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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# MAIN CHANGES DOCUMENT

CORPORATE NET-ZERO STANDARD V2.0

Version 1

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 charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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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.

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

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## VERSION HISTORY

Version	Change/update description	Release date
Version 1.0	Initial publication	June 11th, 2026

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# 1. INTRODUCTION

This document identifies the main changes to Corporate Net-Zero Standard V2.0 and includes a table that explains them in more detail, following the structure of the revised standard.

The Corporate Net-Zero Standard has been revised between April 2024 and May 2026 to produce Version 2.0. The purpose of this revision was to:

- Align with latest science and best practice;
- Enhance the SBTi's approach to addressing value chain (scope 3) emissions;
- Integrate continuous improvement and assessment of target achievement and;
- Improve the document's structure, as well as interoperability between CNZS and other SBTi standards and with other relevant standards and frameworks.

The Corporate Net-Zero Standard V2.0 is a major revision of Corporate Net-Zero Standard, and underwent initial public consultation from March to June 2025 and a second public consultation from November to December 2025. The revised version of Corporate Net-Zero Standard was approved by SBTi's Technical Council on 8th May 2026 and adopted by SBTi's Board of Trustees on 21st May 2026.

Corporate Net-Zero Standard V2.0 will be in effect as of 31 January 2027. Corporate Net-Zero Standard V2.0 has a transition period between Q1 2027 and Q1 2028. This means target validations against Corporate Net-Zero Standard V2.0 will be available in Q1 2027 but companies may continue to submit against Near-Term Criteria V5.3 and Corporate Net-Zero Standard V1.3.1 until 31 January 2028.

This document does not explain the changes of Corporate Net-Zero Standard V2.0 completely and therefore does not substitute a comprehensive reading of Corporate Net-Zero Standard V2.0. This document accompanies but is not part of the standard. All changes made are reflective of the iterative consultation process over the two years and incorporate feedback from the public consultations, pilot testing, Expert Working Group inputs and rounds of Technical Council deliberations. The [Basis for Conclusions report](#) gives further details, as well as the minutes and consultation reports available on the SBTi website.

## 2. SUMMARY OF MAIN CHANGES

A high-level summary of the key changes of Corporate Net-Zero Standard V2.0 is set out below:

- Transition from separate SME target-setting route to formal company categorization with differentiated requirements based on company category.
- Formalization of SBTi Assurance Model to support the assessment of continuous improvement.
- Introduction of net-zero governance and transition planning requirements.
- Expanded target setting options across scope 1, 2 and 3.
- Introduction of the target implementation hierarchy to guide the actions companies take to support delivery against targets.

- Introduction of voluntary recognition programs for scope 2 hourly matching and ongoing emissions responsibility.
- Expanded criteria for neutralization of residual emissions and a forward-looking requirement to support carbon removals from 2035 onwards.

### 3. SCALE OF CHANGES IN CORPORATE NET-ZERO STANDARD V2.0:

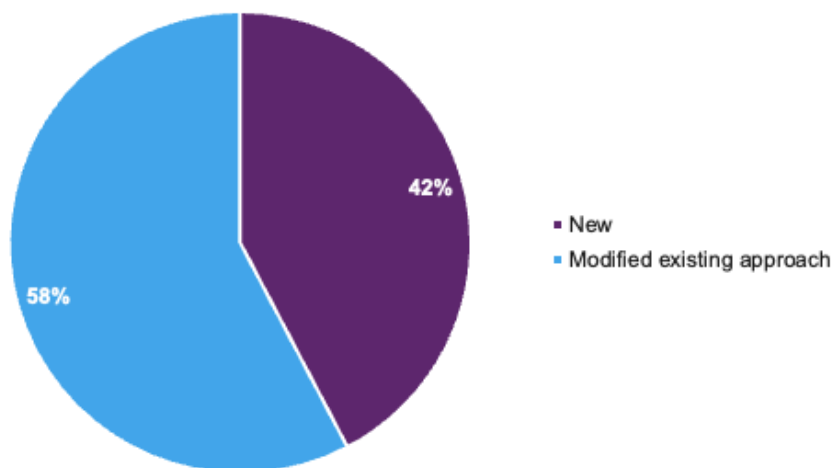
The CNZS V2.0 represents a major revision of the Corporate Net-Zero Standard. This revision included a restructuring of the way criteria are presented, with requirements now organized under headline criteria and associated sub-criteria. As a result of this structural change, a direct criterion-by-criterion mapping between V1.3.1 and V2.0 is not feasible. Instead, the analysis of changes focuses on the section level within CNZS V2.0 (e.g., 1.1 Leadership accountability for science-based targets; 1.2 Developing a transition plan).

Some sections build upon concepts and approaches established in V1.3.1, which have been further expanded and refined through the V2.0 revision process. Other sections introduce entirely new concepts and approaches that were not previously included in V1.3.1.

At the section level:

- 42% of sections in V2.0 are entirely new;
- 58% of sections in V2.0 reflect modifications or expansions of existing approaches.

**Scale of new and modified approaches per section in Corporate Net-Zero Standard V2.0**



## 4. OVERVIEW OF MAIN CHANGES IN V2.0 OF CORPORATE NET-ZERO STANDARD

The table below displays the key changes of the revision of the Corporate Net-Zero Standard V2.0.

New requirements or content are indicated by “new” and the main changes to existing requirements, guidance, or content are indicated by “modified existing approach”.

*Table 1. Summary of changes of Corporate Net-Zero Standard V2.0*

Chapter / section	Criterion number	Type of change	Details and rationale of revision
B. Standard & System Overview	-	New	V2.0 adds a dedicated architecture chapter covering terminology, assurance, claims, sector standards, applicability, and governance of the SBTi system.
B.3 Scope of the Standard - company categorization	-	Modified existing approach	V1 approached SMEs separately, while V2 introduces formal company categorization (Category A and B) with differentiated obligations based on turnover, geography, emissions, and employee thresholds.
B.3 Scope of the Standard - Fossil fuel company applicability	-	Modified existing approach	V2 formalizes restrictions into the scope section of the standard for fossil fuel companies by explicitly linking them to a dedicated Fossil Fuel Policy. This replaces C36 and C37.
B.4 Assurance model	-	New	V2 introduces a formalized assurance model with target validation and end-of-cycle assessments conducted by recognized validation bodies.
1 Net-zero governance	CNZS-C1 and C2	New	V2 introduces mandatory governance, board accountability, transition planning, and disclosure requirements that were not explicit criteria in V1.
2.1 Organizational and operational boundaries	CNZS-C3	Modified existing approach	V2 expands and formalizes requirements on organizational boundaries, subsidiaries, and parent company disclosure.

2.2 Selecting a target base year	CNZS-C4	Modified existing approach	V2 replaces the historical base year approach with a target base year based on the most recent comprehensive data available. V2 allows companies to continue communicating targets relative to earlier historical reference years if equivalence is validated.
2.3 Target base year GHG inventory	CNZS-C5	Modified existing approach	V2 expands inventory requirements to include low-carbon electricity metrics, physical inventories, market instruments (to be reported separately), and Land Sector and Removals Standard (LSRS)-aligned accounting.
2.4 Identification of EIAs	CNZS-C6	New	For Category A companies, V2 introduces mandatory identification and quantification of emissions-intensive activities (EIAs), and reporting of EIAs that represent $\geq 5\%$ of scope 3 emissions.
2.5 Third-party assurance	CNZS-C7	New	V2 introduces mandatory limited assurance requirements for Category A companies covering inventories and target-setting metrics.
2.6 Target base year recalculation	CNZS-C8	Modified existing approach	V2 strengthens the target base year recalculation requirements by introducing a differentiated approach to significant changes that trigger the target base year and associated metrics reassessment across the target cycle.
3.2 Scope 1 targets	CNZS-C10 & CNZS-C11	New	V2 introduces separate scope 1 targets (in contrast to combined scope 1 and 2 targets in V1) covering 100% of a company's direct emissions. It retains the options to set absolute emissions reduction or emissions intensity targets, but includes an asset transition option for sectors with long-lived capital stock where linear reduction approaches may not be appropriate. In contrast to V1, long-term targets are required only for companies setting near-term scope 1 emissions intensity or asset transition targets.
3.3 Scope 2 targets	CNZS-C12 & CNZS-C13	Modified existing approach	V2 introduces separate scope 2 targets (in contrast to combined scope 1 and 2 targets in V1) that cover 100% of a company's purchased electricity, heat, steam, and cooling. V2 retains the option to set either an emissions target or an alignment target, and revises alignment targets from renewable to low-carbon electricity. Category A companies that are rapidly increasing their

			<p>electricity demand (in excess of 20% p.a.) are required to set emissions targets. The option to set emissions intensity targets has been removed from V2.</p> <p>In contrast to V1, scope 2 emissions targets are based only on the physical (i.e., location-based) inventory.</p> <p>Requirements for using market instruments in scope 2 targets are addressed in the implementation hierarchy in Chapter 4.</p>
3.4 Scope 3 targets - target boundary	CNZS-C14	Modified existing approach	V2 replaces fixed-percentage coverage thresholds with a significance-based approach, requiring coverage of all scope 3 categories that represent $\geq 5\%$ of categories 1–14 emissions. It introduces specific optional exclusions within named categories (3, 7, 8, 9, 10, 14) where companies lack the practical ability to influence outcomes, with the requirement to report and justify each exclusion.
3.4 Scope 3 targets - target-setting options	CNZS-C15	Modified existing approach / New	V2 expands supplier/customer engagement targets into broader supplier/customer alignment pathways, measuring share of “in-transition” or “net-zero aligned” suppliers/customers. V2 also introduces new volume, product use, and product end-of-life alignment methods, providing actionable metrics tied to direct commercial levers, alongside emissions reduction targets. Where companies can demonstrate that no downstream option is reasonably applicable to Category 11 (use of sold products), a tightly constrained exception may be sought, subject to SBTi approval, with mandatory long-term targets, transition plan milestones, and annual emissions reporting. The scope 3 economic & physical intensity methods (based on a 7% year-on-year intensity reduction in annual compounded terms) were removed due to the lack of science-based reference pathways for these metrics. In contrast to V1, long-term scope 3 targets are optional for all companies.
3.5 Target revision	CNZS-C20	Modified existing approach	V2 retires the mandatory five-year target review requirement as all targets are set on a 5-year basis. A continuous evaluation approach focused on identifying significant changes that may cause targets to become non-conformant with the CNZS

			and results in target validation, which is a modification of the triggered target recalculation.
4 Target implementation	CNZS-C21 - C24	New	V2 introduces an implementation hierarchy to structure the actions companies take to reach their targets across all scopes. The hierarchy prioritizes direct, activity-level emissions reductions before allowing actions within shared systems (activity pools) or at the sector level, which are only permitted when structural constraints exist.
4 Target implementation - Actions and Market instruments integrity criteria	CNZS-C25 - C28	New	V2 establishes comprehensive integrity criteria for all actions, projects, and market instruments used to support target implementation. It ensures verifiability, temporal alignment, and the prevention of double-counting across all actions. Projects are required to result in measurable reductions/removals, meet additionality, address leakage and be reflected in the physical GHG inventory for scopes 1 and 2. Furthermore, V2 now recognizes use of market instruments and certificates, provided they accurately convey emissions attributes, use volume matching and are handled through transparent, secure tracking registries.
4 Target implementation (application to electricity)	CNZS-C29-CNZ S-C34	New	Electricity receives a normative application of some of the general criteria in the implementation hierarchy, acknowledging electricity as a universal input across operations and value chains and for which market-based accounting is well-established. The application to electricity defines what market instruments can be used (e.g., physical/financial power purchase agreements, low-carbon electricity contracts with electricity suppliers, or unbundled energy attribute certificate purchases), and criteria to qualify them in activity pool action (e.g., geographic matching requirements and a 15-year generator age limit).  The application to electricity also includes a requirement for significant electricity users to measure and disclose their low-carbon electricity performance measured using hourly accounting intervals, as well as optional recognition for companies meeting certain thresholds.

4 Target implementation (bio-based feedstocks)	CNZS-C35 Sustainability of bio-based feedstocks	New	V2 introduces a requirement ensuring that any bio-based feedstocks used for target implementation meet recognized third-party and SBTi minimum sustainability criteria, specifically prohibiting association with deforestation or the conversion of natural ecosystems.
5 Reporting & assessing target progress	CNZS-C36	Modified existing approach	V2 significantly expands annual reporting requirements by introducing more granular and structured disclosures on target progress following target validation, including a description of actions towards the targets and faced barriers.
5 Reporting & assessing target progress	CNZS-C37	New	V2 introduces a new end-of-cycle assessment requirement establishing a structured process for evaluating and reporting target progress at the end of each target cycle, supported by full-scope GHG inventories, separate reporting of actions and instruments, and enhanced transparency on barriers and target implementation outcomes, including a provision of enabled claims. It also includes the requirement of third-party assurance to substantiate the progress assessments for category A companies.
6.1 - 6.4 Ongoing emissions responsibility	OER recognition program (CZNS-C39 - C44)	Modified existing approach	V2 standardizes the “beyond value chain mitigation” recommendation into a broader “ongoing emissions responsibility” optional recognition framework, including voluntary recognition for companies delivering climate contributions.
6.6 Post-2035: Responsibility Requirement	Post-2035 responsibility requirement (CNZ-C45)	Modified existing approach	V2 standardizes the “neutralization milestones” recommendation into a broader “ongoing emissions responsibility” framework with a mandatory removal requirement for Category A companies from 2035 onward.
6.6 Neutralization of residual emissions	CNZS-C46	Modified existing approach	V2 integrates neutralization into the broader OER framework and expands the neutralization requirement previously included in V1 by introducing detailed requirements that establish expected storage durability of carbon removal activities, responsibility for the neutralization of direct and indirect emissions, double-counting conditions and neutralization reporting requirements.



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