

CORPORATE NET-ZERO STANDARD VERSION 2.0

PILOT TESTING FEEDBACK REPORT

June 2026

ABOUT THE SBTi



The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a UK charity, with a subsidiary SBTi Services Limited, which hosts our target validation services. Partner organizations who facilitated SBTi's growth and development are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

PARTNERS



United Nations
Global Compact



WORLD
RESOURCES
INSTITUTE



DISCLAIMER

Although reasonable care was taken in the preparation of this document, the Science Based Targets initiative (SBTi) affirms that the document is provided without representation or warranty, either expressed or implied, of the contents of this document, including its accuracy, completeness, sufficiency or fitness for purpose. The SBTi hereby further disclaims any and all duty, liability or responsibility (whatsoever), whether direct or indirect, whether arising in tort, contract or statute or otherwise, for damages or loss relating to the use of this document or any statement or otherwise to the fullest extent permitted by law.

The information (including data) contained in this document is not intended to constitute or form the basis of any advice (legal, financial or otherwise). The SBTi does not accept any duty, liability or responsibility for any claim or loss (whether direct or indirect) arising from any use of or reliance on any data or information contained in this document.

The contents of this document may be cited by anyone provided that the SBTi is cited as the source of the document. Such permission to use does not represent a license to repackage or resell any of the information included in the document. No repackaging or reselling of any of the contents of the document is permitted without the express prior written permission from the SBTi.

All information, opinions and views expressed herein by the SBTi are based on its judgment at the time this document was prepared and is subject to change without notice due to economic, political, industry, or firm-specific factors.

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

ABOUT THIS DOCUMENT

This document presents a summary of the feedback received during **the first (company survey) and second (hands-on company testing) phase of pilot-testing** on the Corporate Net Zero Standard V2.0.

This document outlines an **overview of the feedback** received and how this feedback **informed the revision** of the Corporate Net Zero Standard V2.0.

Thank you to all stakeholders who participated in the pilot test and provided feedback.



CONTENTS

I.	<u>Pilot Test Overview</u>	6
1.	<u>Phase I</u>	9
1.1	<u>Phase I Background Information</u>	10
1.2	<u>Summary of Phase I Pilot Feedback</u>	24
1.2.1	<u>Summary of Phase I Pilot Feedback – Scope 1</u>	25
1.2.2	<u>Summary of Phase I Pilot Feedback – Scope 2</u>	28
1.2.3	<u>Summary of Phase I Pilot Feedback – Scope 3</u>	54
1.2.4	<u>Summary of Phase I Pilot Feedback – Removals</u>	80
1.2.5	<u>Summary of Phase I Pilot Feedback – BVCM</u>	85
1.2.6	<u>Summary of Phase I Pilot Feedback – Progress & Claims</u>	106
2.	<u>Phase II</u>	109
2.1	<u>Phase II Background Information</u>	110
2.2	<u>Summary of Key Challenges from Phase II Pilot Feedback</u>	116
	<u>Acknowledgements</u>	123



I. PILOT TEST OVERVIEW

PILOT TEST OVERVIEW

PHASE I AND II OF PILOT TESTING CNZS V2.0

The pilot testing process was designed as a structured engagement to test target-setting elements of the draft Corporate Net-Zero Standard Version 2.0 (CNZS V2.0). The process was conducted in two phases:

- Phase I: Broad survey available to all companies
- Phase II: Hands-on target-setting trial with selected companies

This report presents a non-exhaustive summary of the findings from the pilot testing process, with each phase reviewed and discussed separately to clearly reflect the evolution of feedback and insights across the two stages.



PILOT TEST OVERVIEW

PHASE I AND II OF PILOT TESTING CNZS V2.0



	PHASE I: BROAD SURVEY TO COMPANIES	PHASE II: SELECTED COMPANY PILOT
DATE	June 2025 – mid-August 2025	October 2025 – December 2025
PARTICIPANT NO.	323 responses submitted by companies	64 company participants resulting in 50 completed company submissions (<i>258 companies expressed interest in Phase II participation through Phase I survey</i>)
DESCRIPTION	Public survey open to companies across all sectors and regions covering questions on scope 1, scope 2, scope 3, data availability, Beyond Value Chain Mitigation (BVCM; now termed Ongoing Emissions Responsibility), and removals	Structured engagement to test all target-setting elements of the draft Corporate Net-Zero Standard V2.0
OBJECTIVE	To gather feedback on the feasibility and applicability of the CNZS V2.0 across different business contexts to inform its revision.	To test implementability, understandability, and gather feedback on specific elements of the Standard



1. PHASE I



1.1 PHASE I BACKGROUND INFORMATION

PILOT TESTING PHASE I

OVERVIEW

Background

The first phase (company survey) pilot test of the SBTi Corporate Net-Zero Standard V2.0 (CNZS V2.0) took place between June to August 2025. The outcomes are summarized in this report.

The pilot test survey built on feedback received during the first public consultation and helped identify feasibility issues for the intended users of CNZS v2.0. It also highlighted areas needing further clarification and informed SBTi's development of the Standard.

Overall, 323 companies took part in the pilot test survey. A subset of this group was identified as candidates for the pilot test second phase, which featured hands-on testing of the target-setting approaches described in CNZS v2.0.

Key findings

Survey respondents described in detail the challenges associated with SBTi's proposed target-setting approaches.

The specific causes of these challenges varied widely, but difficulty accessing data was a recurring theme across emissions scopes: lack of consistent company GHG inventory data from 2020 to the present (scope 1), difficulty accessing granular time-specific activity and/or emissions factor data (scope 2), and supplier data (scope 3).

PILOT TESTING SURVEY

Survey format

A key part of phase I was the pilot testing survey.

Arranged into six core chapters, corresponding to those contained in the draft Corporate Net-Zero Standard V2.0, questions were asked across the following:

- Chapter 1: Net-Zero Ambition
- Chapter 2: Base Year Assessment
- Chapter 3: Target Setting
- Chapter 4: Ongoing Emissions Responsibility
- Chapter 5: Assessing Performance
- Chapter 6: Claims

Methodology overview

Phase I of the pilot test survey focused largely on quantitative analysis only. Due to company participant confidentiality constraints associated with qualitative responses, open-text questions are excluded from this report.

Where response counts (n) are reported, totals may not always equal 323. This is because some respondents did not provide sufficient data to be included in a given question, and/or certain questions were only posed to a subset of participants.

Note this report primarily displays the results of quantitative questions to preserve confidentiality.



PILOT TEST OVERVIEW

PHASE I METHODOLOGY OVERVIEW

The analysis includes:

- Complete submissions received through SurveyMonkey until August 18.
- All closed questions have been analyzed.
- All open questions have been analyzed.

This analysis does not include open unstructured feedback (i.e., letters, email, public statements).

Stage 0 – Quantitative responses:

- Separate each question and responses in a different sheet.
- Review/skim through closed-questions (quantitative) responses.
- Count responses per answer type and split them by region/country or other metrics as needed.
- Create charts for each question, e.g., "can your organization produce a 2020 greenhouse gas (GHG) inventory?", responses yes/no/other separated by region.

Stage 1 – Qualitative responses:

- Load response data for each question into Notebook LM.
- Use the following prompt in Notebook LM to generate list of key topics: "please identify from 5 to 10 exclusive and non-overlapping topics that are mentioned by respondents."
- Prepare a list of key topics present in each response.


Stage 2 – Qualitative responses:

- Pass all responses from each question separately into a sheet to link/tag each of them to one or more topics.
- For each question, tag identified topics mentioned in the responses.
- Summarize number of topics mentioned per question and visualize them in a column chart.
- The column chart shows 5-10 topics mentioned per question.
- Select relevant comments/quotes from responses for the slides.

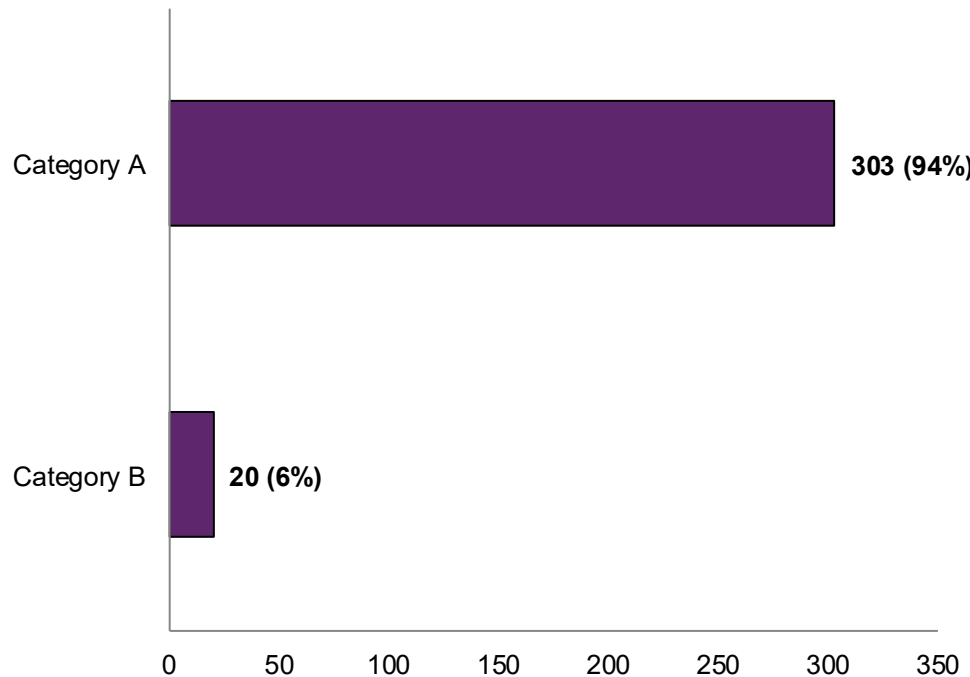
PARTICIPANTS

OVERVIEW

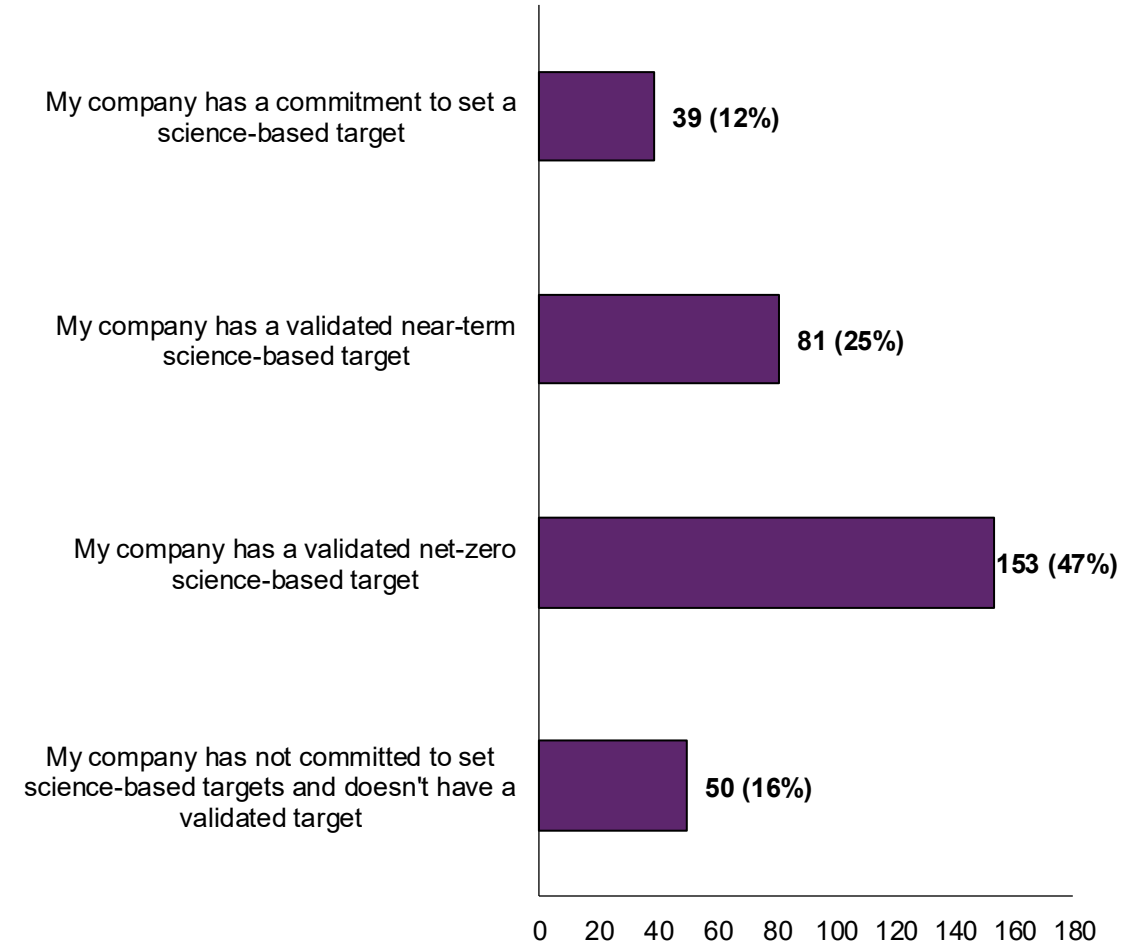
OVERALL PARTICIPATION

 **323** Number of completed survey responses (after removal of duplicates)

COMPANY CATEGORIZATION (N = 323)



SBTi STATUS (N = 323)

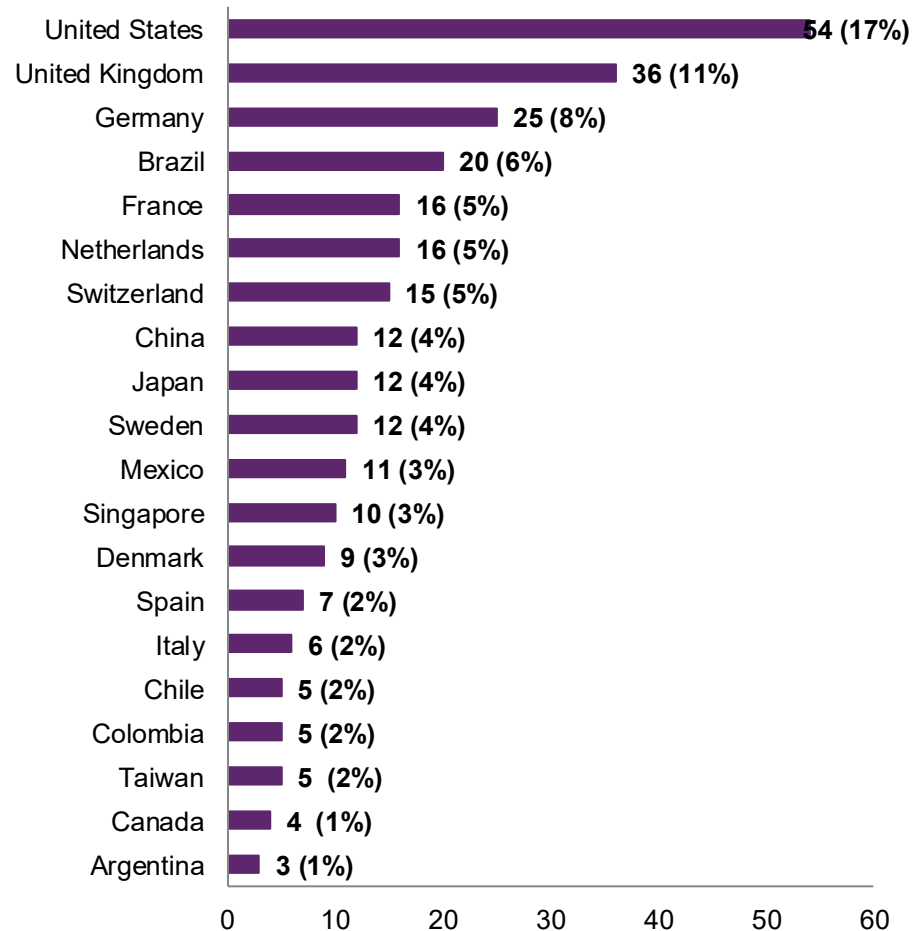


PARTICIPANTS

OVERVIEW

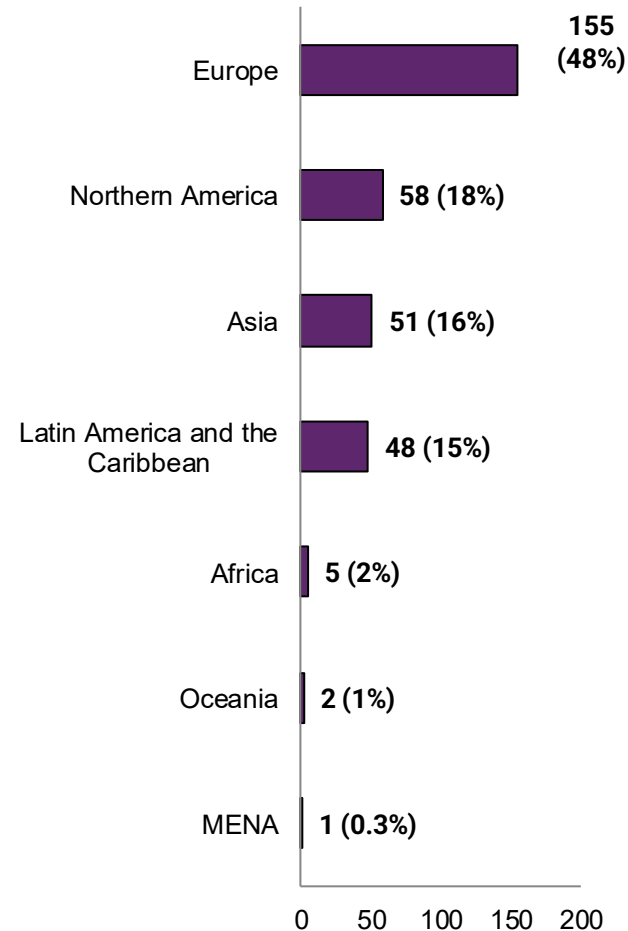
GEOGRAPHIES REPRESENTED

Territory, Top 20 (n = 323)



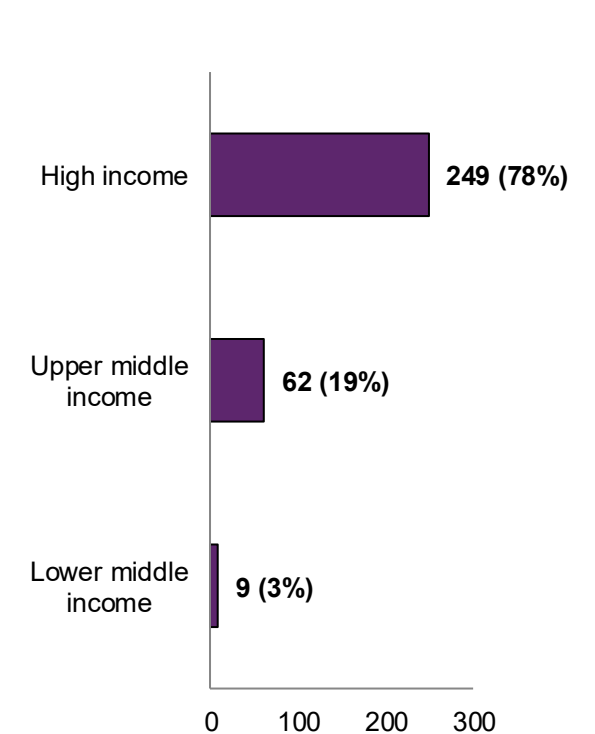
REGIONS REPRESENTED

Regions (n = 320)



INCOME GROUP DISTRIBUTION

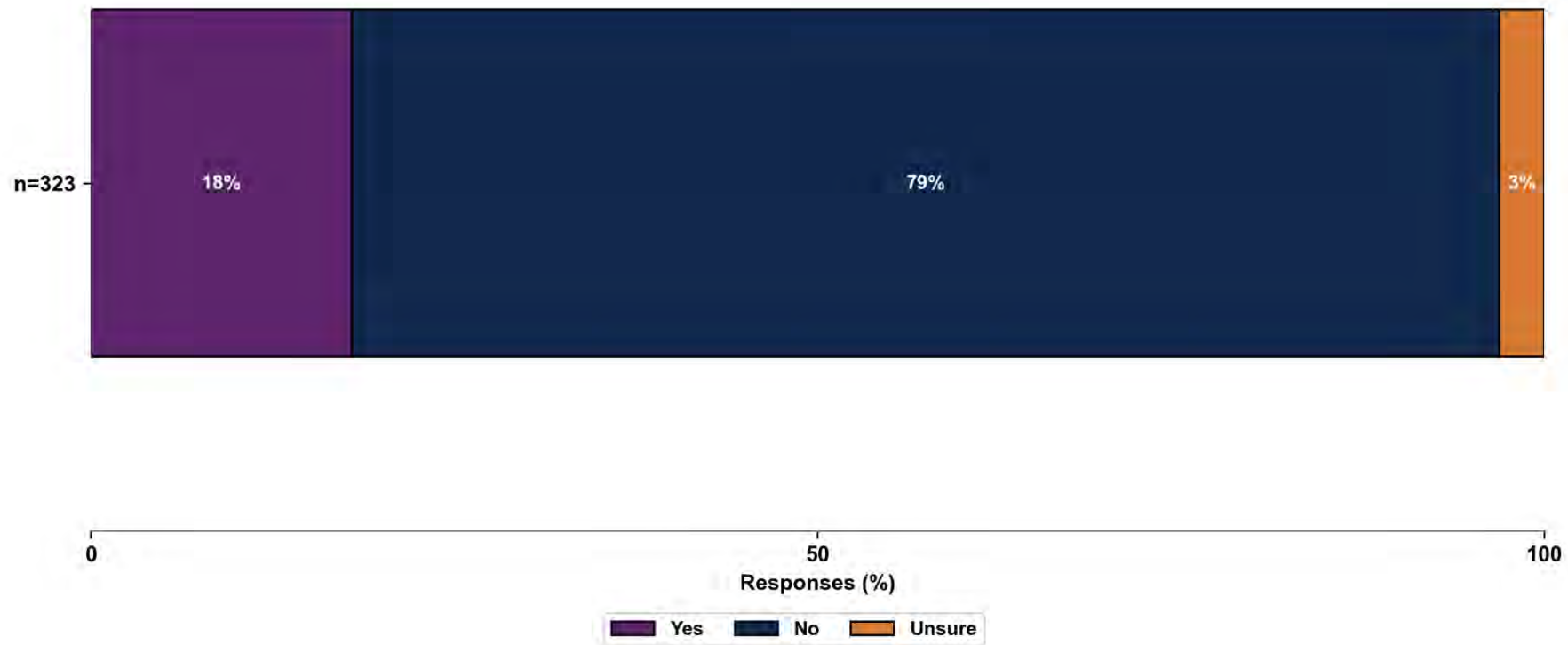
World Bank Income Group (n = 320)



PARTICIPANTS

FOSSIL FUEL ACTIVITIES

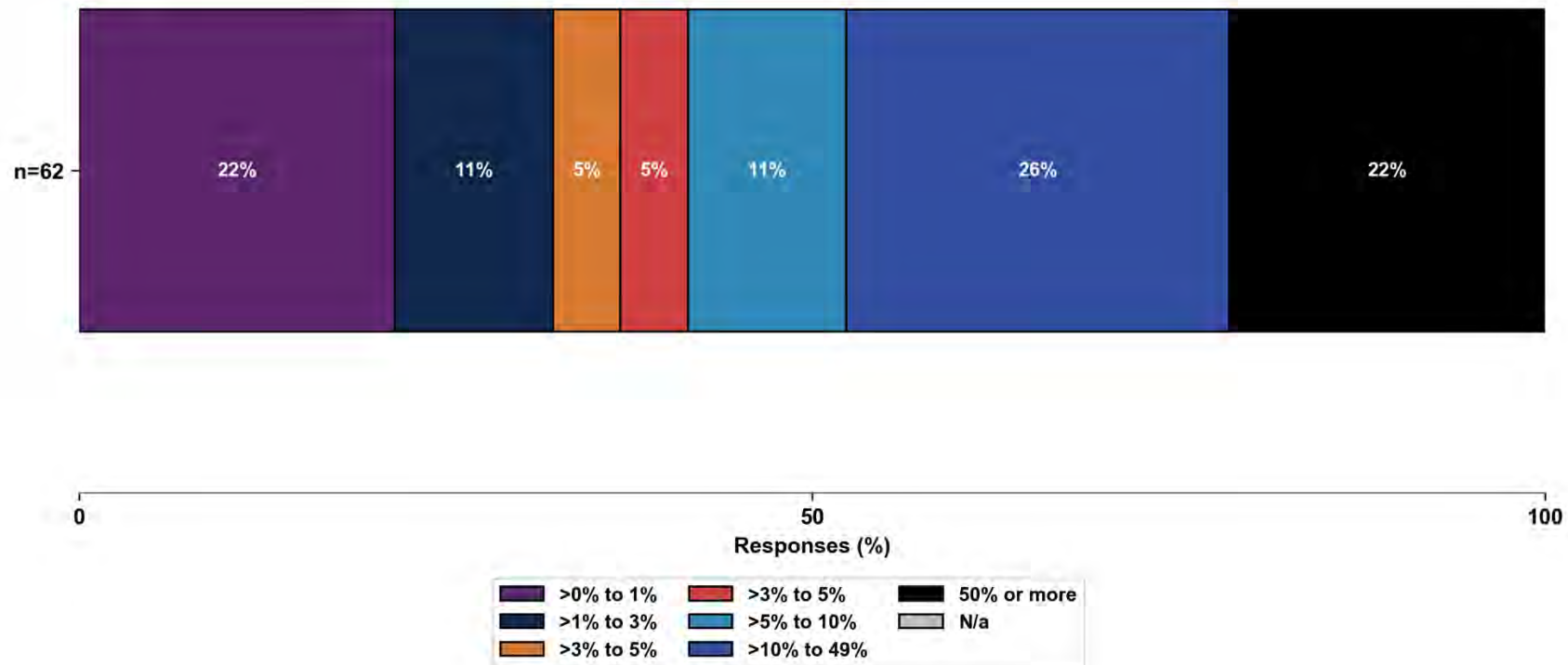
Q16. Does your company derive revenue from fossil fuel activities (see Table D.5) or other goods and services related to fossil fuels (e.g., oil and gas industry ancillary services software for exploration, extraction)? (n = 323)



PARTICIPANTS

FOSSIL FUEL ACTIVITIES

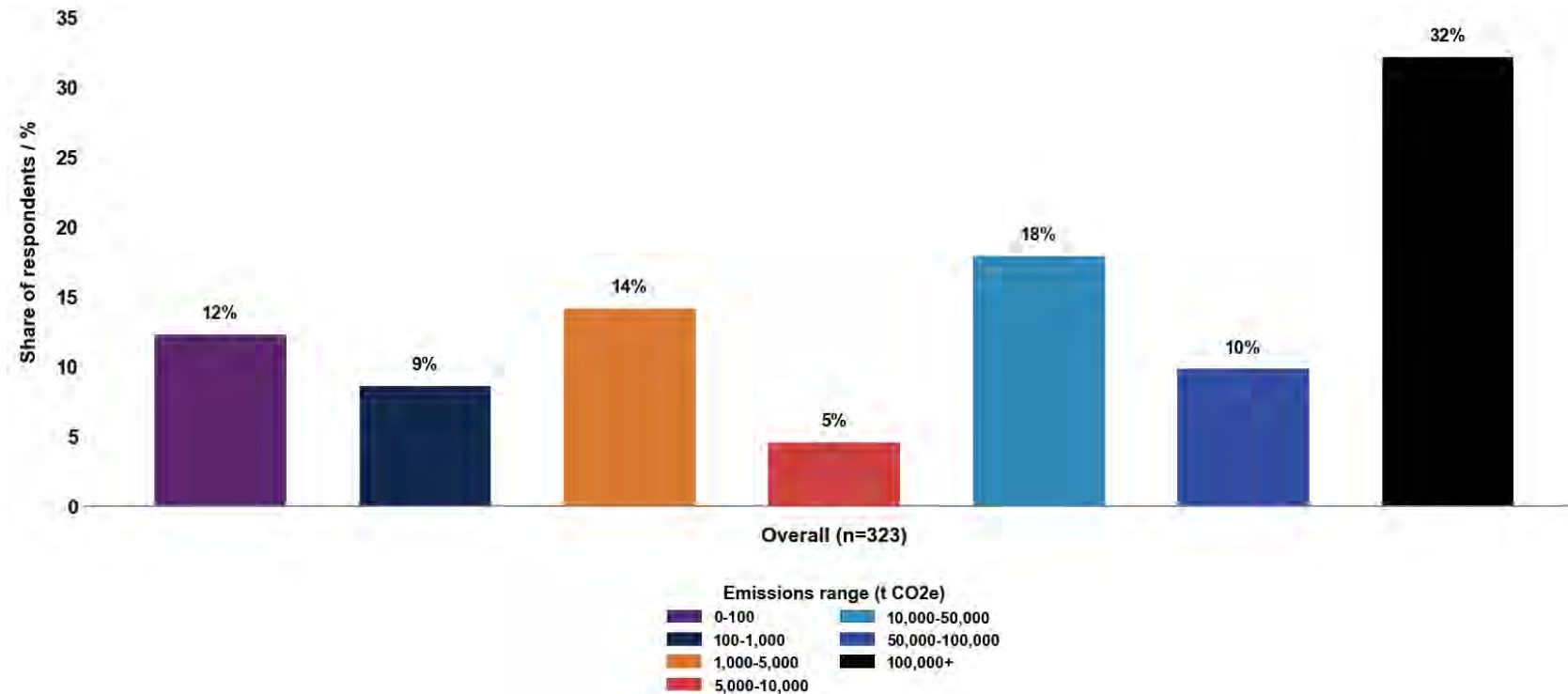
Q17. If "Yes", what percentage of your revenue is derived from fossil fuel activities or other goods and services related to fossil fuels? (n = 62)



PARTICIPANTS

SCOPE 1 EMISSIONS

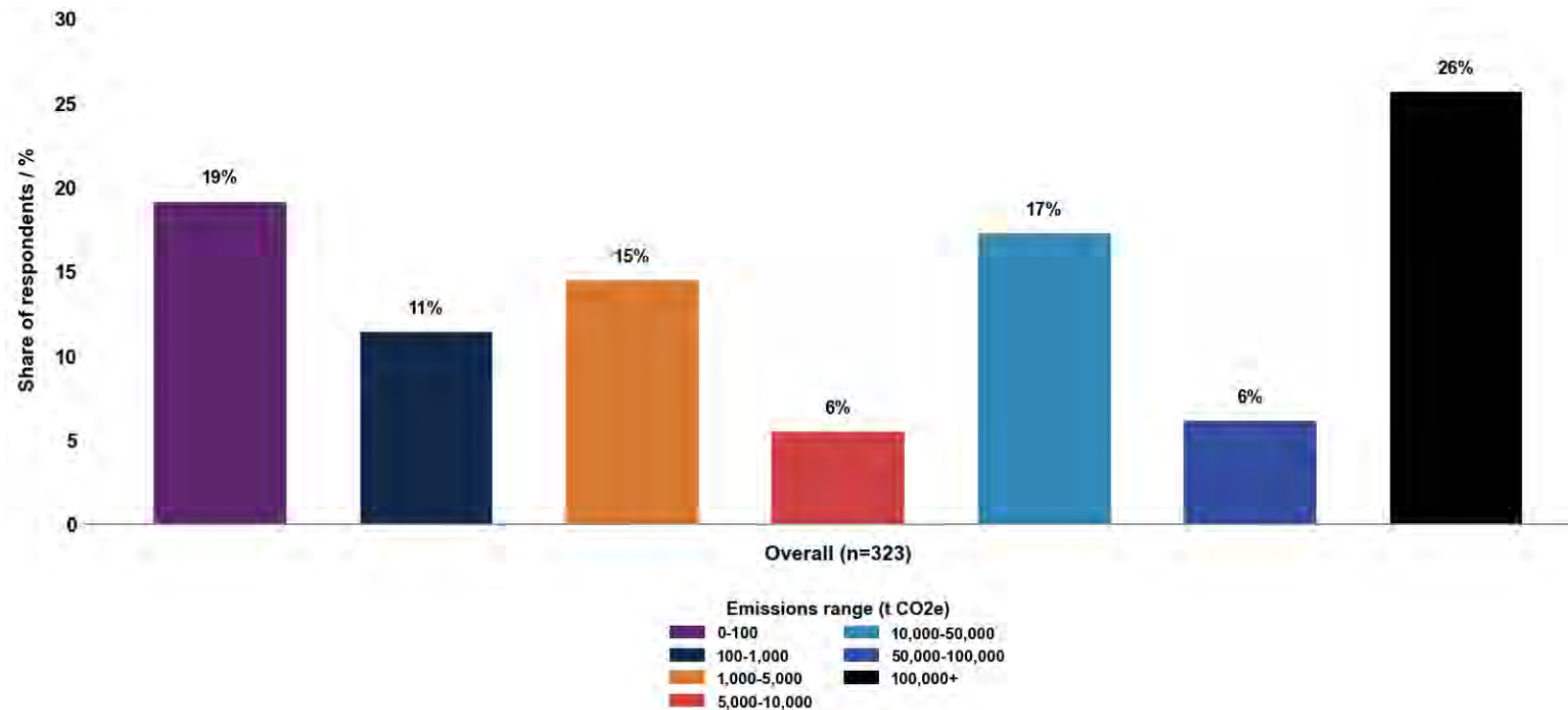
Q18. What are your company's scope 1 emissions in metric tonnes CO₂e for the most recent reporting year? (Direct greenhouse gas emissions from owned or controlled sources) (n = 323)



PARTICIPANTS

SCOPE 2 EMISSIONS

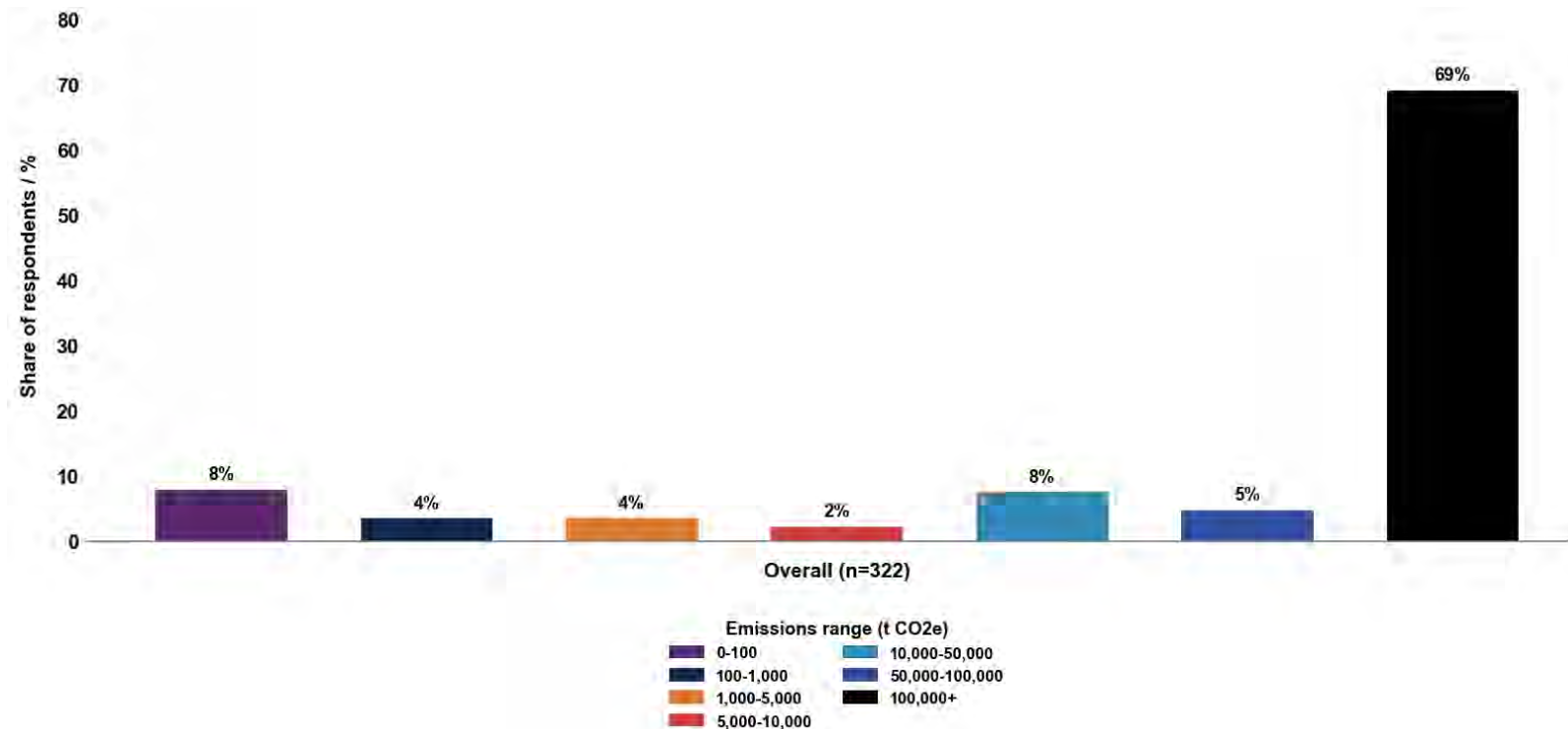
Q19. What are your company's annual scope 2 emissions in metric tonnes CO₂e for the most recent reporting year? (Indirect emissions from the generation of purchased electricity, steam, heating, and cooling) (n = 323)



PARTICIPANTS

SCOPE 3 EMISSIONS

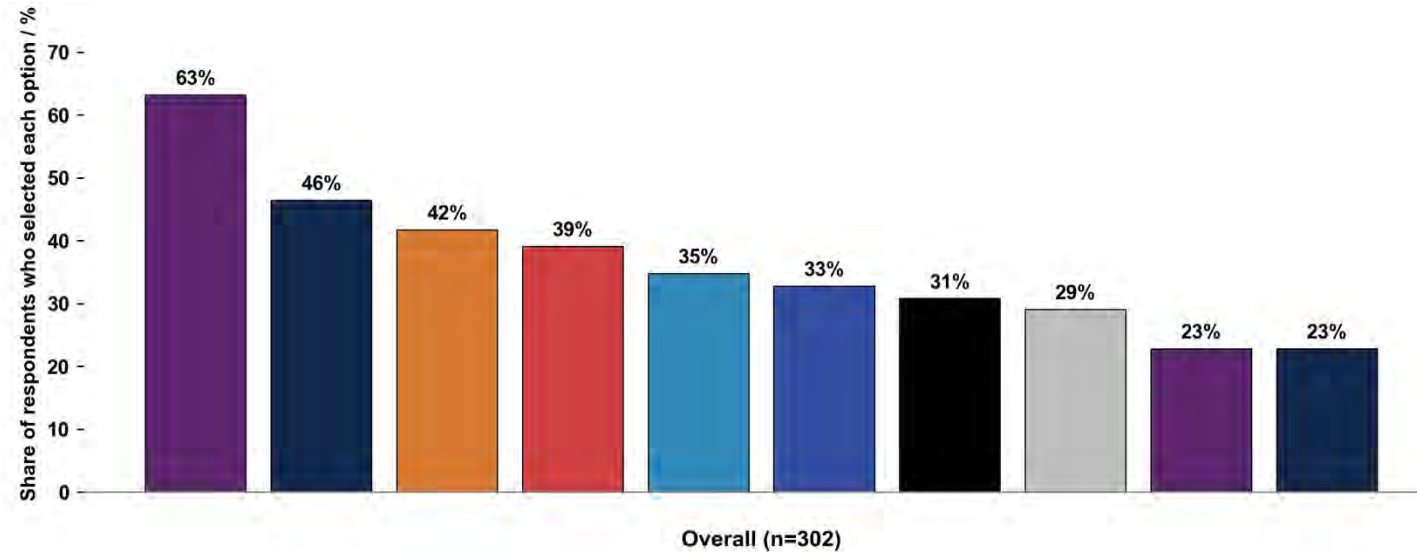
Q20. What are your company's annual scope 3 emissions in metric tonnes CO₂e for the most recent reporting year? (All other indirect emissions that occur in the value chain) (n = 323)



PARTICIPANTS

EMISSIONS-INTENSIVE ACTIVITIES

Q21. Please select the following emissions-intensive activities that occur within your company's operations and value chain. (n = 302)

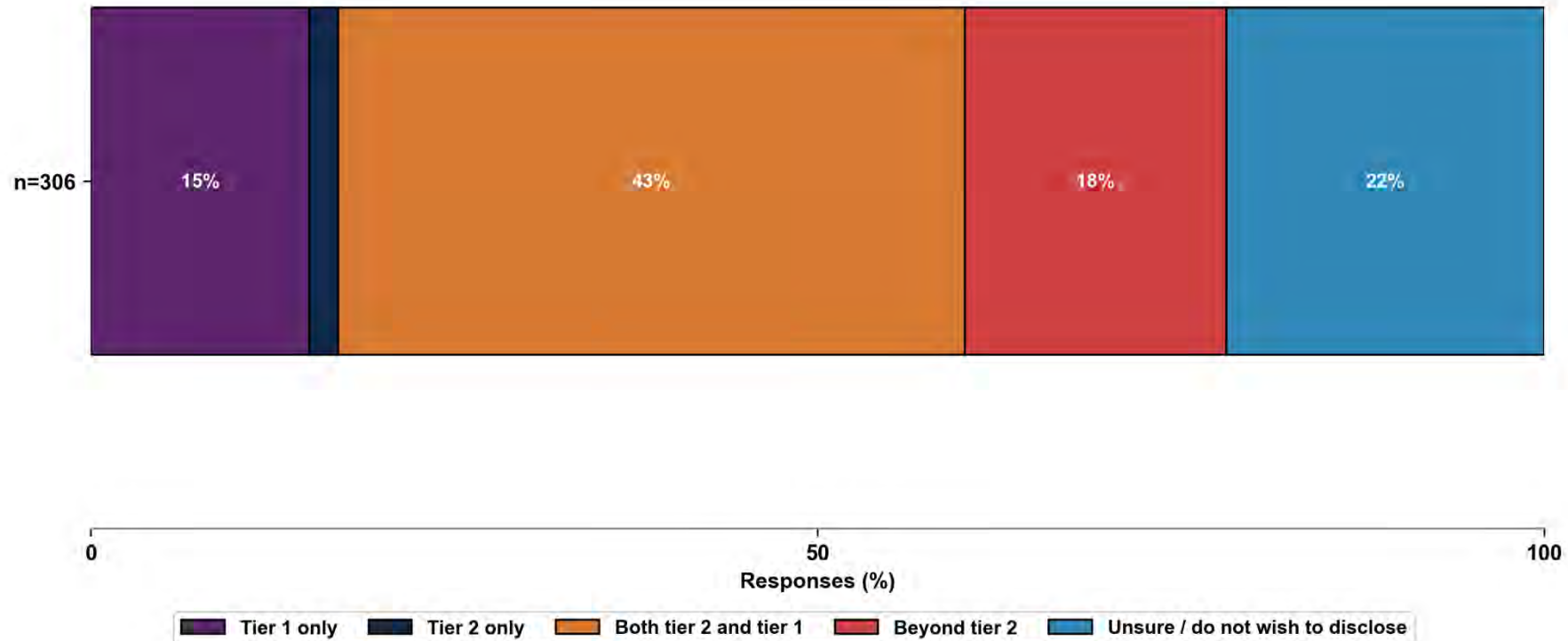


- | | |
|--|--|
|  Option 1: Transport - Road transport |  Option 6: Real estate - Commercial buildings (offices, retail spaces, hotels, warehouses, or mixed-use properties) procurement |
|  Option 2: Energy - Products that consume electricity |  Option 7: Industry - Aluminium procurement |
|  Option 3: Transport - Maritime |  Option 8: Energy - Other assets that consume fossil fuels procurement |
|  Option 4: Transport - Aviation |  Option 9: Agriculture - Timber and wood fiber |
|  Option 5: Industry - Steel procurement |  Option 10: Industry - Primary chemicals procurement |

PARTICIPANTS

TIER OF VALUE CHAIN EMISSIONS-INTENSIVE ACTIVITIES

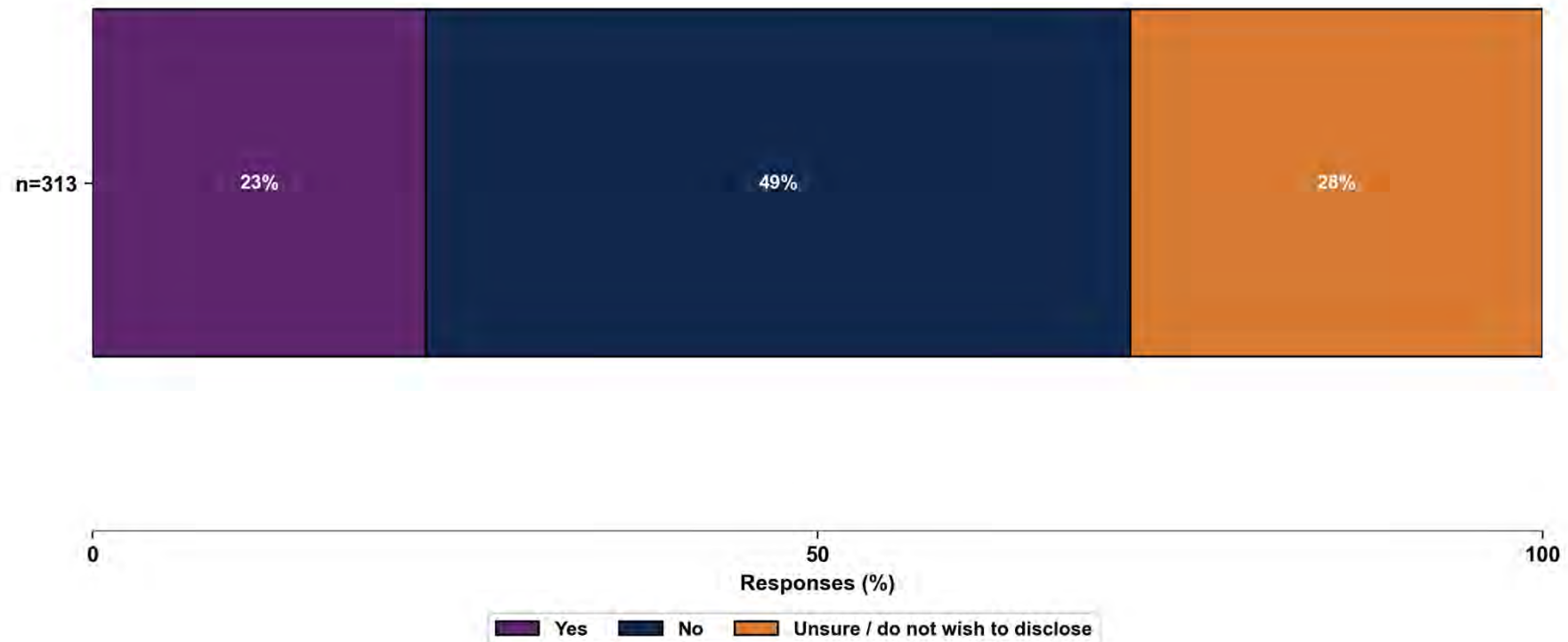
Q22. At what tier of the value chain do these emissions-intensive activities occur (i.e., for commodities such as steel, at what tier is the producer of the steel in your supply chain)? (n = 306)



PARTICIPANTS

NET-ZERO PRODUCTS

Q23. Are any of your products net-zero aligned (defined as fulfilling a credible intensity threshold per functional unit for a net-zero world, such as those set out in a credible taxonomy or based on other scientific evidence) or are considered to be "climate solutions"? (n = 313)





1.2 SUMMARY OF PHASE I PILOT FEEDBACK

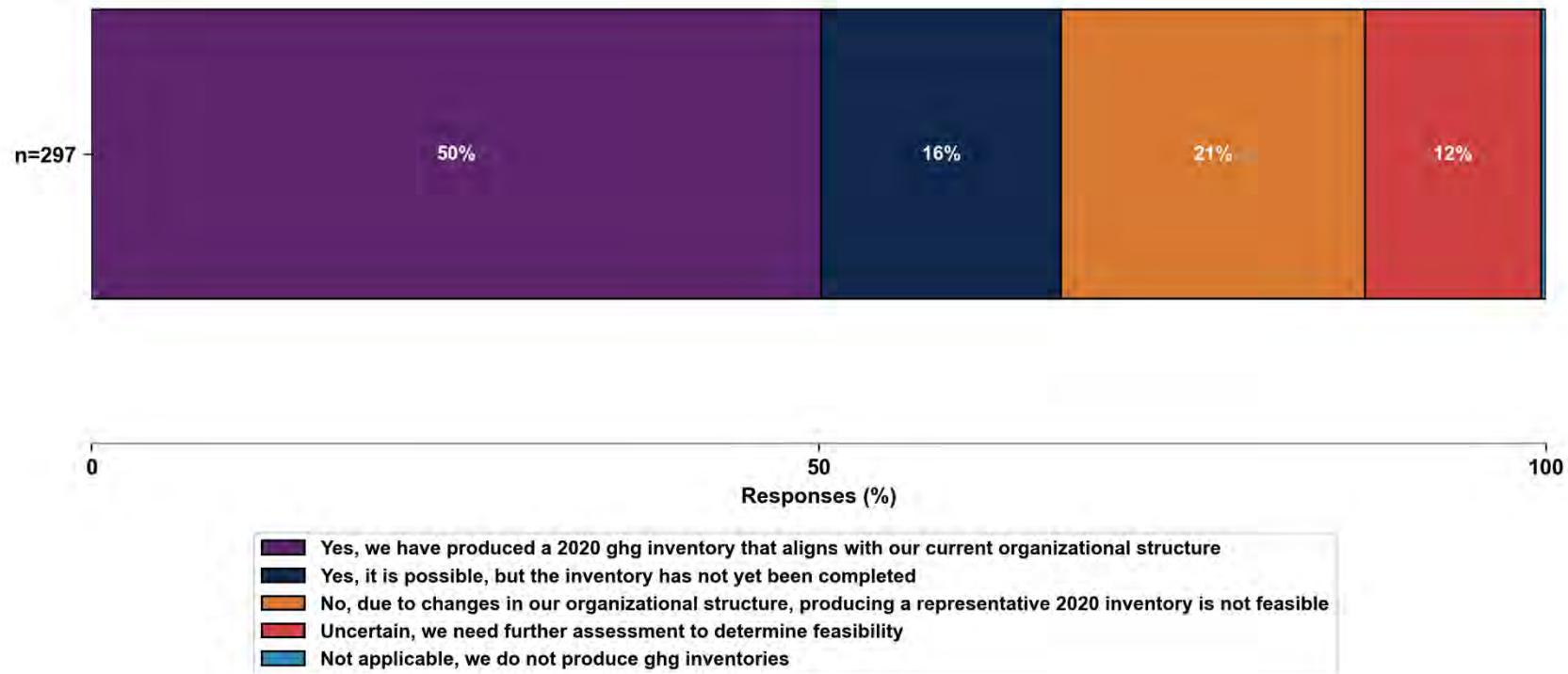


1.2.1 SUMMARY OF PHASE I PILOT FEEDBACK – SCOPE 1

SCOPE 1

GHG INVENTORY FOR 2020

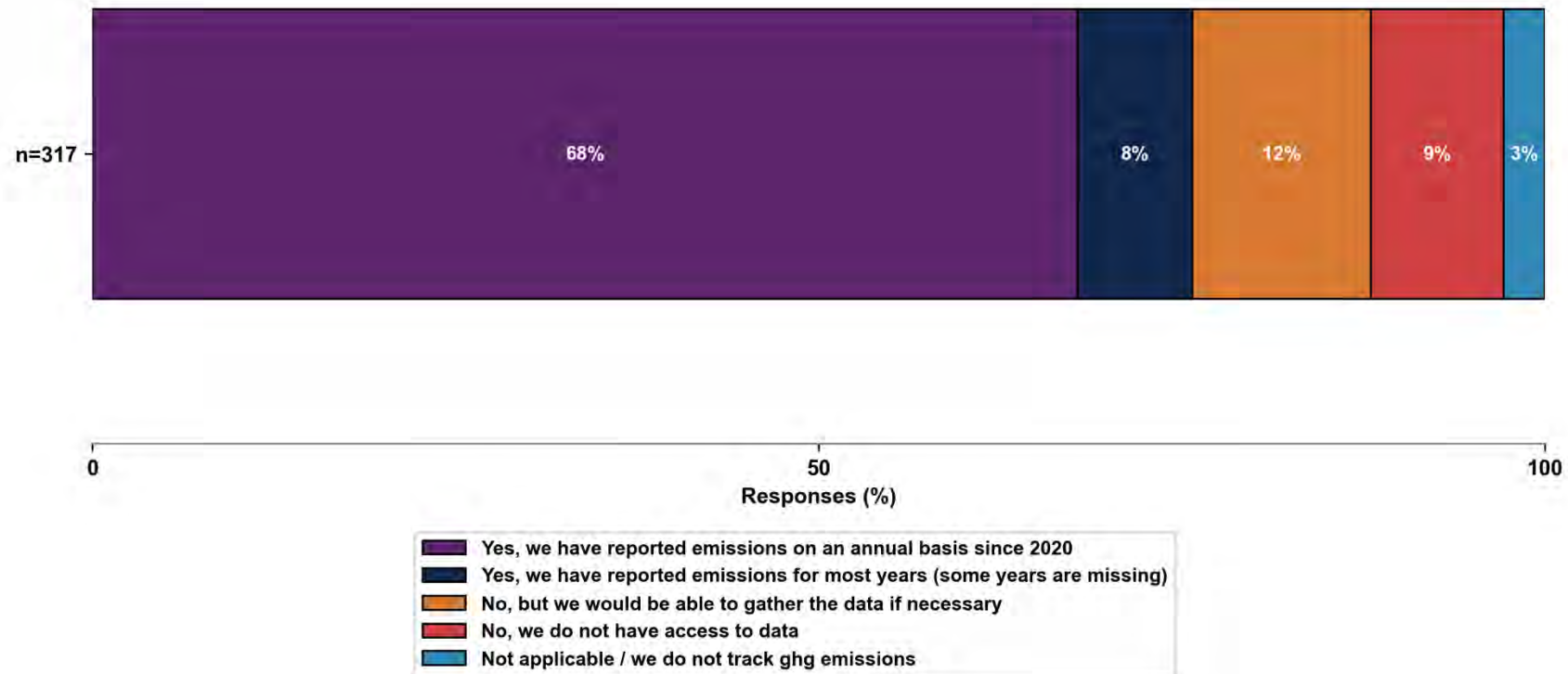
Q25. Is it possible for your organization to produce a 2020 greenhouse gas (GHG) inventory that reflects your current organizational structure? (n = 297)



SCOPE 1

GHG INVENTORY FOR 2020

Q26. Are you able to report annual greenhouse gas (GHG) emissions data from the year 2020? (n = 317)



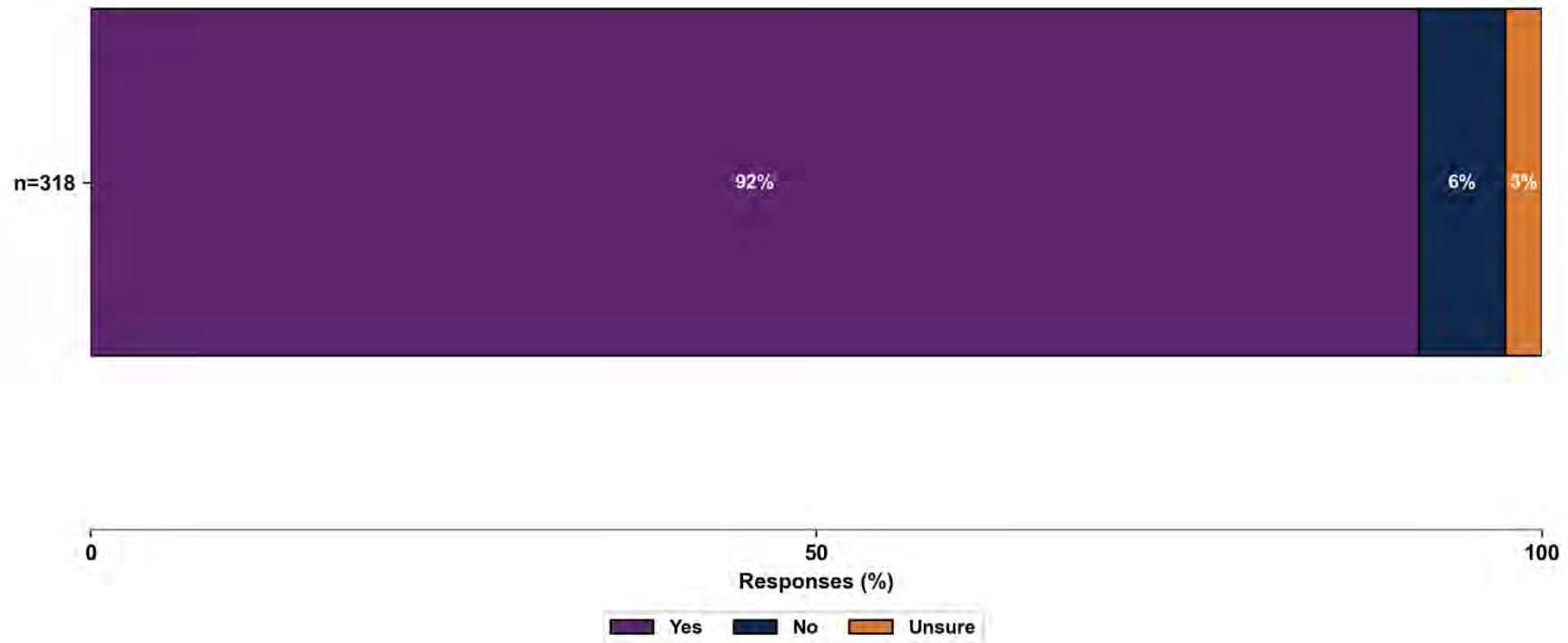


1.2.2 SUMMARY OF PHASE I PILOT FEEDBACK – SCOPE 2

SCOPE 2

REPORTING OF LOCATION-BASED AND MARKET-BASED SCOPE 2 EMISSIONS

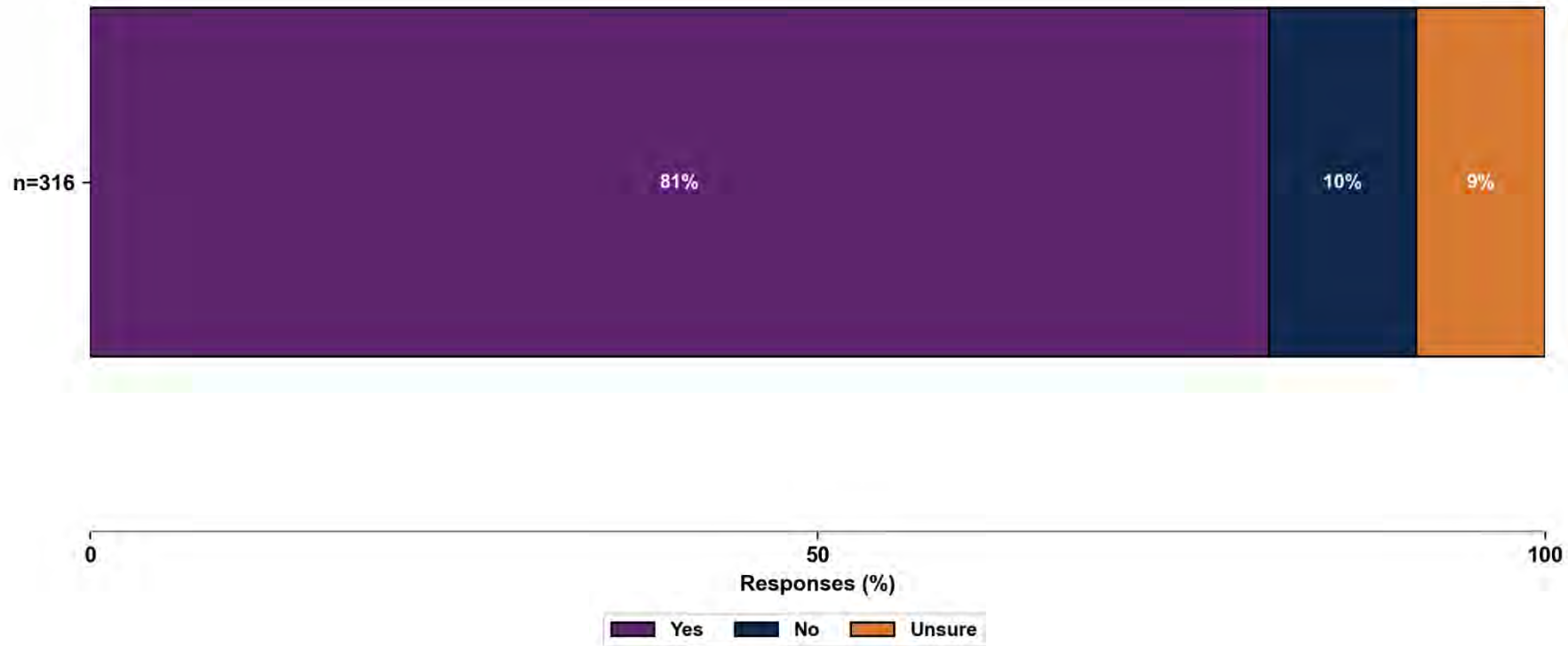
Q27. Does your company report location-based and market-based scope 2 emissions according to the GHG Protocol Scope 2 Guidance? (n = 318)



SCOPE 2

MARKET-BASED EMISSION FACTOR DATA HIERARCHY

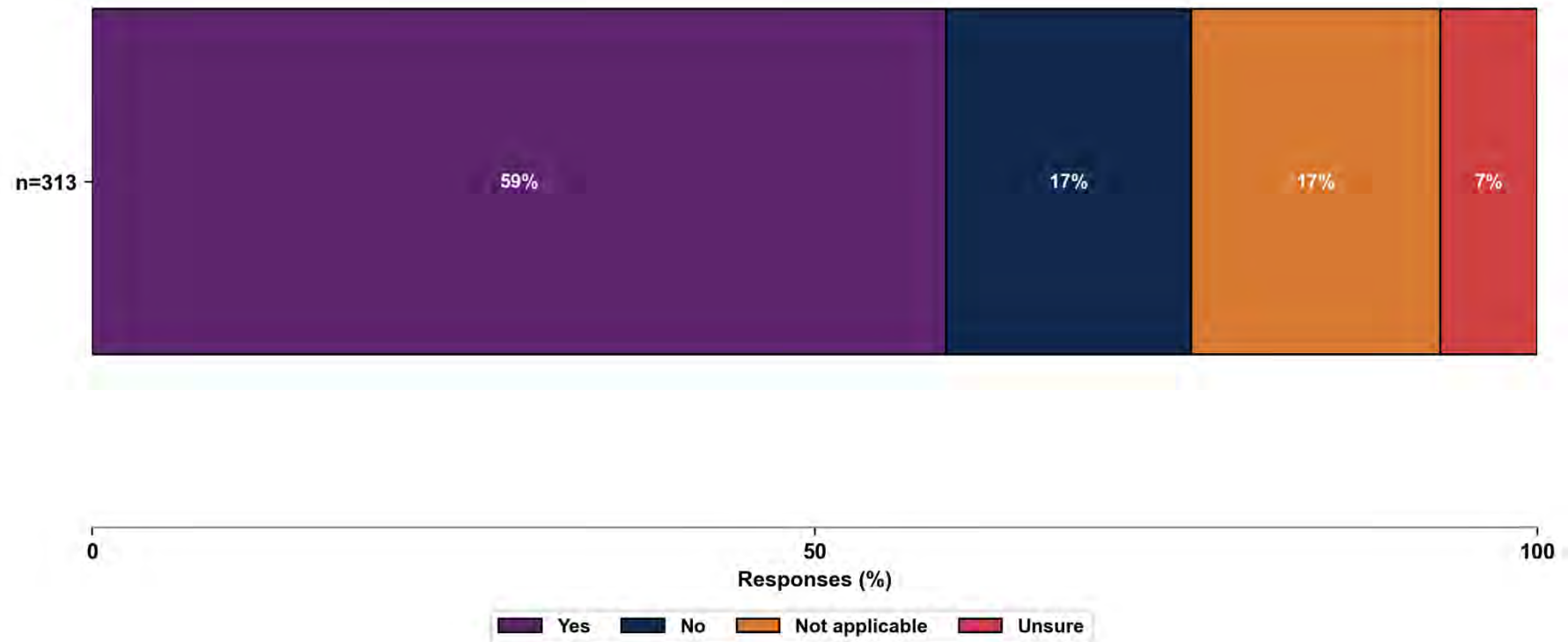
Q28. Is your company applying the market-based emission factor data hierarchy, as outlined in the GHG Protocol Scope 2 Guidance, Table 6.3? (n = 316)



SCOPE 2

USE OF RESIDUAL EMISSION FACTOR

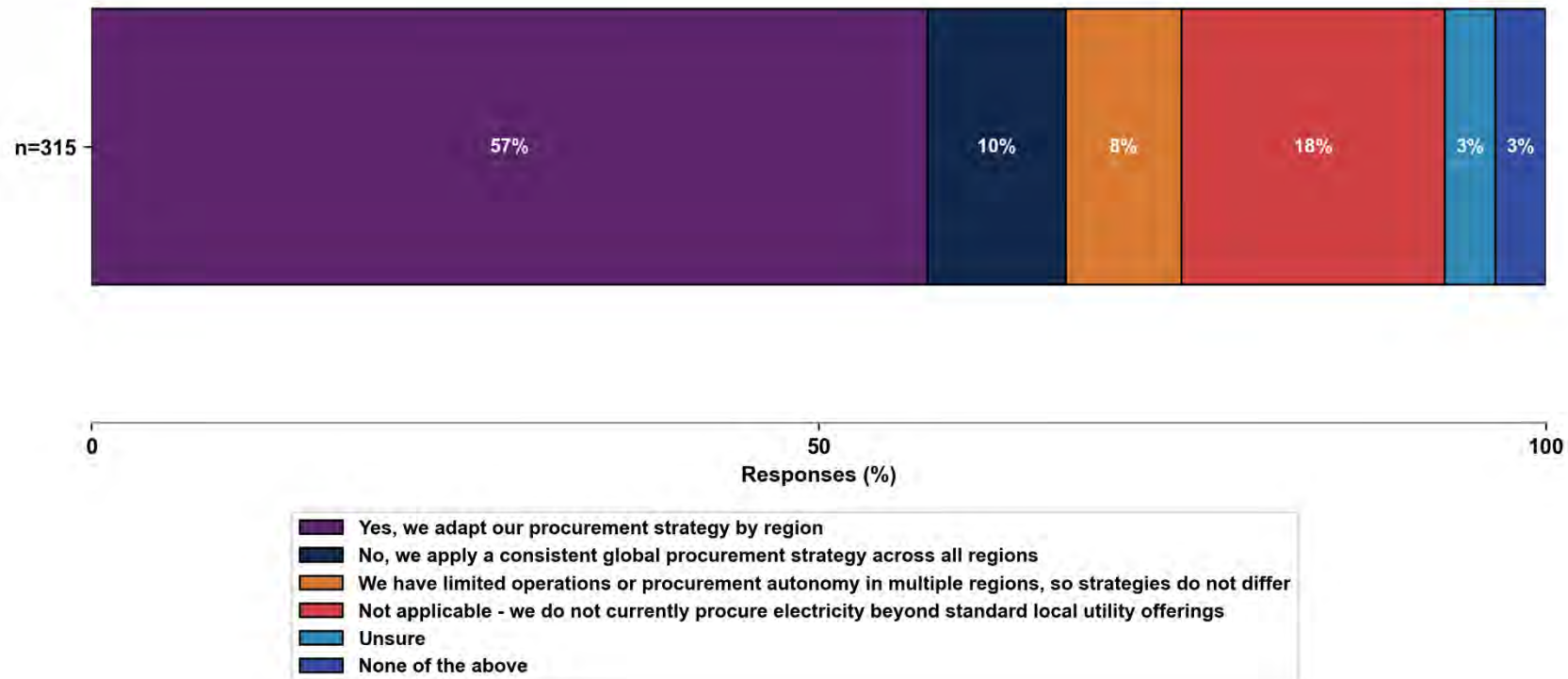
Q29. When your company lacks contractual information (e.g., supplier-specific emission factors), do you use the residual emission factor? (n = 313)



SCOPE 2

ADAPTABILITY OF ELECTRICITY PROCUREMENT STRATEGY

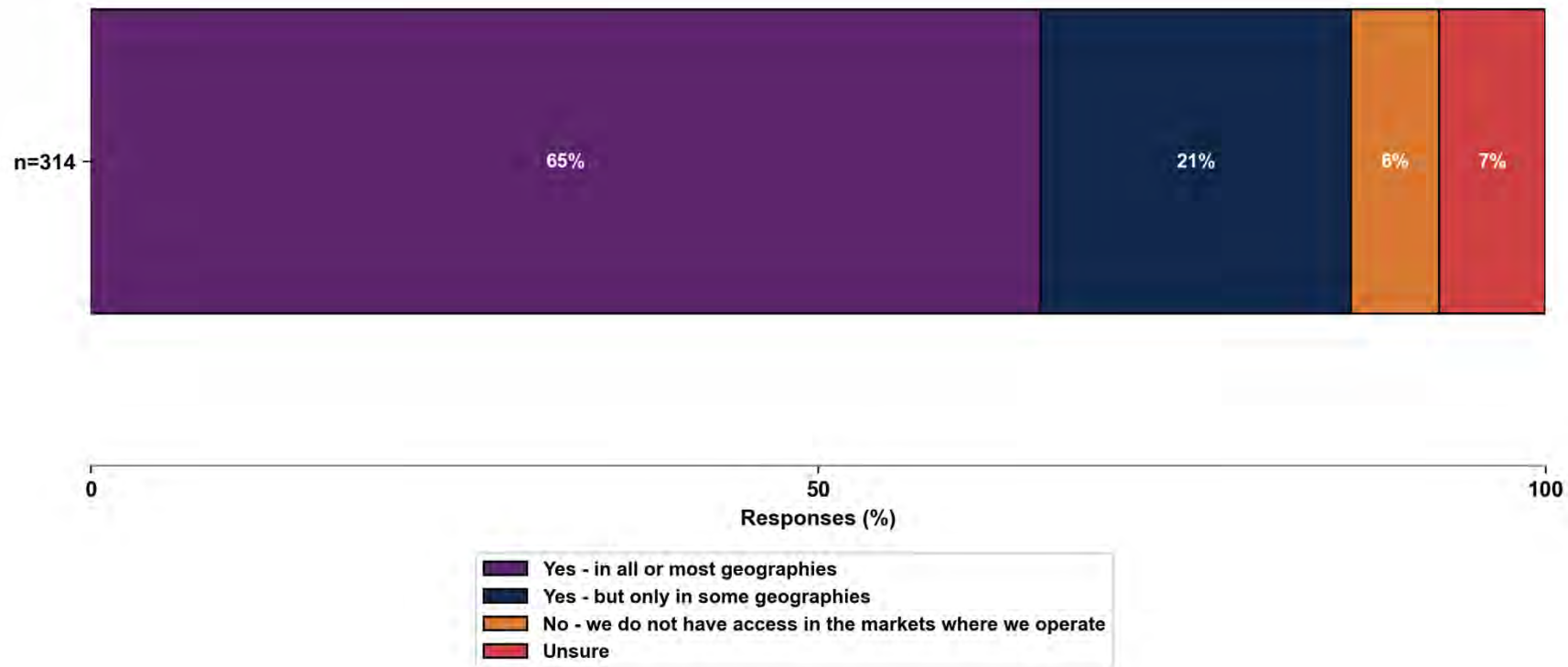
Q30. Does your organization adapt its electricity procurement strategy based on geographic or regional differences (e.g., market structure, grid emissions, policy environment, procurement availability)? (n = 315).



SCOPE 2

ACCESS TO CONTRACTUAL INSTRUMENTS FOR ELECTRICITY PROCUREMENT

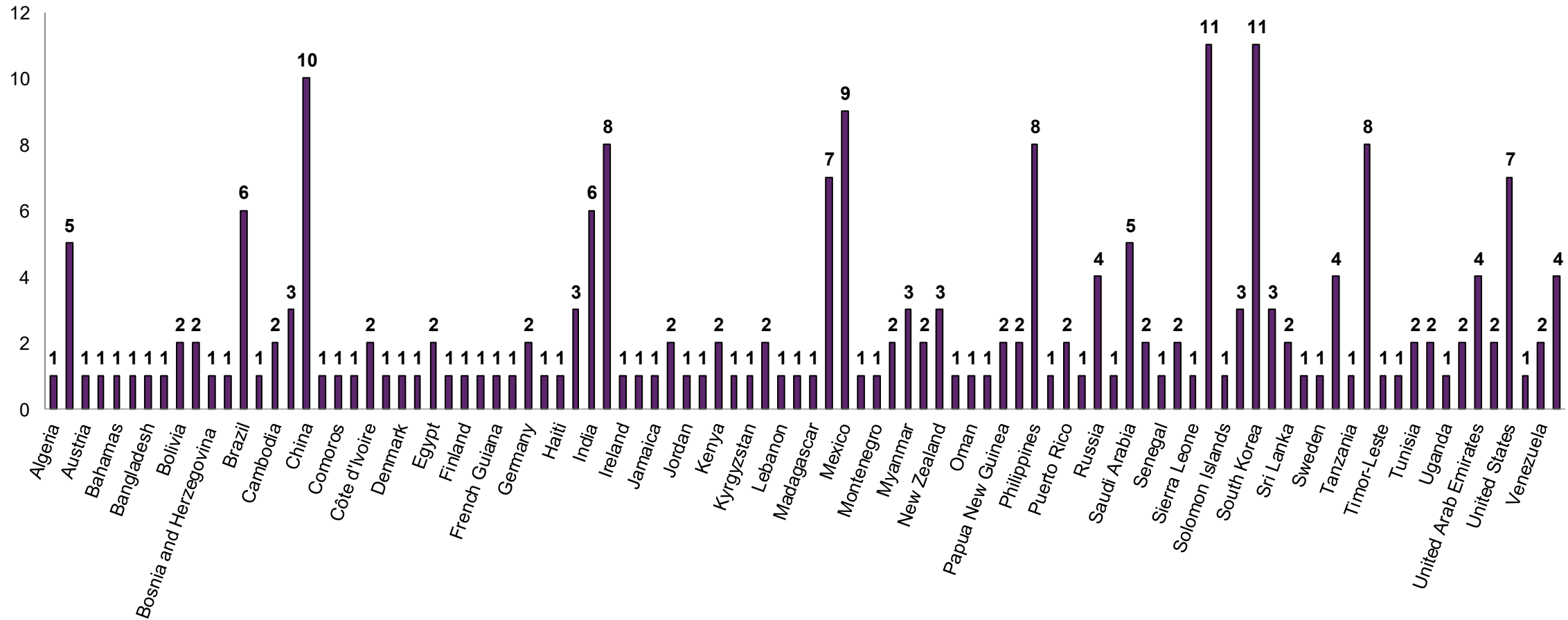
Q31. Does your company have access to contractual instruments for electricity procurement (e.g., energy attribute certificates, power purchase agreements, supplier-specific emissions factors) in the markets or geographies where it operates? (n = 314)



SCOPE 2

ACCESS TO CONTRACTUAL INSTRUMENTS FOR ELECTRICITY PROCUREMENT

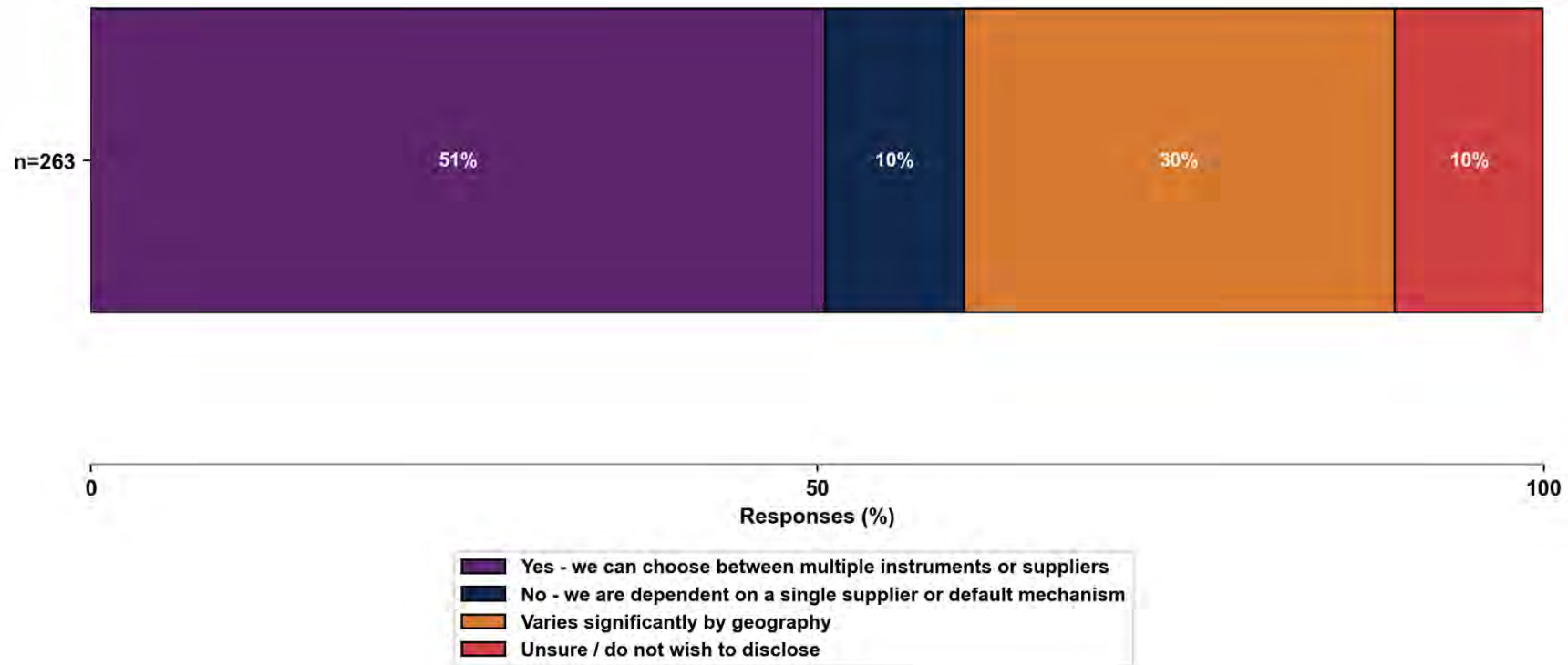
Q32. In which markets or geographies does your company currently not have access to contractual instruments? Please list countries, regions, or specific markets as applicable. (n = 85)



SCOPE 2

ACCESS TO CONTRACTUAL INSTRUMENTS FOR ELECTRICITY PROCUREMENT

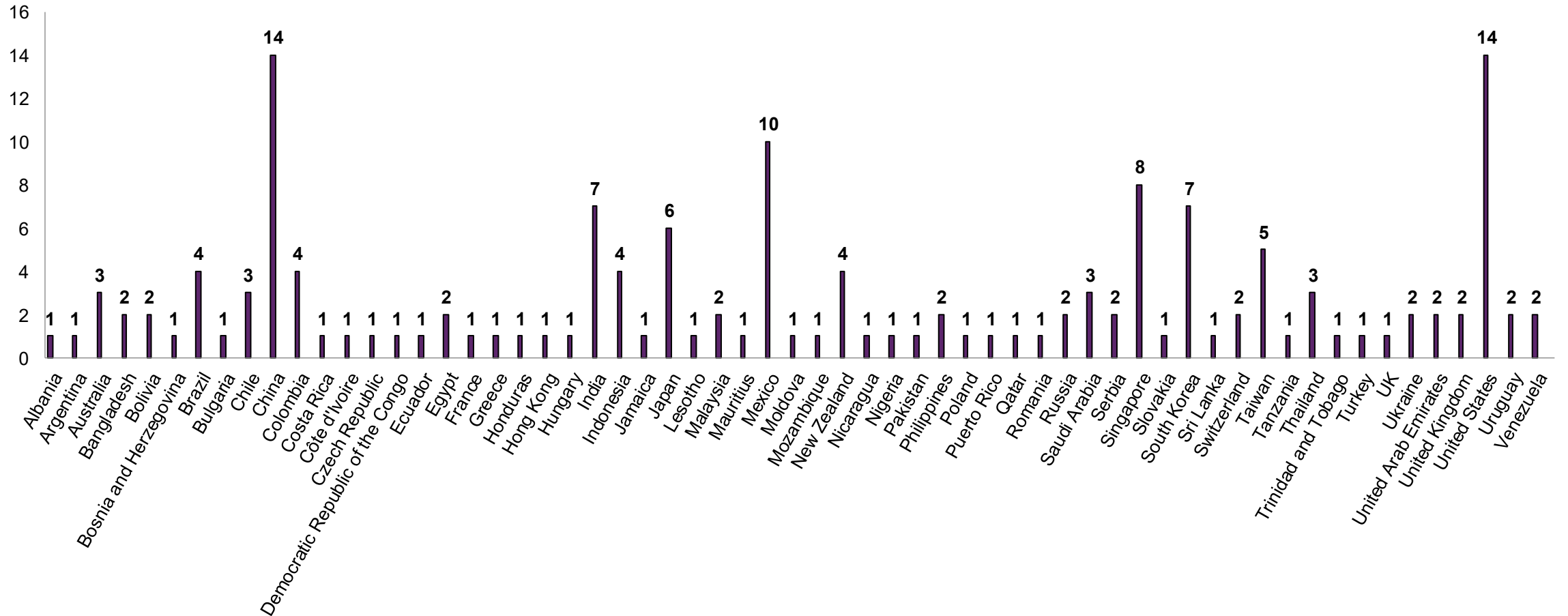
Q33. In the geographies where your company does have access to contractual instruments, does your company have multiple options to choose from? For example: Can you choose among different suppliers or types of contractual instruments, or are you limited to what a single supplier offers? (n = 263)



SCOPE 2

ACCESS TO CONTRACTUAL INSTRUMENTS FOR ELECTRICITY PROCUREMENT

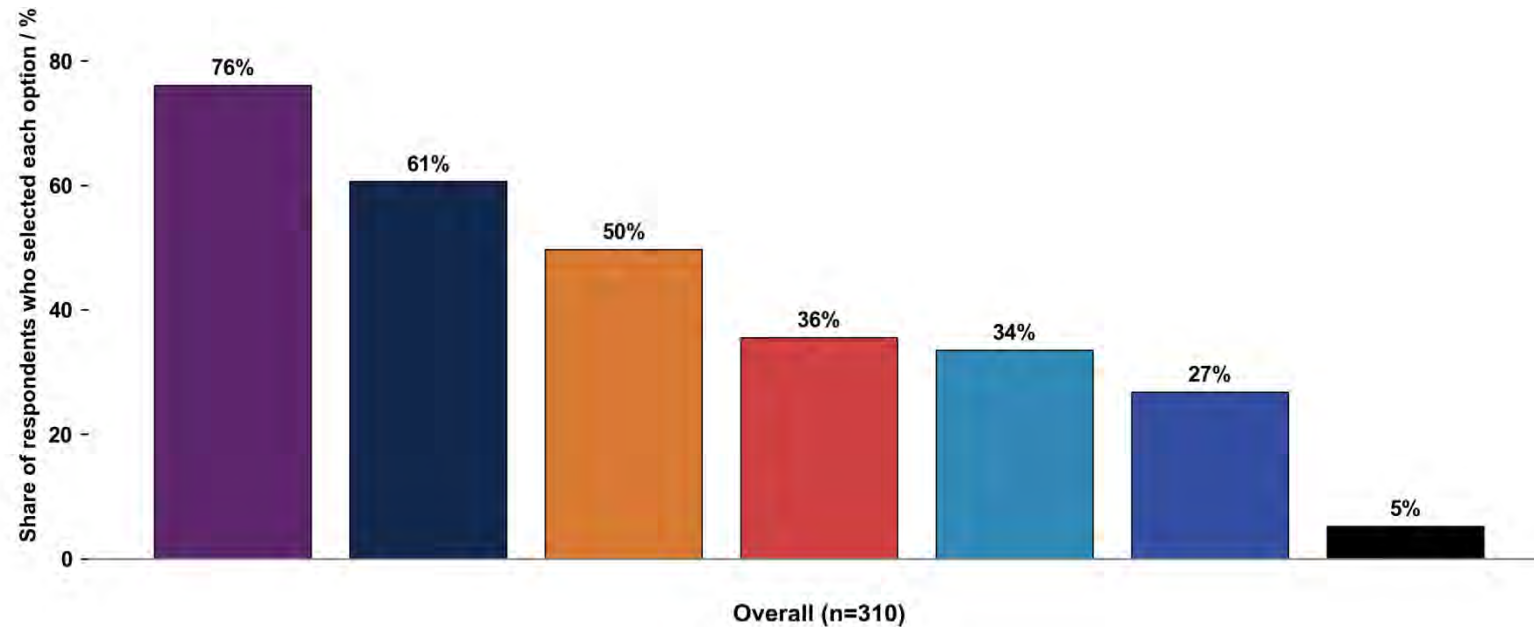
Q34. In which markets or geographies does your company have limited options to choose from? Please list countries, regions, or specific markets as applicable. (n = 147)



SCOPE 2

DOCUMENTATION OF ELECTRICITY PROCUREMENT CLAIMS

Q35. What types of documentation does your company maintain to confirm electricity procurement claims? (n = 310)

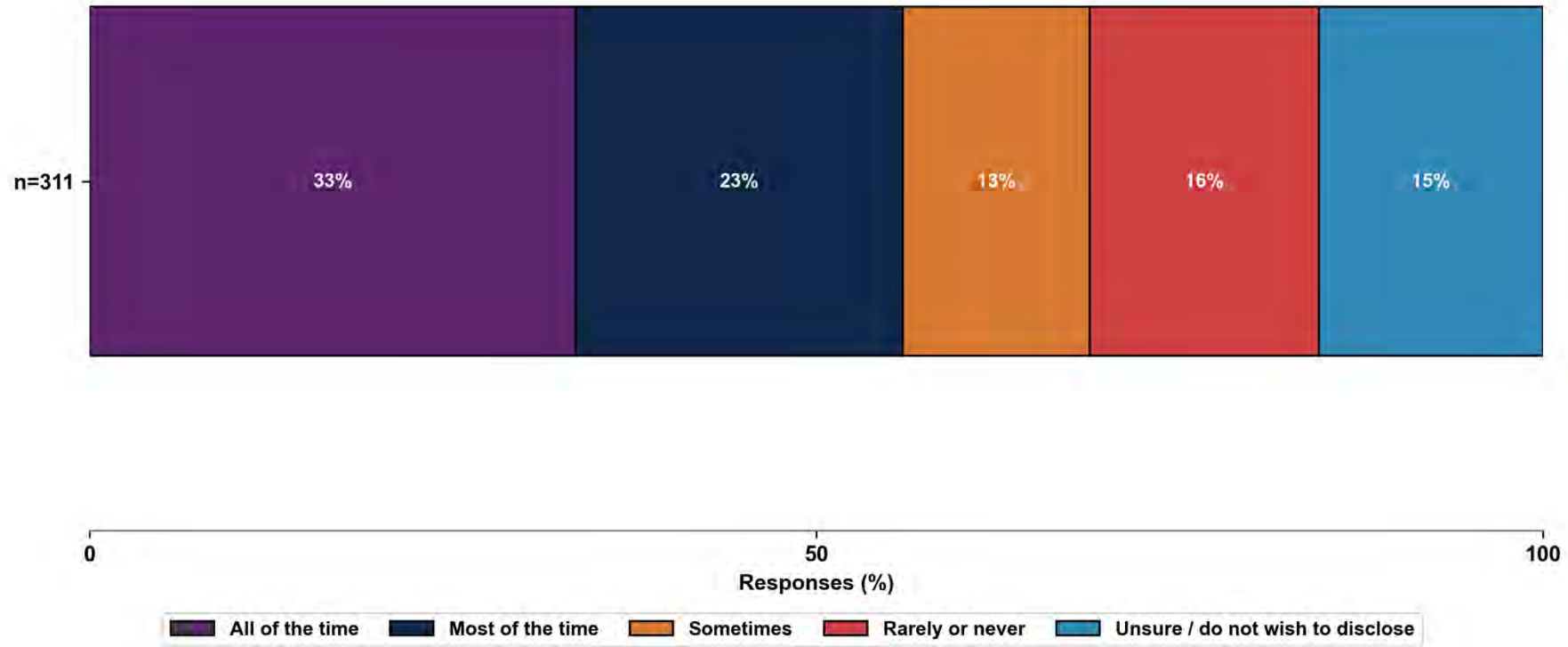


- Option 1: Energy attribute certificates (e.g., RECs, GOs, I-RECs)
- Option 2: Utility or supplier contracts specifying energy source
- Option 3: Power Purchase Agreements (PPAs)
- Option 4: Internal documentation or procurement records
- Option 5: Supplier-provided emissions factor data
- Option 6: Independent third-party verification or assurance reports
- Option 7: Unsure / do not wish to disclose

SCOPE 2

USE OF SAME GRID CONTRACTUAL INSTRUMENTS

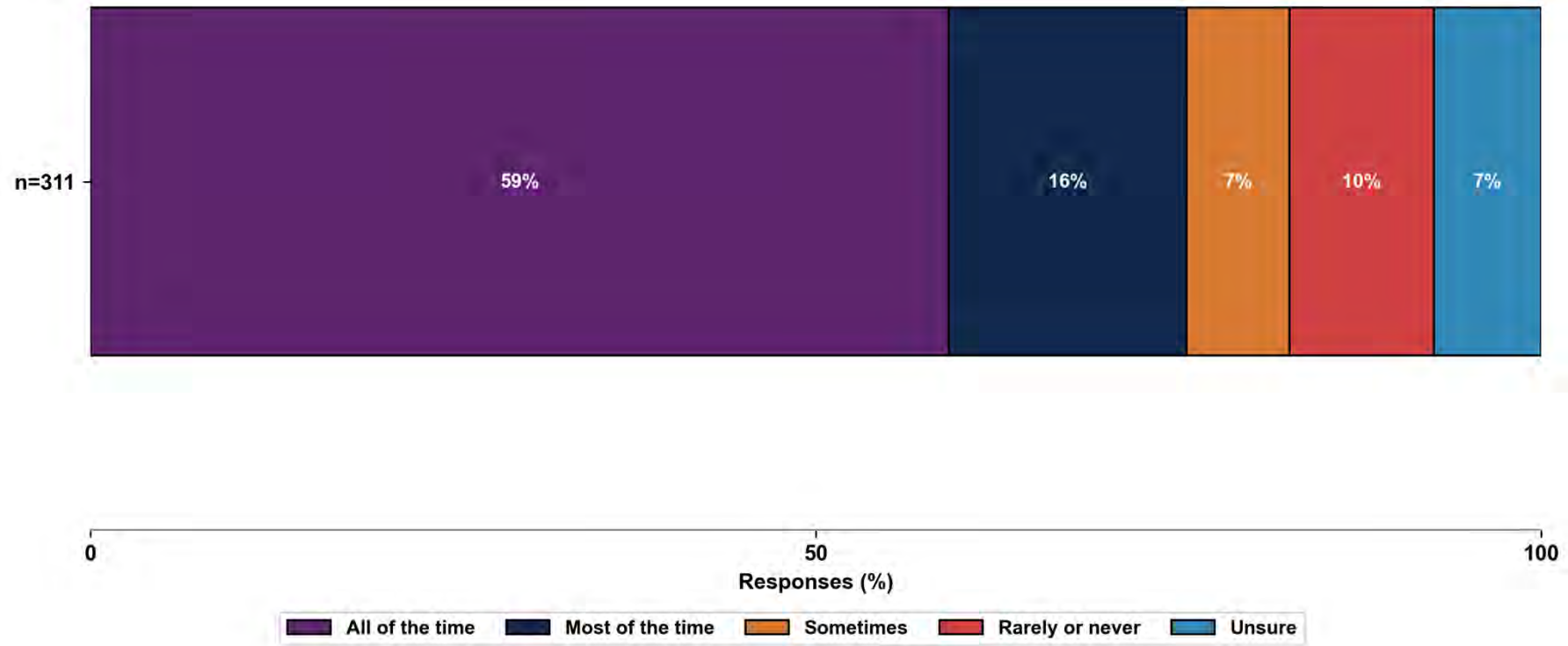
Q36. For scope 2 market-based accounting, how often do you use contractual instruments that reflect electricity generation connected to the same grid as the location of use? (n = 311)



SCOPE 2

EMISSION FACTOR CHOICE FOR LOCATION-BASED ACCOUNTING

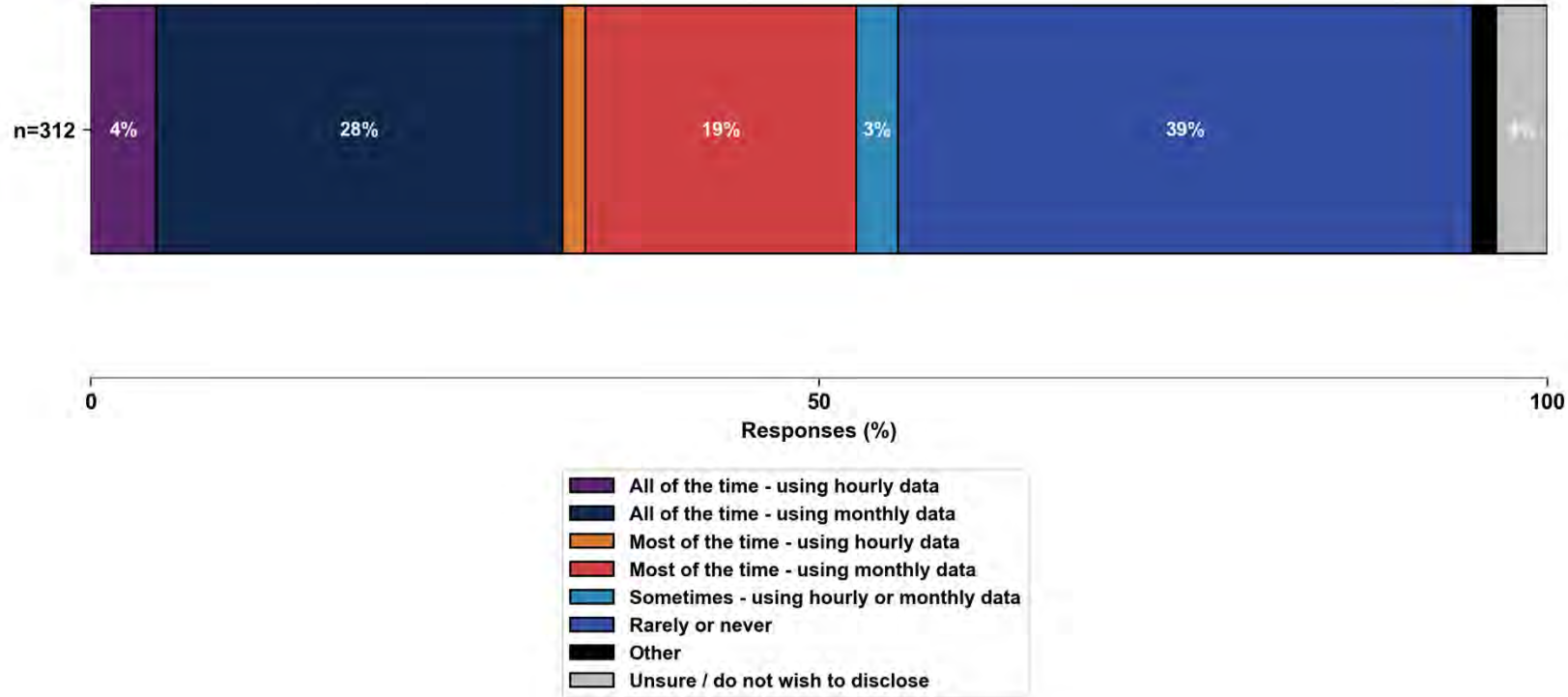
Q37. For scope 2 location-based accounting, how often do you use emission factors that reflect electricity delivered through a grid directly connected to the location of use? (n = 311)



SCOPE 2

TIME-SPECIFIC ACTIVITY DATA FOR LOCATION-BASED ACCOUNTING

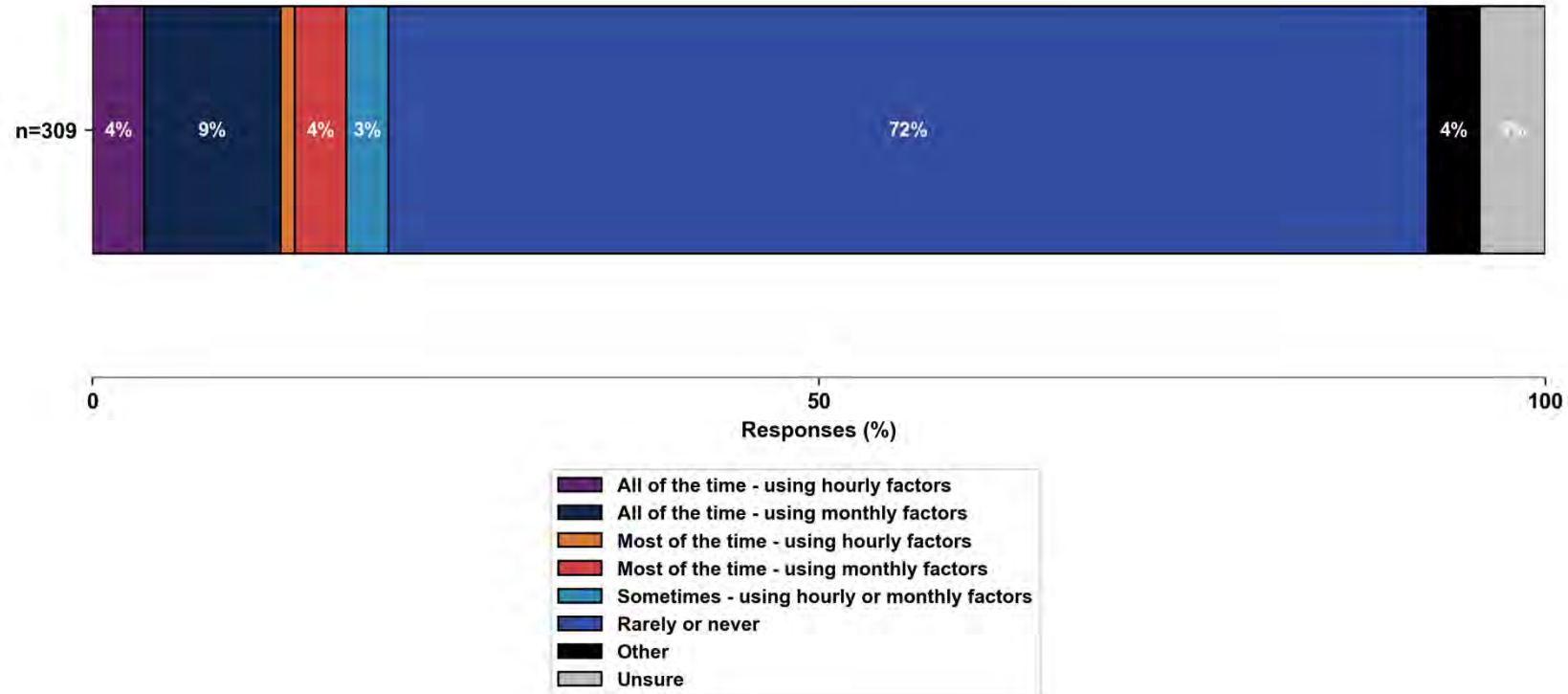
Q38. For scope 2 location-based accounting, how often do you use time-specific activity data (e.g., electricity consumption) at a granularity finer than annual? (n = 312)



SCOPE 2

TIME-SPECIFIC ACTIVITY DATA FOR LOCATION-BASED ACCOUNTING

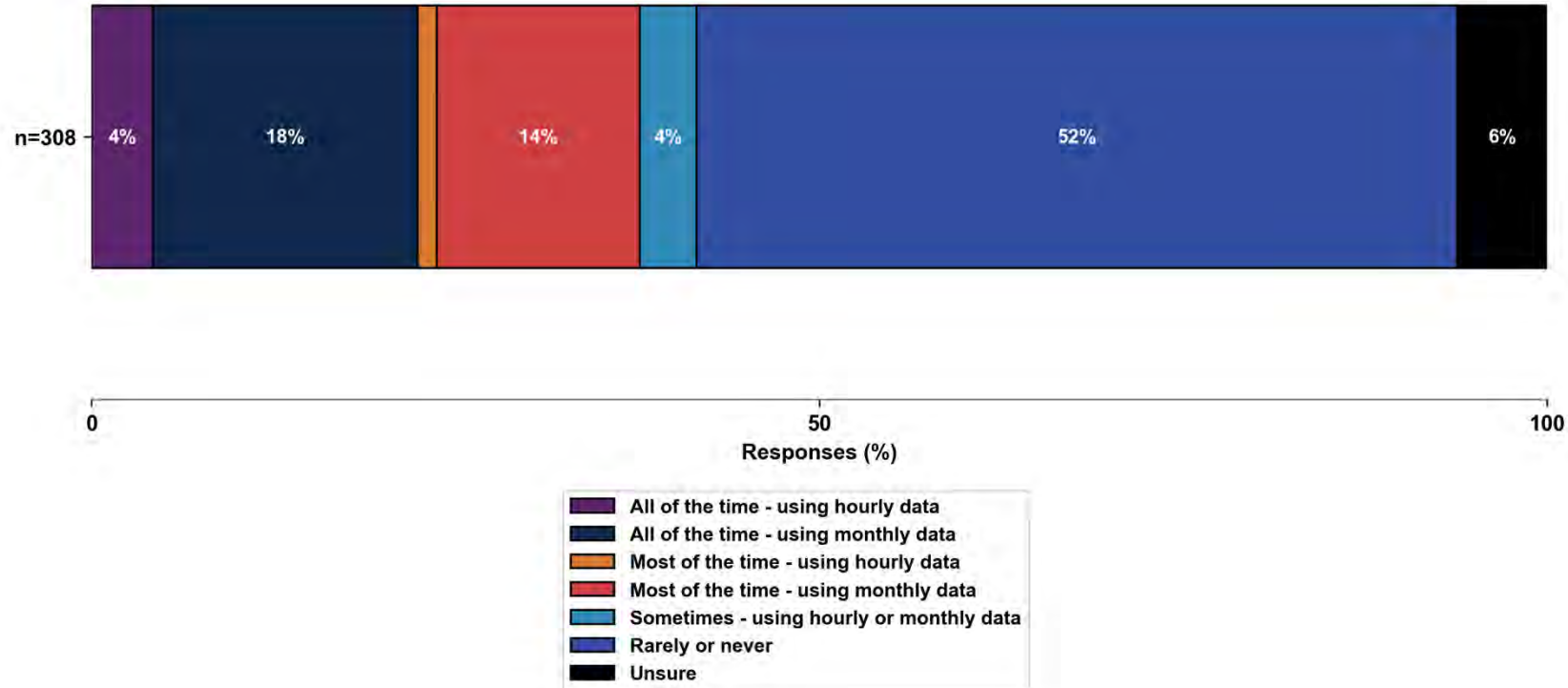
Q39. For scope 2 location-based accounting, how often do you use time-specific emission factors (e.g., hourly or monthly grid averages)? (n = 309)



SCOPE 2

TIME-SPECIFIC ACTIVITY DATA FOR MARKET-BASED ACCOUNTING

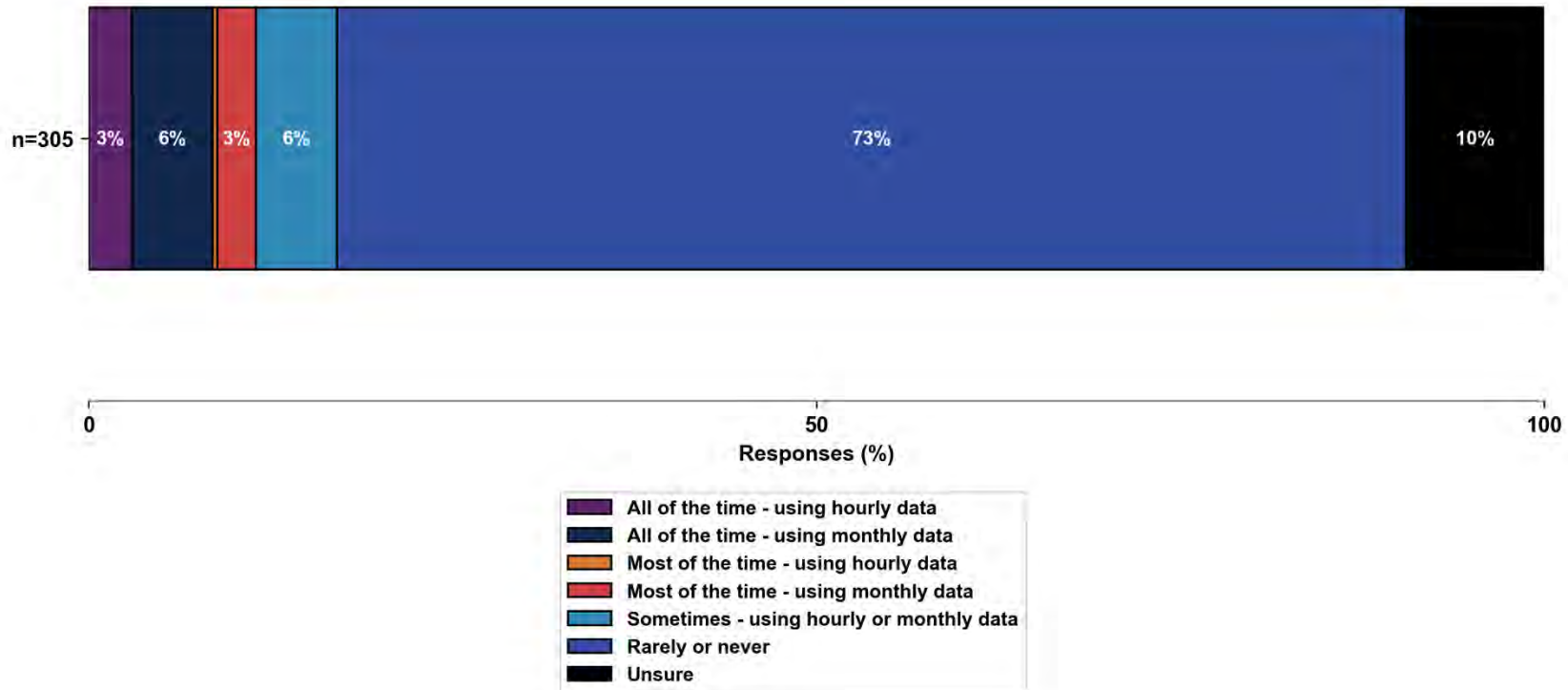
Q40. For scope 2 market-based accounting, how often do you use time-specific activity data (e.g., electricity consumption matched to hourly/monthly generation)? (n = 308)



SCOPE 2

TIME-SPECIFIC EMISSION FACTORS OR CONTRACTUAL ATTRIBUTES FOR MARKET-BASED ACCOUNTING

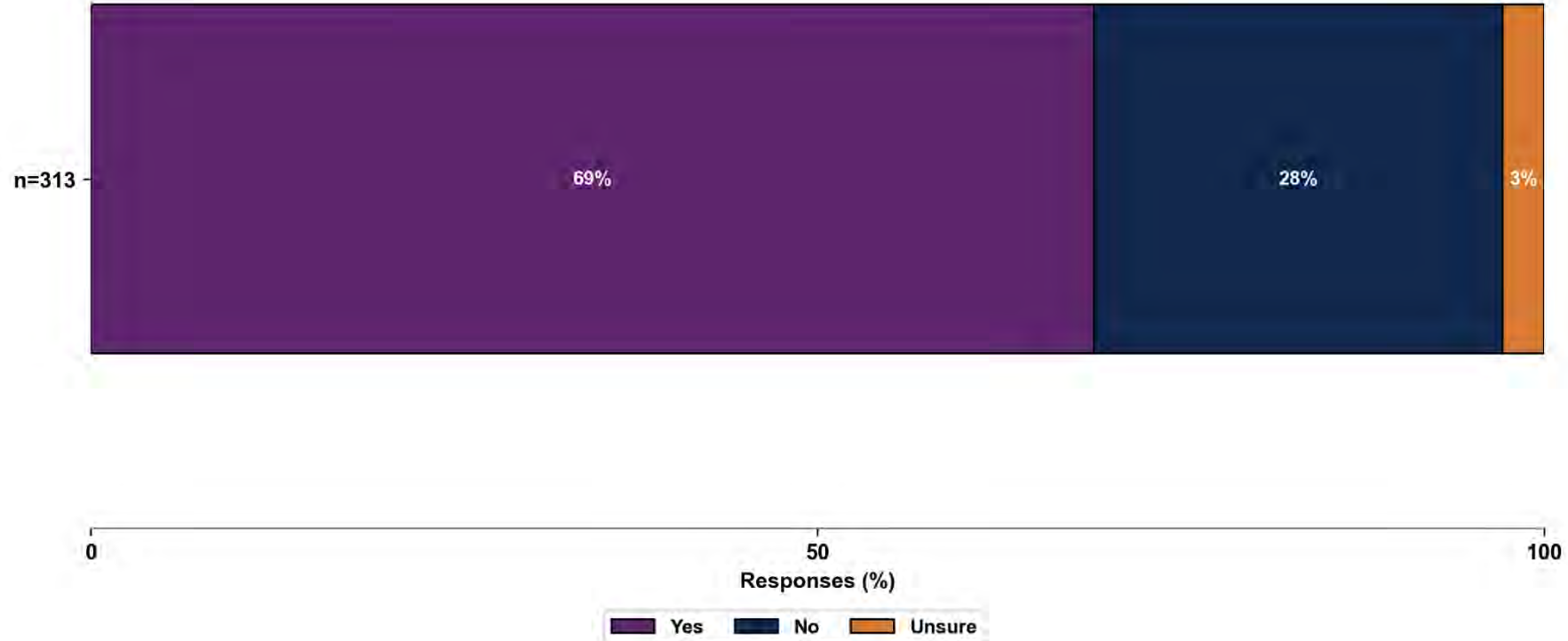
Q41. For scope 2 market-based accounting, how often do you use time-specific emission factors or contractual attributes (e.g., time-stamped certificates)? (n = 305)



SCOPE 2

DIRECT RENEWABLE ENERGY PROCUREMENT

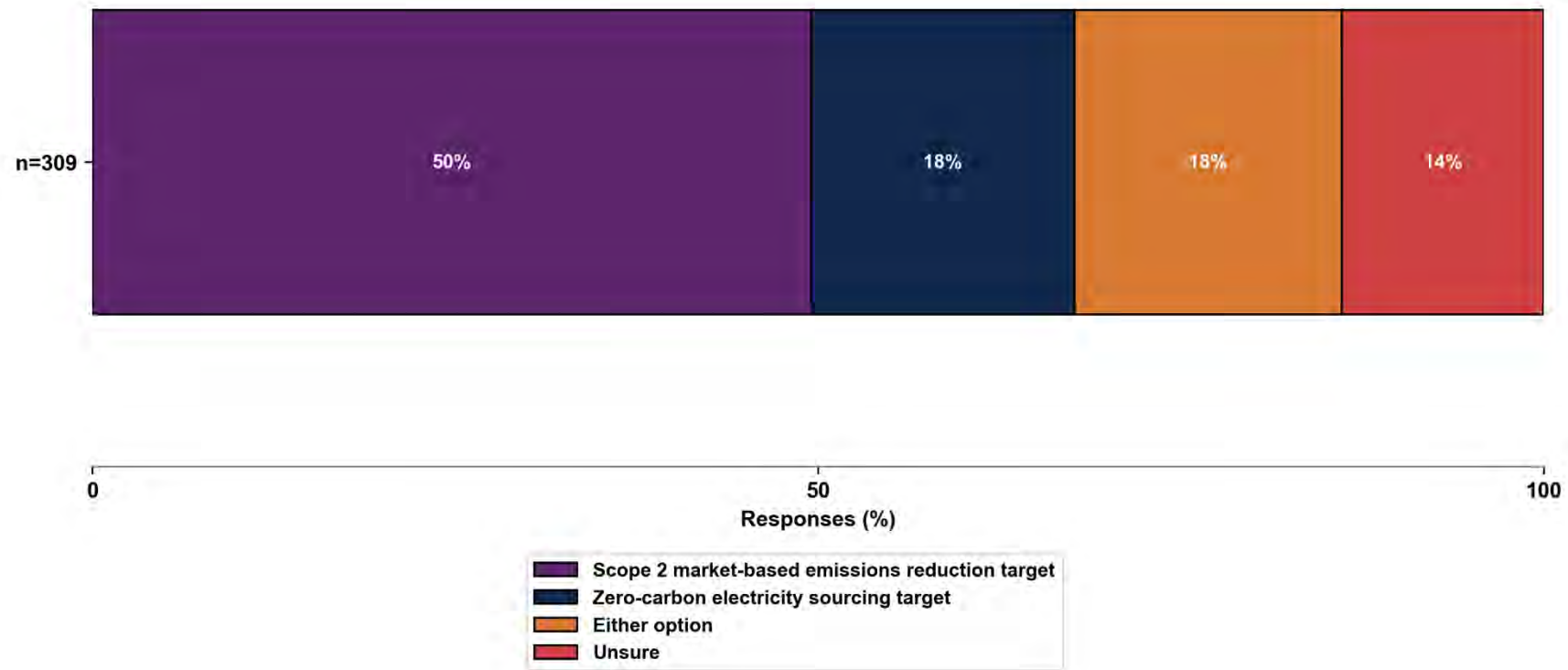
Q42. Do you currently engage in direct renewable energy procurement (e.g., PPAs, VPPAs, on-site generation)?
(n = 313)



SCOPE 2

PROCUREMENT-BASED SCOPE 2 TARGETS

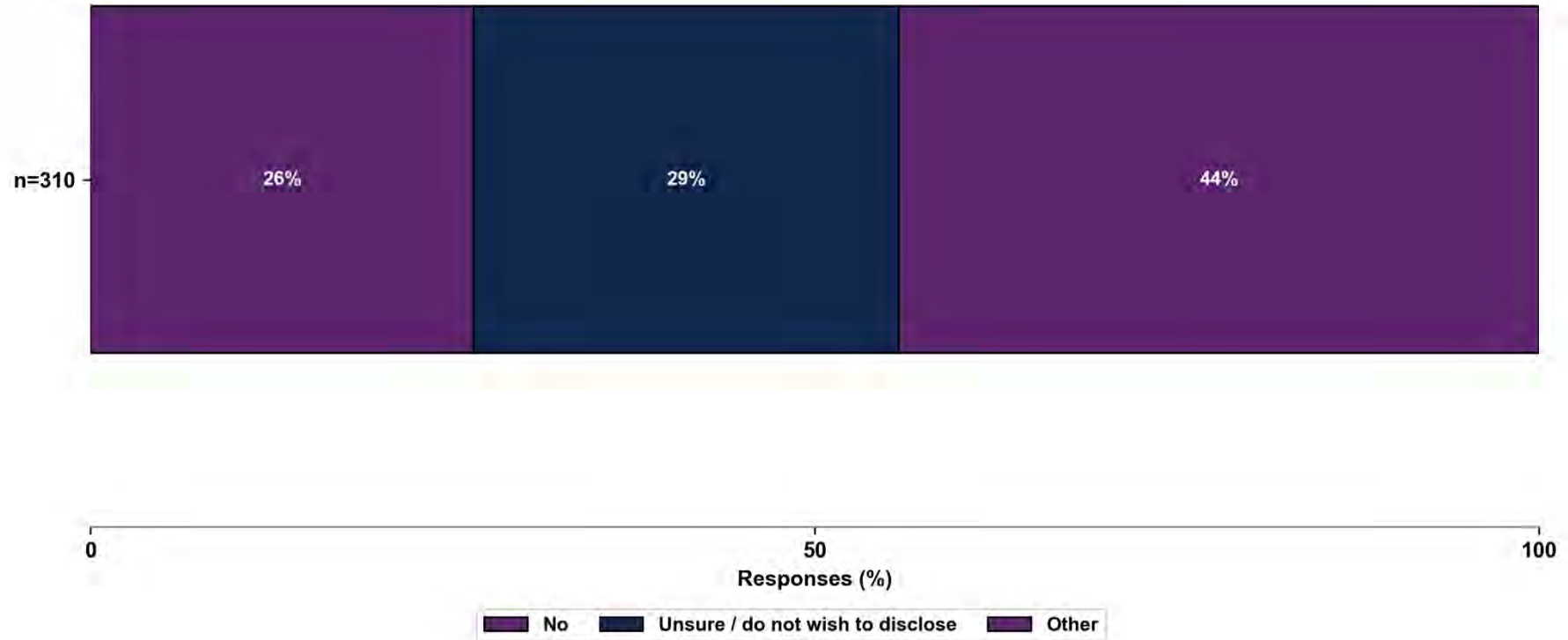
Q43. Which of the procurement-based scope 2 targets proposed in the CNZS V2.0 consultation draft is your company most interested in pursuing? (n = 309)



SCOPE 2

ACCESSIBILITY OF ZERO-CARBON ELECTRICITY

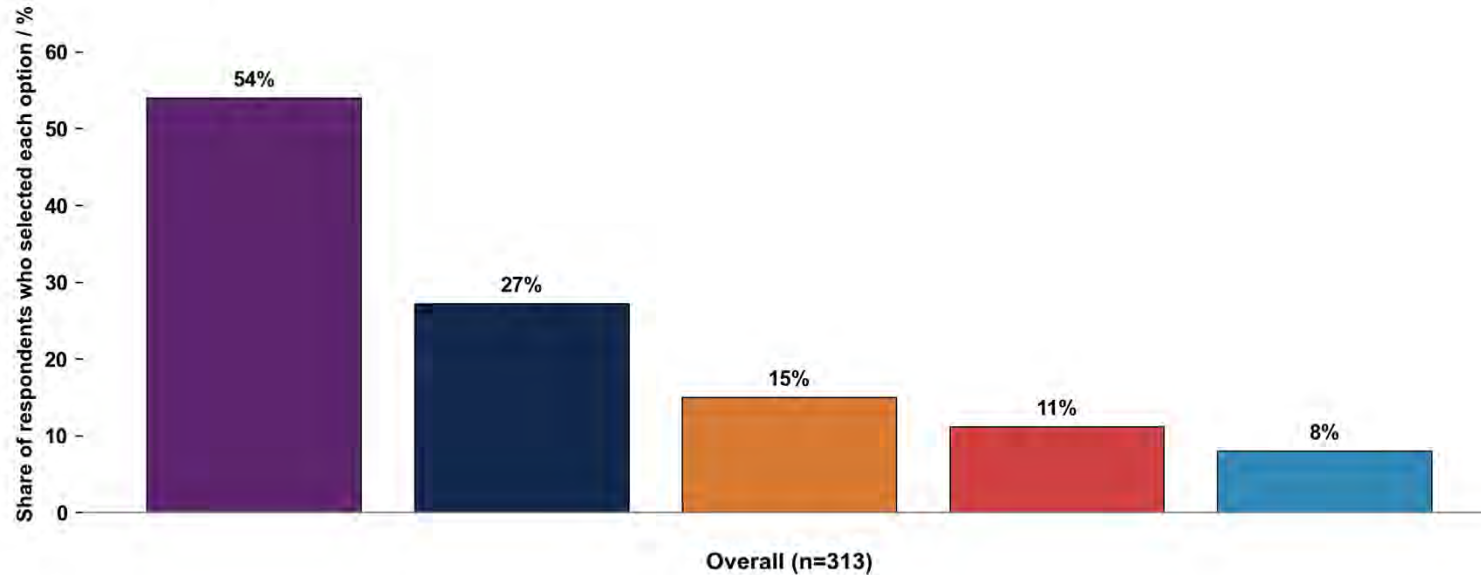
Q44. Are there any circumstances where your company is unable to access zero-carbon electricity for operations in certain regions or markets? (n = 310)



SCOPE 2

INVESTMENT IN EMISSION REDUCTION BEYOND PURCHASED GRIDS

Q45. Is your company currently investing in measures to reduce electricity-related emissions outside of grids in which you purchase or acquire electricity? Select all that apply. (n = 313)

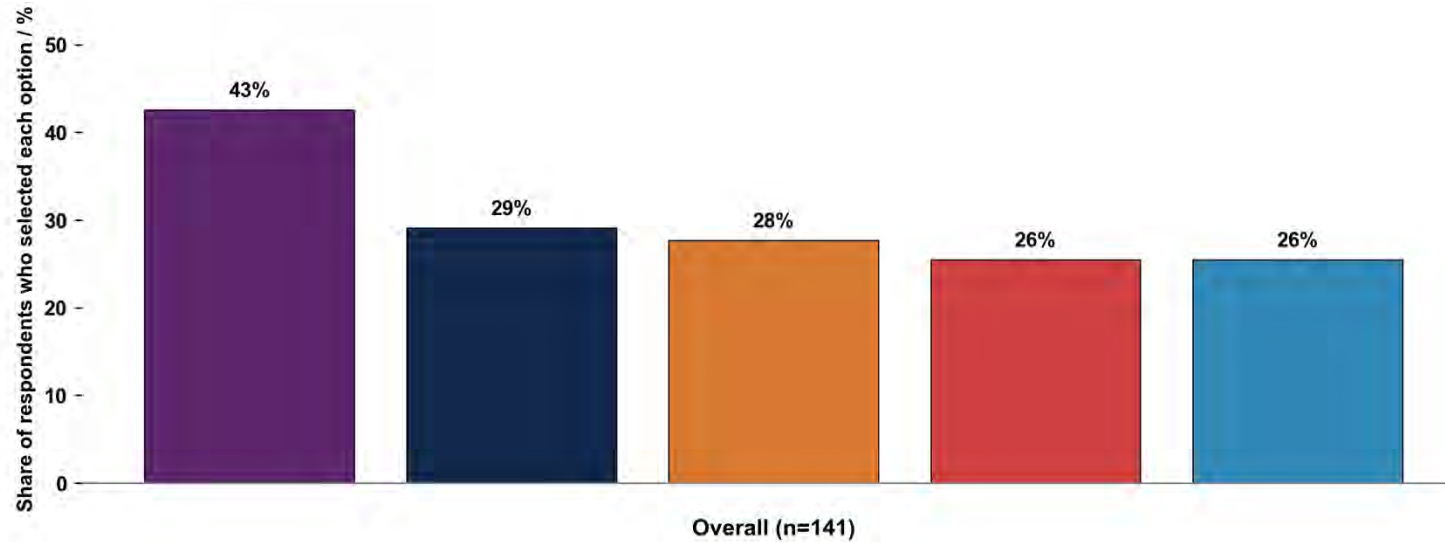


- Option 1: No
- Option 2: Yes - to address scope 2 emissions
- Option 3: Yes - to address scope 3 emissions
- Option 4: Unsure / do not wish to disclose
- Option 5: Yes - for other purposes, e.g. BVCN, as part of an investment strategy

SCOPE 2

INVESTMENT TYPES IN EMISSION REDUCTION BEYOND PURCHASED GRIDS

Q46. If yes, what types of investments are you making? Select all that apply. (n = 141)

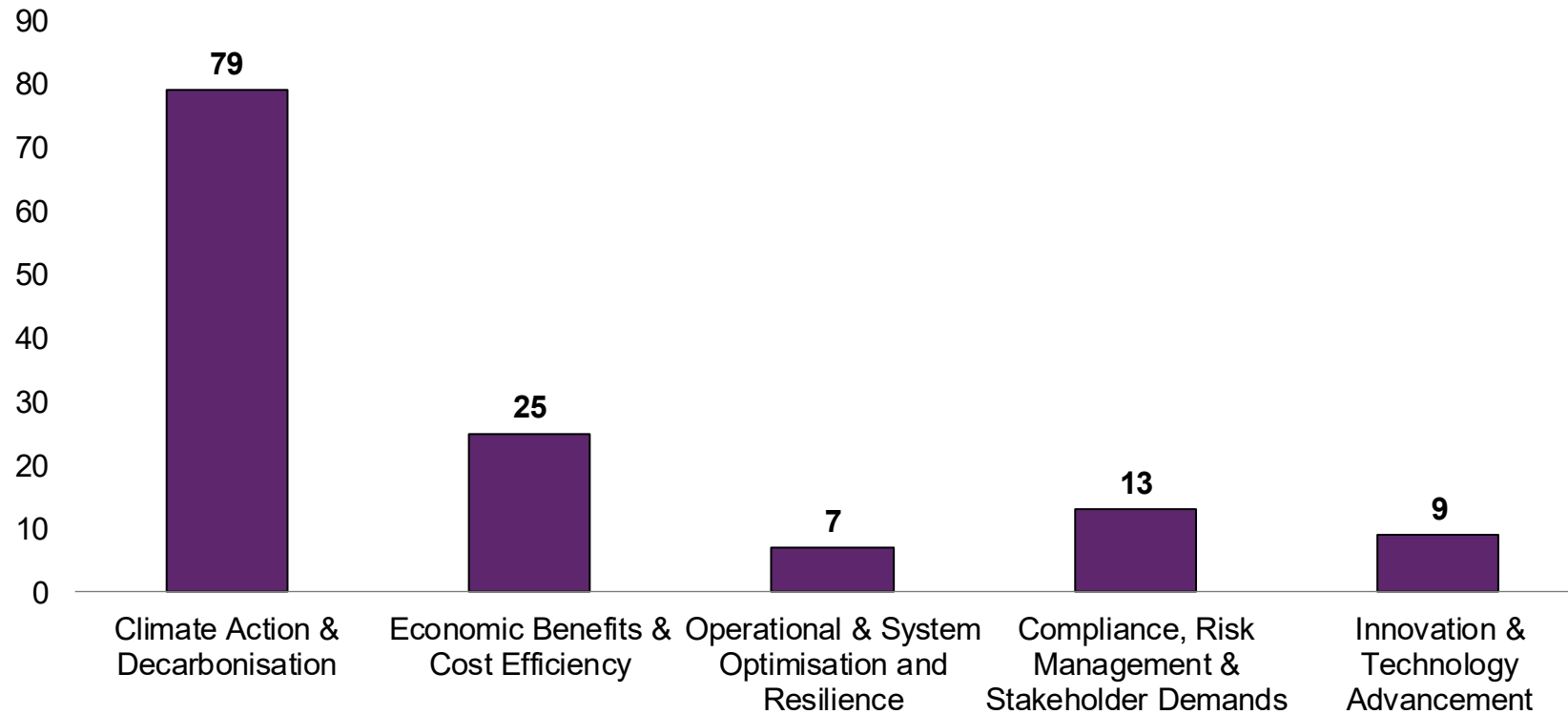


- Option 1: Renewable energy projects in other jurisdictions
- Option 2: Investment in enabling technologies (e.g. smart grids, demand response)
- Option 3: Power purchase agreements (PPAs) outside your operational region
- Option 4: Capacity building or policy advocacy for grid decarbonization
- Option 5: Grid infrastructure upgrades (e.g. transmission, storage)

SCOPE 2

PRIMARY DRIVERS OF INVESTMENT IN EMISSION REDUCTION BEYOND PURCHASED GRIDS

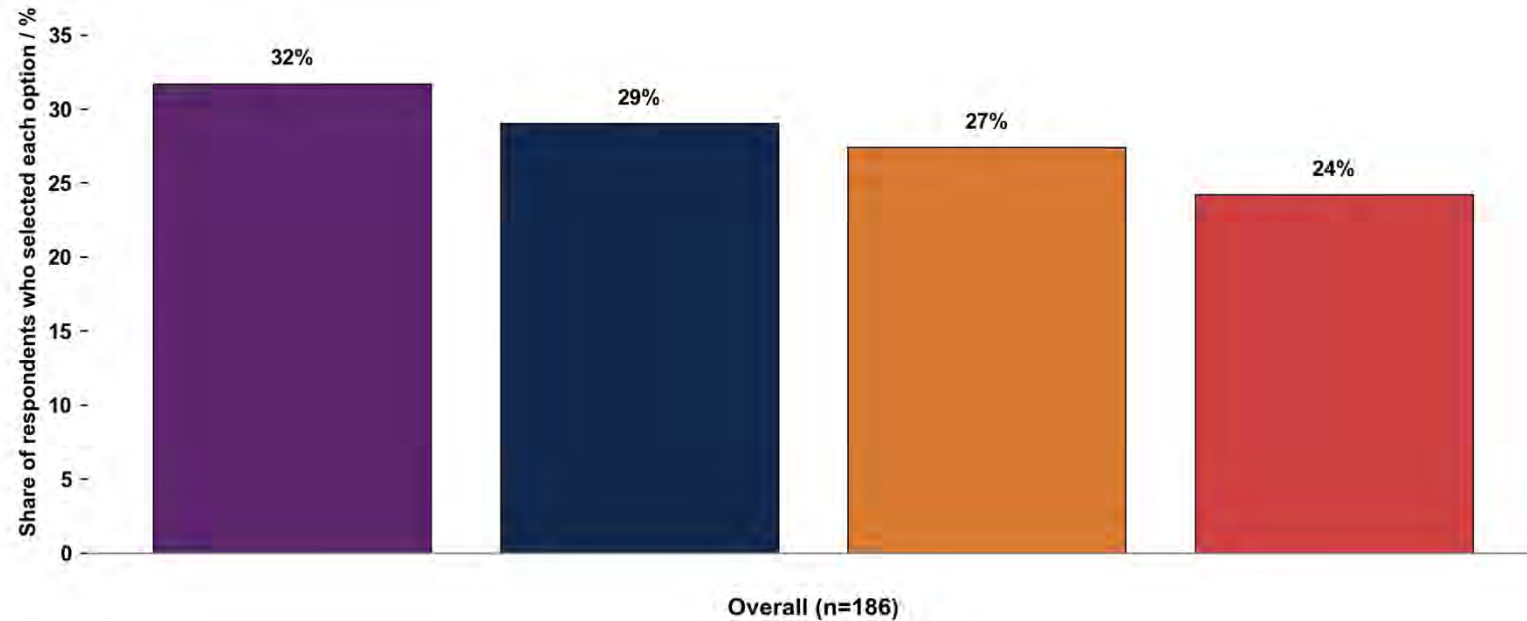
Q47. What is the primary driver of these investments? (n = 118)



SCOPE 2

EMISSIONS IMPACT OF INVESTMENT IN EMISSION REDUCTION BEYOND PURCHASED GRIDS

Q48. How does your company assess the emissions impact of these investments? Select all that apply. (n = 186)

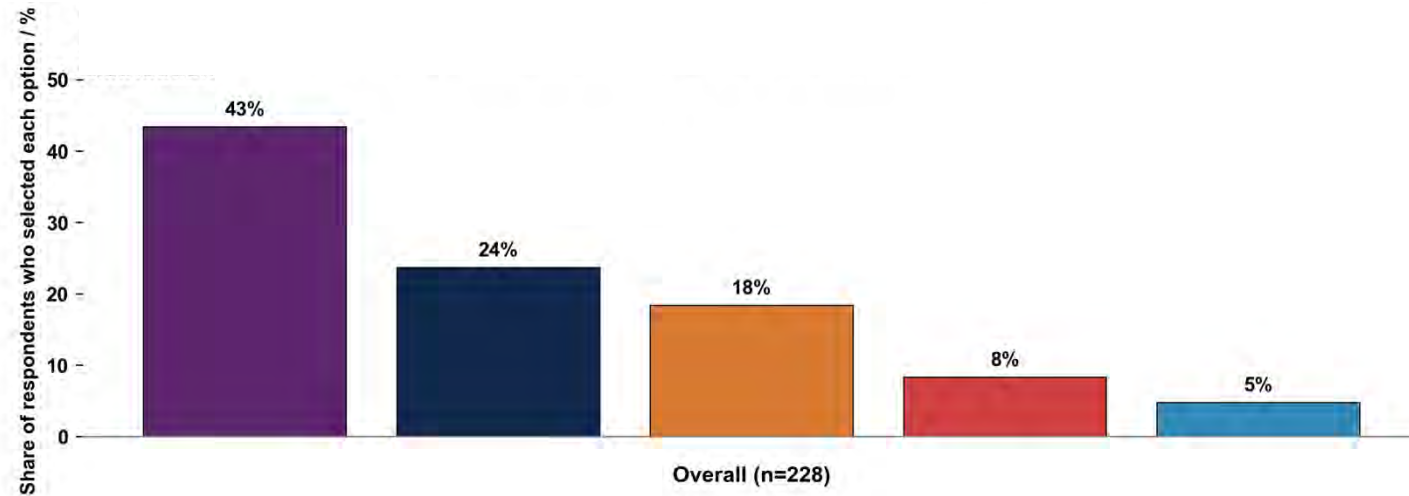







- Option 1: We do not currently measure impact
- Option 2: Third-party verification
- Option 3: Project reporting
- Option 4: Emissions factor modelling (e.g., marginal abatement)

SCOPE 2

SCALE OF INVESTMENT IN EMISSION REDUCTION BEYOND PURCHASED GRIDS

Q49. How does your company currently determine the scale of investment or action when supporting electricity decarbonization outside of grids in which you purchase or acquire electricity? Select all that apply. (n = 228)

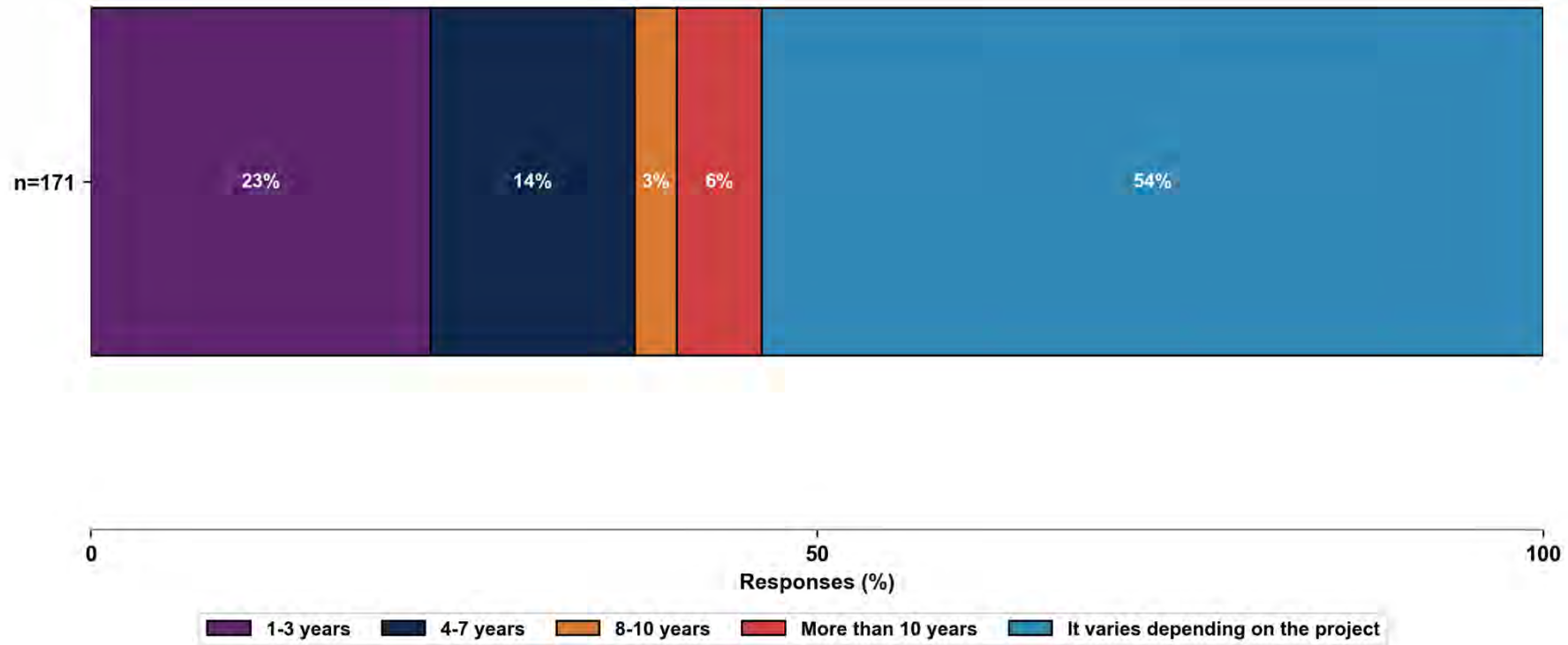


-  Option 1: We do not currently support electricity decarbonization outside our value chain
-  Option 2: We do not currently have a method for determining the scale of these actions
-  Option 3: We match our unabated electricity use with equivalent clean electricity delivered elsewhere on a kWh-for-kWh basis
-  Option 4: We match our unabated electricity emissions with equivalent mitigation associated with clean electricity delivered elsewhere on a tCO2e-for-tCO2e basis
-  Option 5: We set a financial contribution target (e.g., fixed amount, % of electricity spend, internal carbon price)

SCOPE 2

TIMEFRAME FOR EXPECTED EMISSIONS IMPACT FROM INVESTMENTS

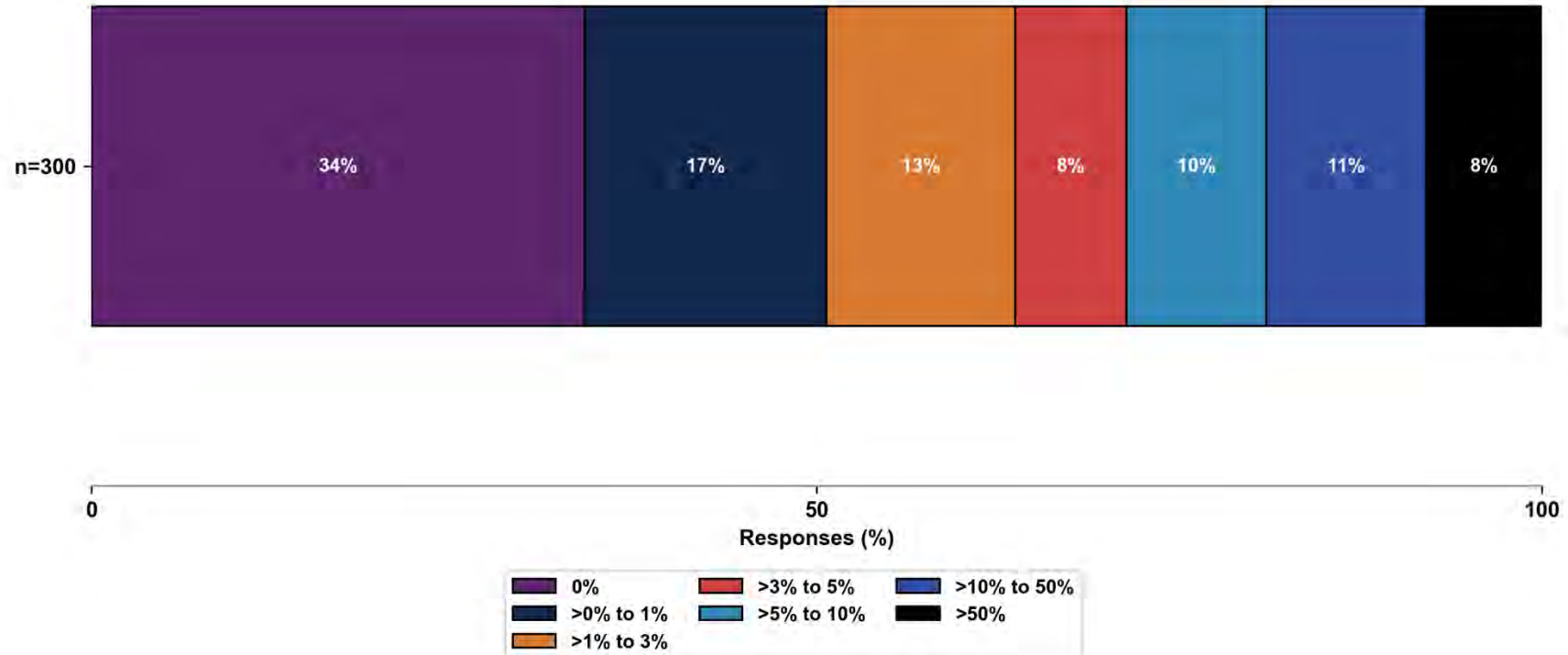
Q50. Over what timeframe does your company assess or expect emissions impact from these investments?
(n = 171)



SCOPE 2

SHARE OF HEAT, STEAM & COOLING IN TOTAL SCOPE 2 EMISSIONS

Q51. What proportion of your purchased or acquired energy (electricity, heat, steam, cooling) is made up by heat, steam and cooling (versus electricity)? Please calculate the proportion based on total scope 2 emissions. (n = 300)



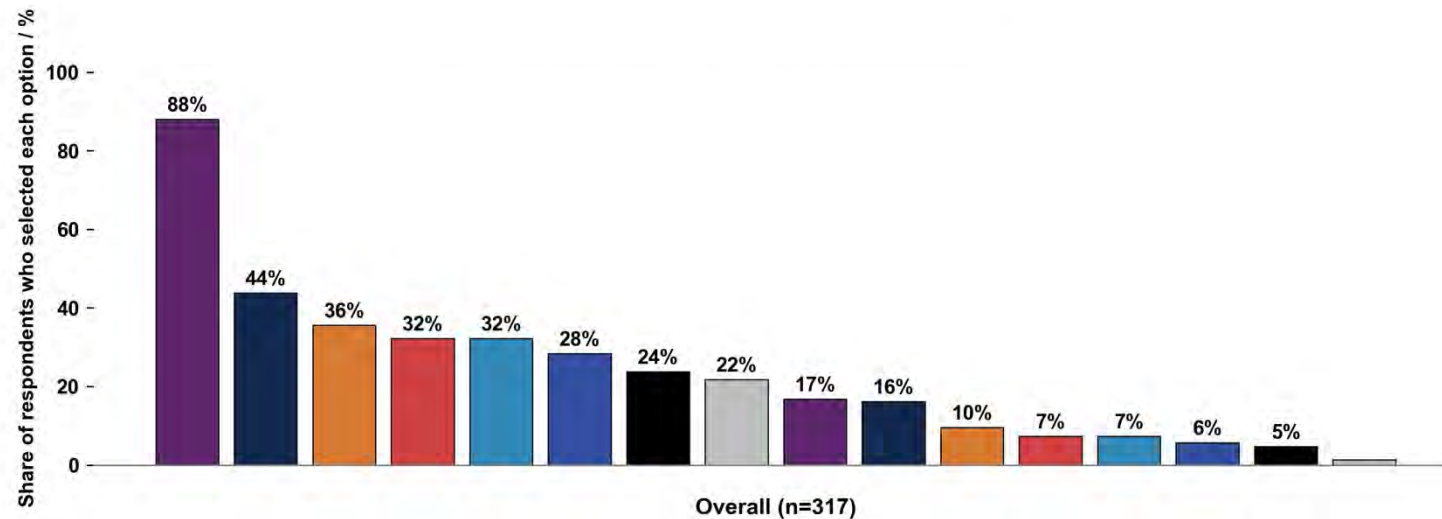


1.2.3 SUMMARY OF PHASE I PILOT FEEDBACK – SCOPE 3

SCOPE 3

REPRESENTATIVE SCOPE 3 CATEGORIES

Q52. Please select which of the following scope 3 categories represent at least 5% of your company's total scope 3 emissions.
(n = 317)

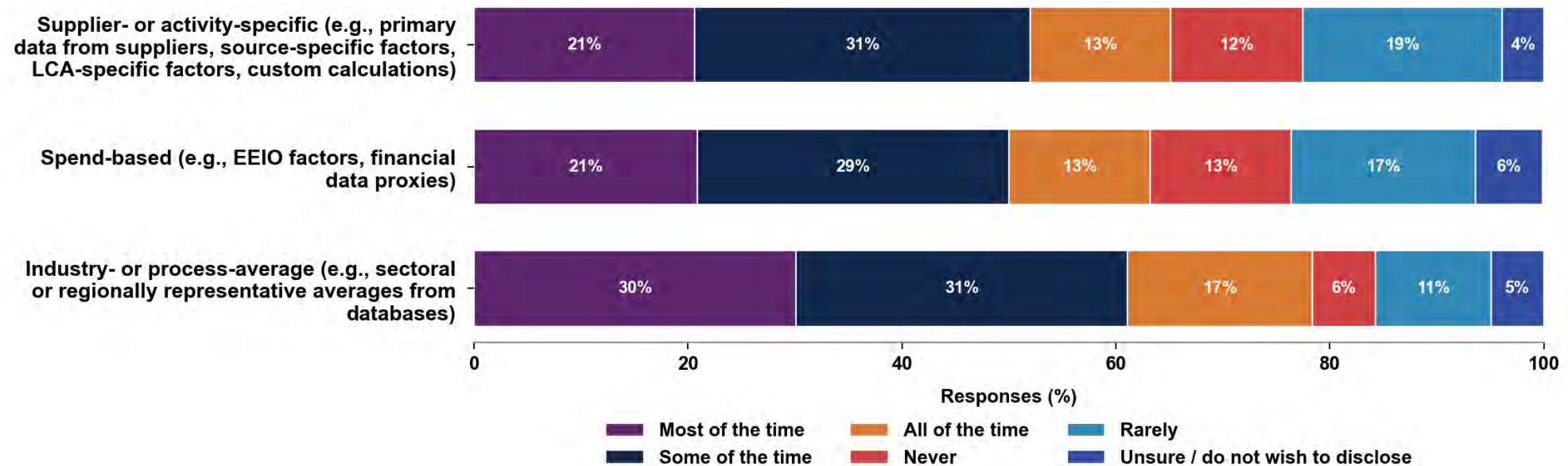


- | | |
|--|---|
| Option 1: Purchased goods and services | Option 9: Waste generated in operations |
| Option 2: Upstream transportation and distribution | Option 10: End-of-life treatment of sold products |
| Option 3: Use of sold products | Option 11: Investments |
| Option 4: Capital goods | Option 12: Downstream leased assets |
| Option 5: Fuel and energy-related activities | Option 13: Processing of sold products |
| Option 6: Business travel | Option 14: Upstream leased assets |
| Option 7: Employee commuting | Option 15: Unsure / do not wish to disclose |
| Option 8: Downstream transportation and distribution | Option 16: Franchises |

SCOPE 3

USE OF EMISSION FACTORS IN SCOPE 3

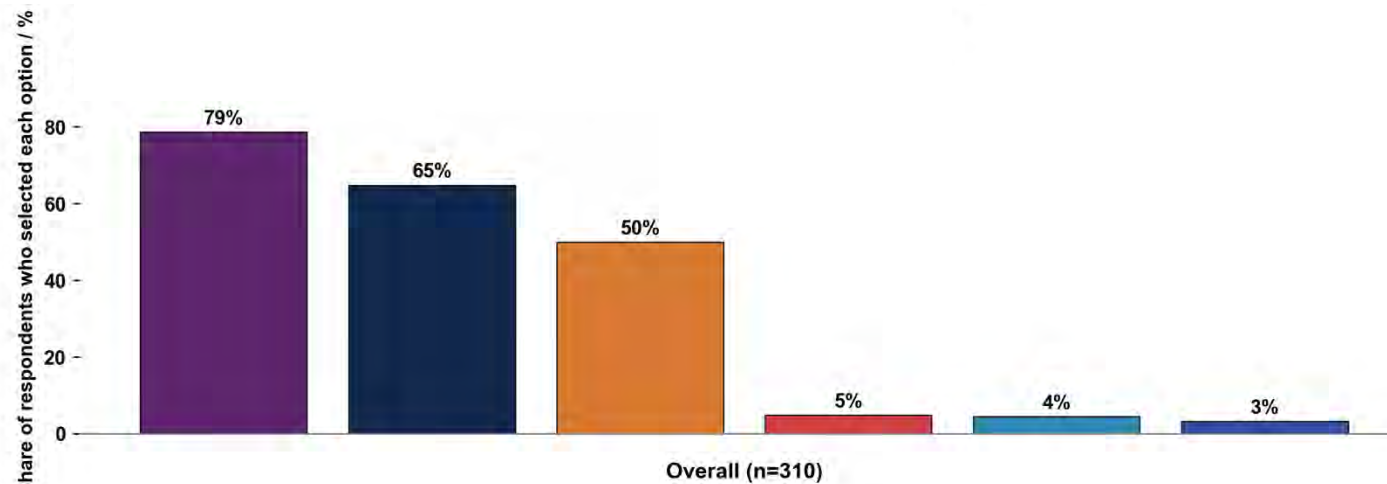
Q53. Across all scope 3 categories that account for 5% or more of your total scope 3 emissions, how frequently does your organization use the following types of emissions factors to calculate emissions? (n = 313)



SCOPE 3

DATA AVAILABILITY FOR EMISSIONS-INTENSIVE ACTIVITIES IN VALUE CHAIN

Q54. In general, what data does your company have for emissions-intensive activities in your value chain (i.e., scope 3)?
(n = 310)

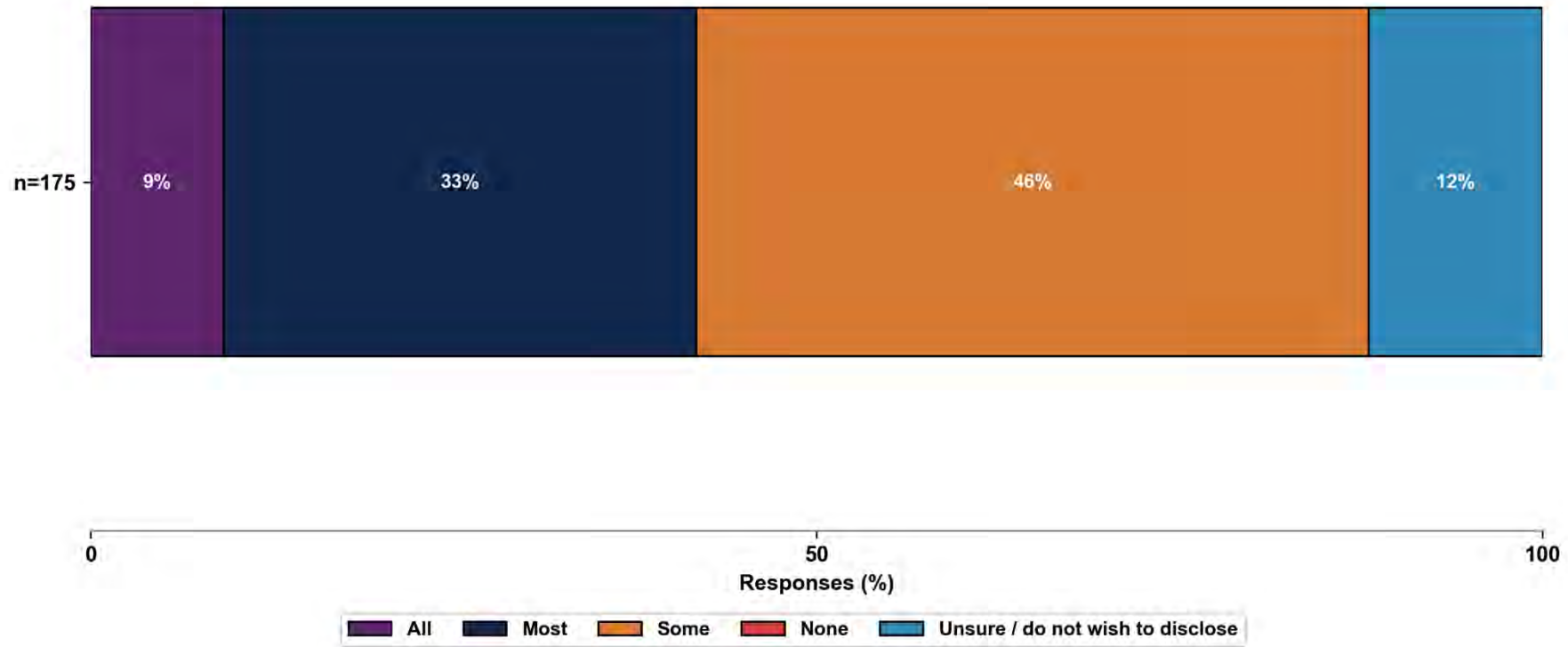


- Option 1: Volume or quantity data (e.g., units purchased, tons shipped, kWh consumed)
- Option 2: Spend data (e.g., financial value of purchases related to emissions-intensive activities)
- Option 3: Activity-level emissions data (e.g., kg CO2e per unit of activity)
- Option 4: Unsure / do not wish to disclose
- Option 5: We do not currently have this data, but believe we can obtain it
- Option 6: We do not have access to this data and do not expect to obtain it

SCOPE 3

ACTIVITY-LEVEL EMISSIONS DATA

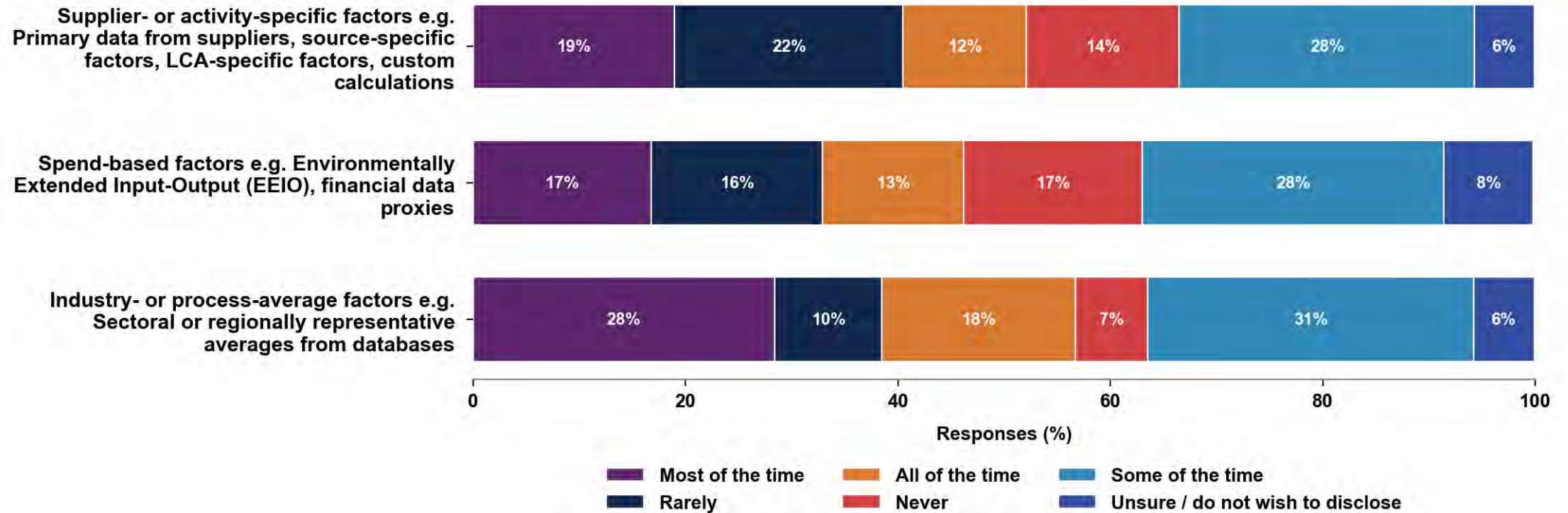
Q55. If you selected "Activity-level emissions data (e.g., kg CO₂e per unit of activity), what proportion of scope 3 emissions-intensive activities do you have this data for? (n = 175)



SCOPE 3

EMISSION FACTORS FOR EMISSIONS-INTENSIVE ACTIVITIES IN VALUE CHAIN

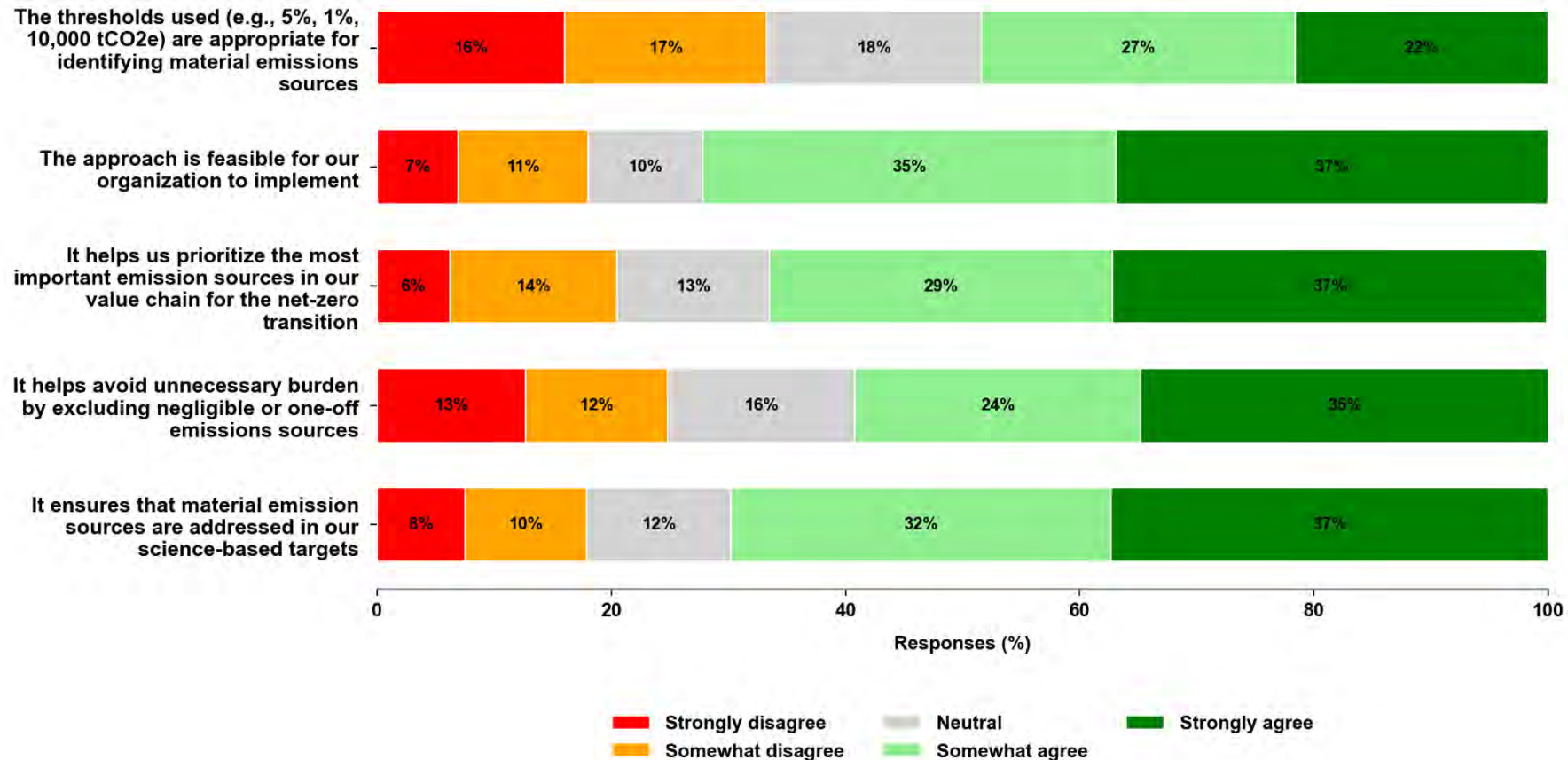
*Q56. What type of emissions factors does your company apply for emissions-intensive activities in your value chain?
(n = 305)*



SCOPE 3

THRESHOLDS FOR IDENTIFYING RELEVANT SCOPE 3 EMISSION SOURCES

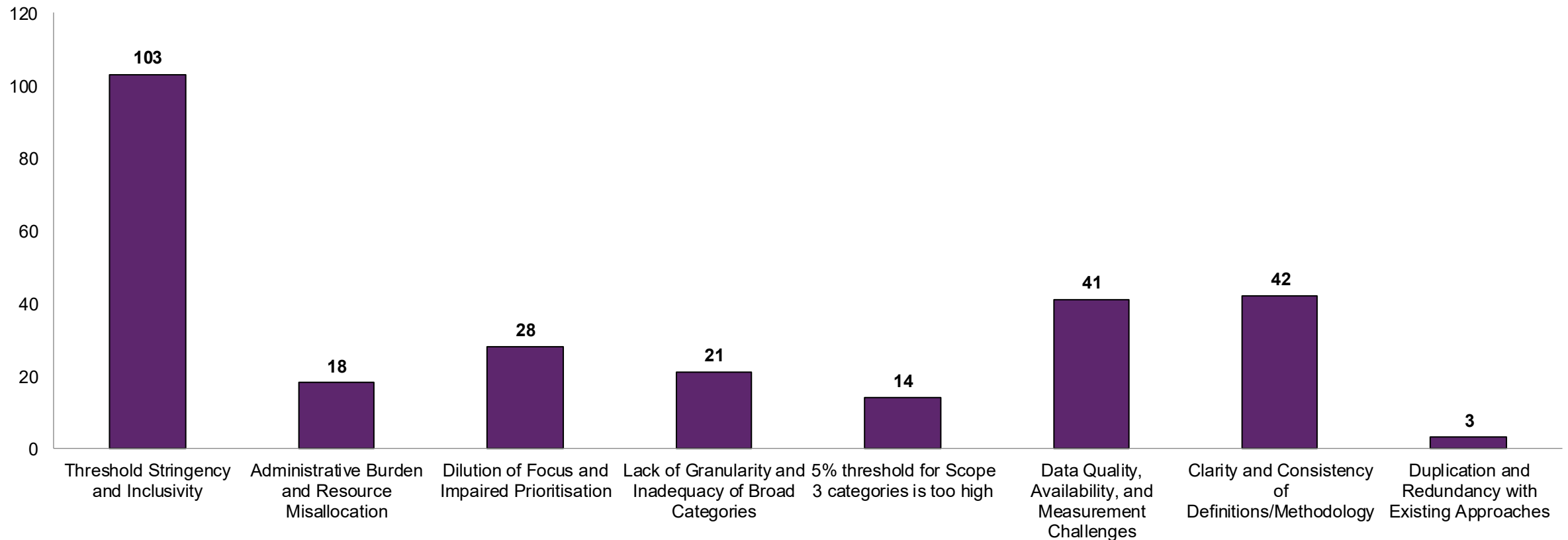
*Q57. The proposed approach for identifying relevant scope 3 emission sources includes two thresholds:
Identifying significant scope 3 categories that account for $\geq 5\%$ of total scope 3 emissions.
Identifying emissions-intensive activities that account for $>1\%$ of scope 3 emissions or $>10,000$ tCO₂e annually.
To what extent do you agree with the following statements about this approach? (n = 308)*



SCOPE 3

THRESHOLDS FOR IDENTIFYING RELEVANT SCOPE 3 EMISSION SOURCES

*Q58. Please explain your responses or share any concerns or suggestions about this approach. (n = 195)**

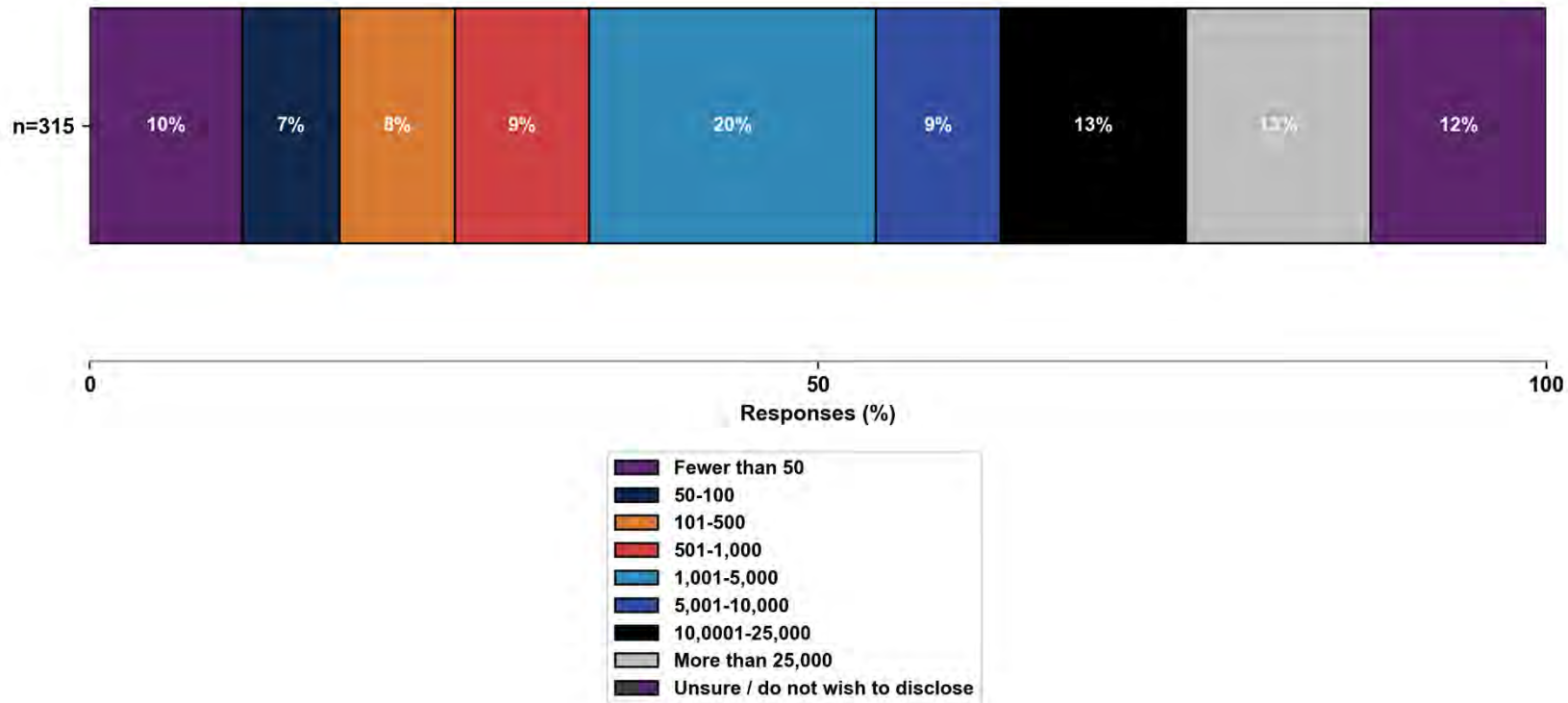


*Graph bars represent key common themes among responses

SCOPE 3

NUMBER OF TIER 1 SUPPLIERS

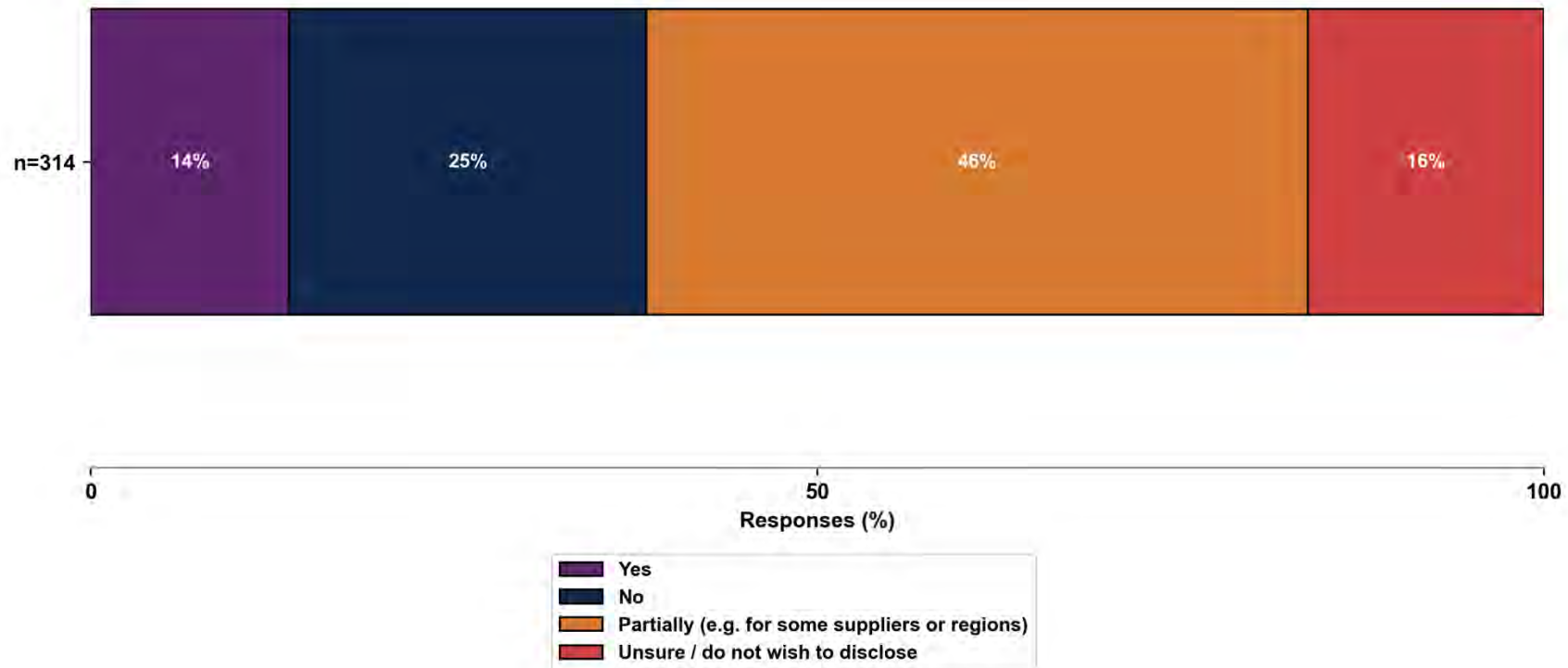
Q59. Approximately how many Tier 1 suppliers does your company currently have? (n = 315)



SCOPE 3

SUPPLIERS WITH 1.5°C ALIGNED EMISSIONS REDUCTION TARGETS

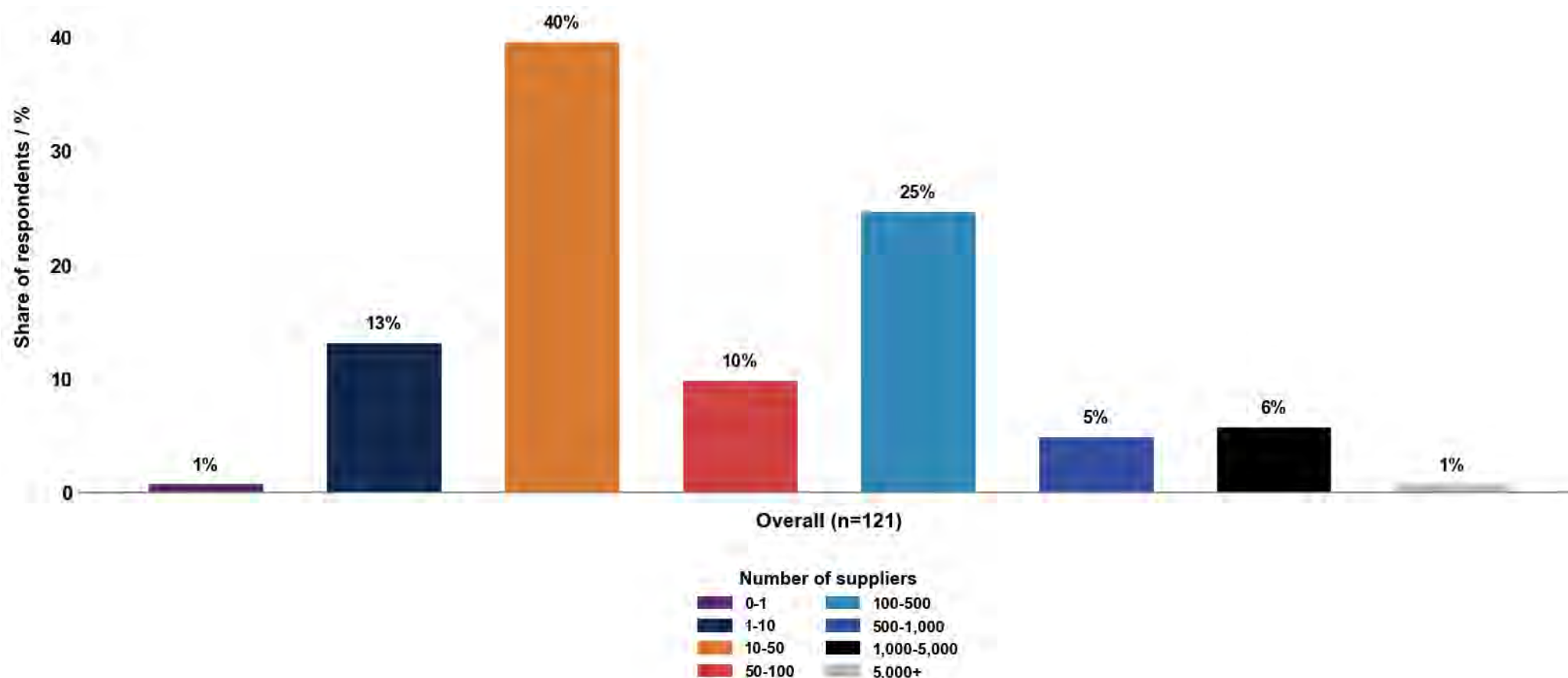
Q60. Do you know how many of your suppliers have set emissions reduction targets aligned with limiting global warming to 1.5°C? You may respond based on the number or proportion of suppliers. (n = 314)



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

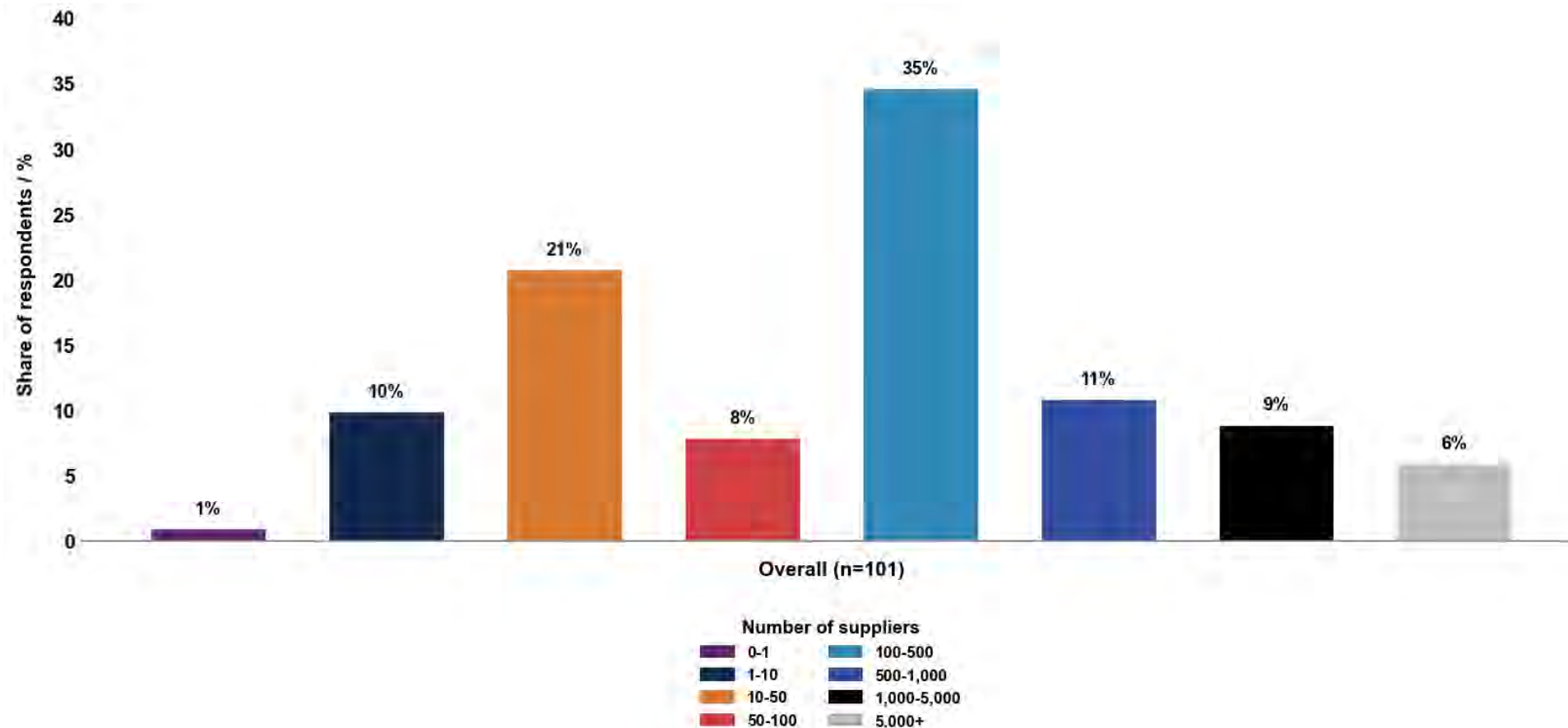
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **50% of scope 3 emissions (n = 121)**



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

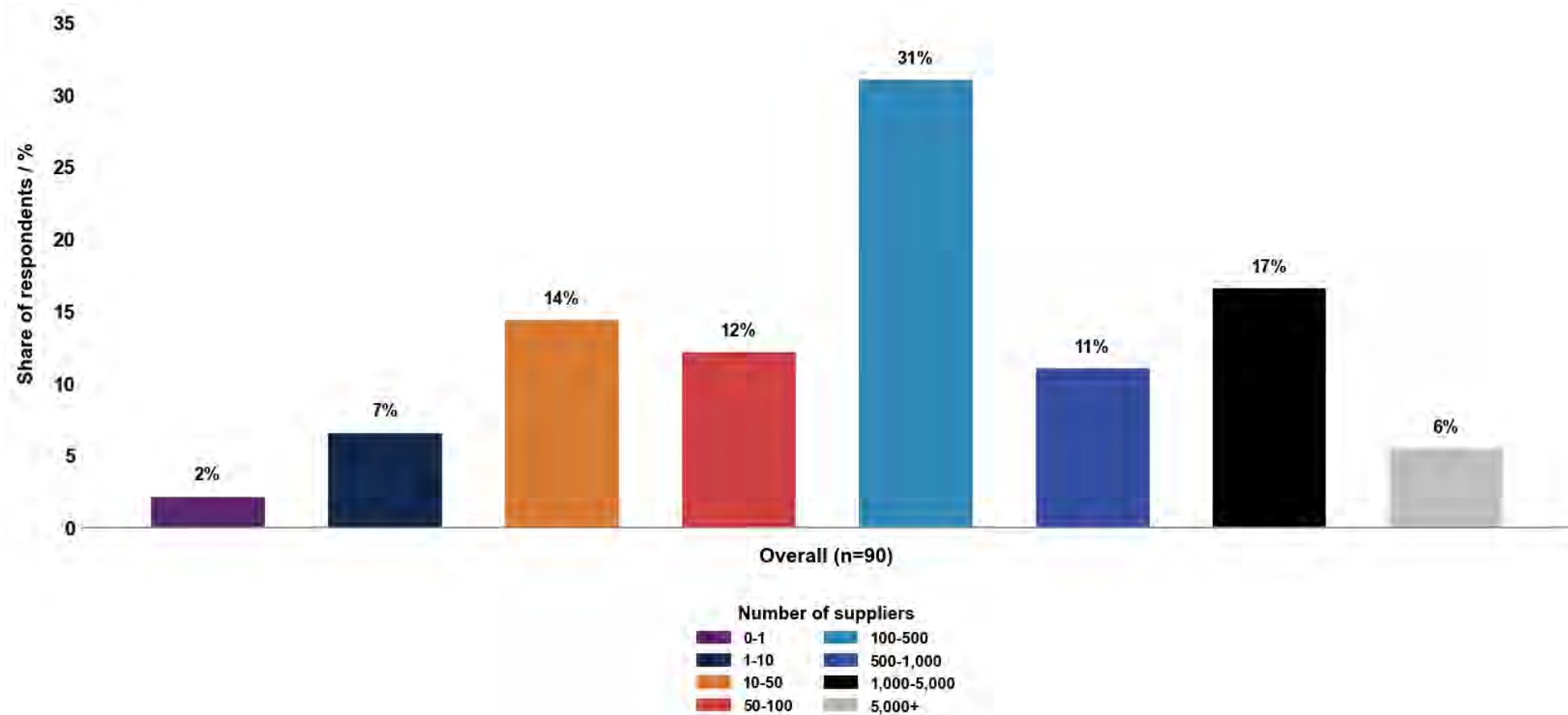
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **67% of scope 3 emissions (n = 101)**



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

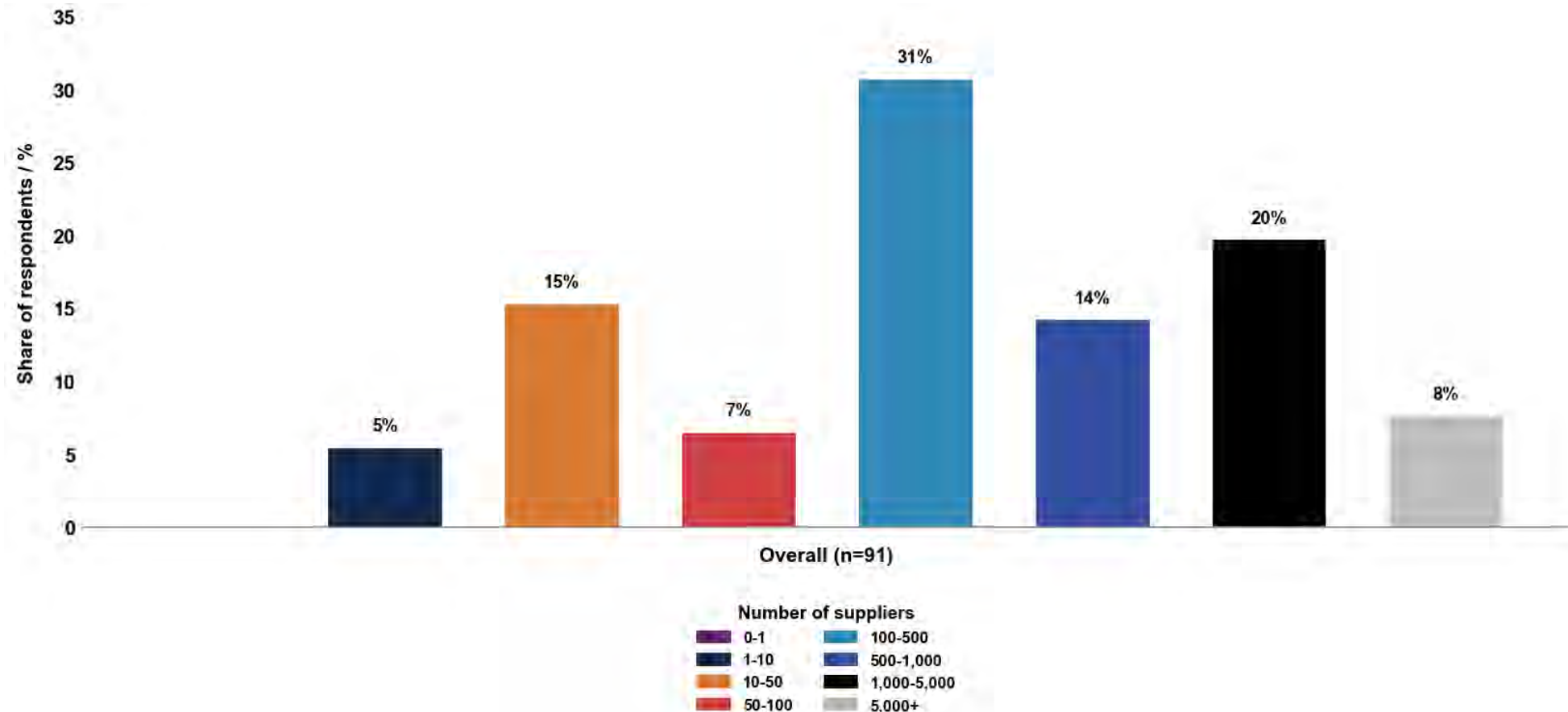
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **75% of scope 3 emissions (n = 90)**



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

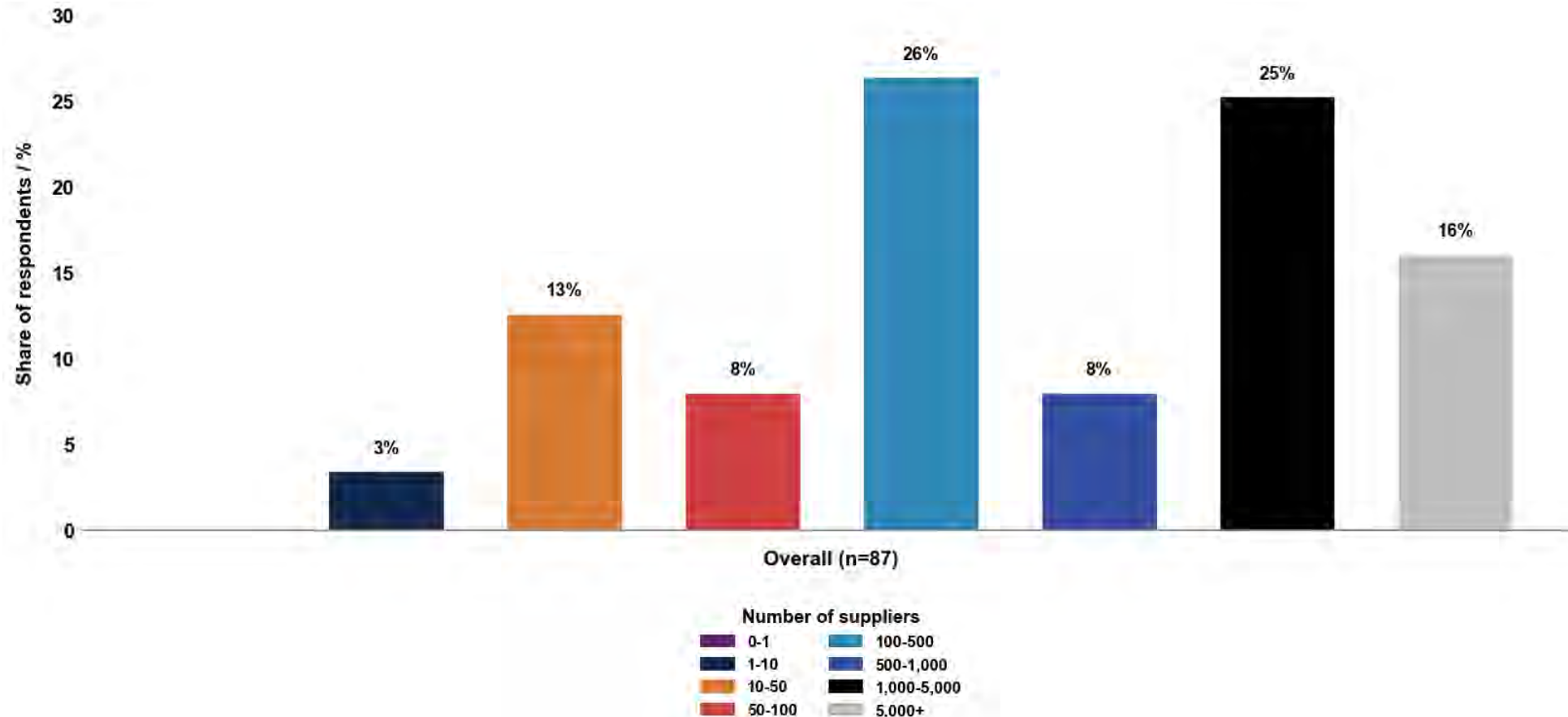
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **80% of scope 3 emissions (n = 91)**



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

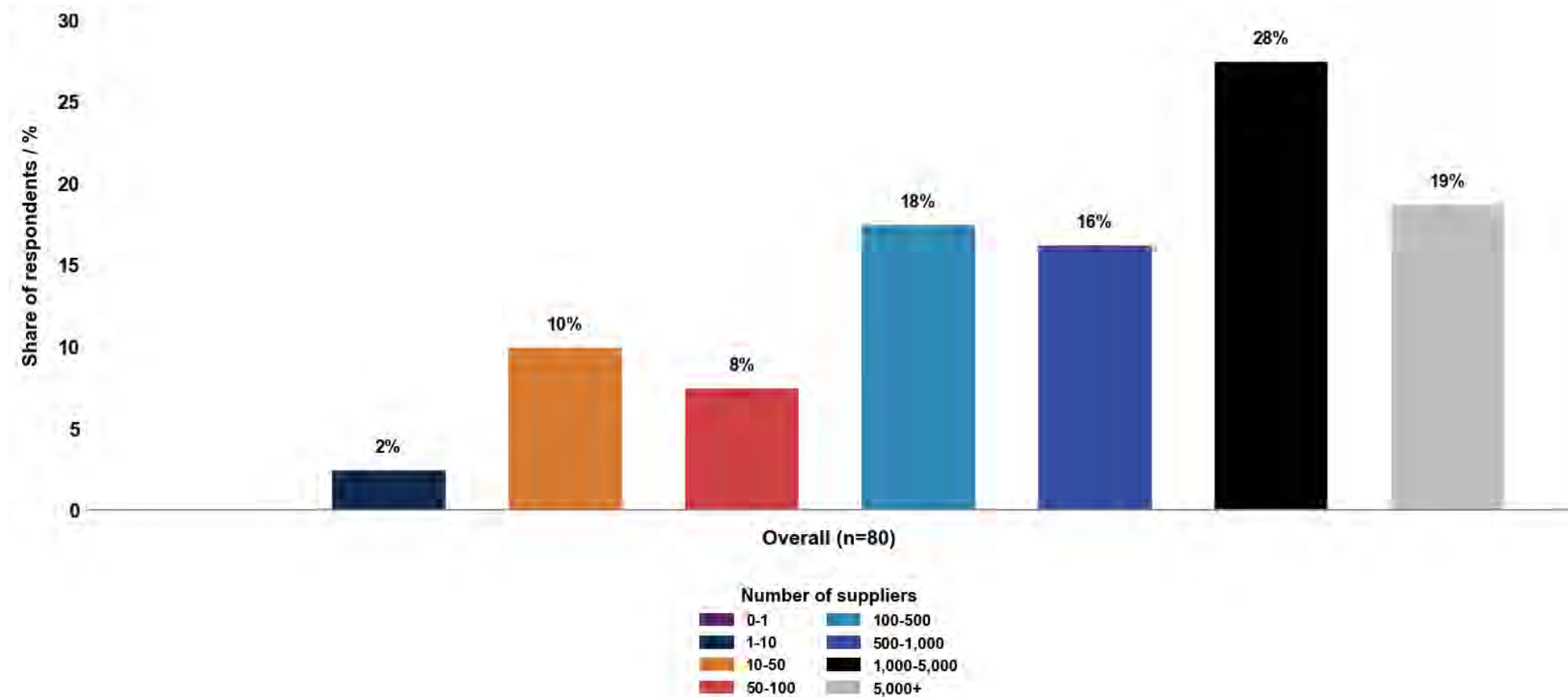
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **90% of scope 3 emissions (n = 87)**



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

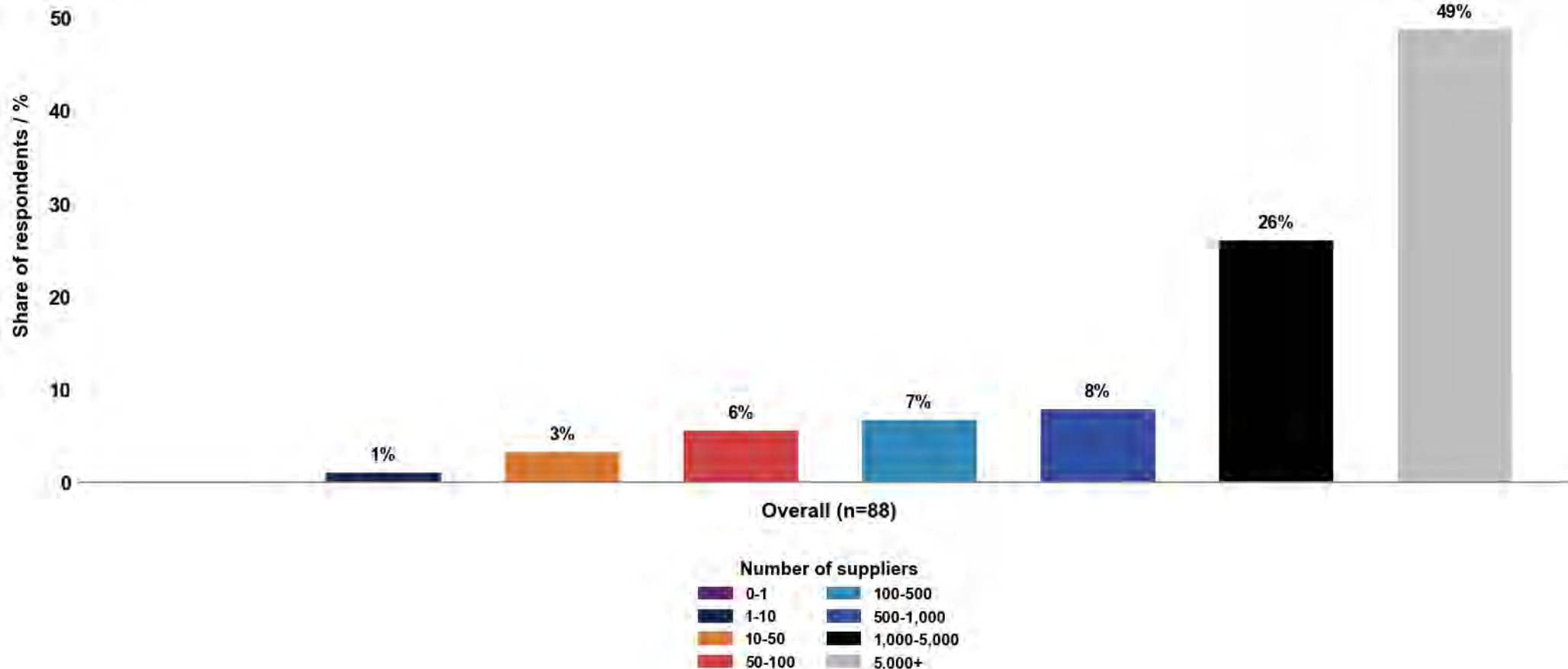
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **95% of scope 3 emissions (n = 80)**



SCOPE 3

PROPORTION OF SUPPLIER EMISSIONS TO TOTAL SCOPE 3 EMISSIONS

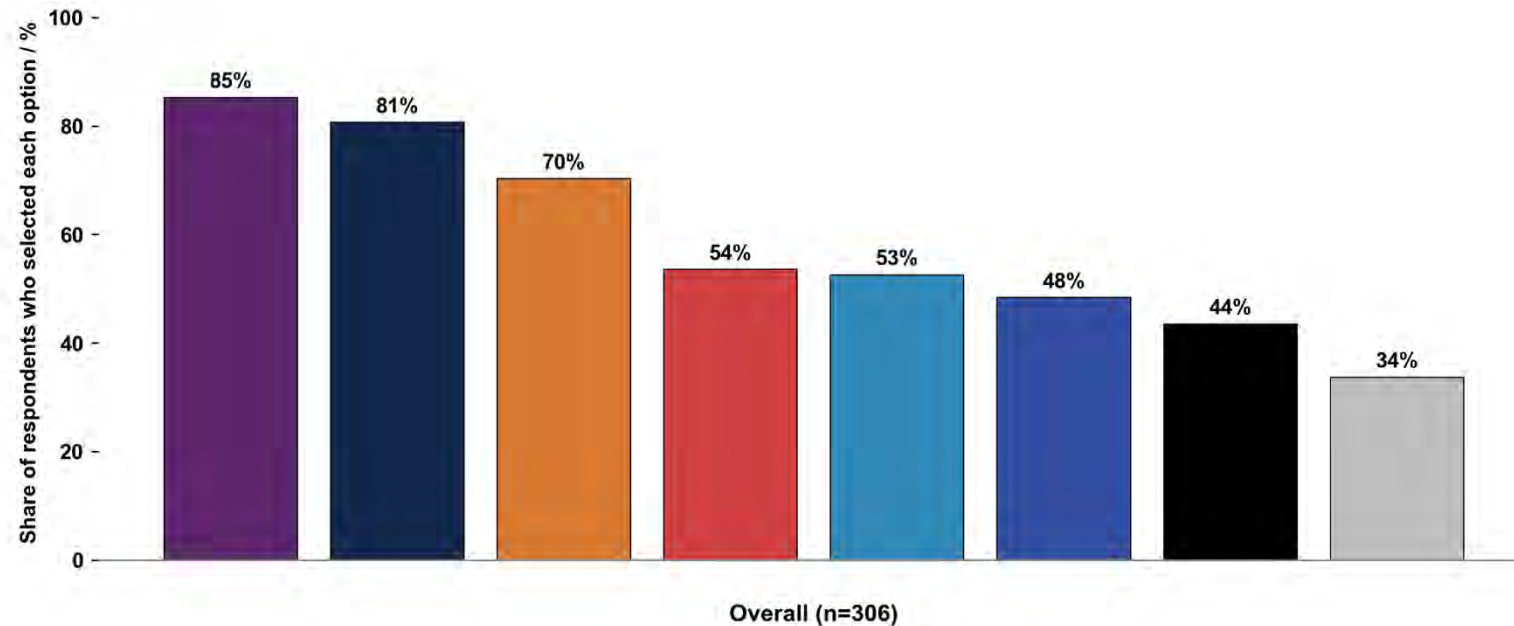
Q61. Approximately how many suppliers account for the following percentages of your company's total scope 3 emissions? Please provide your best estimate for each. | **100% of scope 3 emissions (n = 88)**



SCOPE 3

MEANINGFUL SUPPLIER RELATIONSHIPS

Q62. In your view, which factors best define a meaningful supplier relationship in your company's context? Select all that apply. (n = 306)



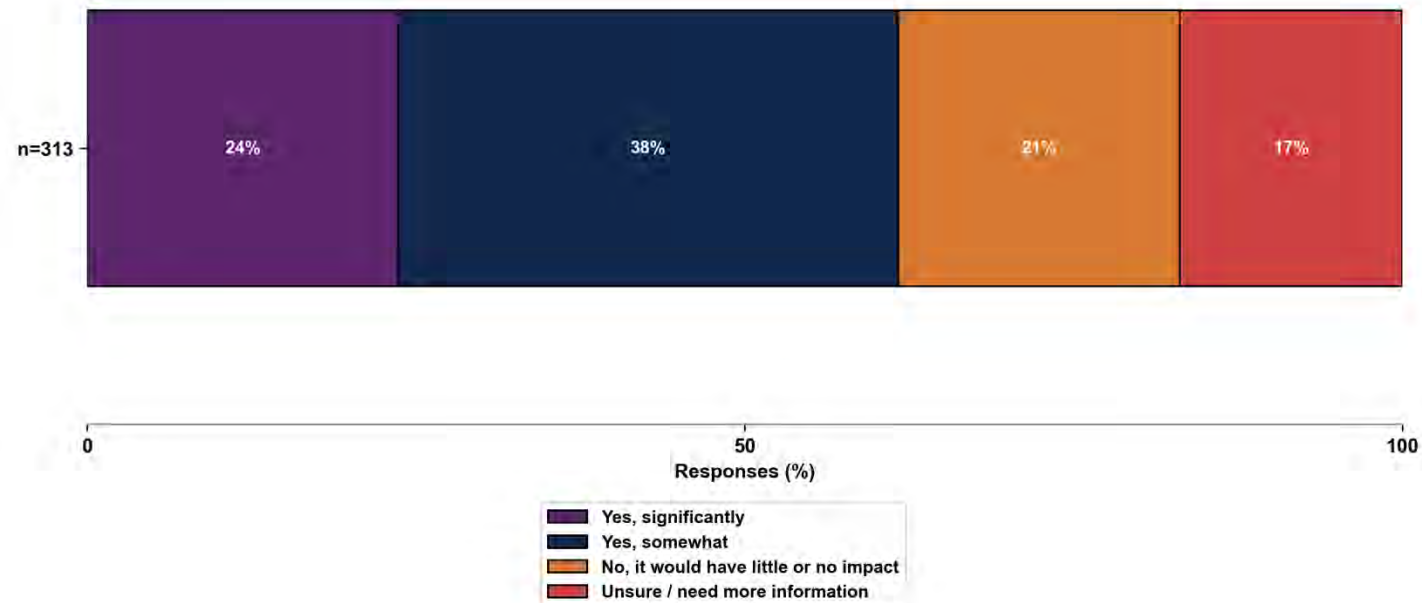
- | | |
|---|---|
|  Option 1: Purchase volume or financial value |  Option 5: Shared ESG or sustainability objectives |
|  Option 2: Strategic importance to business operations |  Option 6: Level of collaboration or innovation |
|  Option 3: Contract length or stability |  Option 7: Emissions intensity or environmental impact |
|  Option 4: Risk exposure (e.g., legal, reputational) |  Option 8: Degree of integration into value chain activities |

SCOPE 3

MEANINGFUL SUPPLIER RELATIONSHIPS

Q63. Would adopting a standardized definition of a meaningful supplier relationship into the Standard help focus supplier engagement efforts? (n = 313)

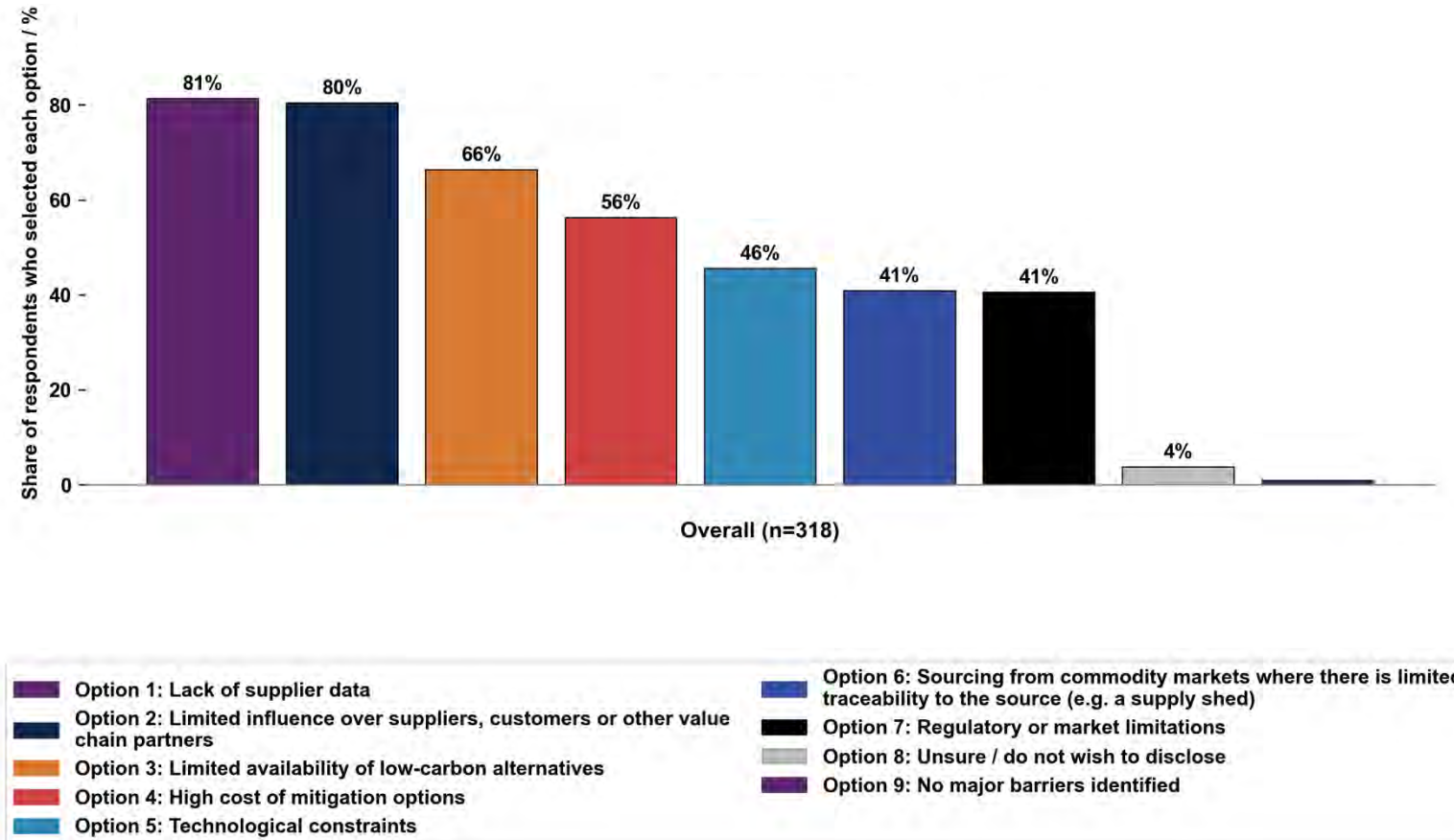
Q63: Would adopting a standardized definition of a meaningful supplier relationship into the Standard help focus supplier engagement efforts?



SCOPE 3

BARRIERS TO DIRECT MITIGATION OF EMISSIONS

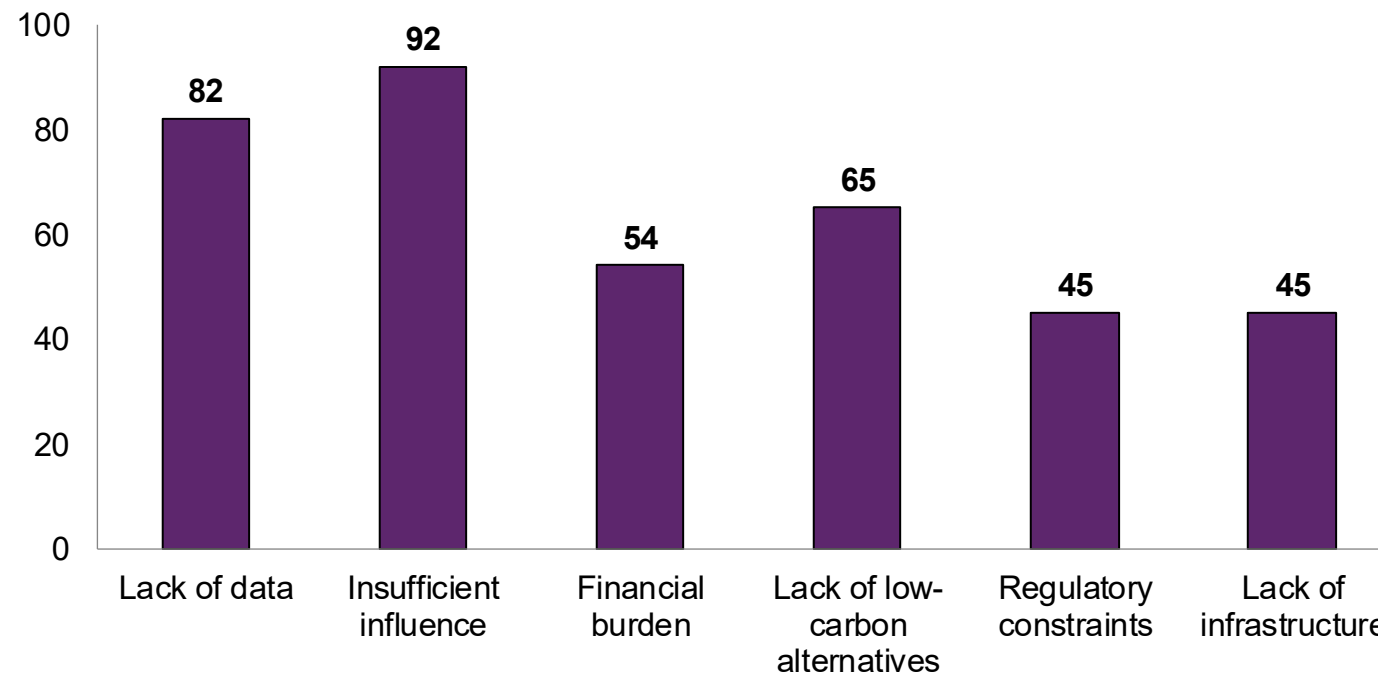
Q. Are there barriers in your value chain that prevent direct mitigation of emissions? Select all that apply. (n = 318)



SCOPE 3

BARRIERS TO MITIGATION OF SPECIFIC SCOPE 3 EMISSION SOURCES

*Q65. Which scope 3 emission sources in your value chain face the most significant barriers to mitigation, and why? Please focus your response on relevant emissions-intensive activities as described in Annex D of the Corporate Net-Zero Standard V2.0 Consultation Draft. * (n = 268)*

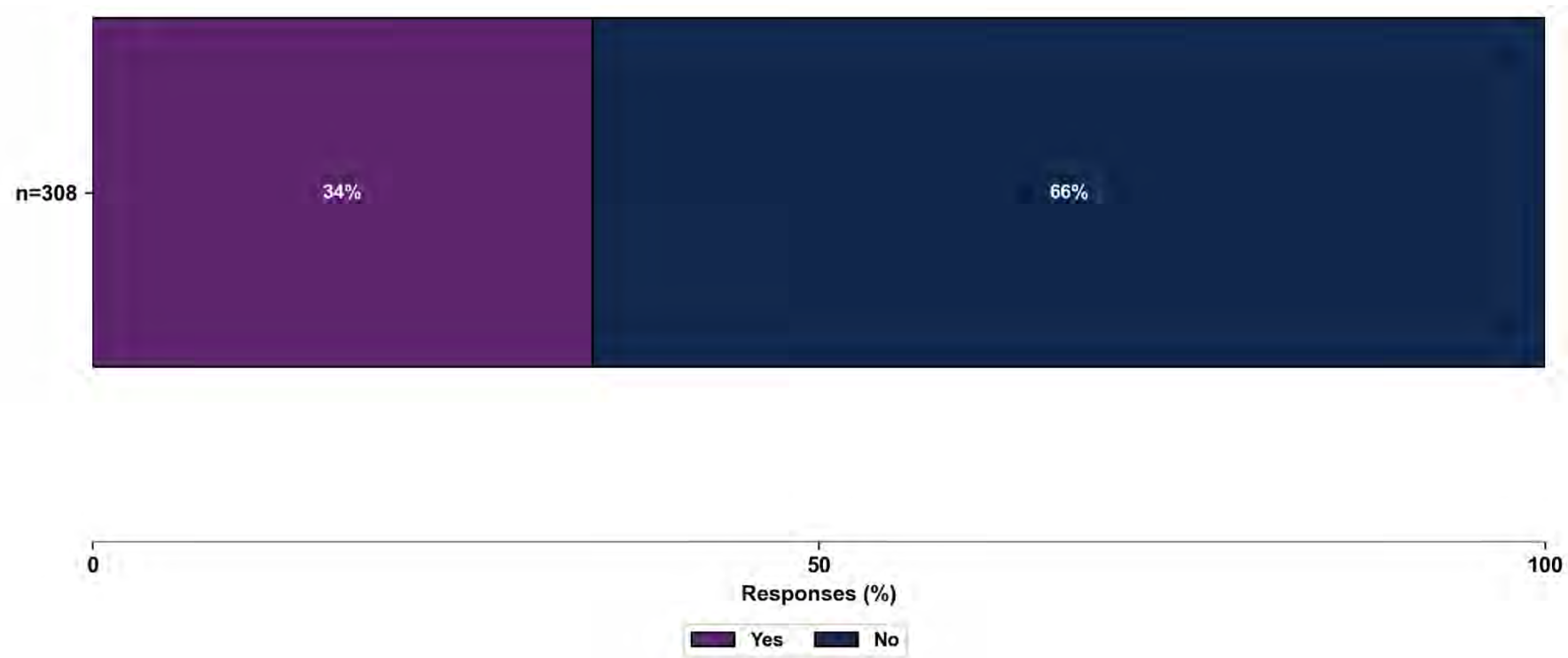


*Graph bars represent key common themes among responses.

SCOPE 3

EXPERIENCE IN USING ENVIRONMENTAL ATTRIBUTE CERTIFICATES (EAC) AND/OR BOOK AND CLAIM SYSTEMS

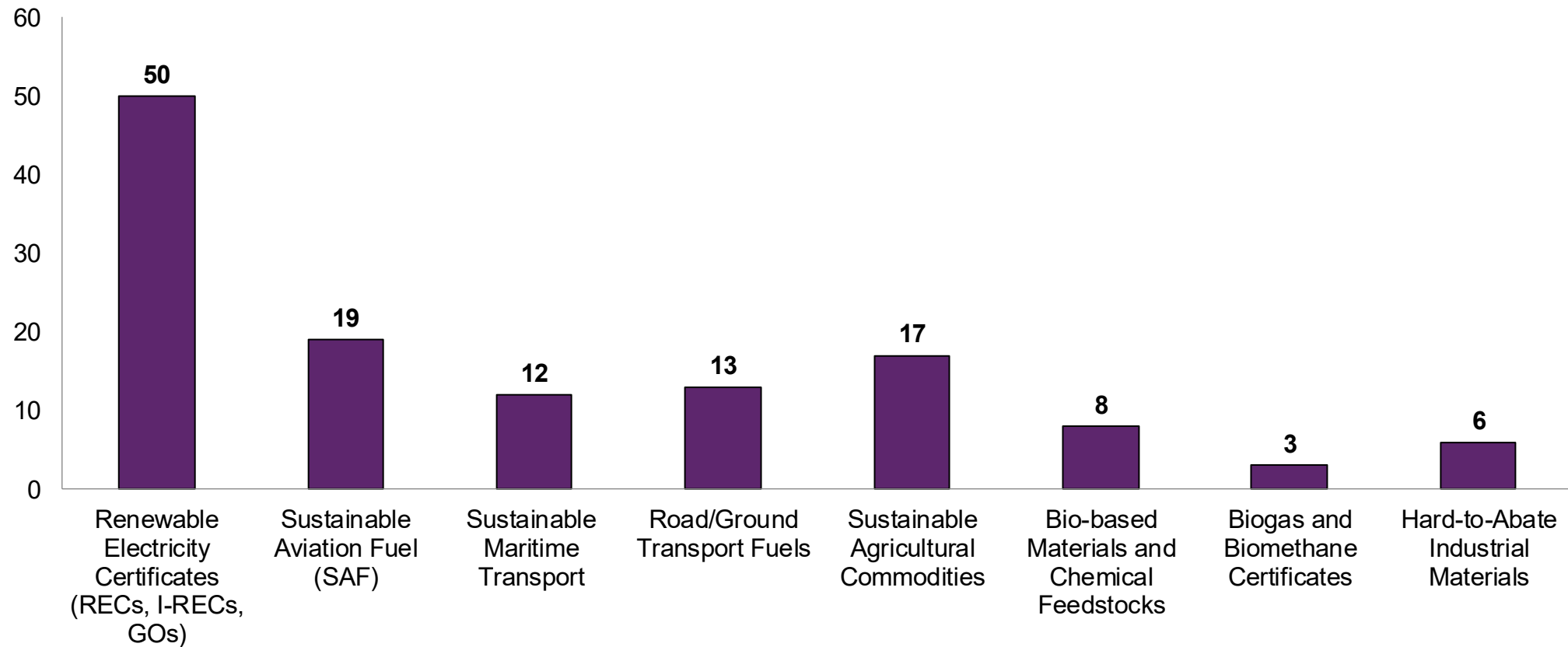
Q66. Does your organization have experience using environmental attribute certificates and/or book and claim systems to take responsibility for value chain emissions? (n = 308)



SCOPE 3

EXPERIENCE IN USING ENVIRONMENTAL ATTRIBUTE CERTIFICATES AND/OR BOOK AND CLAIM SYSTEMS

Q67. Does your organization have experience using environmental attribute certificates and/or book and claim systems to take responsibility for value chain emissions? If yes, please explain with reference to company-specific examples.
(n = 110)*

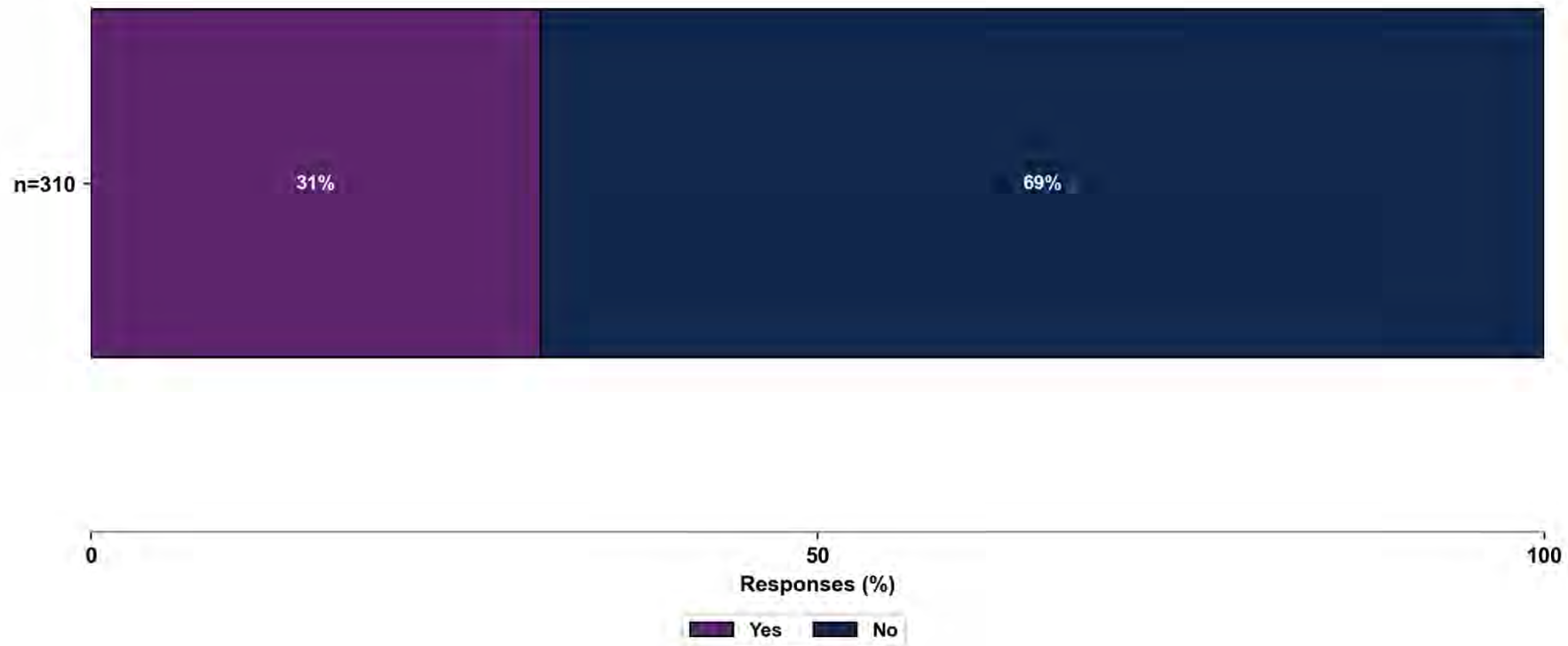


*Graph bars represent key common themes among responses.

SCOPE 3

FAMILIARITY OF GHG ACCOUNTING AT THE ACTIVITY POOL LEVEL

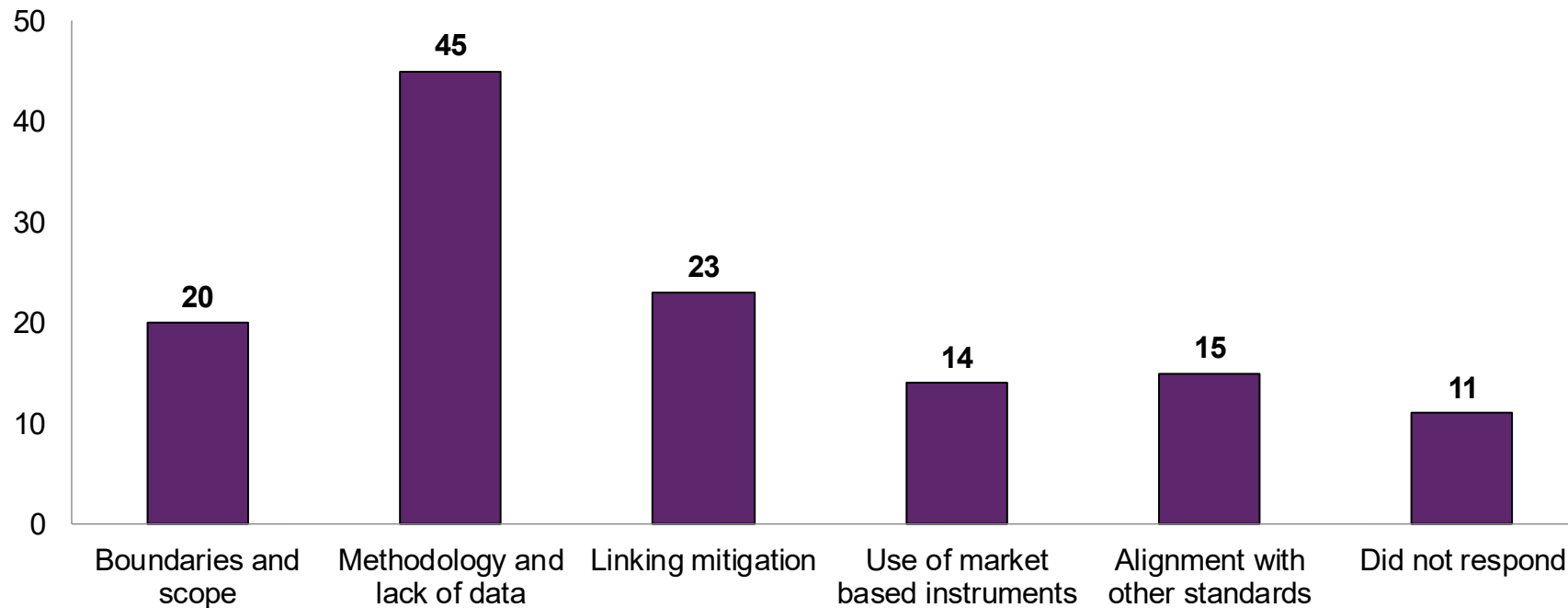
Q68. Are you familiar with greenhouse gas (GHG) accounting at the activity pool level (e.g., supply shed level)? (n = 310)



SCOPE 3

CLARIFICATION OF ACTIVITY POOL-LEVEL GHG ACCOUNTING

*Q69. Which aspects of activity pool-level GHG accounting do you think need further clarification or guidance from the SBTi?**
(n = 92)

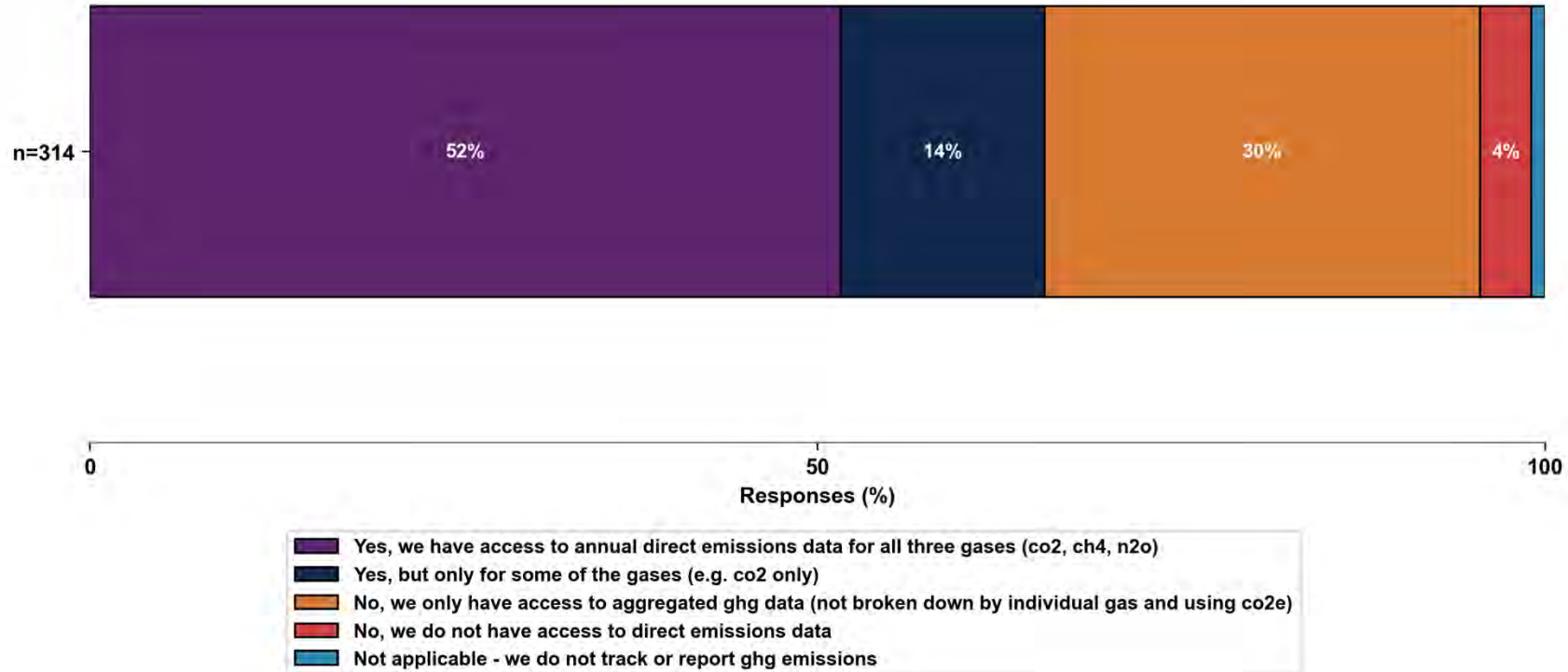


*Graph bars represent key common themes among responses.

SCOPE 3

ACCESS TO EMISSIONS DATA AT THE INDIVIDUAL GHG LEVEL

Q70. Does your company have access to emissions data for individual greenhouse gases (e.g., CO₂, CH₄, N₂O)?
(n = 314)



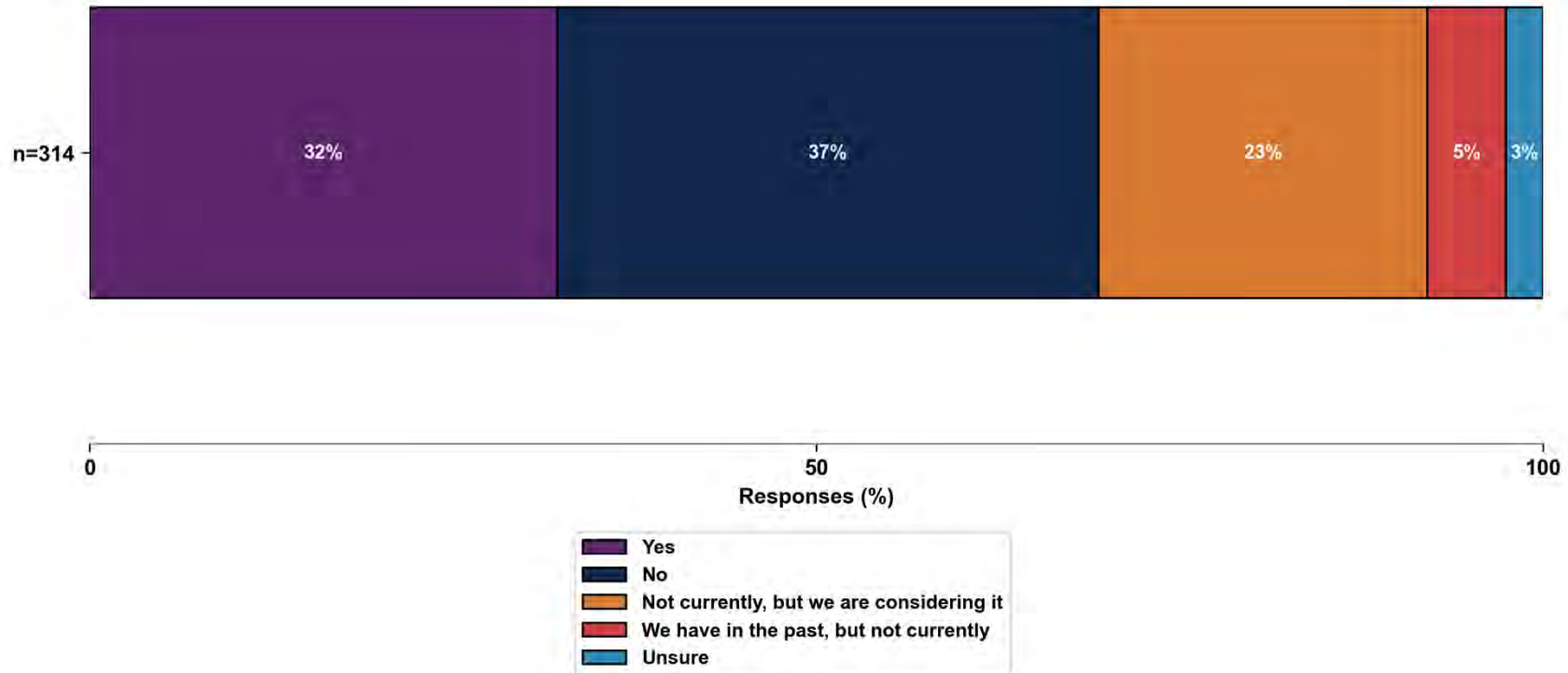


1.2.4 SUMMARY OF PHASE I PILOT FEEDBACK – REMOVALS

REMOVALS

HISTORICAL PURCHASES OF CARBON REMOVAL CREDITS

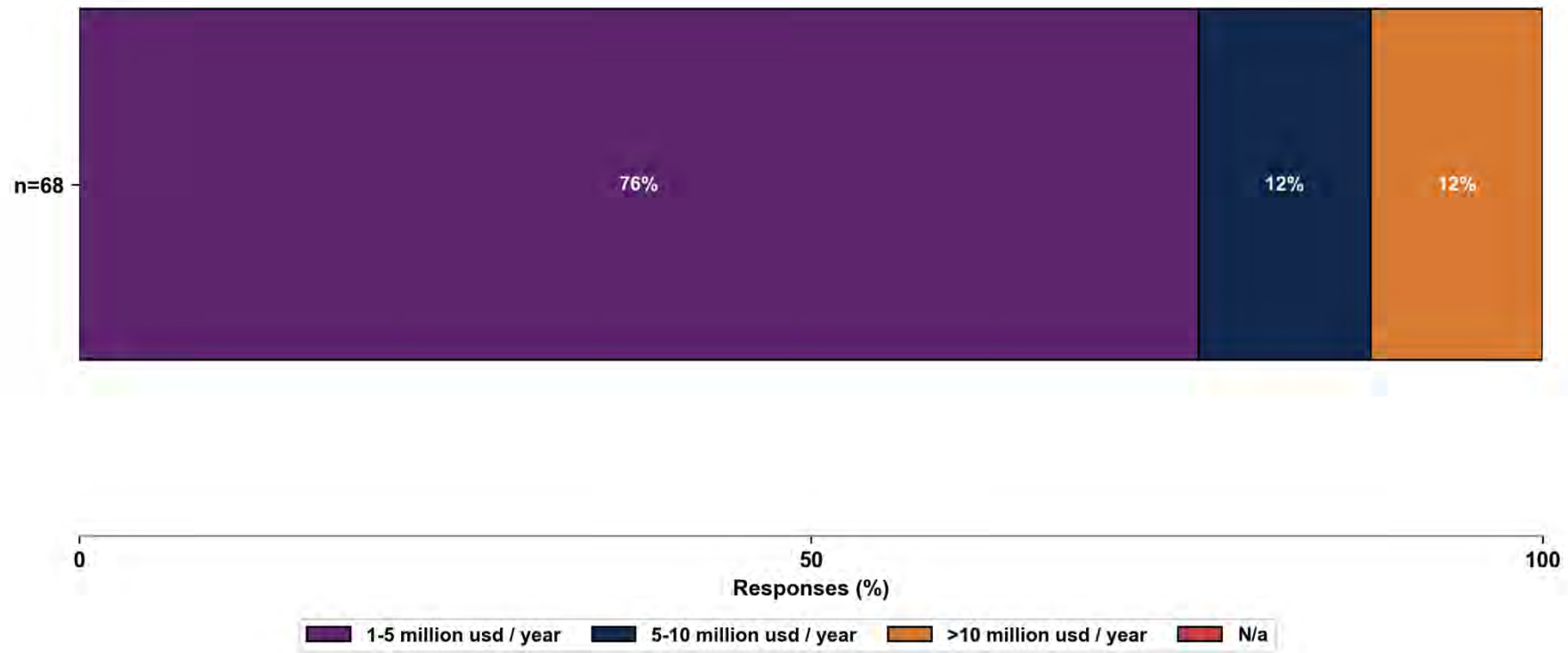
Q71. Has your company purchased carbon removal credits or invested in carbon removal solutions in the past? (n = 314)



REMOVALS

ANNUAL BUDGET OF HISTORICAL PURCHASES OF CARBON REMOVAL CREDITS

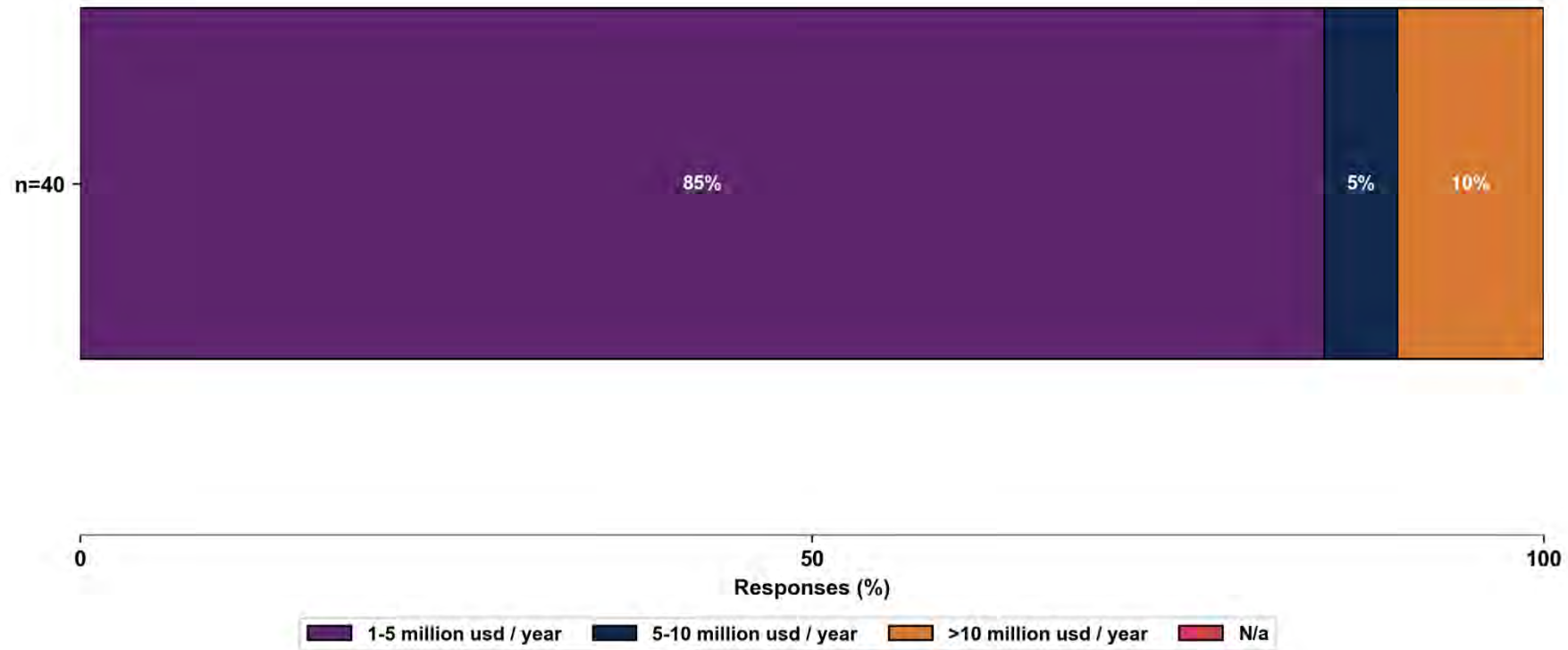
Q72. If your company has purchased carbon removal credits or invested in carbon removal solutions in the past, please provide an indication of the annual budget your company is allocating or has allocated to removal credits/innovation activities. (n = 68)



REMOVALS

PROPOSED BUDGET FOR CARBON REMOVAL CREDIT PURCHASES

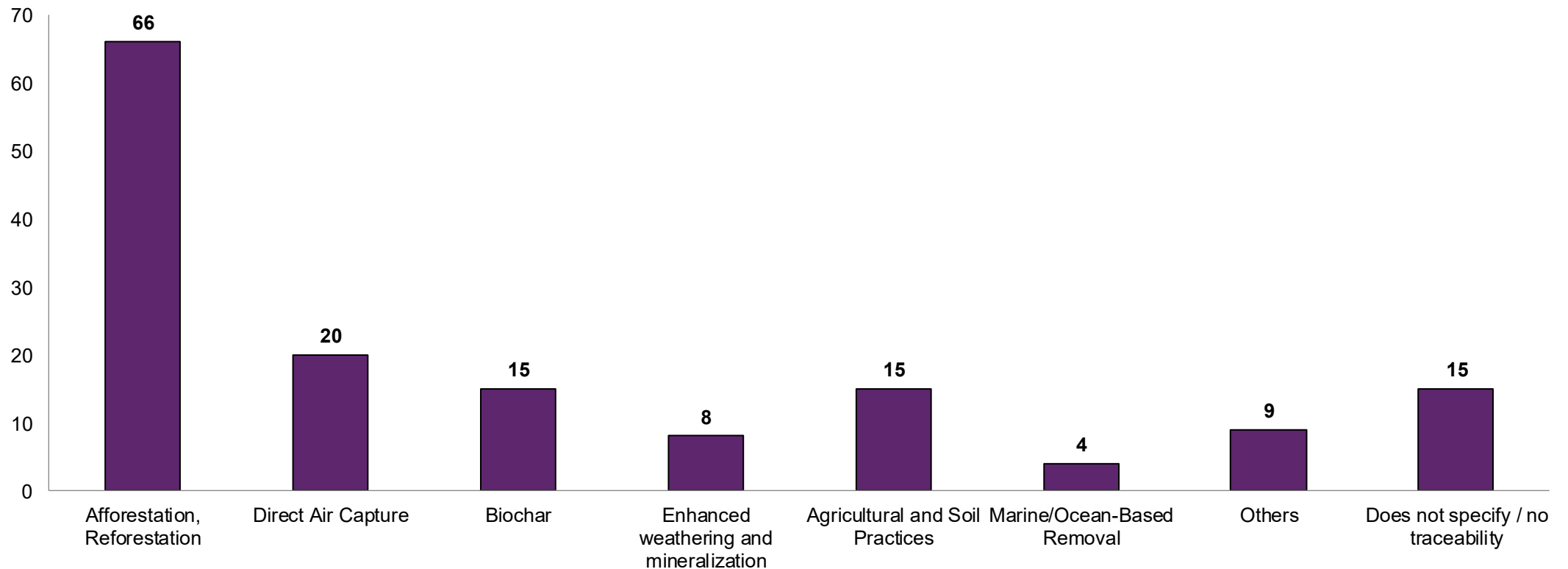
Q73. If you answered "Not currently, but we are considering it" to Q71, how much are you considering to invest? (n = 40)



REMOVALS

CARBON REMOVAL APPROACHES

Q74. If you answered "Yes" or "We have in the past, but not currently" to Q71, please specify the types or specific carbon removal approaches your company has purchased or is considering purchasing. Carbon removal approaches may include, but are not limited to, afforestation/reforestation, direct air capture and storage (DACs), biochar, enhanced weathering, soil carbon sequestration, or ocean-based removal.* (n = 99)



*Graph bars represent key common themes among responses.

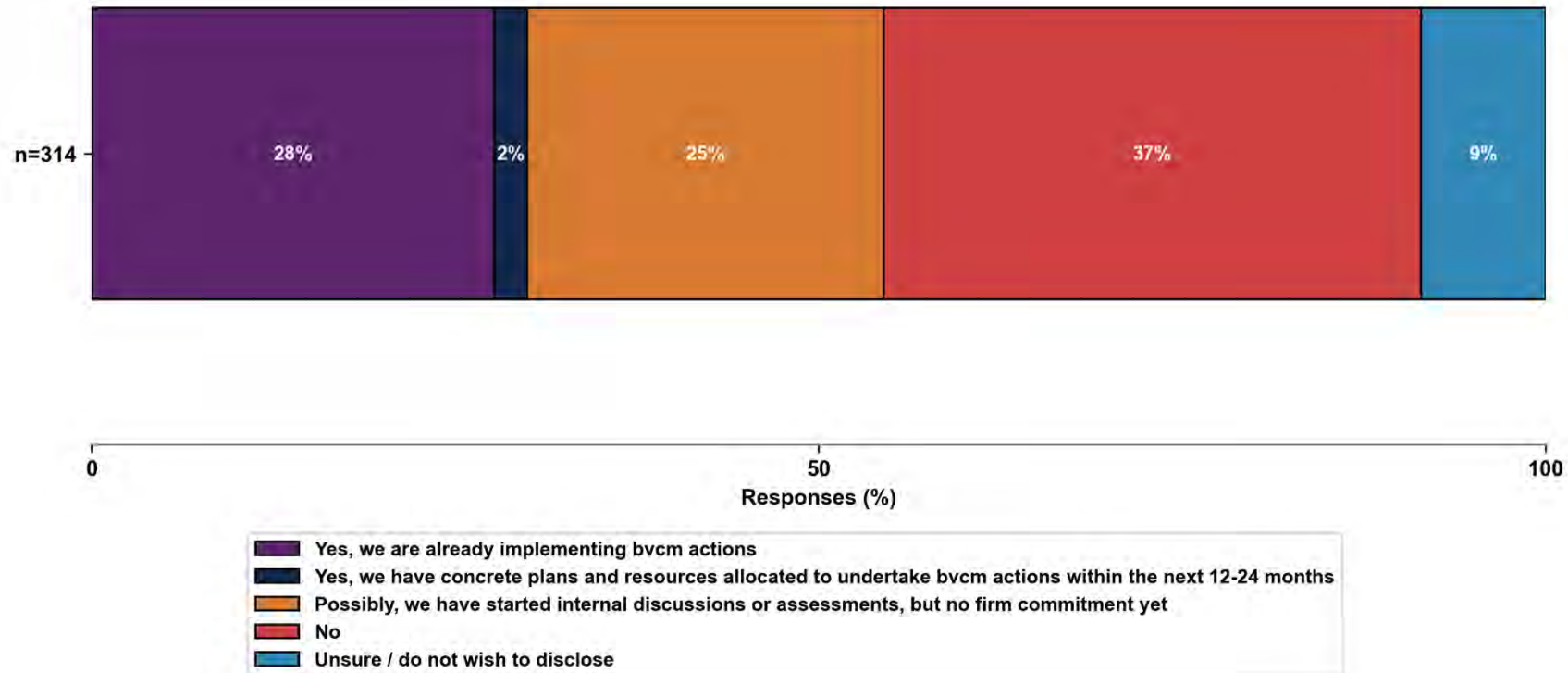


1.2.5 SUMMARY OF PHASE I PILOT FEEDBACK – BEYOND VALUE CHAIN MITIGATION (BVCM)

BEYOND VALUE CHAIN MITIGATION (BVCM)

PLANNED OR IMPLEMENTED BVCM ACTIONS

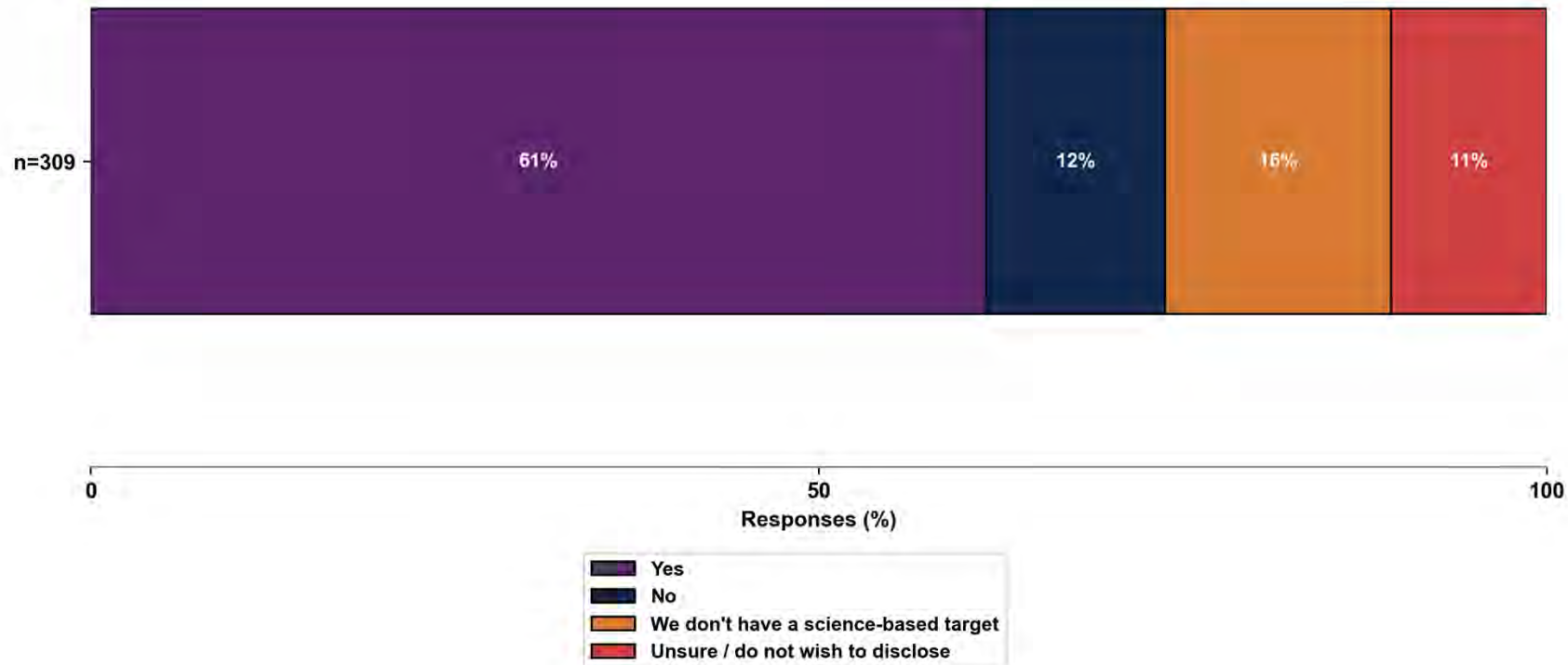
Q75. Is your company actively planning or currently implementing beyond value chain mitigation actions? (n = 314)



BEYOND VALUE CHAIN MITIGATION (BVCM)

MEANINGFUL PROGRESS ON SCIENCE-BASED TARGETS

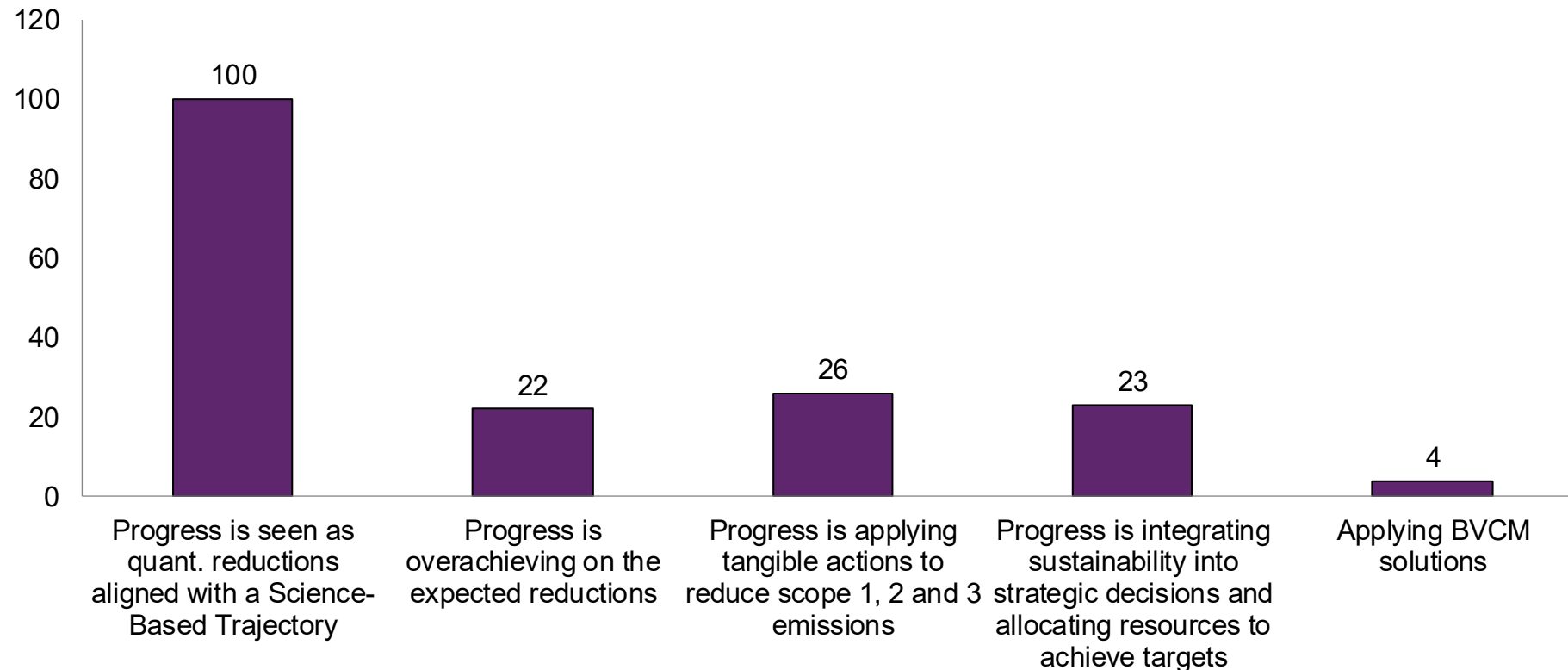
Q76. If you have a science-based target, do you consider yourself to be making meaningful progress against your science-based targets across all scopes? (n = 309)



BEYOND VALUE CHAIN MITIGATION (BVCM)

MEANINGFUL PROGRESS ON SCIENCE-BASED TARGETS

Q77. If 'Yes' or 'No', please briefly explain how you interpret the term "meaningful progress" and describe what it means in the context of your company's progress against your science-based targets. (n = 223)*

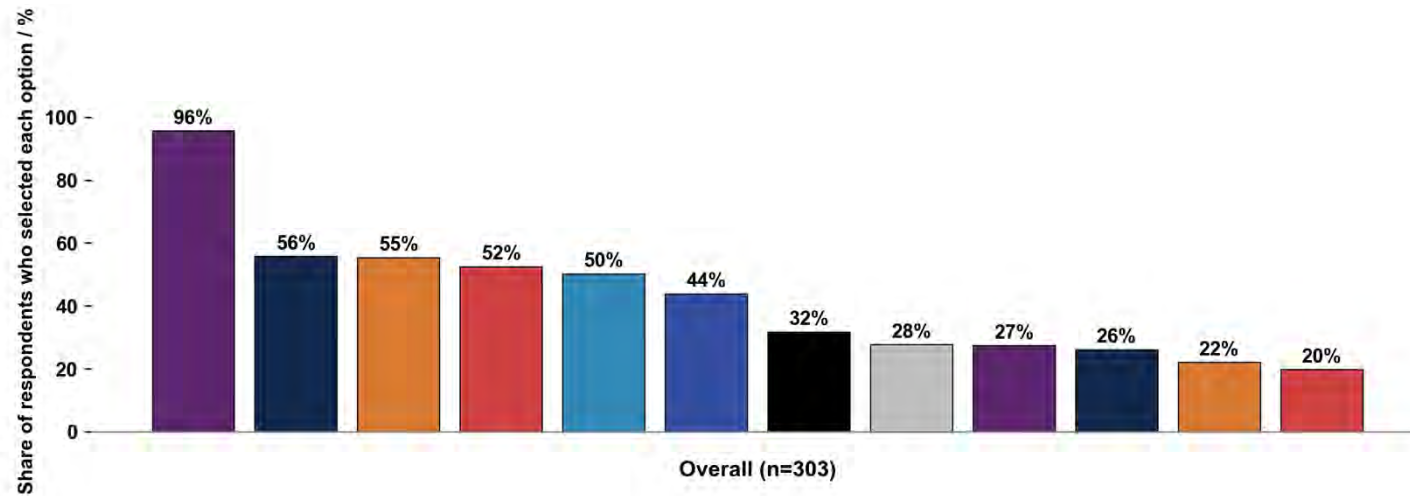


*Graph bars represent key common themes among responses.

BEYOND VALUE CHAIN MITIGATION (BVCM)

AVAILABILITY OF INFORMATION FOR RESPONSIBILITY OF ONGOING EMISSIONS

Q78. Do you have the following information available to support your company's efforts in taking responsibility for ongoing emissions? (n = 303)

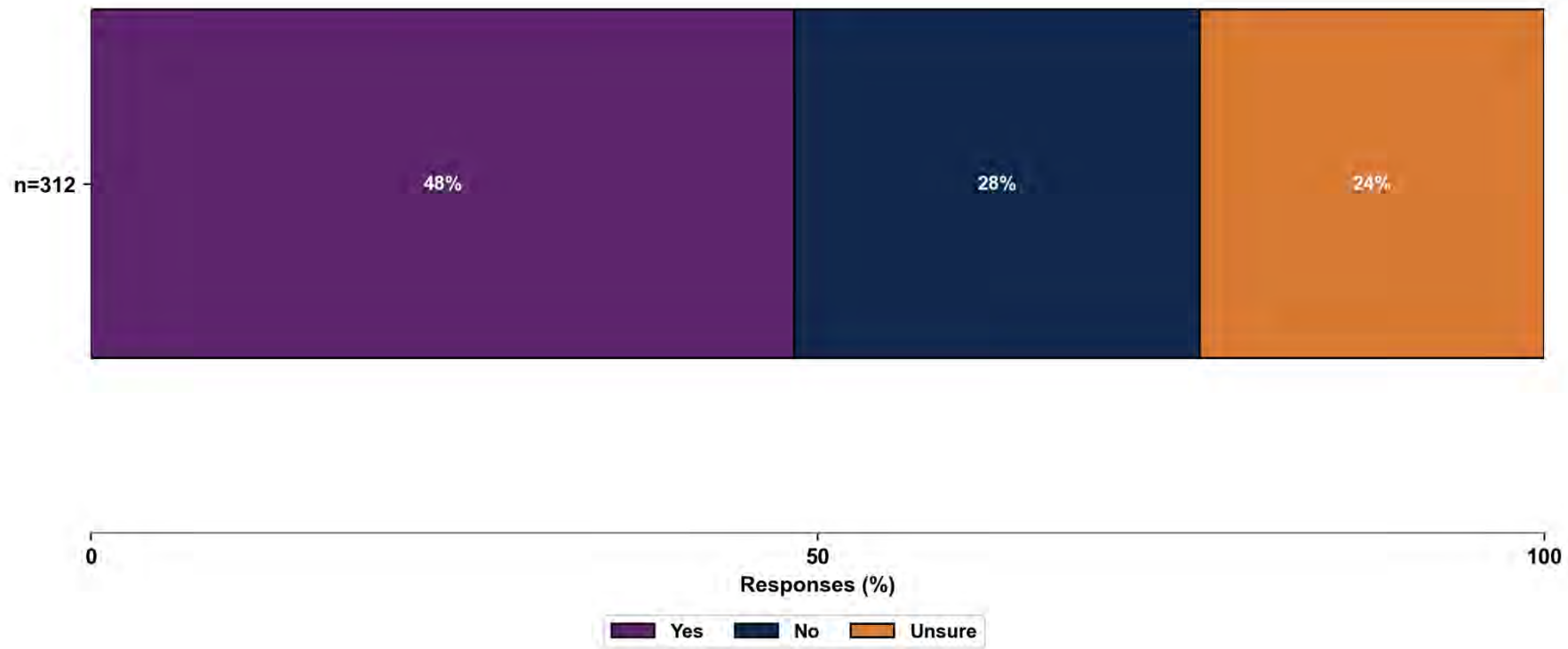


- Option 1: Total ongoing Scope 1, 2, and 3 emissions
- Option 2: Description of expected impacts (quantitative or qualitative)
- Option 3: Type of outcomes (e.g., emission reduction or removal) for measures taken
- Option 4: Description of types of activity funded
- Option 5: Total financial contributions made in the reporting year to address ongoing emissions
- Option 6: Funding mechanism (e.g., carbon credits, direct investment) for measures taken
- Option 7: Geographic and/or sectoral relevance of interventions (to show alignment with climate priorities)
- Option 8: Contribution as a percentage of total profit in the reporting year
- Option 9: Third-party verification of either mitigation outcomes or disbursed funds
- Option 10: Use of an internal carbon price, if applicable, and rationale for the selected price
- Option 11: Social and environmental safeguards in place to ensure the integrity of contributions
- Option 12: Price paid per tCO₂e addressed

BEYOND VALUE CHAIN MITIGATION (BVCM)

SENSITIVITY OF INFORMATION FOR RESPONSIBILITY OF ONGOING EMISSIONS

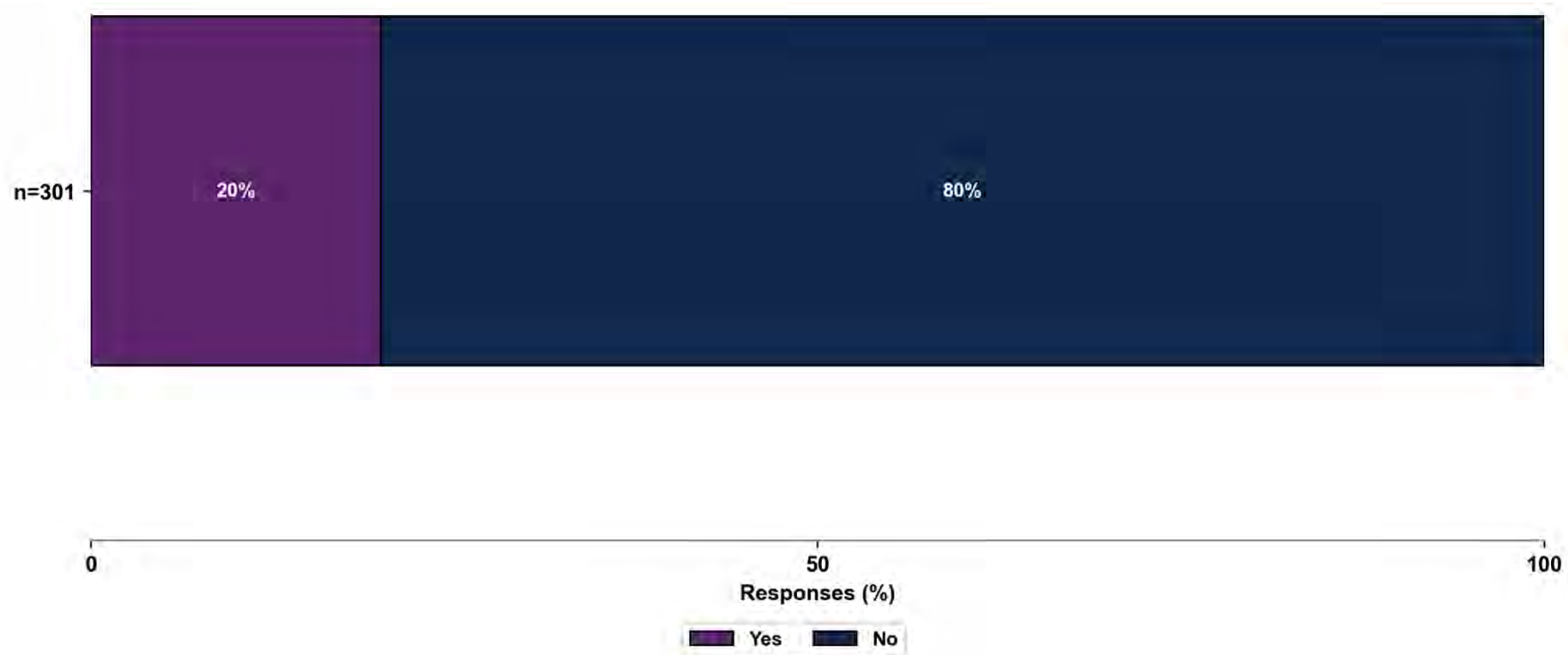
Q79. Do you consider any of the data points in the above question to be commercially sensitive information that would be difficult to gain approval to disclose publicly, or to submit confidentially to the SBTi? (n = 312)



BEYOND VALUE CHAIN MITIGATION (BVCM)

FORWARD-LOOKING BVCM PAYMENTS

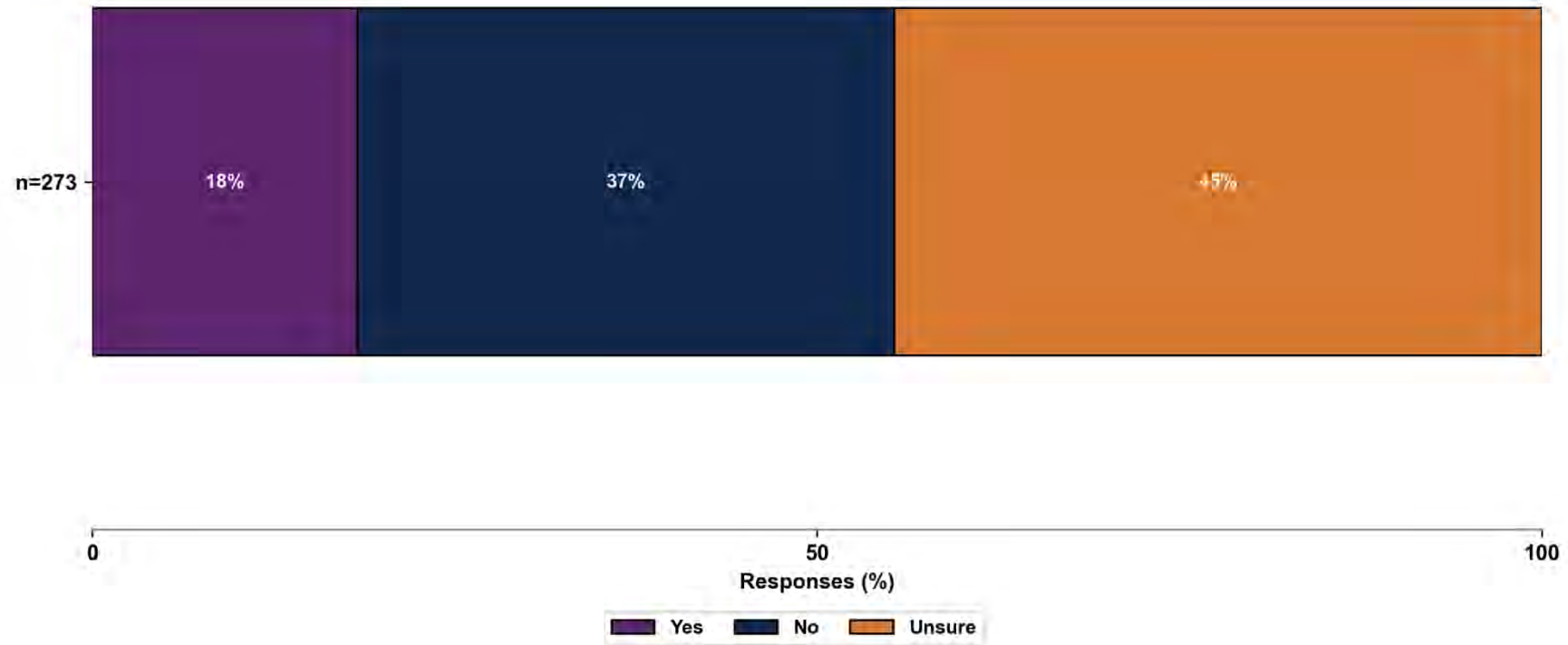
Q80. Does your company make any forward-looking BVCM payments (for example, R&D, offtake agreements, advanced market commitments)? (n = 301)



BEYOND VALUE CHAIN MITIGATION (BVCM)

DISCLOSURE OF FORWARD-LOOKING BVCM PAYMENTS

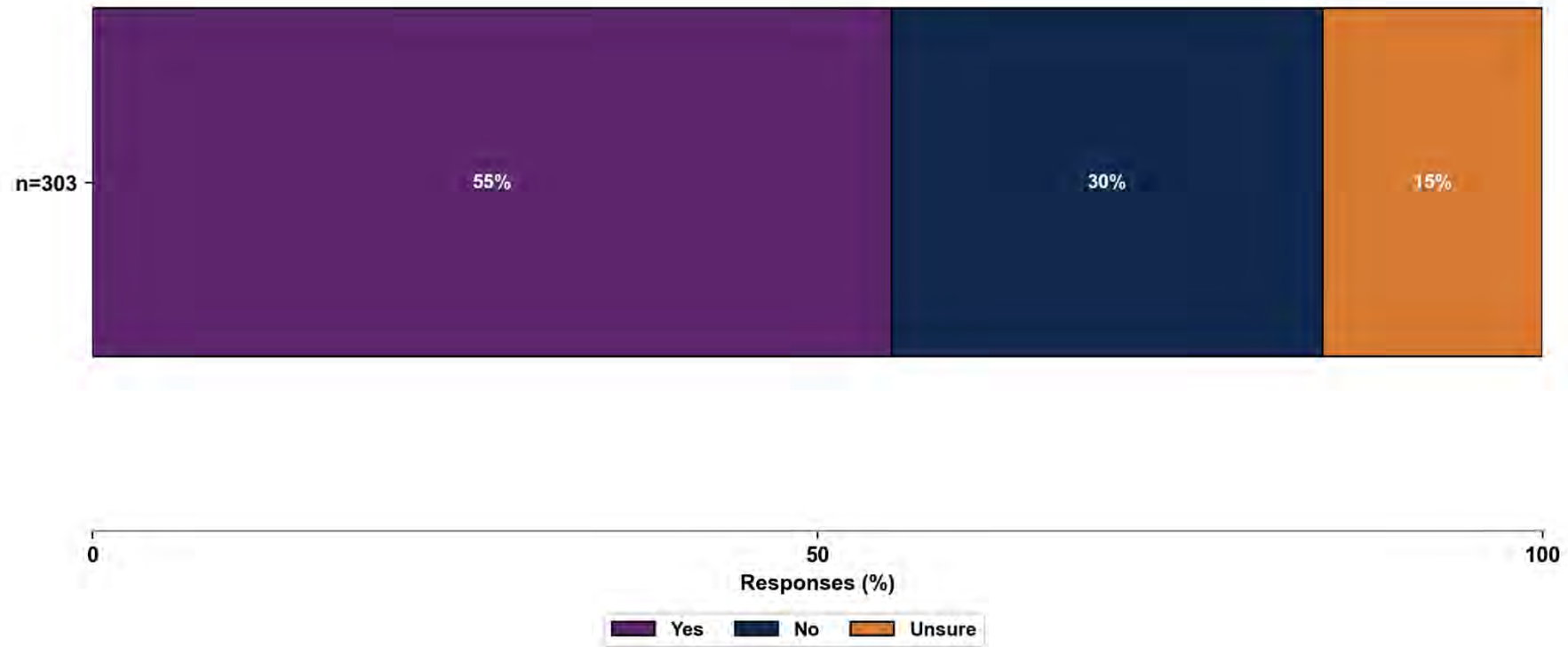
Q81. Is your company comfortable publicly reporting information or making claims about these forward looking contracts or payments? (n = 273)



BEYOND VALUE CHAIN MITIGATION (BVCM)

HARD TO MEASURE OR NON-QUANTIFIABLE OUTCOMES

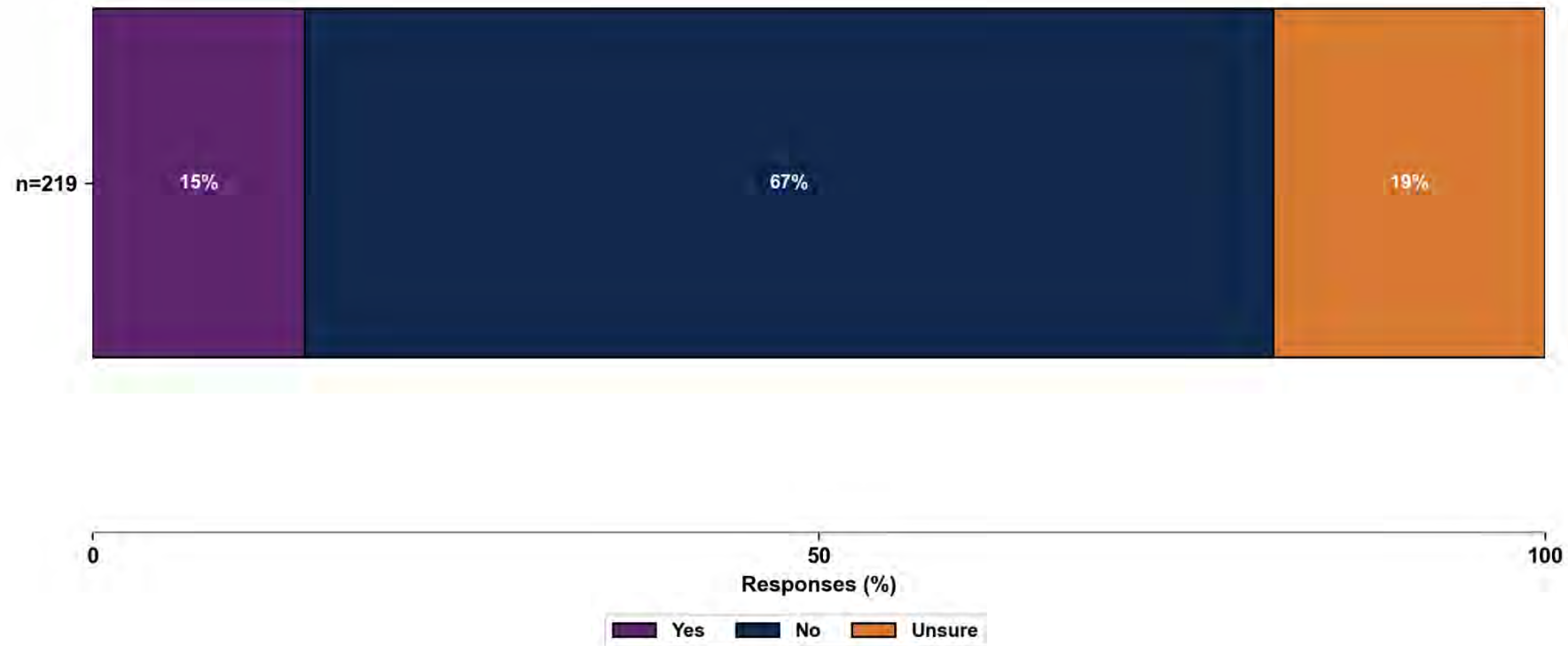
Q82. Does your company make contributions that result in hard to measure or non-quantifiable outcomes— such as research & development / innovation, charitable giving, development finance, or climate philanthropy? (n = 303)



BEYOND VALUE CHAIN MITIGATION (BVCM)

HARD TO MEASURE OR NON-QUANTIFIABLE OUTCOMES

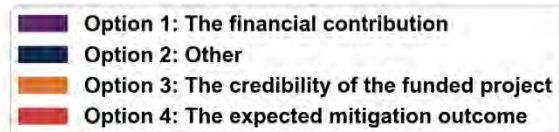
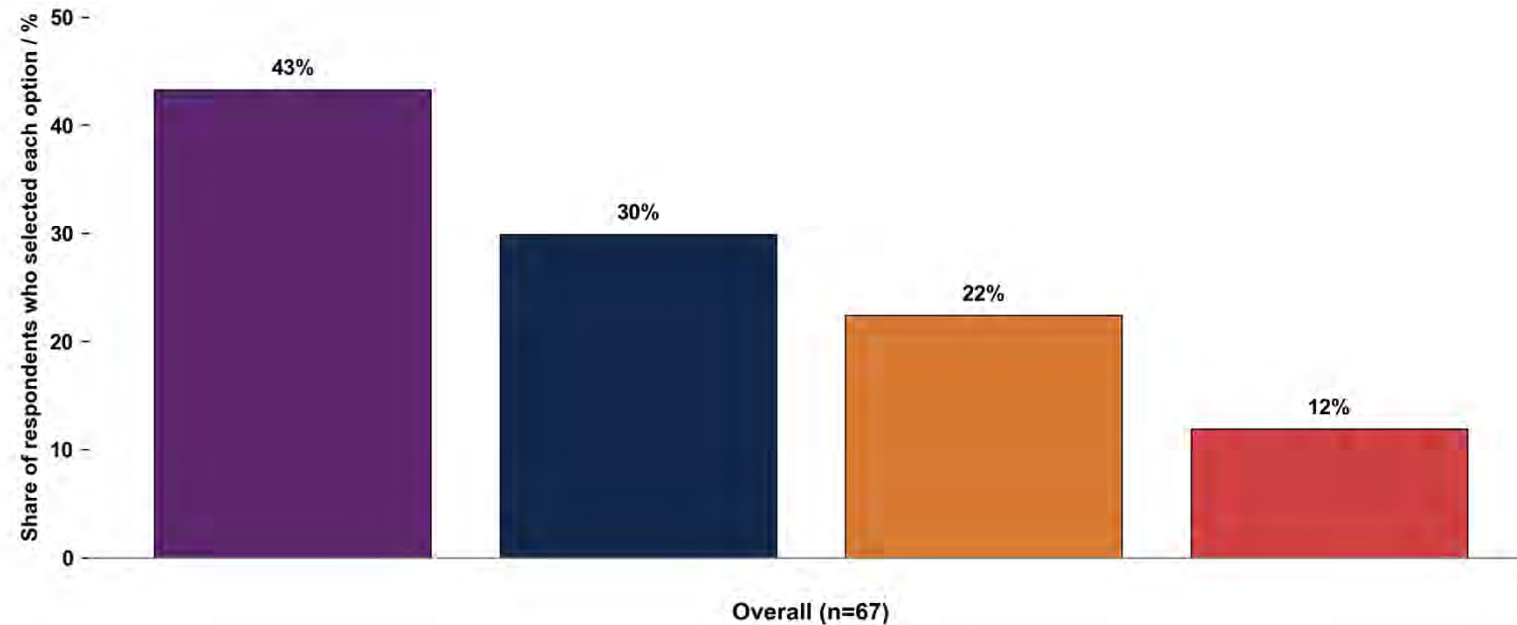
Q83. If "Yes", have you undergone third party verification or assurance on these activities? (n = 219)



BEYOND VALUE CHAIN MITIGATION (BVCM)

HARD TO MEASURE OR NON-QUANTIFIABLE OUTCOMES

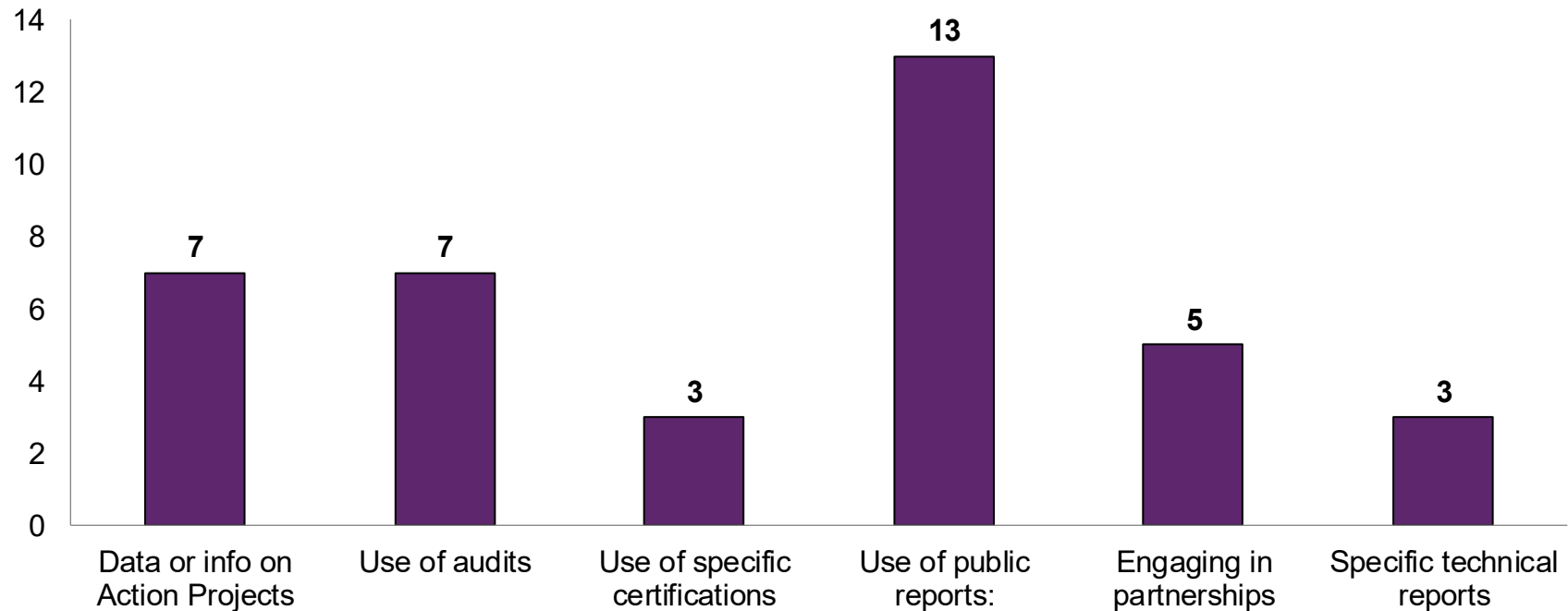
Q84. If "Yes", what has been verified or assured? Select all that apply. (n = 67)



BEYOND VALUE CHAIN MITIGATION (BVCM)

EVIDENCE TO SUBSTANTIATE CREDIBILITY OF ACTIONS/INVESTMENTS

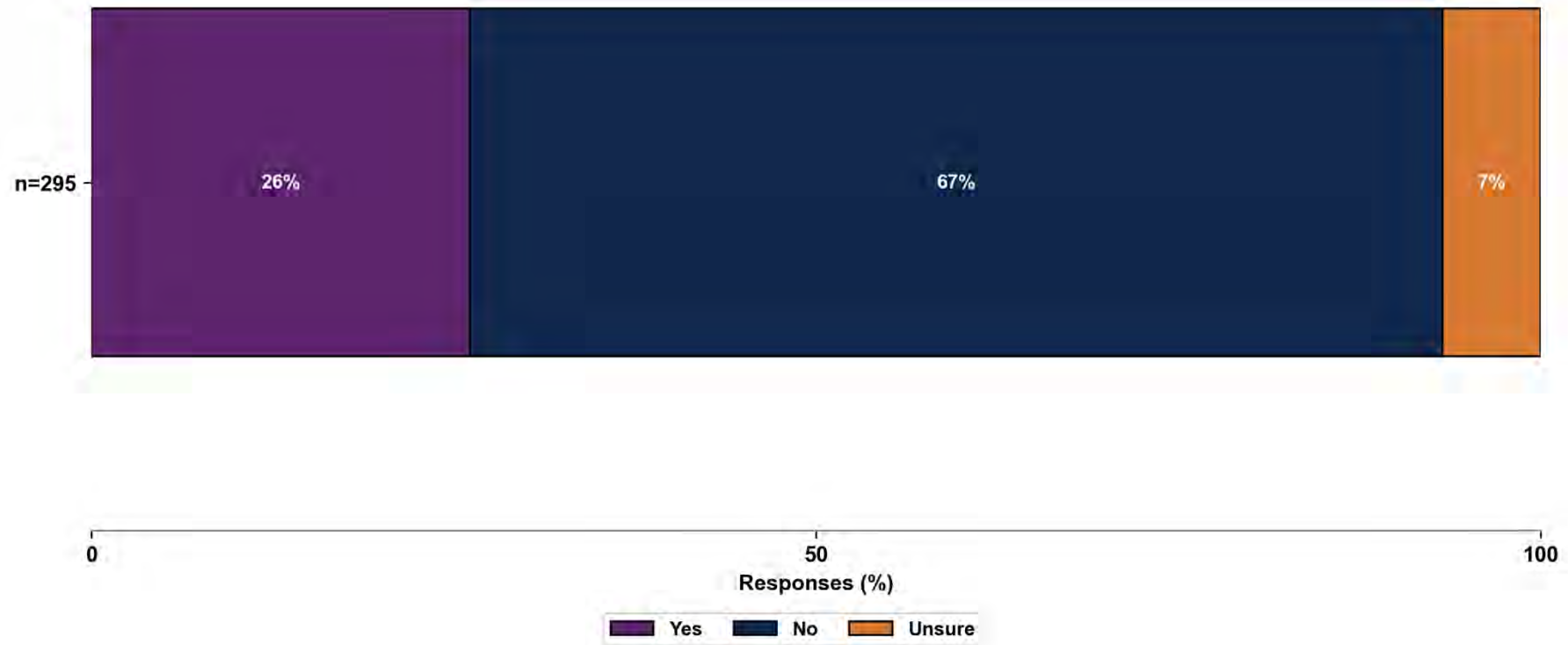
Q85. Is there any other evidence your company could use to substantiate these actions or investments and their credibility? (n = 92)



BEYOND VALUE CHAIN MITIGATION (BVCM)

PURCHASE AND RETIREMENT OF CARBON CREDITS

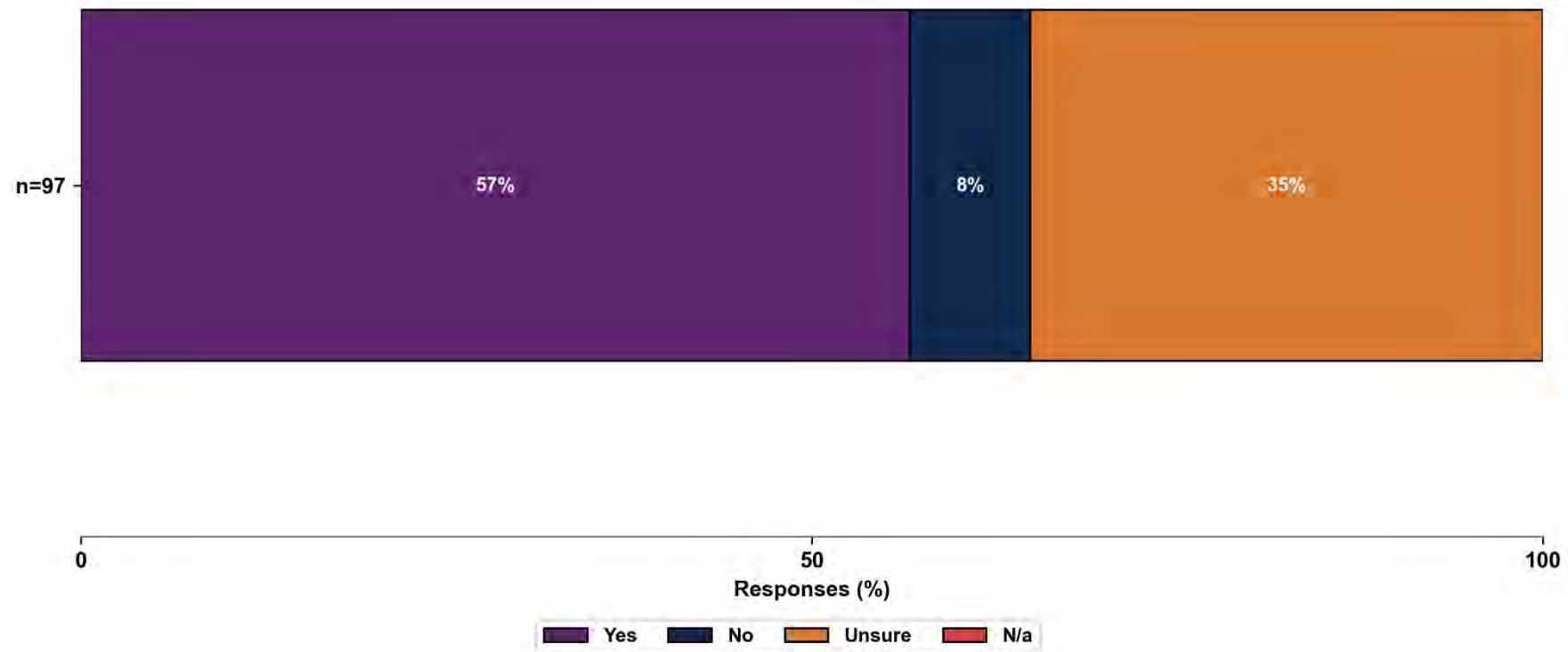
Q86. Does your company make BVCM contributions through the purchase and retirement of carbon credits? (n = 295)



BEYOND VALUE CHAIN MITIGATION (BVCM)

ALIGNMENT OF CARBON CREDITS WITH THE ICVCM CORE CARBON PRINCIPLES

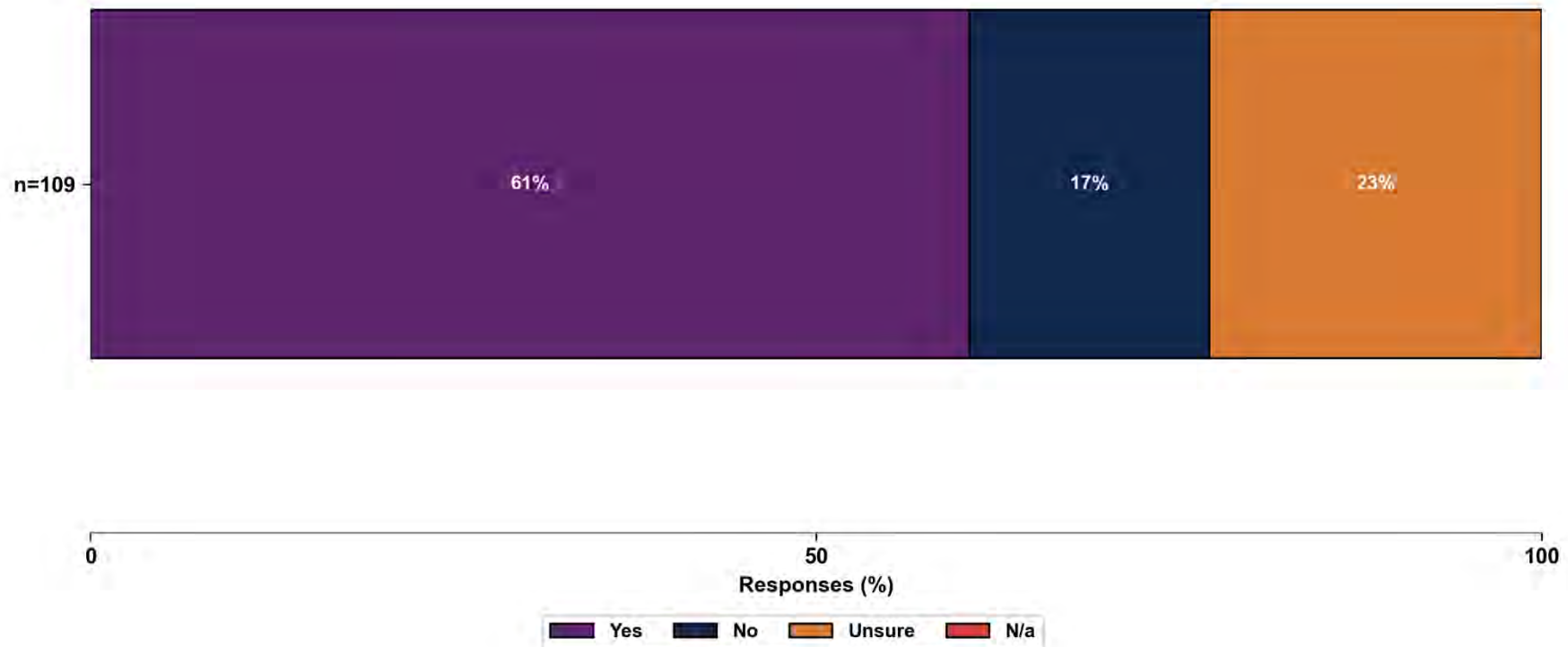
Q87. If "Yes", do the credits your company purchases align with the ICVCM Core Carbon Principles? (n = 97)



BEYOND VALUE CHAIN MITIGATION (BVCM)

ASSESSMENT OF CARBON CREDITS AGAINST THIRD-PARTY QUALITY CRITERIA

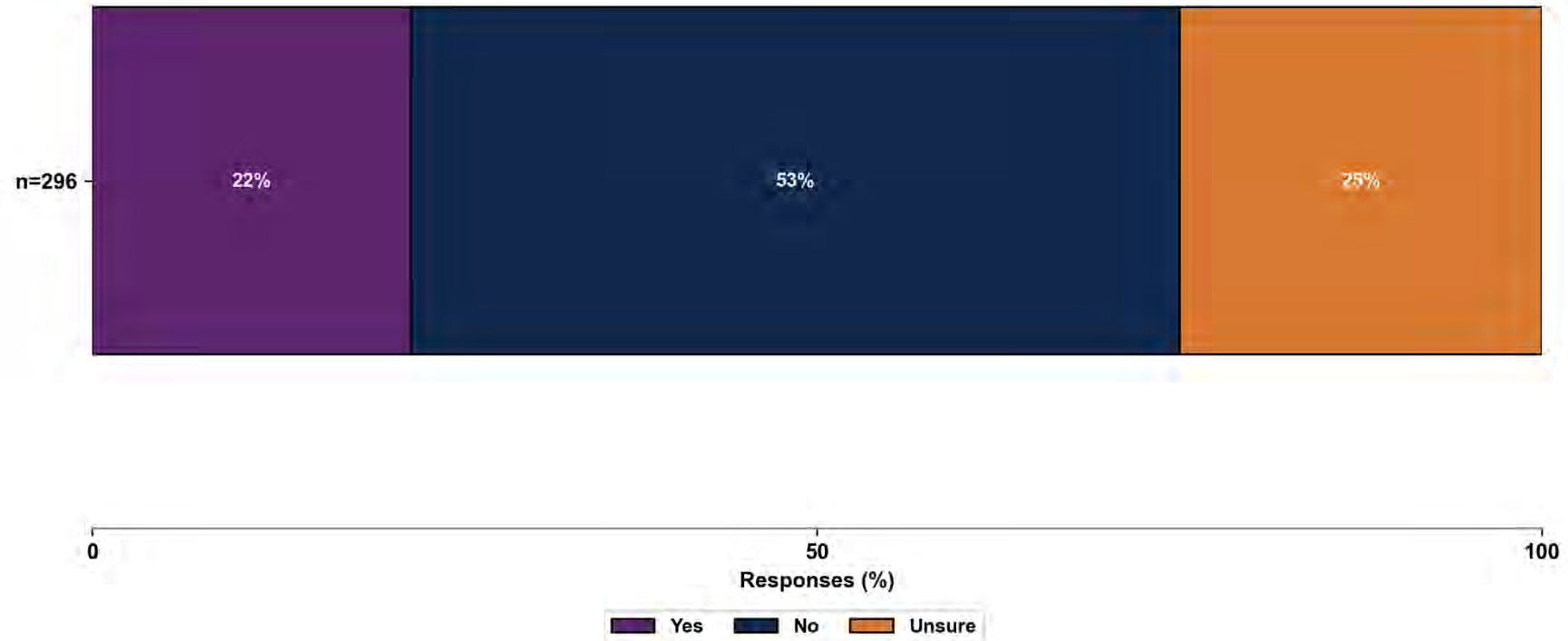
Q88. Have these credits been assessed against any other third-party quality criteria? (n = 109)



BEYOND VALUE CHAIN MITIGATION (BVCM)

FINANCING TOWARD ADAPTATION AND/OR LOSS AND DAMAGE

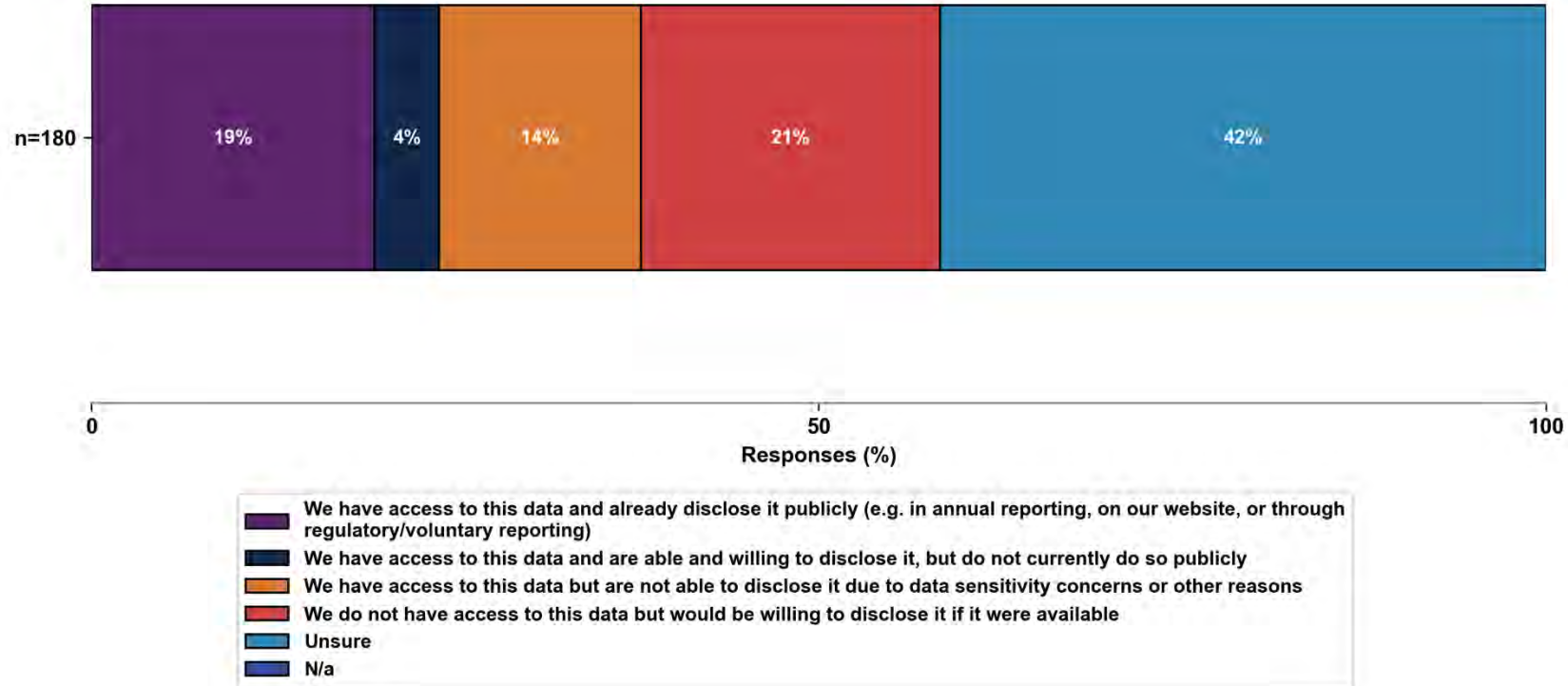
Q89. Does your company contribute financing toward adaptation and/or loss and damage in association with your net-zero strategy? (n = 296)



BEYOND VALUE CHAIN MITIGATION (BVCM)

DISCLOSURE OF FINANCING TOWARD ADAPTATION AND/OR LOSS AND DAMAGE

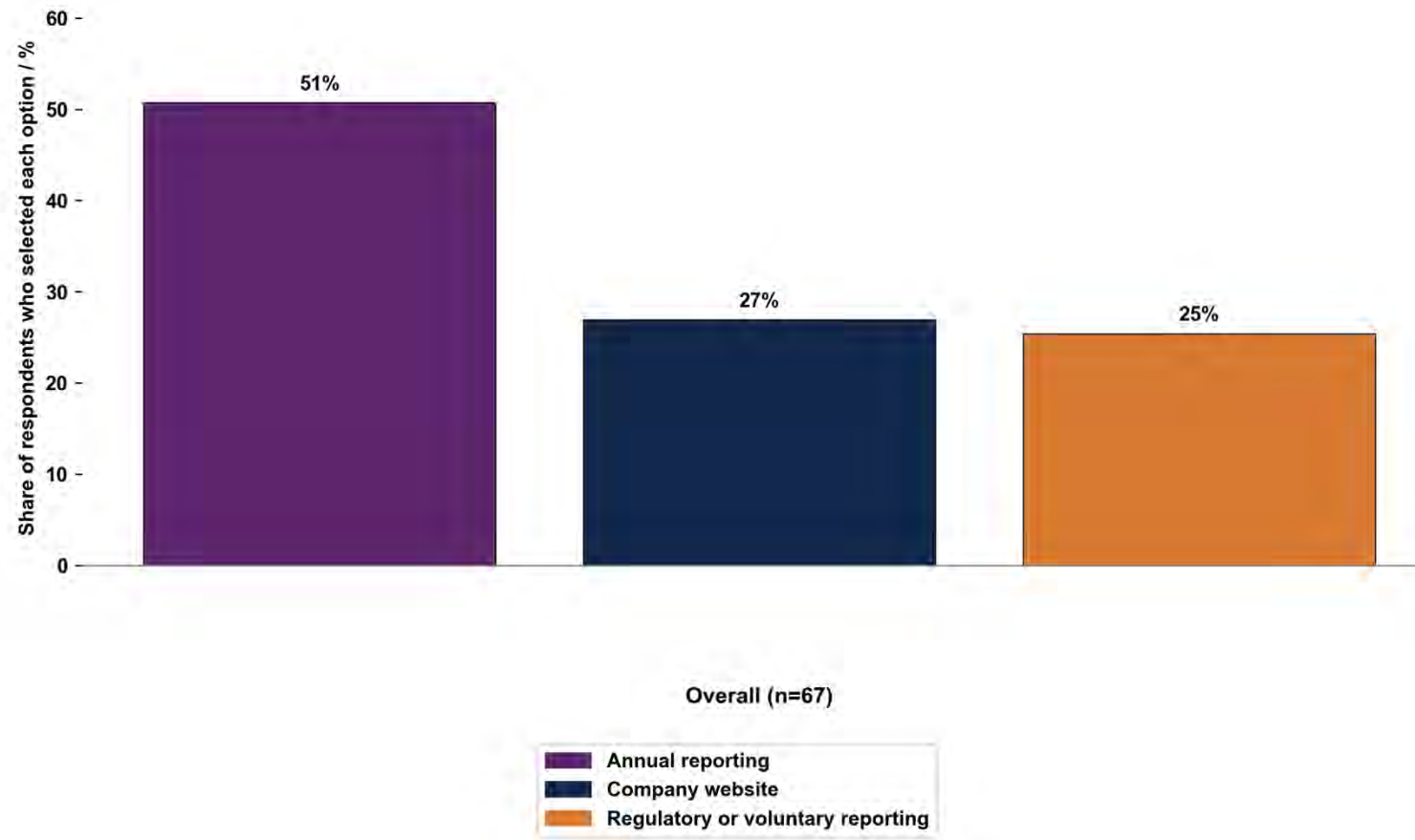
Q90. If your organization has access to data on finance allocated toward adaptation and loss and damage, are you willing and able to disclose it—and do you already do so publicly? (n = 180)



BEYOND VALUE CHAIN MITIGATION (BVCM)

DISCLOSURE OF FINANCING TOWARD ADAPTATION AND/OR LOSS AND DAMAGE

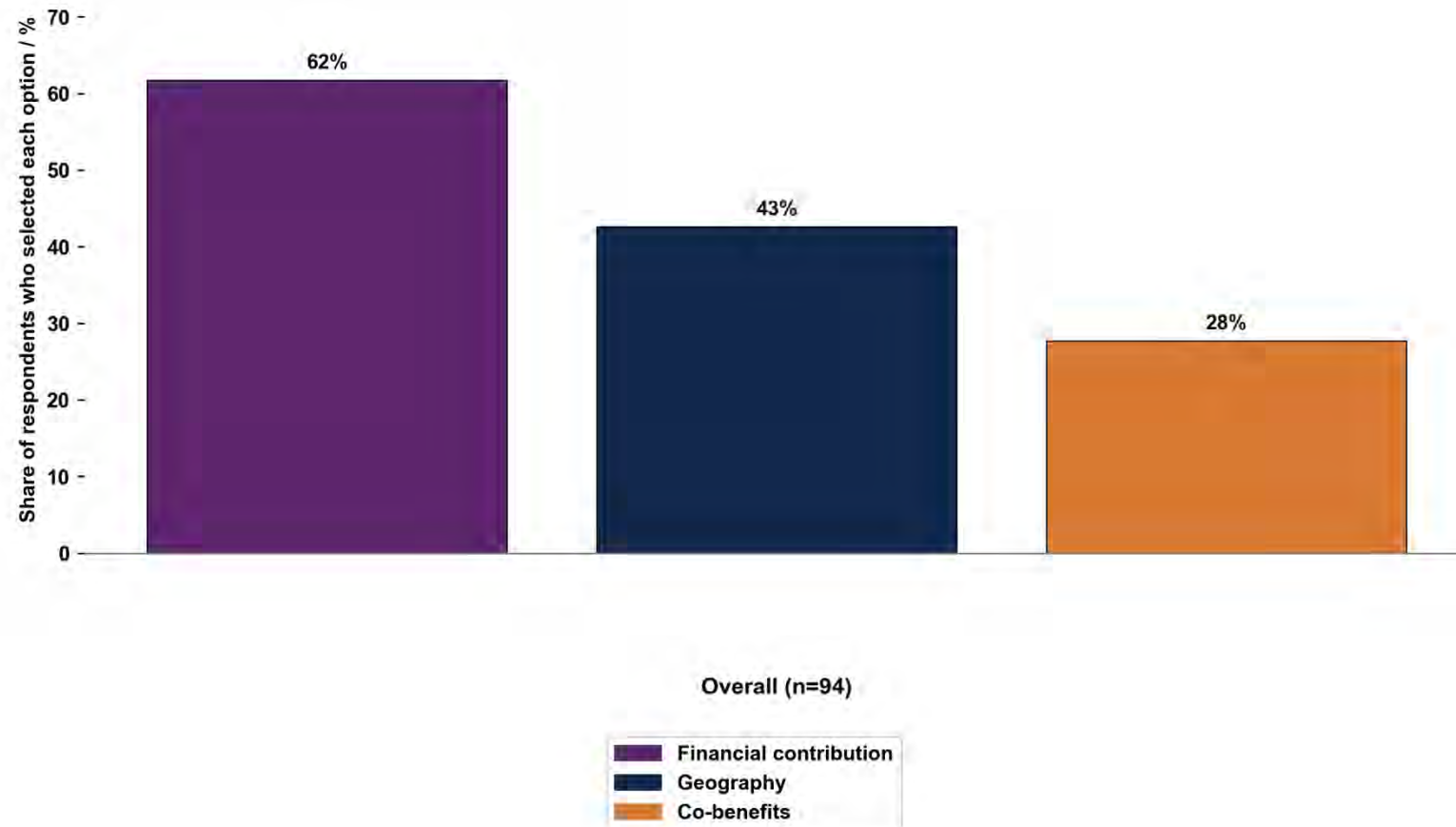
Q91. If you answered "We have access to this data and already disclose it publicly (e.g., in annual reporting, on our website, or through regulatory/voluntary reporting).", where is this data disclosed? Select all that apply. (n = 67)



BEYOND VALUE CHAIN MITIGATION (BVCM)

DISCLOSURE OF FINANCING TOWARD ADAPTATION AND/OR LOSS AND DAMAGE

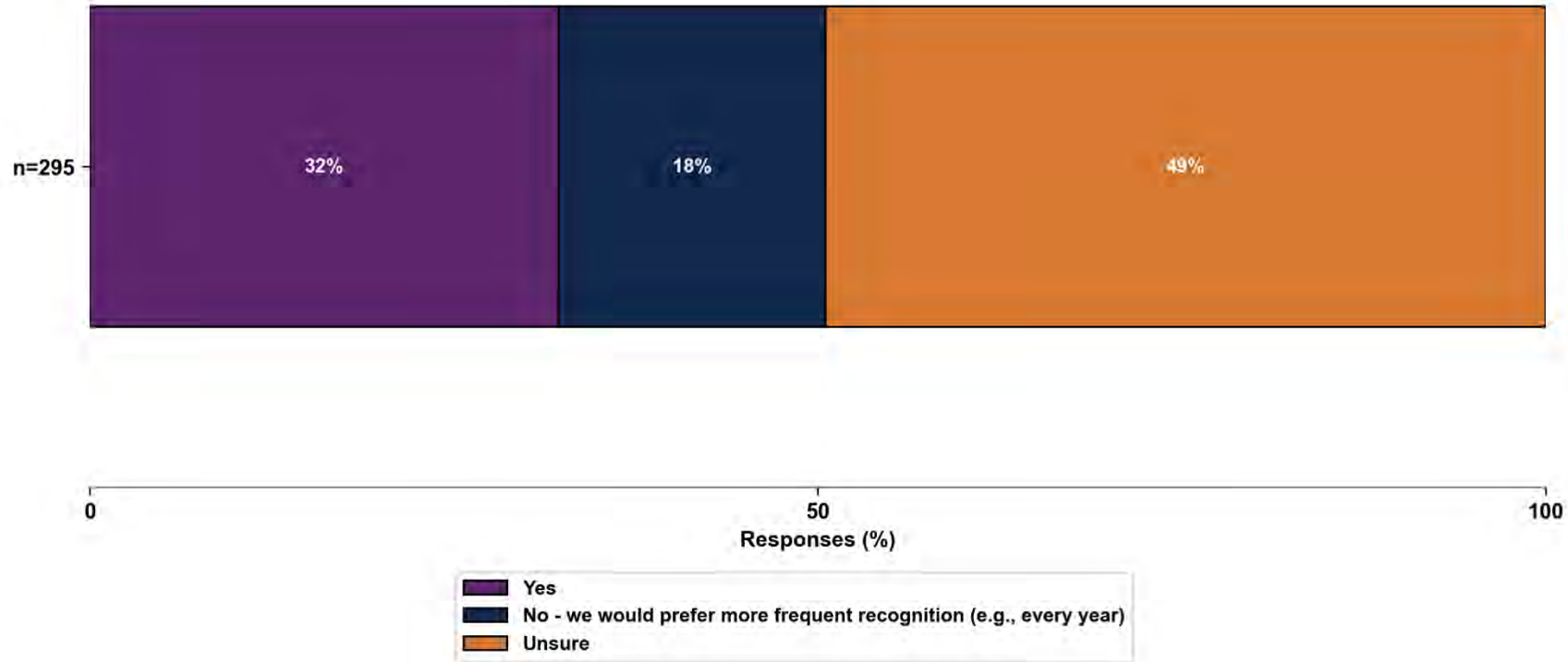
Q92. If you have access to this data, what types of metrics do you currently monitor in your company? Select all that apply. (n = 94)



BEYOND VALUE CHAIN MITIGATION (BVCM)

RECOGNITION OF COMPANIES AT THE END OF TARGET PERIOD

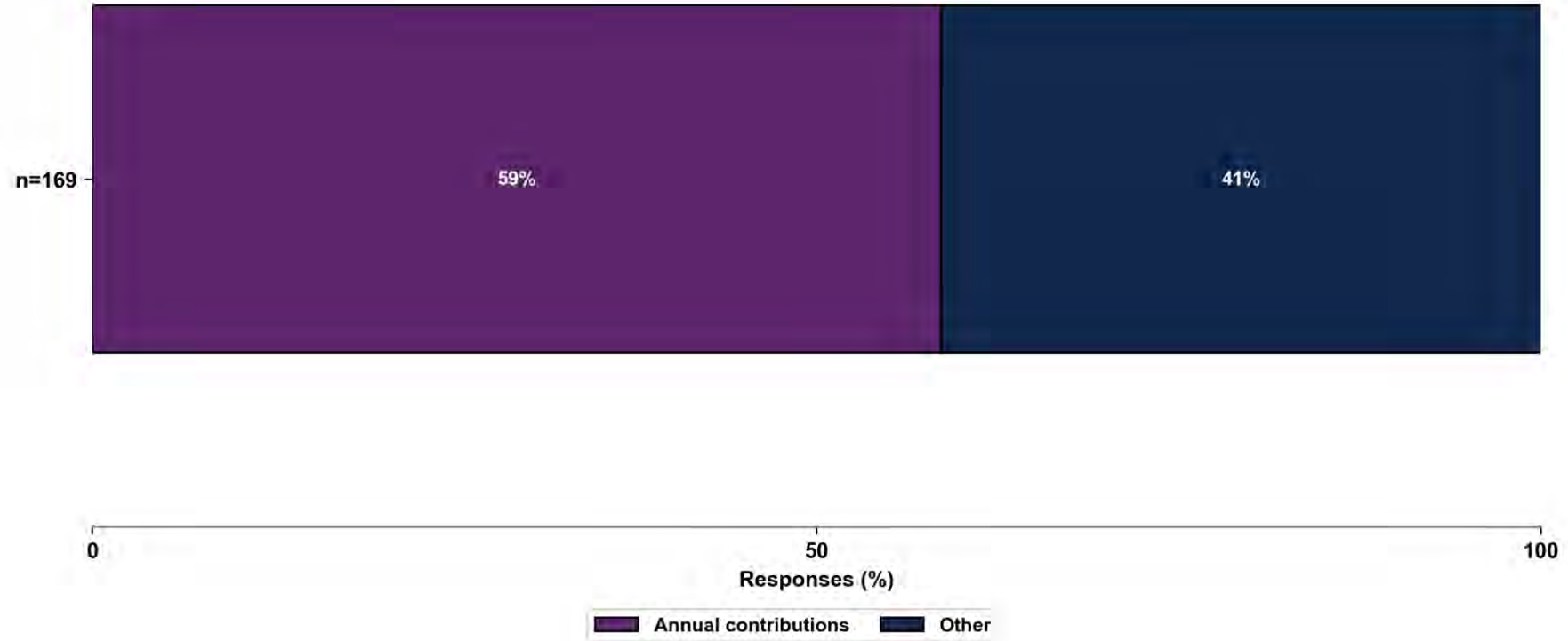
Q93. The draft Corporate Net-Zero Standard V2.0 suggests recognizing companies at the end of their target period (i.e., every 5 years). Would this timing motivate your company to make BVCM contributions? (n = 295)



BEYOND VALUE CHAIN MITIGATION (BVCM)

TIMING OF BVCM CONTRIBUTIONS

Q94. If your company makes or plans to make BVCM contributions, are these made on an annual basis or across some other timeframe (e.g., bi-annually, 5 years etc.)? (n = 169)



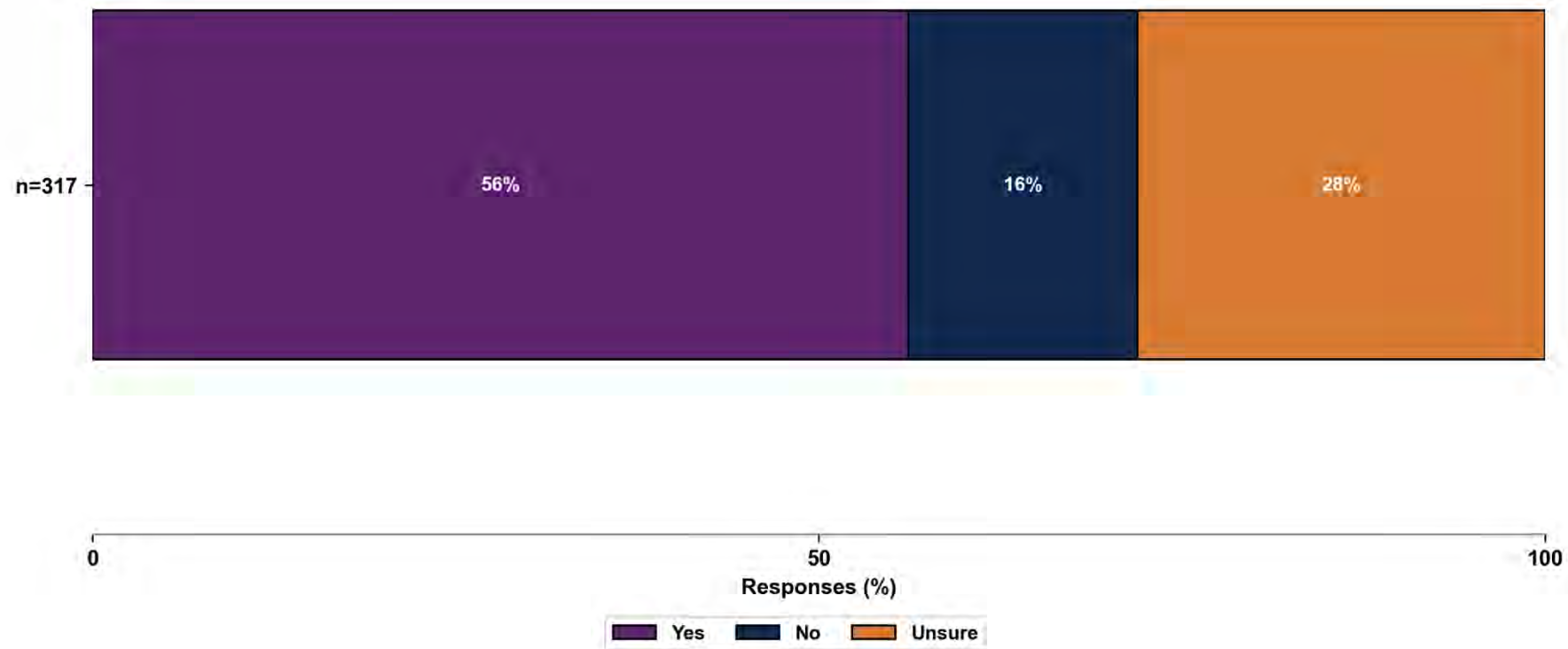


1.2.6 SUMMARY OF PHASE I PILOT FEEDBACK – PROGRESS AND CLAIMS

PROGRESS AND CLAIMS

SETTING OF MID-TERM TARGETS

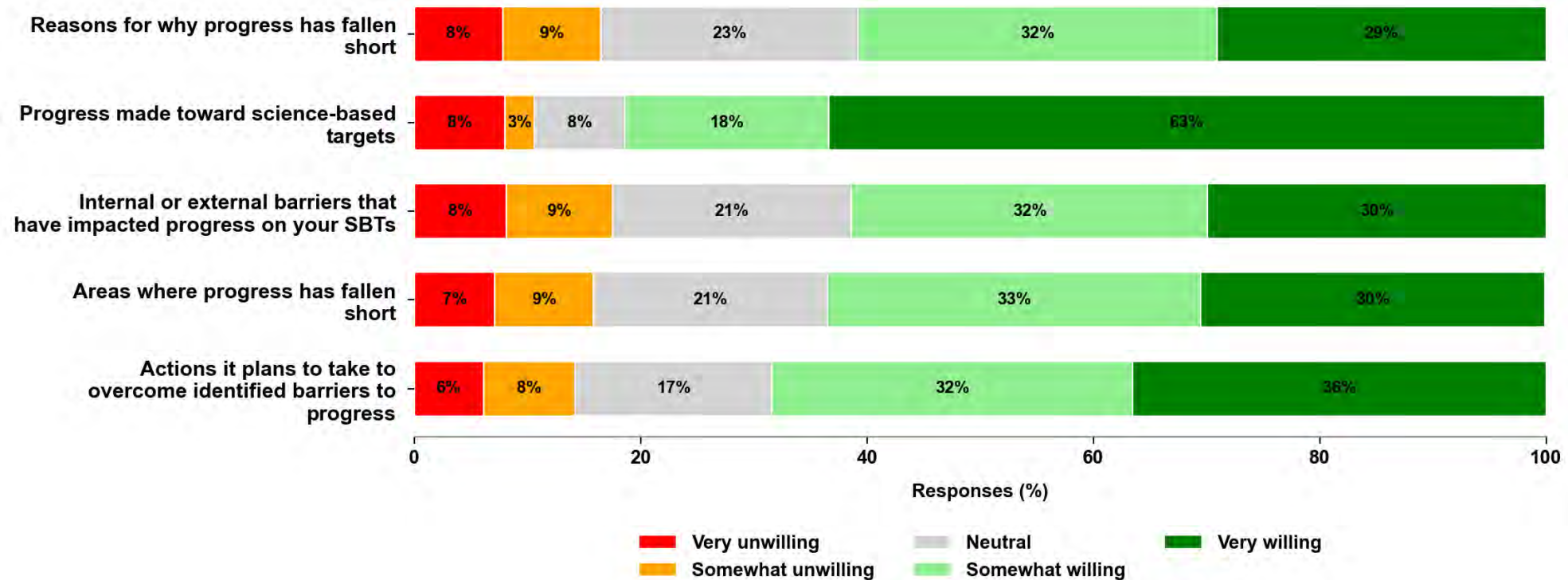
Q95. Would your company be willing to set a mid-term target (for example, over a 10-year timeframe) in addition to a near-term target (5-year timeframe)? (n = 317)



PROGRESS AND CLAIMS

WILLINGNESS TO DISCLOSE

Q96. To what extent is your company willing to publicly disclose the following? (n = 311)





2. PHASE II



2.1 PHASE II BACKGROUND INFORMATION

PILOT TESTING PHASE II

Phase II of the pilot testing consisted of a **hands-on trial with the selected companies** identified in Phase I using real-world data to test the draft Standard, or specific components of it.

Phase II aimed to **identify any implementation challenges, validate key methodological assumptions, and gather in-depth feedback** to help inform the final Standard.



PILOT TEST OVERVIEW

PILOT TESTING PHASE II DEVELOPMENT PROCESS

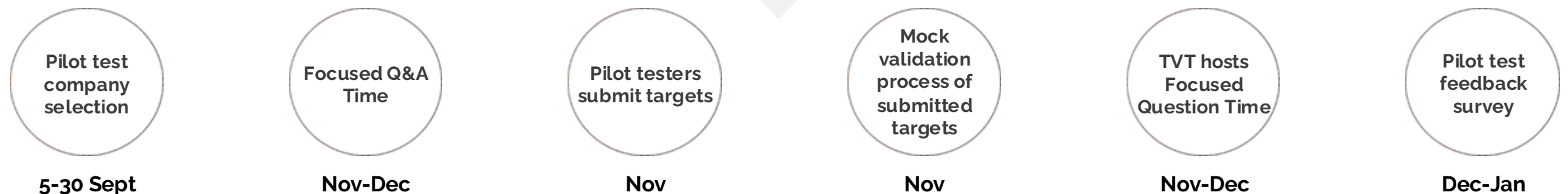
Overview

Phase II of the pilot testing was designed to evaluate the target-setting process, tools, and submission requirements through engagement with selected pilot companies. The process includes resource development, company onboarding, ongoing technical support, target validation testing, and feedback collection to inform refinements of the Corporate Net-Zero Standard V2.0.

Key objectives

- Test the usability and practicality of target-setting resources and tools.
- Support pilot companies through the mock target-setting and test the submission process.
- Identify and address technical queries and process challenges.
- Conduct mock validation of submitted targets and gather stakeholder feedback.
- Refine the Corporate Net-Zero Standard V2.0 and accompanying target-setting resources based on pilot outcomes.

TIMELINE



PILOT TEST OVERVIEW

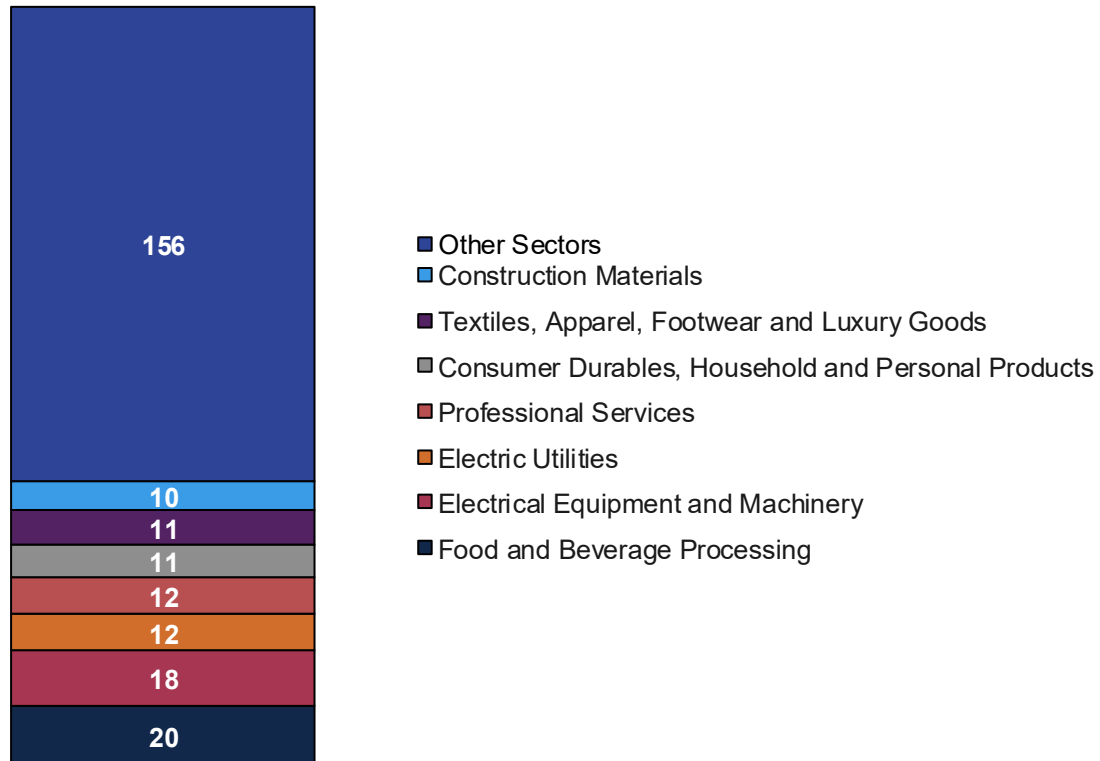
OVERVIEW OF PHASE II APPLICANTS



258

companies applied to participate in Phase II of pilot testing

Sectors*



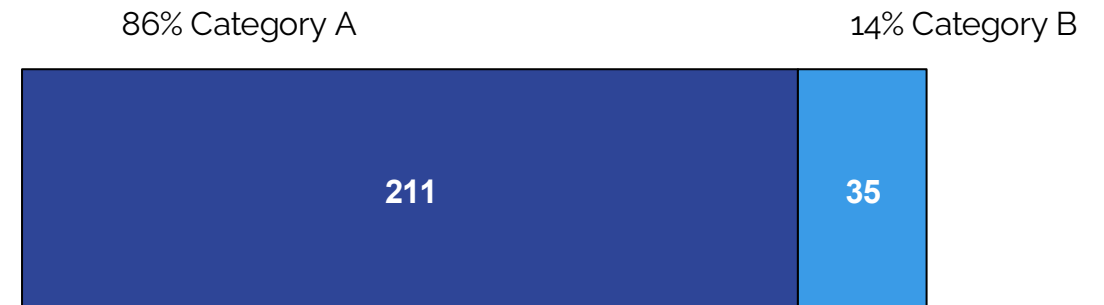
Geographies represented

42

Countries*



Category split



*When numbers do not sum correctly it is due to companies not submitting sufficient data to count their response

PILOT TEST OVERVIEW

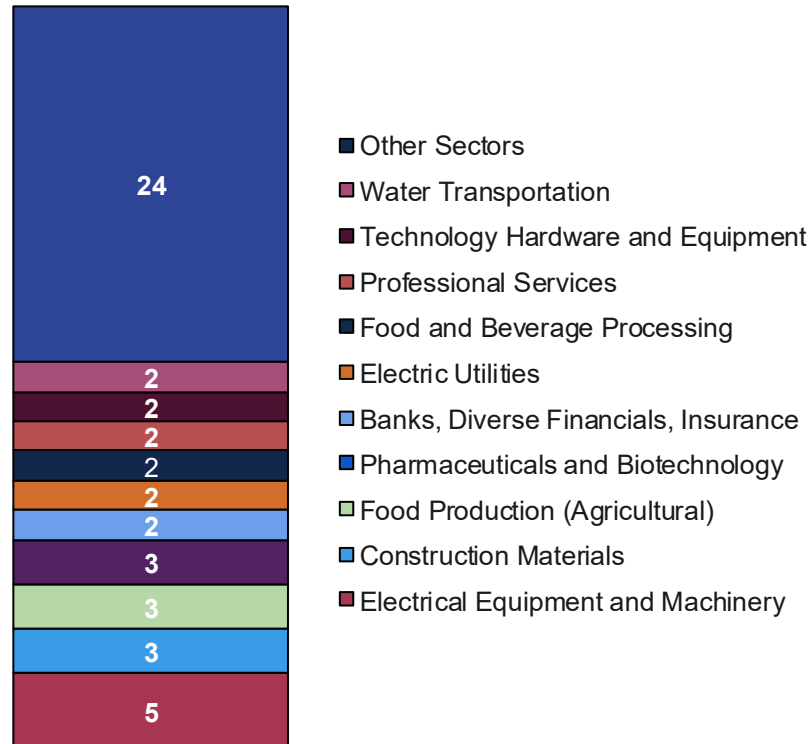
OVERVIEW OF PHASE II PARTICIPANTS



50

companies completed mock target submissions in Phase II of pilot testing

Sectors*



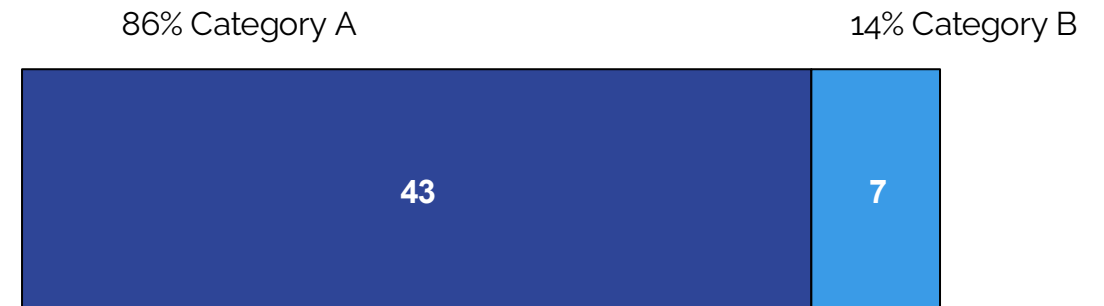
Geographies represented

22

Countries*



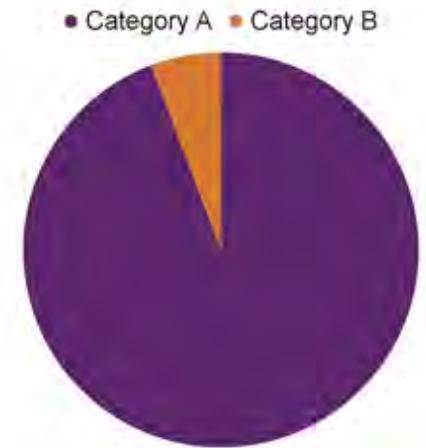
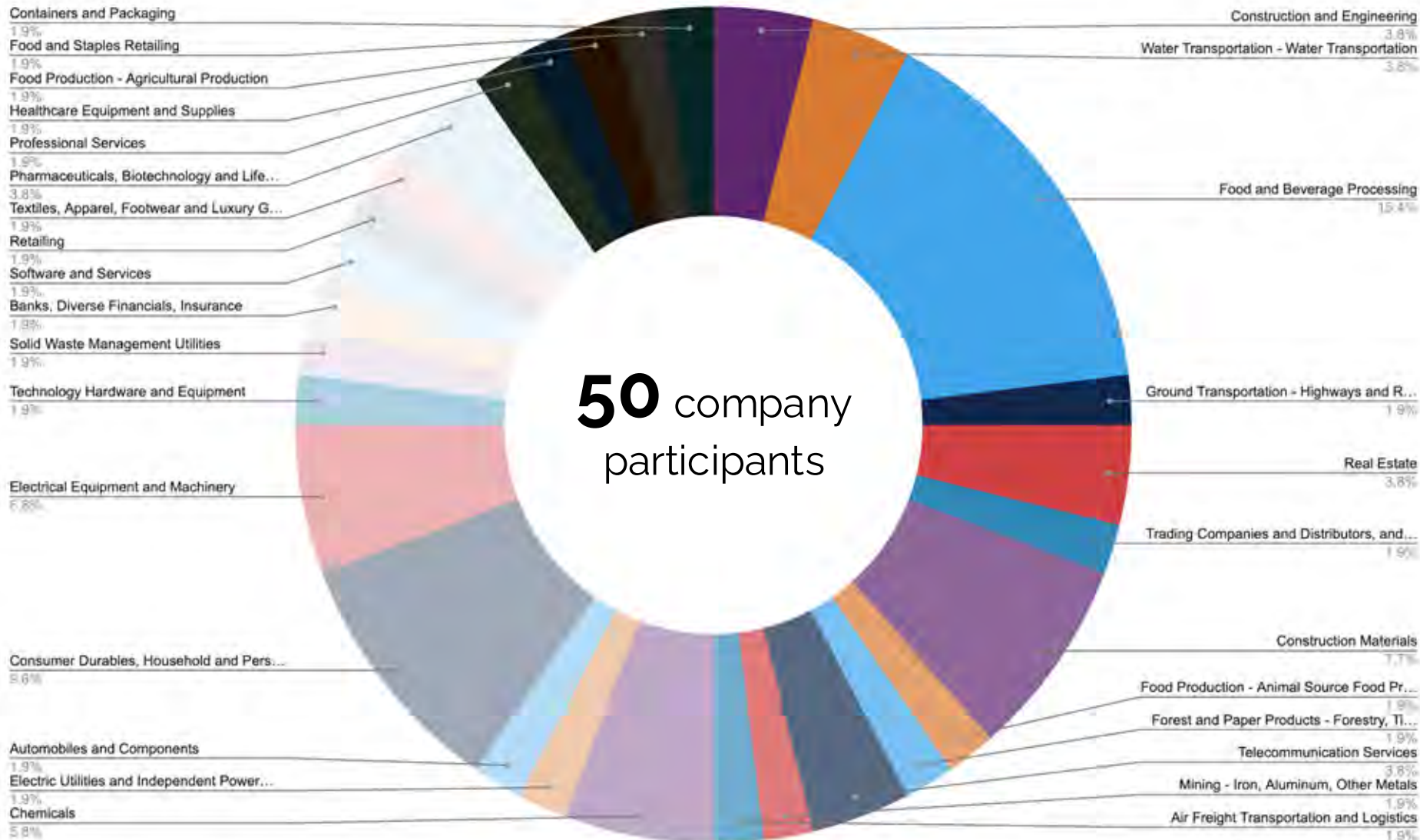
Category split



*When numbers do not sum correctly it is due to companies not submitting sufficient data to count their response

PARTICIPANTS

PHASE II SECTORAL BREAKDOWN OF PILOT PARTICIPANTS





2.2 SUMMARY OF KEY CHALLENGES FROM PHASE II PILOT FEEDBACK

PHASE II OVERARCHING TAKEAWAYS

KEY CHALLENGES

Overall complexity and usability

Participants generally recognized the ambition and increased robustness of the proposed Standard. However, many also highlighted concerns regarding the overall complexity and implementation burden associated with the draft. Pilot participants indicated that the volume of required targets and the level of emissions disaggregation proposed may be challenging to operationalize in practice, particularly for larger and more complex organizations. Several companies noted that the proposed approach could significantly increase the resources, systems, and internal coordination required to support target-setting, tracking, and reporting activities. More broadly, participants expressed concern that the increased complexity may not necessarily translate into improved climate outcomes or more effective decision-making.

Participants also reflected on the implications for external stakeholders. Several companies noted that the highly technical nature of the requirements, combined with a complex claims framework, may make climate targets and disclosures more difficult for non-specialist audiences to interpret and engage with. Many participants therefore emphasized the importance of balancing technical robustness with simplicity, clarity, and usability in public-facing reporting.

Although the pilot included only a limited number of Category B companies, feedback suggested that the proposed Corporate Net-Zero Standard V2.0 requirements may present additional accessibility challenges for organizations that are earlier in their sustainability journey or have more limited internal capacity. Participants also noted that the need for specialist support and assurance activities could increase implementation costs, potentially creating barriers to entry for some companies.

Overall, there was broad support for maintaining the credibility and ambition of the Standard, while also ensuring that implementation requirements remain practical, scalable, and accessible across a diverse range of organizations.

PHASE II OVERARCHING TAKEAWAYS

KEY CHALLENGES

Scope 3 alignment approach

A significant area of feedback related to the proposed increased focus on scope 3 supplier alignment metrics. While participants generally understood the intent behind strengthening supplier engagement, many companies raised concerns regarding the practical feasibility of implementing these requirements across large and complex supply chains. Several organizations noted that category 1 emissions may involve engagement with thousands of suppliers, making supplier-level science-based targets alignment difficult and resource-intensive to manage.

Additional concerns were raised within FLAG-related sectors, where participants noted that alignment requirements may not always be relevant or realistic for certain agricultural supply chains, particularly for non-priority commodities and smaller farming operations.

Many participants agreed that supplier alignment metrics can support broader value chain decarbonization efforts but emphasized that they should complement rather than replace overarching absolute emissions reduction targets. Absolute targets were viewed as more straightforward, impactful, and directly linked to climate outcomes.

Questions were also raised regarding the practicality and relevance of alignment metrics for companies operating at the end of complex value chains, particularly where procurement occurs through intermediaries or subcontractors. In these cases, participants highlighted challenges around visibility, influence, and the cascading of alignment requirements through multiple supplier tiers. Several companies also indicated that clearer guidance is needed on how tier 1 suppliers relate to the broader value chain within the inventory and target boundary for alignment targets.

PHASE II OVERARCHING TAKEAWAYS

KEY CHALLENGES

Continuity concerns with previous framework

There was strong interest in clearer guidance from the SBTi on how companies should transition from the Corporate Net-Zero Standard Version 1.3.1 to draft Version 2.0. Many also hoped that elements of current target-setting approaches would continue to be recognized in some form within the updated framework.

Participants that are more advanced in their sustainability journeys highlighted the significant investment already made in improving emissions data, expanding value chain coverage, and delivering decarbonization initiatives. Some expressed concern that aspects of the proposed framework could reduce visibility of this progress, particularly for companies acting beyond tier 1 activities or using broader cradle-to-gate boundaries, and emphasized the need for clearer recognition of these efforts.

A related theme was the treatment of historical emissions reductions when using the most recent year for the target base year. Participants felt the proposed changes could make it harder to distinguish between early movers and those earlier in their decarbonization journey, and noted that increased complexity may make it more challenging for external stakeholders to interpret and compare performance.

Finally, companies stressed the importance of a carefully managed transition, with clear communication, guidance, and recognition of prior progress to maintain stakeholder and investor confidence.

PHASE II OVERARCHING TAKEAWAYS

KEY CHALLENGES

Lack of flexibility in target setting

Several companies noted that the proposed activity-based scope 1 approach, combined with commodity- and alignment-based requirements for scope 3, may be overly prescriptive in practice. This was particularly relevant for larger conglomerates operating across multiple scope 1 activity categories and managing extensive scope 3 category 1 emissions across complex supplier networks.

Participants indicated that requiring detailed sub-targets by activity and commodity, along with prescribed metrics for certain scope 3 categories, could limit their ability to prioritize the most effective and cost-efficient emissions reduction opportunities across their operations and value chains.

There was also concern that reduced emphasis on overarching absolute emissions targets may limit strategic flexibility, as these targets currently allow companies to focus on the most practical and impactful reduction levers.

PHASE II OVERARCHING TAKEAWAYS

KEY CHALLENGES

Interoperability and guidance gaps

A lack of clarity around interoperability with sector standards during the pilot test phase contributed to a sense of fragmentation in the mock target-setting experience and highlighted the need to develop clear and practical guidance for companies looking to align with the new Standard while leveraging existing sector guidance.

Given that sector-specific guidance is closely tailored to different industry activities, many pilot participants expressed a preference to remain aligned with these documents, although they were asked to focus on the Corporate Net-Zero for the purposes of the pilot. This created uncertainty around the hierarchy and interaction between sector guidance and the Version 2.0 CNZS. This was further compounded by the fact that the CNZS both integrates elements of sector guidance (e.g., pathways) while also referencing them as separate external documents.

Participants also noted that the current suite of tools is dispersed and inconsistently integrated, with varying levels of quality and recency. Strengthening and streamlining the tool ecosystem was identified as an important opportunity to improve consistency, usability, and the overall user experience of the framework.

PHASE II OVERARCHING TAKEAWAYS

KEY CHALLENGES

Clarity of key target-setting metrics

This is primarily a semantic issue, but it has meaningful implications for usability. With the new focus on net-zero benchmark values, the framework introduces two related data points: (1) the target value itself (defined in the pilot tool during the pilot testing phase), and (2) the gap between that target and a company's current performance (referred to as "target ambition").

The addition of this second metric created some confusion among both companies and target analysts from SBTi Services. It is therefore proposed that "target ambition" be deprioritized within the tool, as the primary focus should be on the net-zero benchmark value rather than the distance from it, particularly given challenges in consistently defining base year performance.

In addition, it may be beneficial to reconsider the terminology, potentially aligning "target ambition" with the net-zero benchmark value instead. This would also help maintain continuity with Version 1.3.1 of the Corporate Net-Zero Standard by preserving the concept of "target ambition" as the central framing of the metric.

ACKNOWLEDGEMENTS

Other stakeholders

The SBTi would like to thank all companies and stakeholders who provided feedback during Phase I of the Corporate Net-Zero Standard V2.0 pilot testing process.

The SBTi would also like to extend its sincere appreciation to the companies who participated in Phase II of the pilot testing process for their time, detailed engagement, and thoughtful feedback, which helped inform the revision of the Standard.

External support

The SBTi would like to thank Earthbound Consulting for its support in the preparation of this report.





THANK YOU


Science Based Targets Initiative is a registered charity in England and Wales (1205768) and a limited company registered in England and Wales (14960097). Registered address: 66 Lincoln's Inn Fields, London, England, WC2A 3LH.


SBTI Services Limited is a limited company registered in England and Wales (15181058). Registered address: 66 Lincoln's Inn Fields, London, England, WC2A 3LH.

SBTI Services Limited is a wholly owned subsidiary of Science Based Targets Initiative.

 sciencebasedtargets.org

 [@ScienceTargets](https://twitter.com/ScienceTargets)

 [Science Based Targets](https://www.youtube.com/ScienceBasedTargets)

 [/science-based-targets](https://www.linkedin.com/company/science-based-targets)

 info@sciencebasedtargets.org