

SBTi CORPORATE NET-ZERO STANDARD VERSION 2.0 SECOND PUBLIC CONSULTATION

American Cleaning Institute Comments

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Q1

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Q2

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Q5

Organization name

American Cleaning Institute

Q6

Type of organization

- Industry Association & Business Network

Q11

Are you responding to this survey based on your experience and understanding of:

- Your own organization

Q12

Are you a current or previous SBTi advisory or working group member?

- No

Q14

Which region is your organization headquartered in? If you are responding in a personal capacity, please select the region where you are based.

- North America

Q15

What country is your organization headquartered in? If you are responding in a personal capacity, select the country where you are based.

- United States

Q16

What countries does your company operate in? "Operate in" refers to the presence of activities and/or emissions that would fall within an organizational boundary for a GHG inventory. Select all that apply

- United States

Q17

To what extent do you think the Corporate Net-Zero Standard V2.0 is readable and easy to understand?

Somewhat Disagree

Q18

If you somewhat or strongly disagree, explain why.

There are areas of the standard that still require greater clarity, including:

- The interaction between the different Scope 3 target approaches.
- How activity-pool targets should be interpreted and applied more generally within Scope 3 Target setting.
- The eligibility and integrity criteria for EACs.
- Clarification on the newly introduced Asset Decarbonization Pathway.
- The interaction between CNZ Standard and Chemical Sector Pathways (e.g., terminology, boundaries).
- The role of carbon credits.
- What “interim” basis means for market-based mechanisms and EACs.

Asset Decarbonization Pathway: ACI members also seek clarification on the newly introduced Asset Decarbonization Pathway. While C11.3 permits companies to aggregate emissions reduction targets across activities, it remains unclear whether assets following different pathways must be consolidated under a single approach. Additionally, guidance is needed on reconciling assets that use different methodologies, such as Linear Contraction versus the Sectoral Decarbonization Approach, which incorporate both absolute and intensity-based targets. SBTi should clarify if these asset-level targets are to be reported separately, or aggregated into one Scope 1 target, and should provide more detail as to how the Asset Decarbonization Pathway should be implemented in practice. As such, SBTi should provide clear examples and applicability for companies with portfolios that are categorized under multiple sectors so that companies may understand how to tactically calculate and assess their corporate targets.

Scope 3 target approaches:

- ACI member companies request additional guidance and clarity on how activity-pool alignment targets and supplier-engagement targets relate to broader Scope 1, 2, and 3 targets. Specifically, members seek clarity on:
 - Where targets are required to be set;
 - What emissions can be counted toward Scope 3 targets versus accounted for separately; and
 - How activity-pool targets should be interpreted and applied more generally within Scope 3 Target setting;
 - How the different Scope 3 target approaches interact with each other in implementation.

EACs:

- Annex E should further define “interchangeable” goods and services (Box 3) and specify that EAC volumes not exceed the procured quantities of the corresponding “interchangeable” good or service.
- EAC benchmarks for chemical intermediates (cradle-to-gate or gate-to-gate) present both coverage and practical challenges for Scope 3 alignment. Because EACs for upstream chemicals like HVC, ammonia, or methanol cover only a small portion of the value chain, it is unclear how the remainder of the Scope 3 emissions would be addressed.
- SBTi should clarify eligibility and integrity criteria for EACs, ensuring they are geographically and source-relevant, and align with other standards (e.g., GHG Protocol, AIM Platform).
- Reference inventory accounting rules for calculating emissions in C20.4, as these rules are evolving and may not always require separate reporting of EAC-related emissions impacts.
- More clarity on guardrails on residual mix factors is needed, especially as it could be difficult to ensure residual mix factors are adequately calculated and maintained in complex sectors like the chemical sector. It is very unlikely that residual mix factors will be available for each commodity or fuel within every activity pool.

Clarity on terminology and definitions:

- “Absolute Gross Scope 3 Emissions” is not clear. We recommend changing the long-term Scope 3 metric to “Absolute Net Scope 3 Emissions”, which would ensure clarity that all renewable carbon activities are included, and ensure the metric is consistent with the overall goal of the Net Zero Standard. It would be difficult for many companies to develop “gross” scope 3 emissions data for many materials, especially those with complex supply chains.
- The role of carbon credits needs to be more clearly defined.
- The term “interim basis” for market-based mechanisms and EACs needs to be more clearly defined.

Q19

To what extent do you think the Corporate Net-Zero Standard V2.0 is ambitious enough to meaningfully take science-based climate action?

Somewhat disagree

Q20

If you somewhat or strongly disagree, explain why.

ACI appreciates the flexibilities introduced for market-based instruments and EACs. However, to fully realize the decarbonization potential of these mechanisms, ACI members would like SBTi to develop clearer definitions and integrity principles, clearly define EACs vs. carbon credits, and clearly describe how each instrument will be used, referring to GHG Protocol and ISO accounting standards. It is still unclear under which circumstances activity pool action vs. use of EACs is permitted.

ACI supports the inclusion of EACs for Scope 3 targets and urge to allow their use for all target types (absolute, intensity, and alignment), not just alignment targets. Restricting EACs to alignment targets will hamper investment in decarbonization solutions.

Q21

To what extent do you think the Corporate Net-Zero Standard V2.0 is actionable?

Somewhat disagree

Q22

If you somewhat or strongly disagree, explain why.

ACI appreciates the flexibility introduced for market-based and location-based Scope 2 reporting. However, maintaining combined Scope 1 and 2 targets remains the best approach. ACI feels that requiring separate Scope 1 and 2 targets adds unnecessary complexity, requires superfluous effort, and diverts company focus from direct actions needed to reduce emissions from their operations. ACI members comment that as long as net Scope 1 & 2 emissions continue to decline in a manner that is aligned with net zero, optimized progress is being made. ACI recommends that SBTi keep Scope 1 and 2 target setting as-is (i.e., combined).

Activity pools: For hard-to-trace chemicals, physical connectivity is often not demonstrable. SBTi should allow claims without physical connectivity when robust safeguards are in place: functional equivalence, geographic/operational clarity, temporal relevance, independent registries, clear residual mix methods, third-party verification, and transparency. Where segregation is infeasible, adopt mass-balance chain-of-custody with ISO 22095 alignment.

Recalculation threshold: ACI continues its comments that SBTi should not introduce its own recalculation threshold (C31.2). Instead, SBTi should refer to the GHG Protocol or other recognized GHG accounting standards for determining when recalculation is required, rather than defining a threshold independently.

Q23

To what extent do you think the Corporate Net-Zero Standard V2.0 will assure the credibility of companies' climate action?

Somewhat disagree

Q24

If you somewhat or strongly disagree, explain why.

ACI members appreciate the additional flexibility provided for Scope 3 target implementation, such as activity pool and sector-level interventions. However, more clarity and definition are needed for the use cases for each intervention level; the justification requirements; the transparency, reporting, and accounting guidelines; third-party verification; integrity principles; and interim use period and transition plan. Without this additional clarity, the credibility of companies' targets and implementation would be at risk.

Q25

To what extent do you think that the draft Corporate Net-Zero Standard V2.0 strives for equity?

Somewhat disagree

Q26

If you somewhat or strongly disagree, explain why.

The current standard focuses heavily on upstream emissions, while clarity for addressing downstream Category 11 emissions is still needed. More attention and tailored guidance are needed in this area, as it is the largest scope 3 category for many ACI members.

Q27

To what extent do you think that the draft Corporate Net-Zero Standard V2.0 does not compromise environmental sustainability?

Somewhat disagree

Q28

If you somewhat or strongly disagree, explain why.

While ACI appreciates the addition of flexibilities for Scope 3 target-setting, the inclusion of supplier alignment targets adds complexity and uncertainty. There is a lack of clarity of how companies should determine if suppliers are aligned, how companies are supposed to demonstrate supplier progress, whether supplier energy alignment targets only apply to Tier 1 suppliers, and how supplier alignment targets can truly drive decarbonization within the value chain.

Q29

The introduction section outlines the SBTi framework of standards and explains how to use the two cross-sector standards (Corporate Net-Zero Standard V2.0 / Financial Institutions Net-Zero Standard V1.0) and sector standards / sector criteria documents in conjunction. How clear is this explanation? (Select one)

Unclear

Q30

How do you suggest we can improve clarity in this section and throughout the Standard on using various SBTi Standards in conjunction? (300 words max)

Greater clarity is needed on how sector-specific standards – particularly the chemical sector pathways – interact with the Corporate Net-Zero Standard (CNZS), and particularly regarding the boundaries that apply to SDA targets versus corporate-level targets. SBTi should provide explicit guidance, or at least illustrative examples, for sectors where a sector-specific standard only covers part of a company's Scope 1, 2, or 3 emissions. For instance, the chemical sector guidance currently addresses only gate-to-gate Scope 3 emissions, which creates ambiguity and a

potentially more onerous process for how remaining upstream Scope 3 categories should be treated.

Additionally, companies face uncertainty when setting Scope 1 targets across mixed portfolios. If a portion of Scope 1 emissions is covered by an SDA pathway and the remainder is not, it is unclear whether multiple approaches should be combined or if a single consolidated method should apply. Clear rules on allocation and integration would help ensure consistency and avoid double counting.

Net-Zero Ambition CNZS-C1.7

Q31

If companies were required to publish their net-zero ambition in a publicly accessible location (e.g., on their website or in an annual sustainability report), what impact do you believe this would have? *Note: This criterion is optional for Category B companies.* (Select all that apply)

- a. It would enhance transparency.
- b. It would strengthen credibility for companies pursuing SBTi validation.
- c. It would enhance accountability.

Q32

Is public disclosure of a company's own net-zero ambition important? (Select all that apply)

- a. It demonstrates transparency and allows external stakeholders to hold companies to account.
-

Base Year Assessment

CNZS-C6.3

Q33

In relation to bioenergy and bio-based feedstocks, should the provision of evidence demonstrating the sustainability of these materials be immediately mandatory for validation, or would a phased implementation be more appropriate? (Select one)

- b. Phased implementation beginning with high-impact value-chain actors (e.g., feedstock producers and tier 1 suppliers with greater influence over sourcing practices).

Q34

Where this evidence is not yet available, what additional mechanisms or safeguards could be applied to ensure sustainability and credibility?

Requirements should focus on proof of origin, with broader sustainability criteria recommended during an interim period while biofuel markets mature and SBTi develops a recognition framework for third-party certifications. Existing industry certification standards (alike FSC and RSPO or mandated criteria like RED II) should be allowed as sufficient verification evidence.

Until the Land Sector and Removals Standard is finalized, SBTi should avoid referencing it for bioenergy emissions and instead permit companies to use other established and recognized

frameworks for calculations. This phased approach ensures credibility without imposing unrealistic burdens and allows time for harmonization across standards.

CNZS-C7

Q35

How do you anticipate this assurance requirement for Category A companies would affect their ability to seek validation under the SBTi Standards? (Select one)

b. It may be challenging for some companies but necessary to maintain credibility.

Target Setting

CNZS- C10.30 and CNZS- C33.5

Q37

The SBTi is exploring different design options to ensure there are no gaps between the expiry of validated targets and the start of a new target cycle. Which of the following approaches do you consider preferable? (Rank in order of preference)

1. Early renewal option: Companies may set new targets before the end of the current target period.
 2. Mid-term target recommendation: Encouraging organizations to set near- and mid-term targets (e.g., 10-year targets alongside 5-year ones).
 3. Mid-term target requirement: Requiring near- and mid-term targets (e.g., 10-year targets alongside 5-year ones), allowing continued progress while performance against previous targets are assessed.
 4. Early renewal requirement: Companies are required to set new targets before the end of the current target period.
-

CNZS- C11.2.iii

Q38

What safeguards or requirements do you think are most important to ensure that this new approach maintains ambition and credibility across companies and sectors? (Select all that apply)

a. Asset replacement rules (i.e., a benchmark, like technology readiness or availability, to signal when assets should be replaced).

d. Ensuring the new approach is consistent with a carbon budget.

CNZS-C12

Q40

Which companies should be required to set long-term scope 1 emissions reduction targets? (Select all that apply)

c. All Category A companies, regardless of emissions profile.

e. All companies seeking validation under the SBTi Standards (both Category A and B).

CNZS- C14.1

Q41

On what basis should companies be able to make exclusions from a low-carbon electricity (LCE) target, if at all? (Select all that apply)

a. Based on external criteria, i.e., conditions in the market.

Q42

If you chose 'based on external criteria', which of the following do you think is most appropriate? (Select one)

c. The absence of both an energy attribute certificate system and an LCE product.

Q43

How should energy efficiency be addressed in scope 2 target setting? (Select all that apply)

b. Companies have sufficient economic incentive to improve energy efficiency already and do not need energy efficiency targets.

c. Companies are sufficiently regulated with regards to energy efficiency already.

Q46

How should a phase-in towards hourly matching start in 2030? (Select one)

e. I don't agree with any of the presented options.

Q47

Please provide any additional comments to support your response.

Hourly matching is not feasible with current data. SBTi could provide an optional framework and guidance for those companies that are leaders, including the use of free and accessible data, but should make time and location matching optional. ACI supports hourly matching as optional as long as there is robust guidance. ACI also advocates for preserving existing Power Purchase Agreements (PPAs), as reopening these agreements would inhibit renewable energy growth and lead to value loss.

Q48

Should the SBTi provide a standardized list of low-carbon electricity (LCE) procurement types (e.g., on-site generation, power purchase agreements, utility green tariffs, unbundled certificates) to help determine whether company claims are classified as 'purchasing' or 'matching'? (Select one)

c. Yes, the SBTi should provide a list of procurement types to guide classification, but should not prescribe a hierarchy among them.

Q49

Do you agree or disagree that LCE criteria including physical deliverability, hourly matching, and a facility age limit sufficiently incentivize energy efficiency improvements? (Select one)

d. Somewhat disagree

Q50

If you said 'somewhat disagree' or 'strongly disagree', please provide your reasoning.

ACI believes LCE criteria would not contribute to energy efficiency. Companies need flexibility in where to invest in clean energy projects to reduce scope 2 emissions. These criteria could be optional for companies who are able to execute, but not required. LCE criteria are not required by the GHG Protocol Scope 2 Standard, and we recommend SBTi follow the GHG Protocol requirements.

CNZS-C19

Q57

The Standard proposes the option of addressing emissions at the activity pool level for hard-to-trace emission sources in the value chain. How important do you believe the following guardrails are for addressing emissions at the activity pool level in a credible manner? (Select one per row)

- a. Demonstration that traceability at the activity level cannot be established, in line with the Standard's conditions.
Very important
 - b. Accounting and reporting rules (e.g., to ensure companies don't claim emission reductions in their inventories when there's no clear physical or accounting link, in line with the GHG Protocol guidance).
Somewhat important
 - c. Differentiated claims (e.g., prohibiting claims that suggest direct purchase or value chain decarbonization when the action only involves the purchase of an environmental attribute certificate, rather than the underlying physical commodity).
Somewhat important
 - d. Quality criteria to ensure that interventions deliver a comparable transformation and climate impact to direct value-chain mitigation.
Somewhat unimportant
-

Q58

To what extent do you support or oppose the proposed quality criteria for activity pools set out in Box 3. (Select one per row)

- a. Functional equivalence: Goods/services are substitutable and provide the same utility.
Strongly support
- b. Physical connectivity: Demonstrable probability that purchases/services are physically served by the pool.
Somewhat support
- c. Geographic and operational clarity: Pools represent real sourcing regions, logistics routes, factory clusters or grids and avoid overly broad or overlapping pools. Boundaries must be disclosed.
Somewhat support

- d. Temporal relevance: Emissions factors (EFs) quantifying pool performance align to the reporting year. Where unavailable, use data ≤3 years old data with justification and update plans. Short-lived interventions (e.g., fuels) must align with the same reporting period.
Somewhat support
- e. Emissions factors: Use the most representative, minimally disaggregated EF available, together with justification.
Strongly support
- f. Double-counting safeguards: Apply residual averages for non-participating actors and consider independent registries (or equivalent controls) to manage claims where multiple buyers share a pool.
Strongly support
- g. Transparency & MRV: Public disclosure of pool boundaries, EF methodology, chain of custody models, allocation rules and reconciliation periods. Third-party verification is required for pooled claims.
Strongly support

Q59

Are there any additional options for addressing emissions at the activity pool level that the SBTi should consider, and how could performance against these options be credibly demonstrated?

More clarity is needed on how companies should define and disclose the boundaries of an activity pool. When physical traceability in segregated value chains is not feasible, third-party verified mass balance chain-of-custody models are more credible than unbundled EACs. If EACs are used in an activity pool, guardrails should define that physical linkage needs to be possible and feasible but not necessary or probable for the intervention to be used. SBTi should clarify third-party verification of pooled claims, how to credibly establish climate performance, and how to calculate temporally relevant activity pool performance consistent with intensity benchmarks. Extend the 24-month certificate validity period.

CNZS-C20

Q60

The Standard proposes interventions at the sector level (e.g., unbundled procurement of commodity or energy EACs from sources that cannot be traced to the company's value chain) as an option when a low-carbon alternative is not yet available in the value-chain of the company. How important do you believe the following guardrails are for addressing emissions at the sector level? (Select one per row)

- a. Justification for addressing emissions at the sector level.
Somewhat important
- b. Eligibility criteria defining which sectors and activities qualify as hard-to-abate.
Neutral
- c. Limits on the portion of emissions addressed through sector-level interventions.
Neutral
- d. Accounting and reporting guardrails (e.g., not deducting mitigation outcomes from sector-level interventions from the company's GHG emissions inventory).
Very important

- e. Differentiated claims (e.g., disallowing claims that imply direct value-chain mitigation, such as “low-carbon procurement”).

Very important

- f. Quality criteria to ensure that interventions contribute to sectoral transformation consistent with 1.5°C pathways.

Somewhat important

Q61

To what extent do you agree that Advanced Market Commitments (AMCs) should be incorporated into the Corporate Net-Zero Standard as an eligible form of sector-level intervention for addressing scope 3 emissions? (Select one)

b. Agree

Q62

If AMCs are incorporated as an eligible form of sector-specific intervention for addressing scope 3 emissions, how could this be implemented into the Standard to ensure credible outcomes? Please consider safeguards, matching requirements, or design principles.

Companies may note that they are incorporating AMCs as a sector-specific intervention for addressing scope 3 emissions in the near term, but the emissions reductions that come from the lower-carbon commodity or fuel should only be accounted for once the lower-carbon commodity or fuel has been purchased and the environmental attributes are claimed and retired. Once available, the AMCs should either follow the integrity principles in Appendix E (when paired with an EAC) or should be accompanied by an ISO 14067-aligned LCA to demonstrate its lower-carbon performance.

ANNEX E: INTEGRITY PRINCIPLES FOR SUBSTANTIATING PROGRESS ON SCOPE 1, 2 AND 3 TARGETS USING EACS

Q82

To what extent do you agree or disagree that the integrity principles for energy and commodity environmental attribute certificates (EACs) presented in Annex E provide sufficient guardrails to ensure the certificates meaningfully convey the desired attribute and are transacted in a manner that ensures robust and credible demonstration of performance against targets: (Select one per row)

- a. For scope 1 –

Somewhat agree

- b. For scope 2 –

Somewhat agree

- c. For scope 3 –

Somewhat agree

Q83

Are there any key gaps or missing principles that could strengthen the proposed integrity principles for energy and commodity EACs?

Integrity principles should include credible chain of custody where feasible, demonstrated additionality, transparent and public reporting of methodologies and justification, allocation methods, and prevention of double counting. Certificates should not be cancelled if they aren't used within a specific validity period; if they are, align the validity period to C19.1.b.ii.3. Provide flexibility in chain of custody requirements, allowing for more and less granular options to limit the burden on data owners depending on data availability. Refer to ISO 22095 for this calculation methodology. Certificates/certificate producers should undergo third-party verification. More detailed guardrails around residual mix factors are needed.

Q84

For companies that purchase energy and commodity environmental attribute certificates (EACs) or stakeholders that have awareness or experience of EAC markets, to what extent do you consider the principles outlined in Annex E to be reasonable and practicable for guiding the credible use of EACs

toward achievement of science-based targets? *Note: Please do not consider carbon credits within the context of this question.* (Select one)

c. Somewhat reasonable – The principles are directionally appropriate but may be difficult to apply in practice or require further technical development.

Q85

For “somewhat reasonable” or “not reasonable”, please explain.

Integrity principles are essential for ensuring robust and trustworthy data; however, a defined transition period is needed before these principles take effect, as data availability and verifiability are currently limited. Establishing a validity period for these certificates may also be challenging due to verification and data collection timelines, misalignment between procurement and emissions accounting cycles, and administrative burden from tracking purchase and expiry dates of EACs. Requiring expired certificates to be assigned a residual mix for each activity pool or market would be challenging, and SBTi would need to clarify where companies are expected to source residual mix emission factors.