

HOW TO USE THE SBTi CORPORATE NET-ZERO STANDARD VERSION 2 ALONGSIDE OTHER SBTi STANDARDS

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This document is provided solely for explanatory purposes to support understanding of the concepts proposed in the second consultation draft of the SBTi Corporate Net-Zero Standard (Version 2.0). The content reflects the current draft stage and remains subject to revision as the Standard undergoes further development, expert review, stakeholder feedback and final approval. It should not be interpreted as final guidance or as representing the definitive position or requirements of the SBTi.

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Building the SBTi Standards System

Since its inception in 2015 the Science Based Targets initiative (SBTi) has progressively expanded its framework by introducing sector-specific normative documents and publishing key standards such as the SBTi Corporate Net-Zero Standard Version 1 in 2021, and the SBTi Financial Institutions Net-Zero Standard in 2025, as well as several SBTi Sector Standards*. The next major step comes with the upcoming launch of the SBTi Corporate Net-Zero Standard Version 2 (CNZS V2), which is expected to be published in 2026.

The SBTi is in the process of refining the CNZS V2 to make it as practical and user-friendly as possible, especially for companies that need to apply it alongside other SBTi Standards. Currently, the SBTi's standards are not fully interoperable, meaning it can be complex for some companies to set targets using our standards. With the finalized version of SBTi CNZS V2, SBTi aims to establish a comprehensive SBTi Standards System which will allow companies and financial institutions to use multiple SBTi normative documents in parallel (when relevant and applicable) in a clear, efficient, and user-friendly way.

The final version is expected to include:

- A refined structure that distinguishes between:
 - Foundational criteria which apply to all companies, and
 - Activity-specific target-setting criteria which apply only to activities covered by CNZS V2;
- Clearer segmentation of activities within the overall SBTi Standards System, to make it easier for companies to identify which SBTi Standard applies to each part of their operations;
- Improved guidance on the step-by-step process companies should follow to determine which SBTi Standard(s) apply based on their activities and value chain structure.

This month the SBTi released a revised draft of the CNZS V2 for a second round of public consultation, following an initial consultation and revision period which took place earlier this year. This version does not yet incorporate the finalized interoperability framework.

**Note: In this piece, the term “SBTi Sector Standards” refers broadly to formal sector standards (e.g., the upcoming SBTi Automotive Sector Net-Zero Standard) as well as sector-specific guidance and criteria documents (e.g., the SBTi FLAG Guidance or the SBTi Buildings Criteria).*

How will companies use the SBTi Corporate Net-Zero Standard Version 2 in parallel with SBTi Sector Standard(s)?

It is envisioned that SBTi CNZS V2 will serve as the entry point for all companies to the SBTi Standards System. It will contain foundational (i.e., not related to target-setting) criteria that will apply to all companies setting science-based targets under the SBTi framework (e.g., calculating a complete GHG emission inventory). Criteria applicability will only vary per company when it comes to setting targets (see illustrative Figure below)

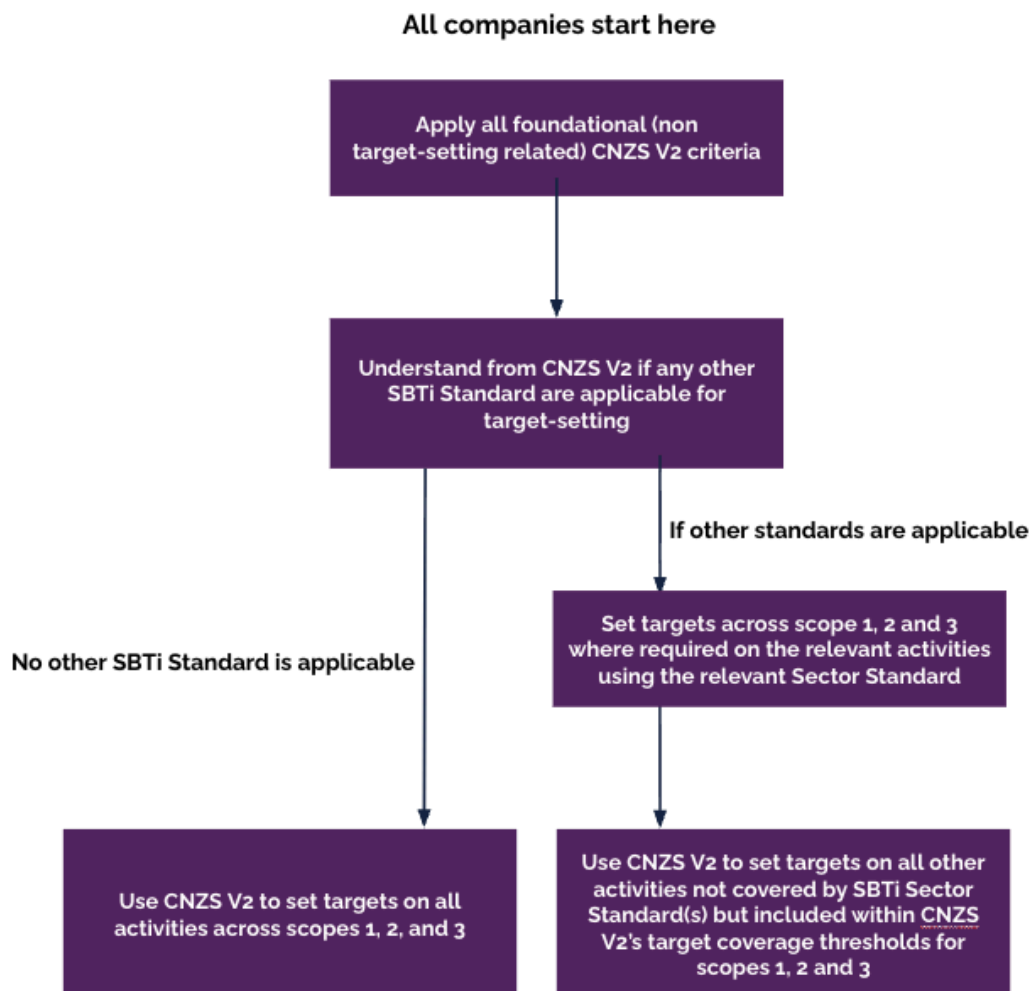
The finalized version of CNZS V2 will include guidance for companies in whether or not other SBTi Standards would be applicable for target-setting (e.g., how to apply the SBTi steel guidance for a steel producing company).

How can financial institutions currently use the SBTi Corporate Net-Zero Standard in parallel with SBTi Financial Institutions Net-Zero Standard?

For financial institutions, the entry point to the SBTi Standards System is currently the SBTi Financial Institutions Net-Zero Standard, covering their scope 3 category 15 emissions. For operational emissions, it is envisioned that financial institutions will adopt CNZS V2 as follows:

- They must set scope 1 and 2 targets through CNZS V2; and
- When they generate less than 95% of their revenues from financial activities (i.e., lending, investing, insurance underwriting, capital markets activities), they must also set scope 3 (categories 1–14) targets using CNZS V2.

This ensures that both financed and operational emissions are addressed within the same coherent framework.



A cornerstone for a coherent net-zero framework

Once launched, the SBTi Corporate Net-Zero Standard V2 will serve as the cornerstone of the SBTi Standards System. It will enhance consistency and complementarity across all SBTi normative documents, providing companies and financial institutions with a coherent, practical, and science-based pathway for setting and achieving their net-zero targets.

Through CNZS V2, the SBTi is building a unified system that combines clarity, flexibility, and scientific rigor, ensuring that every organization can contribute effectively to the global transition to net-zero.