible net-zero pathway.
- g. **Product use alignment:** Targets to increase the share of sold products (based on volume or revenue) that are lower-carbon or net-zero aligned.
- h. **Product end-of-life alignment:** Targets to increase the share of products (based on volume or revenue) designed with circular end-of-life solutions.
- i. **Customer alignment:** Targets to increase the share of tier 1 customers (based on emissions or revenue) that are in transition or net-zero aligned.

- C15.4. **Alternative options for use of sold products emissions:** Companies shall consider all downstream scope 3 target-setting options. Where they can demonstrate that none of these options can reasonably be applied to category 11 (use of sold products), companies may address an equivalent amount of emissions from a different category²⁶ through any of the eligible target-setting options²⁷ or apply for an exception²⁸ for this portion of emissions. Through this exception, companies shall:
- a. Set a long-term target for category 11 emissions to reach residual levels by 2050 at the latest.
 - b. Develop a plan outlining the actions and interim milestones the company will pursue to reduce category 11 emissions over time, consistent with reaching a state of net-zero by 2050 at the latest. This plan shall be

²⁶ For clarity, the volume of emissions addressed in a different category shall be in addition to any applicable target-setting requirements and minimum coverage for that category.

²⁷ Additional science-based target-setting methods and pathways may be proposed to the SBTi for consideration in accordance with applicable procedures (forthcoming).

²⁸ Any use of this provision is subject to review and approval in accordance with SBTi exceptions procedures (forthcoming). This option is not available to companies that are covered under the SBTi Fossil Fuel Policy.

included in the transition plan at the time of Target Validation²⁹ and updated at each subsequent Target Validation.

- c. Annually report the absolute category 11 emissions and progress against the actions and milestones set out under C15.4.b.

Table 3. Summary of target-setting options by scope 3 category.

Category	Emissions reduction	Volume alignment	Supplier/customer alignment	Product use alignment	Product end-of-life alignment
Upstream emissions					
Cat. 1 – Purchased goods and services (commodities for which pathways exist)	✓	✓	✓	-	-
Cat. 1 – Purchased goods and services (all)	✓	-	✓	-	-
Cat. 2 – Capital goods (commodities for which pathways exist)	✓	✓	✓	-	-
Cat. 2 – Capital goods (all)	✓	-	✓	-	-
Cat. 3 – Fuel- and energy-related activities	✓	-	-	-	-
Cat. 4 – Upstream transportation and distribution	✓	✓	✓	-	-
Cat. 5 – Waste generated in operations	✓	-	-	-	-
Cat. 6 – Business travel	✓	✓	-	-	-
Cat. 7 – Employee commuting	✓	-	-	-	-
Cat. 8 – Upstream leased assets	✓	-	✓	-	-
Downstream emissions					
Cat. 9 – Downstream transportation and distribution	✓	✓	✓	-	-
Cat. 10 – Processing of sold products	✓	-	✓	-	-
Cat. 11 – Use of sold products	✓	-	✓	✓	-
Cat. 12 – End-of-life treatment of sold products	✓	-	-	-	✓
Cat. 13 – Downstream leased assets	✓	-	✓	✓	-
Cat. 14 – Franchises	✓	-	✓	-	-

Recommendations:

- R15.1. **Third-party assurance of supplier/customer targets:** Companies are recommended to implement mechanisms to encourage their suppliers and customers to obtain independent third-party assurance of their targets.
- R15.2. **Priority tier 1 supplier alignment:** Companies are recommended to prioritize aligning tier 1 suppliers whose primary activities correspond to one or more emissions-intensive activities (EIAs, as identified in CNZS-C6).
- R15.3. **Significant EIAs:** Companies are recommended to set separate targets for significant EIAs. Where the same EIA occurs across multiple scope 3 categories, companies may set a single target covering that EIA across all relevant categories, provided a consistent metric is applied throughout.

²⁹ This differs from the general transition plan disclosure requirement in CNZS-C2.4, under which Category A companies are required to publish a transition plan within 15 months following Target Validation. In this case, no grace period is permitted, and the plan shall be provided at the time of Target Validation.

- R15.4. **Optional scope 3 emissions:** Companies are recommended to set separate targets on optional scope 3 emissions that fall outside the minimum boundary when these emissions represent 5% or more of total scope 3 emissions, including both minimum boundary and optional emissions.

CNZS-C16. Companies that choose to set long-term scope 3 targets shall reduce value chain emissions to residual levels by 2050 at the latest.

Company category: All companies (optional)

Assessment stage: Target Validation

- C16.1. **Coverage:** Long-term targets shall cover 100% of scope 3 emissions.
- C16.2. **Target ambition:** Scope 3 long-term targets shall be set to reach residual levels in line with applicable net-zero pathways.
- C16.3. **Target progress:** Long-term alignment targets shall only be met when entities or activities have reached zero or near-zero emissions levels, or when products meet a net-zero-compatible intensity threshold or eliminate end-of-life emissions. Long-term emissions targets shall be met only when emissions have reached residual levels, as determined by the physical GHG inventory.

3.5 Net-zero targets

Intent: To ensure that any company setting a net-zero target does so on the basis of comprehensive near-term and long-term targets covering all scope 1, scope 2, and scope 3 emissions, and reaches a state of net-zero through deep emissions reductions and the neutralization of residual emissions.

CNZS-C17. Companies that choose to set a net-zero target shall establish near-term and long-term targets covering scope 1, scope 2, and scope 3 emissions, and neutralize any residual emissions.

Company category: All companies (optional)

Assessment stage: Target Validation

- C17.1. **Near-term targets:** Companies (including Category B companies) shall set near-term targets on scope 1, scope 2, and scope 3 emissions in accordance with the Corporate Net-Zero Standard or any applicable SBTi Sector Standard, using any eligible target-setting method.
- C17.2. **Long-term targets:** Companies shall set long-term targets to reach residual scope 1, scope 2, and scope 3 emissions in accordance with the Corporate Net-Zero Standard or any applicable SBTi Sector Standard, using any eligible target-setting method.
- C17.3. **Long-term target coverage:** Long-term targets shall cover 100% of the company's scope 1, scope 2, and scope 3 emissions, as defined by the GHG

Protocol and in accordance with the boundary provisions of the Corporate Net-Zero Standard.

- C17.4. **Net-zero conditions:** For the purposes of conformance with the Corporate Net-Zero Standard, to reach a state of net-zero, the company shall:
- a. **Zero or near-zero emissions:** Reduce scope 1, scope 2, and scope 3 emissions to zero or to a residual level consistent with eligible net-zero pathways; and
 - b. **Residual emissions:** Neutralize any residual emissions at the net-zero target date and any emissions released thereafter, in accordance with the provisions of the Corporate Net-Zero Standard.

Recommendations:

- R17.1. **Earlier net-zero:** Companies incorporated in high-income countries (based on [World Bank economic income categories](#)) are recommended to set net-zero targets for significantly earlier than 2050, reflecting their greater institutional, financial, and technological capacity.

3.6 Reporting target information

Intent: To drive transparency by requiring companies to report clear, consistent, and timely information about their target base year and targets.

CNZS-C18. Companies shall report target information after completing the validation process.

Company category: All companies
Assessment stage: Target Validation

- C18.1. **Reporting:** Companies shall report the following target information:
- a. Target type (near-term, long-term, or net-zero)
 - b. Applicable method, metrics, pathways, and activities covered by the method or pathway
 - c. Emissions scope(s) and scope 3 category(ies) covered by the target
 - d. Target coverage (percentage of total scope 1, 2, and 3 emissions covered by the target)
 - e. Categories or activities excluded from the scope 3 target boundary with justification, if applicable
 - f. Target base year, if applicable
 - g. Target base year value, if applicable
 - h. Target year
 - i. Target value
 - j. Projected emissions at the target year across all applicable scopes
 - k. Information used to set the target (assuming the data is not commercially sensitive), referencing the version of the SBTi Standard and target-setting tool used.

- C18.2. **Reference year communication:** In addition to the information under CNZS-C18.1, companies may communicate their targets relative to an earlier reference year (e.g., the inventory base year).
- C18.3. **Timing:** Companies shall report target information in the next reporting cycle following Target Validation and give consent for relevant information to be publicly displayed on the SBTi Dashboard within six months of completing Target Validation.

CNZS-C19. Companies that consolidate multiple scope 3 targets into a single “headline ambition” shall ensure that the headline ambition transparently communicates the intended outcome of the consolidated targets.

Company category: All companies (optional)

Assessment stage: Target Validation

- C19.1. **Methodological consistency:** To consolidate across different units, companies shall convert the ambition of all targets to a common emissions unit, metric tons of carbon dioxide equivalent (tCO₂e).
- C19.2. **Calculation method:** Companies shall calculate the consolidated ambition figure using SBTi methods.
- C19.3. **Consolidation of scope 3 emissions reduction targets:** When the headline ambition represents consolidation of individual scope 3 emissions reduction targets, the headline ambition shall communicate the change in total scope 3 emissions over the target timeframe.
- C19.4. **Consolidation of scope 3 emissions and non-emissions targets:** When communicating the consolidation of emissions and non-emissions targets, companies shall use language that clearly indicates this figure represents the proportion of their scope 3 emissions expected to be reduced or aligned over the target timeframe.
- C19.5. **Communication:** The aggregated “headline ambition” shall be used for communication purposes only and shall not constitute a separate target for progress assessment.
- C19.6. **Overlapping targets:** If a company sets multiple targets that cover the same emissions, emissions covered by more than one target shall be counted only once toward the portion of emissions covered by the headline ambition.

3.7 Target revision

Intent: To ensure that targets remain valid, science-based, and aligned with the effective SBTi Standards over time by requiring companies to revise targets where necessary following significant structural or methodological changes.

CNZS-C20. Companies shall revise their targets where significant changes result in targets that no longer conform to the Corporate Net-Zero Standard or any applicable SBTi Sector Standard.

Company category: All companies
Assessment stage: Target Validation (revalidation)

- C20.1. **Target revision:** If, following a target base year recalculation (see CNZS-C8) or other significant changes (e.g., changes in company activities that mandate the application of Sector Standards), targets are determined to be non-conformant with the Corporate Net-Zero Standard or any applicable SBTi Sector Standard, companies shall revise those targets and submit them for validation.
- C20.2. **Effective standard:** Companies shall conform to effective versions of the Corporate Net-Zero Standard and any applicable SBTi Sector Standards when revising targets.
- C20.3. **Reporting:** Companies shall report their updated targets and the underlying reasons for the revision in the next reporting cycle following Target Validation, and give consent for relevant information to be publicly displayed on the SBTi Dashboard within six months of completing Target Validation.

4. TARGET IMPLEMENTATION

4.1 Implementation hierarchy

Intent: To establish an implementation hierarchy that prioritizes emissions reductions as close as possible to the source, while enabling credible and systemically relevant action at the activity pool or sector level where sufficient decarbonization is not feasible within the required timeframe.

CNZS-C21. Companies shall prioritize activity-level actions to reduce emissions from their operations and value chains before pursuing more indirect action.

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C21.1. **Activity-level actions:** Companies shall document and demonstrate that activity-level actions have been assessed and implemented, where feasible,³⁰ before relying on activity pool-level or sector-level actions.
- C21.2. **Activity pool-level actions:** Where emissions arise within an activity pool (e.g., an electricity grid, supply shed, or logistics network), companies may take actions within the same activity pool from which the emissions-generating activity arises, defined in accordance with CNZS-C22.
- C21.3. **Sector-level actions:** Where sufficient action cannot be taken at the activity or activity pool level due to structural constraints, companies shall document constraints in accordance with CNZS-C23 and may take action at the sector level.

Recommendations:

- R21.1. **Enabling actions:** Where structural constraints prevent sufficient action at the activity, activity pool, or sector level within the target timeframe, companies are recommended to take action to enable future emissions reductions. Actions to enable future emissions reductions shall not be counted toward target progress but may be considered in the End-of-cycle Assessment.

³⁰ Feasible refers to what is technically and commercially achievable on reasonable terms relative to sector norms, considering available technologies, market conditions, and credible leading practices.

CNZS-C22. When taking action at the activity pool level, companies shall define the activity pool boundary at the smallest reasonable geographic or operational level within which emissions from the relevant activity can be collectively decarbonized.

Company category: All companies
Assessment stage: End-of-cycle Assessment

C22.1. **Define the boundary:** Companies shall clearly describe the geographic or operational scope of the activity pool and explain why it represents the smallest reasonable system.

CNZS-C23. When taking sector-level actions, companies shall demonstrate that structural constraints prevent action at the activity or activity pool level within the target timeframe.³¹

Company category: All companies
Assessment stage: End-of-cycle Assessment

C23.1. **Structural constraints:** Structural constraints shall be limited to:

- a. **Technological readiness:** Early-stage mitigation solutions that are not yet commercially available at scale for the relevant activity; or
- b. **Other constraints:** Region- or site-specific infrastructure, regulatory, market structure, or supply constraints that prevent action within the relevant activity pool during the target timeframe.³²

C23.2. **Reporting:** Companies shall, in the reporting cycle following the End-of-cycle Assessment, report the identified structural constraints, the supporting evidence, and the specific activity or activity pool for which sufficient action could not be taken.

CNZS-C24. Companies taking action at the activity pool or sector level to support target implementation shall report these actions.

Company category: All companies
Assessment stage: End-of-cycle Assessment

C24.1. **Action description:** Companies shall report a description of the activity pool-level or sector-level actions taken, including the relevant activity, system, or sector.

C24.2. **Complementarity:** Companies shall report an explanation of how these actions complement, and do not substitute for, activity-level actions within the company's operations and value chain.

³¹ For scope 1 emissions, market instruments not reflected in the physical GHG inventory may only be used in relation to fuels and feedstocks sourced from activity pools.

³² Structural constraints do not include internal preferences, procurement choices, or cost considerations alone.

- C24.3. **System contribution:** Companies shall report a description of how the actions are expected to contribute to emissions reductions within the relevant activity pool or sector.

4.2 Actions & market instruments integrity criteria

Intent: To ensure that actions and market instruments in support of target implementation deliver credible, high-integrity outcomes that reflect real-world emissions reductions and support system-wide decarbonization.

CNZS-C25. Companies shall ensure that actions,³³ including projects and market instruments, taken to support target implementation meet relevant integrity criteria.

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C25.1. **Activity matching:** Companies shall demonstrate that actions taken at any level of the implementation hierarchy correspond to the same activity type, product, material, fuel, or energy source as the company's underlying activity reflected in the inventory.
- C25.2. **System association:** Companies shall demonstrate that sector-level and enabling actions occur within the same system, or within geographically or systemically relevant systems from which the company sources or into which it feeds.
- C25.3. **Quantification:** Companies shall transparently and conservatively quantify the scale and outcomes associated with actions according to recognized methodologies.³⁴
- C25.4. **Verifiability:** Companies shall maintain auditable documentation supporting the outcomes of actions, sufficient to enable independent third-party assurance, where feasible.³⁵
- C25.5. **Temporal alignment:** Companies shall demonstrate that actions correspond to activities occurring within 12 months of the company's underlying activities, unless longer timeframes are justified by the typical production cycle, storage period, or product lifespan of the relevant good, or by established vintage limitations in the markets where the actions occur.
- C25.6. **Unique attribution:** Companies shall demonstrate that outcomes associated with actions are clearly attributable to the company. Where multiple actors within a value chain reference the same action, companies shall transparently document this and avoid over-attribution of the associated outcomes.
- C25.7. **Double counting prevention:** Companies shall ensure that actions are not double counted. For project outcomes and market instruments, companies shall use or implement systems that provide unique identification (e.g.,

³³ For the avoidance of doubt, CNZS-C25 and its sub-criteria are applicable to projects, market instruments, and energy attribute and commodity certificates.

³⁴ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable.

³⁵ The SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

serialization) and tracking of outcomes and attributes, allowing co-claiming where appropriate. Companies shall refer to third-party-recognized registries, where available.³⁶

CNZS-C26. Companies shall ensure that any projects used to support target implementation meet recognized third-party integrity criteria,³⁷ where applicable, and SBTi minimum integrity criteria.^{38, 39}

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C26.1. **Eligibility:** Projects shall be considered eligible only when:
- They result in measurable and demonstrated emissions reductions or removals.⁴⁰
 - For scopes 1 and 2, they are reflected in the company's physical GHG inventory.
 - They are implemented by or on behalf of the company.
- C26.2. **Excluded mechanisms:** The following mechanisms shall not be considered eligible for target implementation:
- Emissions reductions derived from hypothetical scenarios;
 - Emissions reductions or removals, including GHG credits, used for the SBTi's Ongoing Emissions Responsibility program, or for other comparable programs or schemes;
 - GHG credits sold or otherwise transferred to a third party;
 - Emissions reductions or removals that are estimated ex ante and not yet realized.
- C26.3. **Accounting approach:** Companies shall account for and report on the measured change in emissions reductions or removals before and after the project and report outcomes proportionate to their defined contribution to the project.
- C26.4. **Emissions matching:** Companies shall ensure that the total volume of emissions reductions or removals from a project corresponding to a given activity does not exceed, and is proportional to, the actual physical emissions reductions or removals achieved through the action within the target cycle.
- C26.5. **Leakage:** Companies shall assess and account for potential leakage, ensuring that reported emissions reductions or removals reflect net outcomes after considering emissions increases outside the project boundary.
- C26.6. **Causality:** Companies shall demonstrate that reported emissions reductions or removals are a direct result of the project.

³⁶ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable.

³⁷ Ibid.

³⁸ The requirements in this criterion apply where companies choose to separately disclose project-based emissions reductions or removals alongside the physical GHG inventory to enable system-contribution claims (see C37.10.c).

³⁹ For the avoidance of doubt, CNZS-C25 and its sub-criteria are applicable to projects.

⁴⁰ Projects that result in the removal of carbon from the atmosphere can only be used for neutralization purposes in the Corporate Net-Zero Standard or as defined in applicable Sector Standards.

- C26.7. **Additionality:** Companies shall demonstrate that emissions reductions or removals from projects meet additionality requirements based on established frameworks or standards.⁴¹

CNZS-C27. Companies shall ensure that any market instruments used to support target implementation meet recognized third-party integrity criteria,⁴² where applicable, and SBTi minimum integrity criteria.⁴³

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C27.1. **Representative instruments:** Market instruments shall accurately and conservatively convey the emissions or physical attributes of the underlying activity.
- C27.2. **Volume matching:** Companies shall ensure that the volume of market instruments matched to a given activity does not exceed the volume of the corresponding activity, as reflected in the company's GHG emissions inventory.
- C27.3. **Accounting basis:** Market instruments conveying emissions factors shall apply attributional accounting principles based on a homogeneous functional unit and be consistent with applicable GHG Protocol requirements.
- C27.4. **Attribute preservation:** Emissions attributes at the point of instrument generation shall be allocated in proportion to physical flows across processing stages. These attributes shall not subsequently be stacked, non-proportionally redistributed, or concentrated on a subset of products in a way that overstates the outcomes beyond what physically occurs (e.g., "carbon bank" models).
- C27.5. **System-level impact:** Where companies purchase market instruments issued through programs or frameworks, companies shall purchase such instruments only from programs or frameworks that demonstrate decarbonization of the relevant system.⁴⁴

Recommendations:

- R27.1. **Progressive acquisition:** Companies are recommended to acquire market instruments progressively over the target timeframe rather than deferring acquisition until the end of the target timeframe, unless supply constraints or market availability prevent it.

⁴¹ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable.

⁴² Ibid.

⁴³ For the avoidance of doubt, CNZS-C25 and its sub-criteria are applicable to market instruments.

⁴⁴ For example, a program that demonstrates that demand for low-carbon commodity certificates contributes to increased supply of low-carbon commodities. The SBTi expects to develop further guidance on system-level impact for programs and frameworks as part of the third-party recognition framework.

CNZS-C28. Companies shall ensure that any energy attribute and commodity certificates used to support target implementation are issued, transferred, and retired through transparent, secure tracking systems that prevent double counting.⁴⁵

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C28.1. **Registry transparency:** Certificate issuance, transfer, redemption, cancellation, and retirement are recorded in a secure registry or equivalent system of records.
- C28.2. **Assurance (Category A only):** Conformance with use (CNZS-C25), project (CNZS-C26), eligibility (CNZS-C27), and transaction (CNZS-C28) requirements shall be verified where relevant as part of the independent third-party assurance of data and calculations substantiating target progress required under [CNZS-C37](#).⁴⁶

4.3 Applying the implementation hierarchy to electricity consumption

Intent: To drive meaningful decarbonization of electricity consumption in both operations and value chains by focusing actions on the sources of electricity use while supporting the transition of the systems on which they depend. *The relevant criteria set out earlier in this chapter apply equally to electricity-related actions. Companies shall therefore ensure that implementation actions for electricity meet all applicable requirements, including the temporal (12-month) alignment requirement (CNZS-C25.5).*

CNZS-C29. Companies shall prioritize activity-level actions in decarbonizing electricity consumption.

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C29.1. **Eligible actions:** Activity-level actions to decarbonize electricity consumption shall include reductions in electricity use or increases in the physical consumption of low-carbon electricity (LCE) from generation sources not embedded in activity pools, i.e., behind-the-meter generation.
- C29.2. **Behind-the-meter generation:** Electricity consumed from on-site generation or off-site generation delivered through a direct line without grid transfers shall be decarbonized through activity-level actions.

⁴⁵ For the avoidance of doubt, CNZS-C25 and its sub-criteria are applicable to energy attribute and commodity certificates.

⁴⁶ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable. Where no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

CNZS-C30. Companies shall define activity pool boundaries for their operational (scope 2) and value chain (scope 3) electricity consumption based on deliverability regions.⁴⁷

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C30.1. **Activity pool boundaries for purchased or acquired electricity (scope 2):** Companies shall define activity pool boundaries based on the deliverability regions serving their electricity consumption.
- C30.2. **Activity pool boundaries for electricity consumption outside the company's control (scope 3):** Where the geographic location of electricity consumption within the company's value chain is known with sufficient detail, companies shall define activity pool boundaries based on deliverability regions. Where such information is not available, companies may use national or other appropriate regional boundaries and shall report the basis for their application.
- C30.3. **Deliverability between activity pools:** Electricity may be considered deliverable between interconnected activity pools under any of the following circumstances:
- a. Where companies can demonstrate that the electricity and its associated attributes can be physically transmitted from the generation location to the location of consumption. Companies shall hold, or demonstrate access to, the necessary transmission rights through regulatory arrangements, contracts, or recognized market instruments approved by the relevant transmission system operators.
 - b. Where companies' operations are located in two or more interconnected activity pools within a wide area synchronous grid, the aggregate load from these operations is covered by a power purchase agreement signed with an LCE project located in any of these activity pools, and where the offtake begins within 36 months of the project's commissioning. Companies shall not extend this flexibility beyond the regulatory boundaries applicable to market instruments for their electricity consumption.
- C30.4. **Structural supply constraints (electricity):** Companies taking sector-level actions for electricity shall demonstrate that sufficient LCE generation cannot be contracted within the relevant activity pool (deliverability region) or interconnected regions during the target timeframe.⁴⁸ Where such constraints are demonstrated, sector-level actions may be taken only while those constraints persist, and companies shall also demonstrate measures taken to enable the development or procurement of new LCE generation within the relevant activity pool.
- C30.5. **Legacy clause:** Market instruments from existing long-term contracts prior to the effective date of the Corporate Net-Zero Standard V2.0 may be

⁴⁷ Targeted revisions to GHG accounting aspects in the Corporate Net-Zero Standard, including the GHG Protocol's definitions of deliverability regions, will be considered upon conclusion of the GHG Protocol revision process.

⁴⁸ Structural constraints do not include internal preferences, procurement choices, or cost considerations alone.

considered deliverable in the same activity pools the instruments were applied to before the effective date. They shall be allocated using a load-weighted approach per activity pool. Renewal of such contracts shall not continue to extend their deliverability.

CNZS-C31. Companies shall ensure that any market instruments applied to electricity consumption from an activity pool meet eligibility criteria.

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C31.1. **Eligible market instruments:**⁴⁹ Companies shall use the following eligible market instruments to implement electricity-related targets from an activity pool:
- a. Physical power purchase agreements with grid-connected LCE generators.
 - b. Financial (virtual) power purchase agreements with grid-connected LCE generators.
 - c. Contracts with electricity suppliers for LCE attributes.
 - d. Purchases of unbundled energy attribute certificates for LCE.
 - e. Default-delivered LCE, where supported by energy attribute certificates⁵⁰.
 - f. Default-delivered LCE, in activity pools where LCE accounts for at least 95% of the generation mix and where there is no certificate registry for LCE.
- C31.2. **Behind-the-meter generation:** Market instruments used for electricity consumption from an activity pool shall represent LCE generation that is supplied to the grid serving that activity pool. Certificates from electricity generated and consumed behind the meter shall not be applied to electricity consumption from the grid.
- C31.3. **Generator age limit:** Market instruments shall be limited to LCE generators commissioned or re-powered within fifteen years preceding the period of electricity consumption to which the instrument is applied.

⁴⁹ Companies may refer to the technical criteria published by RE100 and the 24/7 Carbon-Free Coalition for more detailed definitions and guidance.

⁵⁰ Detailed guidance on default-delivered LCE is found in the RE100 and 24/7 Carbon-Free Coalition technical criteria. The forthcoming revision to the GHG Protocol Scope 2 Standard may introduce standard supply service (SSS), which may replace default-delivered LCE.

4.4 Scope 2 hourly matching

Intent: To improve transparency on the temporal alignment between electricity consumption and low-carbon electricity (LCE) generation, and to recognize companies that demonstrate leadership in aligning electricity demand with low-carbon supply on an hourly basis. *To inform future revisions of the Corporate Net-Zero Standard, the SBTi intends to launch a Call for Evidence to better understand how hourly matching should be deployed in the context of a target-setting program.*

CNZS-C32. Companies shall calculate and report the percentage of scope 2 electricity consumption in activity pools with significant electricity use that was contracted or matched with low-carbon electricity on an hourly basis.

Company category: Category A, Category B (optional)
Assessment stage: End-of-cycle Assessment

- C32.1. **Significance threshold:** Companies shall consider electricity use to be significant in any activity pool where total annual electricity consumption is 10 GWh or more.
- C32.2. **Hourly matching calculation:** Companies shall calculate the percentage of LCE used, contracted, or matched using energy attribute certificates to their significant electricity consumption on an hourly basis.
- C32.3. **Temporal accounting consistency:** Companies shall apply a consistent temporal accounting interval within each activity pool and shall not combine different accounting intervals for electricity consumption within the same activity pool.⁵¹
- C32.4. **Assurance (Category A only):** Companies shall obtain assurance for the hourly matching percentage as part of the independent third-party assurance of data and calculations substantiating target progress required under CNZS-C37.⁵²
- C32.5. **Reporting:** Companies shall report the hourly matching percentage for the target timeframe alongside the company's End-of-cycle Assessment for scope 2 targets and give consent to be displayed on the SBTi Dashboard within six months after completing the End-of-cycle Assessment.

⁵¹ For example, companies shall not combine hourly and annual accounting intervals within the same activity pool.

⁵² The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable. Where no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

CNZS-C33. Companies shall indicate whether they intend to take part in the SBTi’s optional Scope 2 Hourly Matching recognition program.

Company category: All companies
Assessment stage: Target Validation

- C33.1. **Rationale:** Companies that do not intend to take part shall submit an explanation to the SBTi as part of the Target Validation process.
- C33.2. **Public display:** Companies shall give consent to publicly display their intent to participate in the SBTi’s Scope 2 Hourly Matching recognition program on the SBTi Dashboard within six months after completing Target Validation.

CNZS-C34. Companies whose reported scope 2 hourly matching percentage of electricity consumption meets the defined recognition thresholds shall be eligible for recognition on the SBTi Dashboard.

Company category: All companies (optional)
Assessment stage: End-of-cycle Assessment

- C34.1. **Recognition thresholds:** Companies shall be eligible for recognition on the SBTi Dashboard where their scope 2 hourly matching percentage meets or exceeds the applicable threshold in each reporting year within the target timeframe, with thresholds determined based on the calendar year in which the majority of the reporting period occurs, as follows:⁵³
 - a. Until 2030: at least 50% hourly matching
 - b. Until 2035: at least 75% hourly matching
 - c. From 2035: at least 90% hourly matching
- C34.2. **Calculation and reporting:** Companies shall follow the calculation (CNZS-C32.2), accounting (CNZS-C32.3), and reporting (CNZS-C32.5) requirements as set out in CNZS-C32 to establish their scope 2 hourly matching percentage.
- C34.3. **Assurance:** Companies, including Category B companies, participating in the optional Scope 2 Hourly Matching recognition program, shall obtain assurance for the hourly matching percentage as part of the independent third-party assurance of data and calculations substantiating the target progress required under CNZS-C37.⁵⁴

⁵³ For target timeframes spanning multiple threshold periods, companies shall meet the applicable threshold in each individual year based on the corresponding calendar year.

⁵⁴ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable. Where no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

4.5 Sustainability of bio-based feedstocks

Intent: To ensure that bio-based feedstocks used by companies are sourced and managed in a way that supports sustainable production, avoids environmental harm, and enables accurate accounting of land-related emissions and removals.

CNZS-C35. Companies shall ensure that bio-based feedstocks meet recognized third-party sustainability criteria, where applicable, and SBTi minimum sustainability criteria.

Company category: Category A, Category B (optional)
Assessment stage: End-of-cycle Assessment

- C35.1. **Application:** These provisions shall apply to companies that directly purchase or process bio-based feedstocks, including for use in bioenergy generation or bio-based product manufacturing.
- C35.2. **Specific data:** Data on land-related emissions and removals shall be specific to the relevant biomass feedstock and its production system.⁵⁵ Where this data is not available at the time of the End-of-cycle Assessment, companies shall provide an explanation of the data limitations and ensure that systems and processes are established to make relevant data available within the next reporting cycle.
- C35.3. **No deforestation:** The production of the biomass feedstock shall not be associated with deforestation or the conversion of natural ecosystems.
- C35.4. **Feedstock replacement:** The feedstock shall originate from renewable biological sources with documented regrowth cycles that prevent long-term depletion of carbon stocks.
- C35.5. **Certification:** Where recognized third-party certification schemes are available for the relevant feedstock and geography, the biomass shall be certified under such schemes.⁵⁶

⁵⁵ Until the [GHG Protocol Land Sector and Removals Standard](#) provides applicable accounting guidance for forestry emissions, companies may use an alternative methodology, provided that the methods and the underlying assumptions are robust and transparently reported.

⁵⁶ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable.

5. REPORTING & ASSESSING TARGET PROGRESS

5.1 Tracking progress

Intent: To ensure transparent and consistent tracking of progress against validated targets and provide clear visibility into emissions trends and implementation challenges.

CNZS-C36. Companies shall track and report progress against targets annually.

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C36.1. **Reporting year:** Companies shall report the reporting period covered by their emissions data and indicate whether this period aligns with the company's financial reporting year.
- C36.2. **Target information:** Companies shall report information on their validated targets for the reporting year in accordance with [CNZS-C18](#).
- C36.3. **Separate target reporting:** Companies shall report against each individual target separately and, when applicable, in aggregate using SBTi methods. Where multiple targets are aggregated into a single target or "headline ambition," companies shall also report at the individual target level.
- C36.4. **Scope 1 and 2 emissions:** Companies shall report scope 1 and 2 emissions in accordance with [CNZS-C5](#).
- C36.5. **Actions:** Companies shall report a description of the actions taken at the activity, activity pool, or sector level, including the relevant activity, system, or sector.
- C36.6. **Barriers to progress:** Companies shall identify and report any material barriers that inhibit progress, and describe the actions taken or planned to mitigate them.
- C36.7. **Assurance:** Companies shall report the third-party assurance status of the GHG inventory and other relevant data.⁵⁷
- C36.8. **Reporting timing:** Companies shall report progress information annually, starting in the next reporting cycle following Target Validation.

Recommendations:

- R36.1. **Scope 3 emissions:** Companies are recommended to report a scope 3 emissions inventory annually in accordance with [CNZS-C5](#).
- R36.2. **Scope 3 EIAs:** Companies that have identified significant EIAs are recommended to report the associated absolute emissions based on the physical GHG inventory.

⁵⁷ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs. For other relevant data, when no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

5.2 Assessing progress at the end of the target cycle

Intent: To ensure companies transparently assess and communicate progress based on changes in the physical GHG inventory and reporting of implementation actions and associated outcomes, with appropriate assurance where applicable, enabling credible claims.

CNZS-C37. Companies shall assess and report progress against targets at the end of each target cycle.⁵⁸

Company category: All companies

Assessment stage: End-of-cycle Assessment

- C37.1. **Target progress assessment:** Companies shall assess and report progress at the end of the target cycle separately for each target and, when applicable, in aggregate, using SBTi methods. Where multiple targets are aggregated into a single target or “headline ambition,” companies shall also report progress at the individual target level.
- C37.2. **Full GHG inventory:** Companies shall account for, report, and submit a GHG emissions inventory for scopes 1, 2, and 3, along with other required metrics, for the target year in accordance with CNZS-C5.
- C37.3. **Assessment of GHG emissions:** Companies shall assess and report the change in GHG emissions between the target base year and the target year for each scope, and in aggregate across all scopes.
- C37.4. **Separate reporting of actions and instruments:** Companies shall report the actions taken at the activity level and, in accordance with CNZS-C24, at the activity pool and sector levels. Companies shall also report enabling actions, where relevant. Where actions and instruments are not reflected in the physical GHG inventory, they shall be reported separately from the physical GHG inventory, in accordance with established GHG accounting standards and CNZS-C5.4.
- C37.5. **Scope 3 EIA alignment (Category A only):** Category A companies shall assess and report the share of each significant EIA that meets the benchmark to be considered lower carbon or net-zero aligned.
- C37.6. **Scope 1 asset transition targets:** Companies setting scope 1 asset transition targets using the science-based milestones approach shall report:
 - a. **Asset operation:** Actions they have taken to operate existing assets in a manner that minimizes emissions over their remaining operational lifetime, consistent with best available practice.
 - b. **No new unabated assets:** Confirmation that they have halted investment in new unabated assets.

⁵⁸ For the avoidance of doubt, companies are expected to report the information specified in CNZS-C36 in addition to the information specified under CNZS-C37 for the final year of the target cycle.

- C37.7. **Assurance (Category A only):** Companies shall obtain independent third-party assurance, at a minimum limited assurance, for data and calculations substantiating progress assessments, and report the third-party assurance status of this information.⁵⁹
- C37.8. **Barriers:** Companies shall explain and report any material barriers that inhibited progress, including any structural constraints substantiated under [CNZS-C23](#), and describe the actions taken or planned to mitigate relevant internal and external barriers. This may include enabling actions undertaken to support future emissions reductions.⁶⁰
- C37.9. **Reporting timing:** Companies shall report the information required in this criterion for each target in the next reporting cycle following the End-of-cycle Assessment, and give consent for relevant information to be publicly displayed in the SBTi Dashboard within six months of completing the End-of-cycle Assessment.
- C37.10. **Claims:** Companies shall communicate about target implementation actions and their associated outcomes in a transparent and credible manner, in accordance with applicable SBTi claims guidance. Claims may only be made for actions that meet all applicable criteria in the Target Implementation chapter, according to the following provisions:
- Emissions reduction claims:** Changes in the physical GHG inventory shall constitute the basis for any emissions reduction claims.
 - Alignment claims:** Actions at the activity level may support claims of alignment with net-zero pathways where they result in measurable changes within the company's operations or value chain.
 - System contribution claims:** Actions at the activity pool or sector level that are not reflected in the physical GHG inventory and are reported separately as target implementation actions shall only support claims of contributing to the decarbonization of the systems in which the company's value chain activities are embedded.

Recommendations:

- R37.1. **Assurance (Category B):** Category B companies are recommended to obtain independent third-party assurance of the data and calculations that substantiate progress assessment.
- R37.2. **Removals:** Companies are recommended to voluntarily purchase carbon removals if targets are not met; such removals shall not be counted toward target progress. Companies shall adhere to the integrity criteria in CNZS-C42, report these removals, and adhere to the appropriate SBTi Claims Policy.

⁵⁹ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable. Where no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

⁶⁰ Structural constraints and enabling actions do not alter target progress assessment but may inform how progress is described in public reporting.

6. ONGOING EMISSIONS RESPONSIBILITY

6.1. Optional OER recognition program: Participation intent

Intent: To encourage participation in the recognition program by making companies' intent publicly visible, creating a clear signal that differentiates participating and non-participating companies to drive engagement.

CNZS-C38. Companies shall indicate whether they intend to take part in the optional Ongoing Emissions Responsibility recognition program.

Company category: All companies
Assessment stage: Target Validation

- C38.1. **Rationale:** Companies that do not intend to take part shall submit an explanation to the SBTi as part of the Target Validation process.
- C38.2. **Public display:** Companies shall give consent to publicly display their intent to participate in the SBTi's Ongoing Emissions Responsibility recognition program on the SBTi Dashboard within six months after completing Target Validation.

6.2 Optional OER recognition program: Eligibility & program structure

Intent: To ensure that recognition is granted only to companies that are delivering against their validated targets and that take responsibility for ongoing emissions by providing climate contributions that support verified mitigation or other climate action at a level aligned with their selected recognition tier.

CNZS-C39. Recognition for ongoing emissions responsibility shall be assessed and awarded at the End-of-cycle Assessment based on progress against validated targets and delivery of climate contributions in accordance with a selected recognition level.

Company category: All companies (optional)
Assessment stage: End-of-cycle Assessment

- C39.1. **Target progress:** The following target progress conditions shall apply for companies to be eligible for recognition:
 - a. **Targets validated under previous standards:** Where companies have set targets under an earlier version of the SBTi Standards and are setting targets under the Corporate Net-Zero Standard V2.0, enrollment in the program shall be based on the expectation that companies progress against their existing targets on a best-efforts basis.
 - b. **No previous targets:** Companies without previously validated targets are eligible for recognition in their first target cycle.

- c. **Targets set under the Corporate Net-Zero Standard V2.0:** Where a company has validated targets under the Corporate Net-Zero Standard V2.0 and is setting targets for a subsequent cycle, it shall demonstrate substantial progress toward its validated near-term targets, supported by:
 - i. Progress that is consistent with the expected trajectory for each validated target.
 - ii. Credible implementation of actions to support target implementation.
- C39.2. **Recognition level conformance:** Companies shall demonstrate that they have covered the required share of ongoing emissions and delivered climate contributions in support of verified mitigation outcomes and other eligible climate actions over the near-term target timeframe, in accordance with the responsibility level and associated conditions specified in this section.

CNZS-C40. Companies shall select a recognition level and, over the near-term target timeframe, deliver climate contributions at a scale determined by the required coverage of ongoing scope 1, scope 2, and scope 3 emissions and contributions under that level.

Company category: All companies (optional)
Assessment stage: End-of-cycle Assessment

- C40.1. **Physical GHG inventory:** Companies shall calculate emissions coverage based on the physical GHG inventory, including the location-based method for scope 2.
- C40.2. **Five-year timeframe:** Companies shall calculate cumulative emissions coverage using the five most recent consecutive years of ongoing scope 1, scope 2, and scope 3 emissions.⁶¹
- C40.3. **Engaged recognition level:** Companies that select the Engaged recognition level shall cover at least 1% of total ongoing scope 1, scope 2, and scope 3 emissions during the target timeframe by delivering climate contributions through either:
 - a. Supporting verified mitigation outcomes equal in volume (tCO₂e) to the emissions covered; or
 - b. Establishing and using a contribution budget based on covered emissions.
- C40.4. **Advanced recognition level:** Companies that select the Advanced recognition level shall cover 100% of ongoing scope 1 and scope 2 emissions, and additional scope 3 emissions as necessary, so that total coverage equals at least 10% of total ongoing scope 1, scope 2, and scope 3 emissions during the target timeframe, by delivering climate contributions through either:
 - a. Supporting verified mitigation outcomes equal in volume (tCO₂e) to the emissions covered; or

⁶¹Companies participating in the OER recognition program report a full scope 3 inventory annually, which is additional to the Corporate Net-Zero Standard minimum requirements, to ensure accurate and transparent determination of contributions.

- b. Establishing and using a contribution budget equal to US\$20 per tCO₂e of covered emissions.⁶²
- C40.5. **Leadership recognition level:** Companies that select Leadership level shall cover 100% of total ongoing scope 1, scope 2, and scope 3 emissions during the target timeframe, by:
 - a. Establishing a contribution budget equal to \$80 per tCO₂e of covered emissions;⁶³ and
 - b. Using the contribution budget to support verified mitigation outcomes equal in volume (tCO₂e) to the emissions covered; and
 - c. Using any remaining funds to support verified mitigation and/or other eligible climate actions.
- C40.6. **Leadership recognition level (Category B adjustment):** Category B companies that select Leadership level may cover 100% of ongoing scope 1 and scope 2 emissions, and additional scope 3 emissions as necessary, so that total coverage equals at least 10% of total ongoing scope 1, scope 2, and scope 3 emissions during the target timeframe, by:
 - a. Establishing a contribution budget equal to \$80 per tCO₂e of covered emissions; and
 - b. Using the contribution budget to support verified mitigation outcomes equal in volume (tCO₂e) to the emissions covered; and
 - c. Using any remaining funds to support verified mitigation and/or other eligible climate actions.
- C40.7. **Shared responsibility:** Companies may share coverage of scope 3 emissions with value chain partners that report the same emissions. Where scope 3 emissions are shared:
 - a. At least one party shall clearly assume coverage of the emissions.
 - b. Companies shall submit a written agreement or contract describing how coverage is allocated.
- C40.8. **Disbursement of funds:** Companies shall disburse all funds toward verified mitigation outcomes and/or other climate actions during the same five-year period used to calculate emissions coverage.

Recommendations:

- R40.1. **Contribution level for Engaged:** Companies using the contribution budget approach for Engaged recognition level are recommended to establish a contribution budget of at least \$20 per tCO₂e of covered emissions.
- R40.2. **Progressive disbursement:** Companies are recommended to disburse committed funds progressively over the target timeframe rather than deferring disbursement until the end of the target timeframe, unless supply constraints or market availability prevent progressive disbursements.

⁶² This benchmark is not intended to define best practice or prescribe market prices for mitigation instruments. It is based on observed corporate practice and SBTi research indicating that this level of financial commitment can mobilize a range of climate actions across cost levels. The benchmark will be kept under periodic review.

⁶³ The SBTi reviewed various approaches to setting a science-based carbon price, which yield a wide range of uncertain estimates, and has therefore selected a benchmark of at least \$80/tCO₂e for the Leadership level of recognition, reflecting the lower end of these estimates and subject to future review.

Table 4. Summary of Ongoing Emissions Responsibility program recognition levels and approaches for delivering climate contributions.

RECOGNITION LEVEL		CLIMATE CONTRIBUTION DELIVERY APPROACH		
Level name	Coverage	Contribution budget approach (US\$)	Required application	Verified mitigation approach (tCO ₂ e)
Engaged	1% of total ongoing emissions	Covered emissions × \$/tCO ₂ e <i>(no mandated price set)</i>	OR	Verified mitigation outcomes equal in volume (tCO ₂ e) to covered emissions
Advanced	10% of total ongoing emissions (including 100% of scope 1 and scope 2)	Covered emissions × \$20/tCO ₂ e	OR	Verified mitigation outcomes equal in volume (tCO ₂ e) to covered emissions
Leadership	Category A companies: 100% of total ongoing emissions Category B companies: 10% of total ongoing emissions (including 100% of scope 1 and scope 2)	Covered emissions × \$80/tCO ₂ e	AND	Verified mitigation outcomes equal in volume (tCO ₂ e) to covered emissions

CNZS-C41. Companies shall use climate contributions to support only eligible verified mitigation outcomes and/or other eligible climate actions toward recognition under the Ongoing Emissions Responsibility recognition program.

Company category: All companies (optional)
Assessment stage: End-of-cycle Assessment

- C41.1. **Verified mitigation outcomes⁶⁴:** Companies that support verified mitigation outcomes for recognition under this program shall ensure that such outcomes are derived from activities that:
- Deliver ex-post, independently third-party-assured outcomes, measured in tCO₂e; and
 - Reduce emissions from emission sources not located within the company's value chain; and/or
 - Restore, protect, or enhance natural carbon sinks; and/or
 - Remove carbon from the atmosphere and store it in carbon storage pools.
- C41.2. **Timing of verified mitigation outcomes:** Verified mitigation outcomes used toward recognition shall have occurred within the five years prior to the reporting year in which the company is seeking recognition.

⁶⁴ For the avoidance of doubt, product-level avoided emissions associated with the use of sold products are not eligible for recognition under this program.

- C41.3. **Other climate action:** Companies that establish a contribution budget shall support any of the following climate action categories:
- a. Verified mitigation outcomes (per CNZS-C41.1)
 - b. Ex-ante mitigation funding
 - c. Low- or zero-carbon research and innovation
 - d. Mitigation-enabling outcomes funding
 - e. Adaptation and resilience funding
 - f. Loss and damage funding

Recommendations:

- R41.1. **Prioritization:** Companies are recommended to prioritize funding mitigation that maximizes climate impact, closes financing gaps (particularly in lower-income countries in support of Nationally Determined Contributions), delivers social and environmental co-benefits, and advances climate equity, including contributing to communities' access to basic energy services.⁶⁵

6.3 Optional OER recognition program: Integrity criteria for supported activities

Intent: To ensure that activities supported under the OER recognition program deliver credible climate impact and adhere to robust integrity and quality standards, safeguarding environmental and social outcomes.

CNZS-C42. Companies shall ensure that the activities they support as part of the Ongoing Emissions Responsibility recognition program meet recognized third-party high-integrity criteria, where applicable, and SBTi minimum integrity criteria.⁶⁶

Company category: All companies (optional)
Assessment stage: End-of-cycle Assessment

- C42.1. **Integrity criteria:** For all activities supported as part of the OER recognition program, companies shall, at a minimum:
- a. **Due diligence:** Conduct documented due diligence on the implementing party and funded activity.
 - b. **Do no harm:** Ensure supported activities are designed and implemented with safeguards in place to prevent negative social or environmental impacts, including respect for human rights, biodiversity, and the rights of Indigenous Peoples and local communities, while delivering positive sustainable development outcomes.
 - c. **Avoid carbon lock-in:** Ensure supported activities avoid high-carbon technology or infrastructure lock-in.

⁶⁵ See Annex B of the [SBTi Above and Beyond Report](#) for further details on these principles.

⁶⁶ The SBTi will develop criteria and processes for recognizing third-party frameworks, standards, and programs, where applicable. Where no recognized frameworks are available, the SBTi Assurance Framework will define the scope of assurance to be used in the process by the third-party assurance provider.

- d. **Transparency:** Report sufficient information on supported activities, methodologies, outcomes, and, where applicable, benefit-sharing arrangements, on an annual basis in an accessible format.
- C42.2. **Verified mitigation outcomes:** Verified mitigation outcome-generating activities supported as part of the OER recognition program shall:
- a. **Governance:** Be overseen by effective governance and be recorded and used within a transparent and traceable system that ensures the mitigation outcome is uniquely recorded and allocated only once.
 - b. **Quantification:** Be measured ex-post using conservative and scientifically robust methods that:
 - i. Define boundaries.
 - ii. Establish baselines that reflect existing regulatory requirements and are subject to periodic reassessment to allow for a progressive increase in ambition over time, based on most recent methodologies.
 - iii. Include monitoring procedures and treatment of uncertainty.
 - iv. Mitigate leakage.
 - c. **Project- or program-level additionality:** Represent mitigation outcomes that would not have occurred in the absence of the intervention. The mitigation activity or project shall not be legally required, financially viable without the intervention, or already fully funded under existing policies.
 - d. **Reversal risk safeguards:** Include risk assessments and safeguards to monitor, address, and compensate for reversals where risk of reversal exists.
 - e. **Assurance:** Be assured by an independent, accredited third party.
 - f. **Regulatory surplus:** When counted toward the Engaged recognition level, verified mitigation shall be surplus to regulatory or legal compliance obligations in place at the time of commitment. At the Advanced and Leadership levels, verified mitigation used for regulatory or compliance purposes may be considered, subject to the integrity criteria in this section.
- C42.3. **Other climate actions:** The other eligible climate actions supported as part of the OER recognition program shall:
- a. **Baseline assessment:** Include a documented assessment of what would likely occur in the absence of the intervention.
 - b. **Impact definition:** Include a documented impact pathway that defines climate objectives, expected impacts, measurable indicators and milestones, and delivery timeframe with delivery safeguards.
 - c. **Monitoring:** Be accompanied by a monitoring and reporting plan that is implemented to document progress against defined impacts and objectives.
 - d. **Assurance:** Be subject to independent third-party assurance to confirm delivery and effectiveness against stated objectives.
 - e. **Beyond business-as-usual funding:** Be funded through resources that are new and surplus to validated target delivery spending, legally required expenditure, or routine commercial activity.

6.4 Optional OER recognition program: Accounting & reporting

Intent: To ensure that ongoing emissions responsibility is transparently accounted for and reported separately from inventory and target progress, enabling assessment of conformance with standard requirements.

CNZS-C43. Companies taking part in the Ongoing Emissions Responsibility recognition program shall account for supported verified mitigation outcomes separately from inventory and target progress, and prevent double claiming.

Company category: All companies (optional)

Assessment stage: End-of-cycle Assessment

- C43.1. **No double-counting or netting:** Verified mitigation outcomes supported for the OER recognition program shall not be counted toward target scope 1, scope 2, or scope 3 implementation and shall not be netted from the GHG inventory.
- C43.2. **Inventory reductions:** Emissions reductions reported in the company's scope 1, scope 2, or scope 3 inventory, and actions or market instruments used to implement targets that are not reflected in the inventory, shall not be counted toward the OER recognition program.
- C43.3. **Inventory removals:** Removals reported in the company's inventory may count toward the OER recognition program only if they are not also counted toward progress against other SBTi targets.
- C43.4. **Carbon credits:** The following shall apply in relation to carbon credits used for ongoing emissions responsibility:
 - a. They shall be permanently retired at the time they are claimed.
 - b. Mitigation outcomes associated with credit-generating activities are reported only as a mitigation (tCO₂e) contribution when they are not simultaneously claimed by another actor for compliance, offsetting, or compensation purposes.
- C43.5. **Interaction with post-2035 and net-zero:** Verified mitigation outcomes already used for the OER recognition program shall not be used to meet post-2035 or net-zero requirements.

CNZS-C44. Companies taking part in the Ongoing Emissions Responsibility recognition program shall report information and obtain independent assurance to demonstrate conformance with their selected recognition level.

Company category: All companies (optional)

Assessment stage: End-of-cycle Assessment

- C44.1. **Reporting:** Companies shall report information sufficient to demonstrate conformance with the responsibility level associated with their selected recognition level, including:

- a. **Total emissions:** Total cumulative ongoing emissions over the relevant target timeframe, disaggregated by scope 1, scope 2, and scope 3.
 - b. **OER coverage:** The volume and percentage of emissions the company has covered as part of the OER recognition program over the relevant target timeframe, disaggregated by emissions scope.
 - c. **OER level and approach:** The selected recognition level and, if Engaged or Advanced level is selected, the climate contribution delivery approach, as outlined in C40.3 and C40.4 and summarized in Table 4.
 - d. **Carbon price:** Where applicable, the carbon price applied and the resulting total financial contribution budget.
 - e. **Financial contribution:** The total monetary value of eligible climate contributions deployed during the relevant target timeframe, disaggregated per eligible activity.
 - f. **Mitigation contribution:** The total volume in tCO₂e of eligible verified mitigation outcomes supported during the relevant target timeframe, disaggregated per eligible activity.
 - g. **Shared responsibility:** Where applicable, details on shared scope 3 responsibility, including quantification of the shared arrangement and details of the sharing agreement.
- C44.2. **Assurance:** Companies shall obtain independent third-party assurance to confirm conformance with integrity criteria and full disbursement of funds within the relevant target timeframe.
- C44.3. **Reporting timing:** Companies shall report the information requested under CNZS-C44.1 in the next reporting cycle following the End-of-cycle Assessment, and give consent for relevant information (excluding commercially sensitive data) to be displayed on the SBTi Dashboard within six months after completing the End-of-cycle Assessment.

6.5 Post-2035: Responsibility Requirement

Intent: To signal future expectations for mandatory ongoing emissions responsibility from 2035 onwards, enabling companies to prepare and build capacity over time.

***Disclaimer:** This illustrative requirement sets the intention for companies to gradually take responsibility for the impact of their ongoing emissions from 2035 onwards. As this requirement is expected to take effect from 2035, the criteria will be reviewed in the next major revision of the Corporate Net-Zero Standard (Version 3) to reflect the best available science at the time.*

CNZS-C45. From 2035, companies shall support eligible carbon removals equal to at least 1% of ongoing scope 1, scope 2, and scope 3 emissions, including a defined and increasing share of long-lived removals.

***Company category:** Category A, Category B (optional)
Assessment stage: End-of-cycle Assessments after 2035*

- C45.1. **Responsibility level:** Companies shall cover 1% of ongoing scope 1, scope 2, and scope 3 emissions in 2035, rising linearly to 100% by the company's net-zero target year, and no later than 2050.
- C45.2. **Eligible activities:** Companies shall support carbon removal activities that:
 - a. Deliver verified mitigation outcomes measured in tCO₂e within the same reporting period as the covered emissions.
 - b. Are consistent with the integrity criteria set out in CNZS-C42.
- C45.3. **Quantification of long-lived GHG emissions:** Companies shall quantify the proportion of covered emissions that are attributable to long-lived GHGs.
- C45.4. **Phased-in durability⁶⁷:** From 2035, companies shall support long-lived removals equal to at least 10% of covered emissions attributable to long-lived GHGs. This minimum share shall increase linearly, reaching 100% by the net-zero year at the latest.
- C45.5. **Portfolio of removals for remaining responsibility:** Companies shall support short-lived removals, long-lived removals, or a combination of both for covered emissions not subject to CNZS-45.4.
- C45.6. **Shared responsibility for scope 3:** Companies may share coverage of scope 3 emissions with value chain partners that report the same emissions. Where scope 3 emissions are shared:
 - a. At least one party shall clearly assume coverage of the emissions.
 - b. Companies shall submit a written agreement or contract describing how coverage is allocated.
- C45.7. **Recognition beyond minimum requirements:** Companies that take responsibility beyond these requirements shall be eligible for recognition under the optional SBTi OER recognition program.

⁶⁷ The potential storage timescale of a carbon storage pool depends on the physical, chemical, and biological properties of the storage medium (e.g., rock, soil, or biomass), though actual permanence may be affected by human or natural disturbances. The SBTi intends to issue a Call for Evidence on whether shorter-lived carbon removals can deliver climate-equivalent permanence to long-lived removals and neutralize long-lived GHGs through contractual, financial, or stewardship mechanisms.

6.6 Neutralization of residual emissions

Intent: To ensure that a state of net-zero is achieved and maintained through the neutralization of all residual emissions using eligible and integrity-aligned carbon removals.

Disclaimer: The SBTi will continue to review and update the criteria and recommendations in this section in line with scientific advancements.

CNZS-C46. At the net-zero target year and thereafter, companies shall reduce their scope 1, scope 2, and scope 3 emissions to zero or residual levels, and neutralize all residual emissions using eligible carbon removals.

Company category: All companies

Assessment stage: Net-Zero End-of-cycle Assessment

- C46.1. **Eligible activities:** Companies shall neutralize all residual emissions with carbon removal activities that:
- Deliver verified mitigation outcomes measured in tCO₂e within the same reporting period as the residual emissions.
 - Are consistent with the integrity criteria set out in CNZS-C42.
 - Carbon removal activities may occur within or outside the company's value chain.
- C46.2. **Storage durability requirements:** Companies shall ensure that residual emissions of long-lived GHGs are neutralized with long-lived removals, and that any remaining residual emissions are neutralized with short-lived removals, long-lived removals, or a combination of both.
- C46.3. **Direct responsibility for scope 1 residual emissions:** Companies shall assume direct responsibility for neutralizing all scope 1 residual emissions.
- C46.4. **Responsibility for scope 3 residual emissions:** Companies shall ensure that all residual scope 3 emissions are neutralized, either jointly with value chain partners that report the same emissions or directly where such neutralization has not been demonstrated by a partner.
- C46.5. **Double counting:** Companies shall ensure removals used to meet this requirement are not simultaneously used to neutralize any other distinct residual emissions source within corporate accounting systems.
- C46.6. **Reporting:** Companies shall report whether the removal credits used for neutralization have been authorized by the host country and subject to corresponding adjustments.

Recommendations:

- R46.1. **NDC double claiming:** Companies are recommended to use removals that are not simultaneously claimed against countries' Nationally Determined Contributions (NDCs), where possible, to strengthen the integrity of net-zero claims, including by applying corresponding adjustments where available.

ANNEX A. EMISSIONS-INTENSIVE ACTIVITIES

In accordance with the SBTi Corporate Net-Zero Standard, companies identify emissions-intensive activities (EIAs) within their value chains, quantify and report associated emissions, and assess progress against the relevant requirements to ensure these emissions sources are properly accounted for and mitigated.⁶⁸ By prioritizing action on these activities, companies can focus their influence on the most significant drivers of global GHG emissions and support systemic decarbonization toward a net-zero economy.

Table A.1 defines the scope 3 EIAs referenced throughout the Corporate Net-Zero Standard and identifies each activity using its corresponding [NACE code classification](#). These activities have been selected because they represent sectors with significant emissions impact and are critical to the global net-zero transition. The list of EIAs may expand over time as SBTi sector guidance and pathways continue to develop.

The emissions boundary for each activity is defined according to the nature of the activity to ensure consistent and comprehensive accounting of the most relevant lifecycle stages.

- **Commodities (cradle-to-gate):** EIAs in this category include lifecycle emissions from raw material extraction, upstream transport, and manufacturing processes (“cradle-to-gate”). These stages correspond to Modules A1 (raw material supply), A2 (transport), and A3 (manufacturing) as defined under [EN 15804](#) and [ISO 14025](#).⁶⁹ This boundary captures upstream embedded emissions that would otherwise be excluded under narrower facility-level (“gate-to-gate”) assessments.
- **Transport (well-to-wheel):** EIAs for transport activities include the full lifecycle emissions of the energy carrier used. This includes “well-to-tank” emissions from extraction, refining, and distribution of the fuel or electricity, as well as direct emissions from vehicle operation. Together, these emissions are referred to as “well-to-wheel”.
- **Sold products (use phase):** For sold products, EIAs focus on use-phase emissions. These include emissions from the combustion of sold fossil fuels (e.g., coal, oil, and gas) or from the electricity and fuel consumed by products during their operational life (e.g., vehicles or appliances).

⁶⁸ Where companies have not quantified EIA emissions, they are required to report which EIAs have not been quantified and submit an explanation as per C6.2.

⁶⁹ Alignment with A1–A3 modules also supports widely used product-level accounting frameworks. These modules form the basis for Environmental Product Declarations (EPDs) and provide the lifecycle data commonly required for compliance with the European Union Carbon Border Adjustment Mechanism (CBAM).

Table A.1 List of scope 3 emissions-intensive activities (EIAs), categorized by EIA Group (commodities, transport, or sold products). Note: The list of EIAs is expected to expand over time to reflect ongoing development of SBTi sector resources and pathways.

Activity	NACE code	Description of EIA boundary
COMMODITIES		
Cement	23.51	Extraction of limestone/clay, transport, and high-heat calcination in the kiln, plus clinker grinding and blending.
Steel	24.10	Iron ore mining, coking coal production, blast furnace reduction (or scrap melting in electric arc furnaces), and oxygen furnace processing.
Aluminum	24.42	Bauxite mining, alumina refining (Bayer process), and carbon-intensive electrolysis, including anode consumption.
Ammonia	20.15	Feedstock extraction (gas/coal) and the production of hydrogen and nitrogen, followed by the Haber-Bosch process.
Methanol	20.14	Feedstock extraction (gas/coal), synthesis gas (syngas) production, and catalytic conversion into liquid methanol.
Ethylene	20.14	Raw material extraction, processing/refining of feedstocks, and the production of ethylene via high-temperature steam cracking with separation or other means (e.g., bioethanol dehydration, methanol to olefins).
Propylene	20.14	Raw material extraction, processing/refining of feedstocks, and the production of propylene via high-temperature steam cracking with separation or other means (e.g., propane dehydrogenation, methanol to olefins).
Benzene	20.14	Raw material extraction, processing/refining of feedstocks, and the production of benzene via high-temperature steam cracking with separation or other means (e.g., methanol to aromatics).
Toluene	20.14	Raw material extraction, processing/refining of feedstocks, and the production of toluene via high-temperature steam cracking with separation or other means (e.g., methanol to aromatics).
Xylene	20.14	Raw material extraction, processing/refining of feedstocks, and the production of xylenes via high-temperature steam cracking with separation or other means (e.g., methanol to aromatics).
Plastics (primary polymer production)	20.16	Extraction and processing of feedstocks (oil/natural gas), production of monomers (e.g., ethylene, propylene) and other raw materials and intermediates (e.g., styrene, chlorine, ethylene oxide, terephthalic acid), polymerization into resins (e.g., PE, PP, PVC, PET, PS), pelletization and compounding prior to distribution.
Forest, land, and agriculture (FLAG) commodities	N/A	Emissions from farming of the raw commodities: cattle, chicken, cocoa, coffee, dairy, leather, palm, pork, rubber, maize, rice, wheat, soy, timber/wood fiber. <i>Note: For leather and dairy, emissions from farming the underlying raw commodity (cattle, goats, etc.).</i>
TRANSPORT		
Road (light duty vehicles)	49.41	Includes fuel/electricity production (well-to-tank) and the combustion or battery discharge during light commercial vehicle operation.
Road (heavy duty vehicles)	49.41	Covers the extraction/refining of diesel or hydrotreated vegetable oil, and the heavy-duty engine combustion cycles during long-haul freight transport.
Rail freight	49.20	Includes the specific electricity grid mix or diesel production, plus the efficiency losses in locomotive traction and track operation.

Activity	NACE code	Description of EIA boundary
Shipping (ocean)	50.20	Covers the production of heavy fuel oil or liquefied natural gas, and the direct emissions from marine engines, including methane slip where applicable.
Aviation (freight and passenger)	51.10, 51.21	Includes upstream jet fuel production (well-to-tank) and direct emissions from aviation operations (tank-to-wake), covering both freight and passenger air transport across all flight phases (including landing, take-off, and cruise).
SOLD PRODUCTS		
Combustion of sold fuels	N/A	Emissions generated from the combustion of sold fossil fuels (e.g., coal, oil, natural gas) by the end user.
Energy-consuming products (fossil fuels)	N/A	Lifetime emissions from products that directly combust fossil fuels during their use phase (e.g., internal combustion engines, gas boilers, furnaces, fossil-fuel power machinery). Includes capital goods such as buildings sold by developers.
Energy-consuming products (electricity)	N/A	Lifetime emissions from electricity consumed by the product during its use phase (e.g., electrical appliances, electronics, industrial machinery). Includes capital goods such as buildings sold by developers.
GHG-emitting products	N/A	Products that release GHGs during their use phase, either through leakage or chemical reaction (e.g., hydrofluorocarbons, perfluorocarbons) from cooling equipment; nitrous oxide emissions from the application of nitrogen-based fertilizers).
Fossil fuel support services	N/A	Services that support unabated fossil fuel production, processing, transmission, and distribution, including equipment and professional services (e.g., legal, advocacy and lobbying, consulting, public relations and advertising, data, dedicated software and other information technology services, assurance, architecture, intellectual property services).



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