# SBTi CNZ 2.0

2nd consultation : December 2025

# ACT initiative contribution

# Context

This document presents the high-level answer of the ACT initiative to the SBTi H2 2025 consultation on its proposed evolution of the CNZ standard (see Nov. 2025 draft standard).

## Who we are

Formally launched in 2015 at COP21, the ACT initiative was founded by ADEME[1] and developed in partnership with CDP. Now in partnership with WBA[2], ACT is a pioneering international initiative that creates a "climate accountability" framework. It encompasses:

- ACT Step-by-step, providing methodologies and tools helping companies to build relevant transition plan;
- ACT Assessment methodologies, that cover
    - Detailed sectoral methodologies dedicated to climate mitigation;
    - A "Core" methodology allowing to assess the strengths and weaknesses of a company's transition plan and overall past and future climate trajectory;
    - Methodologies dedicated to climate adaptation and biodiversity (under development).

At this stage, WBA is concluding an assessment of alignment with ACT Core for 2000 companies (results to be presented in January 2026), showing the applicability of the framework across sectors.

## Why we answer this consultation

We already provided an answer to the first consultation and wanted to follow-up. This document complements the online survey answer, addressing notably some key topics not directly tackled in the survey.

Operating a transition toward a low-carbon economy requires that several key pieces of information be readily available to companies and stakeholders: GHG inventory (with standards such as GHG protocol or international harmonized standard ISO 14064-1), disclosure frameworks (e.g. CDP, TCFD, TPT, CSRD), target setting standards as SBTi and transition plan building and assessment frameworks such as ACT. It is necessary that all these components strengthen one another and that these actors can help and feed each other to ensure a consistent global framework for companies and lower their reporting and ramp-up burden.

We would warmly thank again the SBTi initiative and SBTi teams for the thorough work conducted and the pedagogical efforts made throughout both these consultations.

We remain available for any complementary discussion on the topic.

[1] The French Agency for Ecological Transition *is a public body, whose mission is to accelerate the transition to a more sober and supportive, job-generating, humane and harmonious society. To this end, ADEME supports innovation, from research to the application and sharing of solutions, in order to generalise good practices and advance knowledge.*

[2] WBA (World Benchmarking Alliance) in a non-profit measuring how businesses impact people and planet through assessing 2000 of the world´s most influential companies, to hold them accountable for contributing to sustainable development.

# Key messages

CNZ 2.0 constitutes a huge step forward in term of formalization comparing to the previous one, some changes brought compared to the first consultation adding welcomed clarity and robustness. Notably, some changes align with requirements we preconized: request a transition plan rather than recommend it for type A companies, and clarify the target monitoring and claim.

However, we would like to highlight what are in our view remaining or upcoming **main weaknesses of the current proposal** that could lead to **significant greenwashing risk** if not properly addressed.

## Absolute GHG emission objectives are needed

First, by trying to decline more concretely decarbonisation levers, the referential keeps in the end the possibility **to fully exonerate companies to set targets expressed in absolute GHG emissions in any of its scope**.

As a matter of fact:

- C11.2 (scope 1) leaves options open to the choice of companies to set their targets, among other choices, **only** in intensity or low-carbon activities;
- C14.2 (scope 2) schedule optional-only GHG targets, low-carbon electricity targets being mandatory while energy consumption target themselves are ignored.
- No scope 3 targets (C18.1 to 8) require mandatory absolute GHG emission targets.

While the declination of targets in all the proposed alternative metrics, whether mandatory or optional, is in itself highly relevant and welcomed for granularity, flexibility and steering purpose, the fact that is possible to **not set any absolute GHG targets** can lead companies to strive away from a real-world climate perspective of absolute emissions and to avoid capturing some fundamental economic shifts needed (eg transport modal shift). The absolute emission vision **is the only one that matters** from a scientifical perspective, and it is necessary to capture the economic shifts needed to operate the transition. Referring to intensity targets only hence weakens the claim that targets are 'science-based' unless intensities are possible to trace back to absolute emissions and align with expected absolute reductions throughout the target period.

## Alignment and eligible targets: a pillar with feet of clay

The proposed standard develops the concept of "alignment" and "eligible" targets based on the will to increase the share of given low-carbon activity, input or revenue. This proposal is highly relevant as it provides companies with clear incentives toward nominated decarbonisation levers (e.g. sourcing from low-carbon electricity, switch to electric vehicles…). The key to this approach is however to ensure the integrity and quality of the definitions set to define the eligibility of what is "aligned". It can be highlighted that:

- (i) it exists no actual “zero-emission” solutions: even “low-carbon electricity” remains a small portion of emissions, electric vehicles emit notably at their building phase… thus all of these targets still needs to be contextualized somehow by an activity monitoring (expressed in energy consumption for instance, and ultimately in absolute GHG emissions);
- (ii) some systems such as the “book & claim” creates a potentially dangerous deviation from reality (“I use a brown resource but somewhere I have made a green claim which compensate”). To work, this system needs a very stringent and flawless integrity framing of the certificate system and its associated market. Many recent large-scale experiences (Kyoto Protocol, various carbon credit markets…) show that it is almost impossible to achieve such standards, covering any loophole, unless control costs make the solution non-viable from a financial perspective. In the end, relying on reality (“what do I actually use”) is the most trustable, cheap and straightforward way to assess the actual alignment of the company.

## Better evidence complementarity between GHG targets and others

While providing further guidance and options for target setting may broaden companies thinking and support their monitoring, the overall setup of opportunities makes the target setting as such unnecessarily complex. The ambition and impact of progress and how it translates to absolute emission reductions becomes hard to understand. Moreover, the proposed level of detailing blurs the distinction between a target (what shall be achieved) and a plan (how to achieve this).

Abovementioned elements stress further the need that relative GHG, alignment and eligibility targets shall be **complementary** to absolute GHG emission targets and not replacing them.

To this end, it would be beneficial to more clearly **categorize targets** which focus on the end goal (emission reductions) and the (complementary) targets that drives a certain implementation.

## Areas for improvements

Beyond these fundamental remaining critics, we spot some areas for further improvements of the standard, covering the following topics:

- Purely relative scope 3 thresholds for target setting purpose
- Transition plan content and resources
- Just transition considerations
- Circularity
- Other elements (SBTi Dashboard information, category A definition…)
- Editorials and requests for clarifications

# Development of areas for improvement

## Purely relative scope 3 thresholds for target setting purpose

The current draft requests purely relative thresholds have been set regarding scope 3 targets (Referring to significant scope 3, as a general rule greater or equal to 5% of total scope 3 emissions). We consider that **the dropping of an absolute threshold (10ktCO2e in the first consultation) endanger the credibility of the standard.** This is particularly true in cases where a specific category of scope 3 emissions (e.g. cruise emissions for an airport, or commuting of clients from home for a railway station, a mall or a museum) would "flatten" all other scope 3 categories. Given the number of categories, it is also concerning that no aggregated threshold is defined, as categories below the threshold could add up quite significant amounts.

Moreover, as stated notably in the comment regarding eligible/alignment metrics, the setup of scope 3 targets focuses on replacement of high-emitting energy and other sources, while not addressing efficiency and level of use. This reduces the incentives to address consumption. This is seen both for electricity and commodities. (see e.g. C.14.1, C14.2, C.17.2.d, C.18.1, C18.2.b, C.18.3.d, C18.4.b)

**We therefore request to get back an absolute threshold notably in C17.1, to put a cap on the aggregated level of emissions excluded and to incentivize efficiency measures as much as substitutions.**

## Transition planning

Annex B provides a global structure of the requested transition plan from companies A.

| | | | | |
|---|---|---|---|---|
| **CNZS-C2, CNZS-C18.4** | Net-zero transition plan | Entirety of the transition plan, including:<br>• All approved targets<br>• Key assumptions and external dependencies associated with targets<br>• Timing for switching operations to low-carbon fuels where feasible, retrofitting or converting assets where possible, and phasing out assets at the end of life.<br>• Strategy to phase out the use and support of fossil fuels<br>• Scope 3:<br>  ○ Intended actions by boundary level (activity, counterparty, activity pool, sector)<br>  ○ Share of total scope 3 emissions addressed | Within 12 months of Initial Validation, update as needed | Public |

While being good to focus on "concrete" levers" point 3 and 4) it is highlighted that they will not necessarily be suitable for each sector (e.g. Cement). At the same time CNZS-C2 presents a somewhat different expectation regarding the content of a transition plan which is more generalized, though still missing some essential elements. We therefore would like to bring the following proposal of improvements to this structure.

- Proposal of an alternative structure

Leveraging on the work perform by the ATP-Col framework, we propose to sum up the content of a transition plan as presented below:

| Theme | Underlying Expectation | Needed underlying company data |
|---|---|---|
| GHG Inventory | Completeness and accuracy of the inventory. | GHG inventory detailed by category. Methodologies and justification of non-covered areas.<br>*Already provided through other CNZ requirements* |
| GHG Targets | Significant coverage of GHG emissions by aligned targets through time with limited reliance on carbon compensation (<10%). | GHG target overview and details: perimeter, ambition, temporality, monitoring.<br>*Already provided through other CNZ requirements* |
| Key Assumptions / External dependencies | The company provides feedback on what it needs from others to implement its transition plan so that public policies and stakeholders can act to secure the landscape. | Identification of the main key assumptions of the company's transition plan, including external dependencies. |
| Decarbonisation levers and mitigation actions | Targets are substantiated by an action plan with key understanding elements: identification of decarbonization levers, financial means, expected GHG emission reduction, locked-in emissions | Overview and details on main actions contemplated.<br>*This encompasses but not only:*<br><br>*Timing for switching operations to low-carbon fuels where feasible, retrofitting or converting assets where possible, and phasing out assets at the end of life.*<br><br>*Strategy to phase out the use and support of fossil fuels*<br><br>*Scope 3 Intended actions* |
| Engagement strategy - value chain | Company has set up an impactful engagement process with its carbon-intensive value chain. | Where value chain is GHG intensive, engagement policy and activities of the chain value detailing perimeter and requests/incentive made.<br><br>*This can encompass scope 3 intended actions by boundary level and share of scope 3 emissions addressed* |
| Engagement strategy - public policies | Company's lobbying activity is consistent with transition plan. | Disclosure lobbying climate topics and positions. |
| Governance | Transition planning is clearly embedded within the company's governance, with a long-term business model overview. | Governance organisation regarding climate change, MRV |
| | | Company's reflection on its business model alignment. |

- Clarity of the current structure

If the current structure is to be kept, we highlight that 5th point focus on scope 3. It could be clarified whether points 2 to 4 refers by contrast solely on scopes 1 and 2 or cover all scopes.

For specific considerations regarding Category B, see section "Category B requirements"

## Transition planning resources

Beyond the required structure, we highlight that our ACT experience shows that many companies, and not necessarily of small size, are willing to transition but don't know how to start. Therefore, it would be useful if SBTi provides resources to help companies building their transition plans.

To our knowledge, ACT initiative is the only initiative providing a structured approach to **assist companies, whatever their sector, in the building of their transition plan**, using the ACT-Step by Step methodology. We believe it would be of benefit for companies that SBTi echoes this methodology as an example of resource assisting them. For instance, the following could be added as criteria R2.3:

| |
|---|
| R2.3. **Guidance:** When developing their transition plans, companies should ensure they are tackling all relevant aspects. To do so, they can leverage methodologies such as ACT Step-by-Step that provide a structured process to build its transition plan. |

## Just Transition

First, we would like to acknowledge the justice-oriented efforts in the draft. Although there is no direct reference to Just Transition, the intention to make the standard more "inclusive, actionable, and adaptable" is clear. The framing reflects important elements of climate justice — including differentiated responsibility, reducing burdens on companies with lower capacity (especially SMEs and those in developing countries), and directing more finance toward vulnerable communities. These directions align closely with the international Just Transition discourse emerging in recent COP negotiations.

As Just Transition becomes a mainstream expectation in global climate transitions, it will be increasingly important for **SBTI to recognise it in a way that goes beyond principle-level acknowledgement and reflects its relevance to company transition pathways**. We also recognise the practical challenges in ensuring that an SBT-aligned mitigation pathway is not only climate-aligned but also socially feasible. Integrating full Just Transition target-setting into SBTi standard-setting would require significant conceptual and methodological development and may not be feasible at this stage.

That said, there are several meaningful and realistic steps SBTi could take now, beginning with one requirement followed by recommendations:

- **Requirement**
  **1. Recognise Just Transition in the purpose or principles section**

  Include a statement acknowledging that mitigation or technology pathways in a company's transition or sustainability plan may directly or indirectly affect its workforce and other stakeholders. Companies should therefore consider Just Transition principles when planning for SBT-aligned transitions.

**Recommendations**

- **1. Highlight the need to understand and manage social impacts**

  Encourage companies to identify potential impacts on their workforce and affected communities and to address them through appropriate planning and engagement. This does not require SBTi to validate social outcomes, but rather to acknowledge their relevance.

- **2. Clarify a minimum scope**

  While Just Transition can include many dimensions, SBTi could underscore a **minimum expectation** that companies consider impacts on their **internal workforce and on affected communities**. This keeps expectations clear without expanding the standard's mandate.

- **3. Link Just Transition considerations to key mitigation levers**

  Guide companies to connect their JT considerations with major mitigation actions. This helps ensure their social planning is credible, time-bound, and aligned with their SBTi transition pathways.

## Circularity

Circularity and materials efficiency are important levers to reduce global emissions sufficiently. The standard is integrating this perspective to some extent by referring to circularity when addressing scope 3 category 12 in C.18.7. However, considering that circularity is a much wider topic which would also impact categories such as scope 3 category 1 and 2, SBTi is encouraged to introduce considerations regarding circularity and materials efficiency in a more comprehensive way.

## Other technical points

### Increase the information available at the SBTi Dashboard?

**Beyond standard delivery, the need to monitor and disclose progress**

It is necessary that stakeholder can easily compare on a regular basis validated targets with actual progress and achievements. The current setup has significantly improved from the first consultation, with notably clarification of information to disclose (Annex B) and specific information required regarding barriers and emerging gaps).

We however noted that such performance information was required to be public but not necessarily located on the SBTi Dashboard. We would like to highlight that getting track record information directly on the SBTi Dashboard would be of high-added value for stakeholders, as this would constitute a single trustable wide database of GHG progress.

We therefore would loke to ask whether you could consider enrich the SBTi Dashboard reporting. At the minimum, producing periodical progress reports with statistics of achievements, collecting the public information, will be really interesting.

## Category classification

**The need to set a "by-default" A status regarding GHG emission size**

As stressed in the first consultation, we believe that the proposed A/B setup misses **a minimum GHG threshold** upon which a company shall fall in A even where they are located in low/middle income zone, whatever their financial size is. This threshold could be for instance 10ktCO2 as already used. It can also be increased, justified by a differentiated contribution for those zones. For instance at 20ktCO2e?

## Category B requirement

We agree overall with the introduction of category B companies and how to define category A and B respectively with exception of what is mentioned in previous section. However, we consider the 24 months of validation period is too long, considering that requirements within scope are also substantially lower than for Category A companies.

Looking at the voluntary elements for Category B we also consider it too generous in some cases. This refers in particular to base-year performance which is needed to evaluate progress. We also see the transition plans as important for Category B companies and would rather consider lower requirements on those than to omitting them.

Other voluntary elements (including the Net Zero ambition, third-party assurance, long term targets, near term scope 3 targets, activity pools and addressing ongoing emissions beyond 2035) seems more relevant and acceptable.

## Indirect mitigation through the use of EACs

**Maybe useful for a positive action but not suitable for GHG target achievement**

The updated standard allows the use of commodity EACs to fulfil scope 3 targets. Even though SBTi did a huge work in Annex E to list key integrity principles for EACs, we stick to concern that this concept is dangerous as impact is hardly demonstratable and as it still

can prevent companies from actually taking action. We still therefore **strongly oppose** to the integration of this concept directly in the accountability of GHG decrease of associated scope 3 emissions. We believe however that keeping the setup **separately** as for residual emissions can set positive incentive toward companies.

Even if a separate setup of indirect mitigation is introduced the proposed principles are not sufficient and should be expanded based on the principles applied for ongoing emissions responsibility, such as additionality.

Moreover, establishing any Indirect Mitigation approach would demand that guardrails and definitions are published as requirements **at the same time** to preserve the relevance of the system.

## Taking responsibility for ongoing emissions

We acknowledge and welcome that new version of SBTi standard wants to move from a simple recommendation as in the previous version, towards an opt-in recognition system for taking responsibility for ongoing emissions that might incentivise positive actions from companies that try to lead the way on addressing on-going emissions during their trajectory in decarbonization. This additional recognition might allow to differentiate the best practice companies from the laggards; however, **it is crucial that a clear differentiation is made between addressing on-going emissions and targeted emissions to cut, as not to be perceived by the companies that by using carbon credits they can avoid cutting targeted emissions.** This is relevant as not to create confusions and de-prioritize the company's action within its perimeter.

**To this extent we suggest that alignment with science-based trajectories shall be ensured before obtaining the recognition.** Modalities of design themselves might remain to some extend flexible regarding timeline and nature of the actions; however, it should not be seen a lose system on its own criteria. Thus, what is claimed shall be factual and verifiable.

Moreover, it could be specified that **any claim regarding taking responsibility for ongoing emissions shall explicitly be set in a secondary way to direct mitigation claims** to avoid confusion. On a concrete basis, in Annex D, it should be specified alongside the "Ongoing Emissions Responsibility" claims that they shall not be used on their own but always succeeding scopes 1, 2 and 3 commitment and performance claims.

Lastly, the categories seem to be too broad to effectively incentivize further action. Potentially the *Recognized* category could be divided into two separate categories to address this e.g. *Established (from 1%)* and *Recognized (e.g. from 20%)*

# Editorial comments and requests for clarifications

**Residual emissions:** While the definition of residual emission is clearly stated V2 is less clear about the level of residual emissions than V1 which clearly indicated that this level should typically not be higher than 10% of baseline emissions.

**Review of transition plans (C2.4):** The proposed interval is 5 years, which we would propose to be changed to "**at least** every 5 years **using a defined process**" (see ACT Generic)

**1.5C alignment (A.2 Purpose):** While V2 for specific items refers to alignment with 1.5C, the purpose section is less clear than V1, by only referring to the Paris Agreement and pursuing efforts towards 1.5C.

**Intended transition:** The introduction time for the new standard seems surprisingly long unless piloting is planned before full application.

**Organisational boundaries (C3.R.1):** The opportunity to select between GHG Protocol boundaries and financial boundaries creates an unnecessary ambiguity which should better be avoided or otherwise motivated/explained.

**A more representative base year (C.4.2):** We consider this to be something companies shall or should do (now may) as an unrepresentative base year is associated with a risk for greenwashing.

**Minimum boundary (C6.1.d):** The concept of minimum boundary is not clear and is also not used elsewhere in the standard. Consider avoiding introducing this term, which seems mainly there to refer to the emission categories of GHGP. Those could be referred to without introducing this concept.

**Complete accounting (C6.1.f):** The standard requests to "*Account for all emissions, even if the activity does not meet the GHG Protocol principle of "relevance"*." which we support. However, R6.1 then refers to "*optional scope 3 categories*" which are only recommended which is conflicting and creates confusion. We support having a full inventory – while less detailed approaches may be acceptable for more limited contributions/categories.

**Applicability (C12.2):** The text seems to conflict with C12.1 on coverage. We think companies shall take full responsibility for their scope 1 emissions following a sphere of influence principle. However, the applicability paragraph seems to limit the coverage.

**Difference between categories (C.18.5-6, C18.8):** Decarbonization of use of sold products and downstream leased assets present different challenges for companies and

would be better to not group together. In the same way processing of sold products and franchises have quite different challenges from a company perspective.

**Thresholds for different types of sales (C.18.5):** The logic behind the thresholds introduced is not clear. Preferably, no thresholds should be applied but if thresholds are use it would be more understandable to have them for iii)