

INTERNATIONAL STANDARD (DRAFT) · OUT FOR PUBLIC CONSULTATION

ISO 14060

Net zero aligned organizations

The first international and independently verifiable framework for credible net zero transition planning

How the Legal Sector Can Respond to the ISO Consultation

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Corporate climate standards have converged into a consolidated suite of end-to-end guidance

01. Measurement



02. Target setting and transition planning



*Net zero standard (ISO 14060):
draft consultation now open,
final expected early 2027

03. Reporting

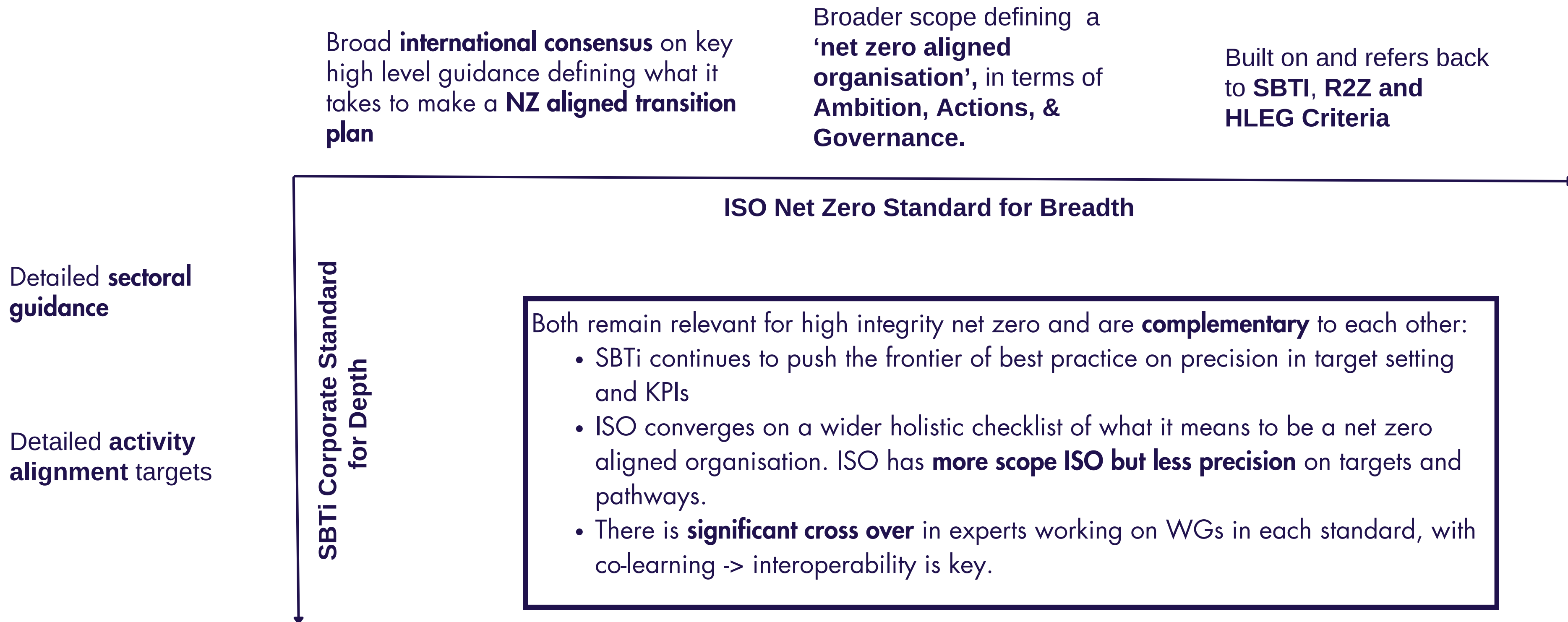


Differences Between ISO & SBTi Net Zero Standards

	ISO Net Zero Standard (ISO 14060)	SBTi Corporate Net-Zero Standard V2
Primary role	Defines what a credible net zero aligned organisation looks like	Helps companies set and implement climate targets
Purpose	International benchmark for net zero alignment of a whole-organisation, including transition planning and governance	Technical guidance, validation and implementation of emissions targets
Strength	Common best practice standard for full organisational alignment to aims of PA	Detailed guidance on target-setting and activity level action
Users	Organisations of all sizes, sectors and countries (including SMEs in an annex, and good tool for governments and FIs to align the real economy to common collective action on net zero)	Companies, especially large multi-nationals seeking validated science-based targets
Relevance	Designed for regulation, procurement, and independent audit through international ISO consensus	Designed for wide market adoption and to drive immediate action, scaled by investors and supply chains, validated in-house
Scale	ISO system used globally across 170+ national standards bodies	11,000+ companies , representing ~40% of global market capitalisation
Think of it as...	The international benchmark for credible net zero corporate alignment	A detailed technical toolbox for target-setting and implementation

***ISO and SBTi agree on the fundamental definition of net zero and are interoperable on key areas of technical guidance.**

Complementarity of ISO / SBTi



How Net Zero Standards Have Evolved Since 2021

Users “Said”	The New Standards “Did”
“Offsetting comes with challenges but we need market mechanisms to scale some solutions.”	More credible and targeted market mechanism guidance: 1. Value chain solutions for value chain problems 2. Removals for residuals 3. Ongoing emissions responsibility 4. Corrective action
“One-size-fits-all approaches don’t support different contexts & capacities”	Greater recognition of capacity, context, and fairness (common but differentiated responsibility at the company level)
“Emissions reductions alone don’t show effort or progress.”	Leading indicators and emphasis on action not just targets will help companies report real-world progress and transition activities, as well as their efforts to contribute to global net zero impact.
“Scope 3 is too hard and complex.”	Clearer and more practical Scope 3 guidance focusing on material emissions where companies have the most influence instead of treating all Scope 3 categories equally. Encourages practical action through product based and supplier KPIs.

Climate transition standards are becoming clearer, more aligned, and easier for markets to implement.



Why the ISO Net Zero Aligned Organisation Standard 14060 is something to celebrate

A major milestone in global climate governance — the guidance has harmonized, making corporate climate action much easier.



Well below 2

Anchored to the Paris Agreement and the latest IPCC science
Maintains ambition



4

Verifiable claim stages, from net zero aspiration to achievement
Tracks progress



Party validation & verification built into every claim
Ensures accountability

Why should law firms care?

- ★ A common baseline for due diligence and comparing portfolio-company claims
- ★ Independent verification reduces greenwashing and transition-plan risk
- ★ A defensible reference point as disclosure regulation converges globally
- ★ Signals resilience: firms that plan credibly are better positioned for the transition



How to access the standard



Access to the full standard from
BSI's (UK National Standards Body)
portal (registration needed)



Sections available on SCC-CNN
(Canadian National Standards
Body) portal but not full draft.



SECTION 1

What the standard covers and who it is for

Who the standard is for, what it covers, and the verifiable claims it enables.

Applies to



All organization types

Companies, corporations, partnerships, NGOs and academic institutions — public or private.



Value-chain wide

Direct & indirect GHG emissions upstream and downstream, management of residual emissions, and action for global net zero.



Harmonizes with finance - a tool for engagement for portfolio companies Financial institutions can apply it to non-financing activities (see ISO 32212 - Net Zero transition planning for financial institutions).

Out of scope

- Territories — regions, countries, states or cities
- Products, services, events or brands (covered by other standards)

Four claims the standard supports

1. Net zero aspiration

2. Net zero aligned transition plan

3. Net zero aligned progress

4. Net zero achievement



SECTION 2

Normative references

Documents the standard aligns with and draws upon.

1 ISO 14064-1:2018

Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

2 GHGP Corporate Accounting and Reporting Standard (2004)

Foundational standard for businesses and organisations to report GHG emissions, split into Scopes 1, 2 and 3.

3 GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)

Methodology for companies to account for and report emissions across the entire value chain. Split into 15 upstream and downstream categories. Documentation from the GHGP suggests a new category 16 “Facilitated Emissions” could feature in the new standard.

4 GHGP Scope 2 Guidance (2015)

Standardised methodology to measure emissions from purchase electricity, steam, heat and cooling



SECTION 3

Terms & definitions

*Shared language so claims mean the same thing everywhere and have global comparability and consistency.
Examples include:*



Organizational net zero

All GHG emissions in the inventory reduced to residual levels, counterbalanced by durable CO₂ removals.



Global net zero

Anthropogenic emissions balanced by removals worldwide, aligned with the Paris Agreement.



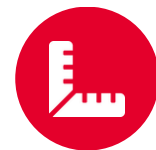
Net zero pathway

A quantified, science-based emissions trajectory to the organization's net zero target.



Residual emissions

What remains at the target date after all technically and economically feasible reductions.



Organizational GHG budget

Cumulative emissions allowed from base year to target year, consistent with the pathway.



Carbon dioxide removal (CDR)

Durable withdrawal and storage of CO₂ — the only instrument that counterbalances residual emissions.



SECTION 4

Guiding principles

Eleven principles that underpin every requirement — the foundation of a robust, fair, and verifiable claim.



Urgency



High ambition



Supporting transition



Science-based approach



Conservativeness



Avoiding adverse impacts



Credibility



Equity & justice



Transparency



Value chain & life cycle



General foundation

Ambition scales with capacity: organizations with greater resources, higher historical responsibility or higher current emissions are expected to act faster (Annex B).



SECTION 5

What the standard covers

A sequenced framework encouraging continual improvement, validation and verification.

1 Leadership commitment

2 Establishing boundaries

3 GHG quantification

4 Transition planning

5 Target and pathway setting

6 Net zero action (organisational and global)

7 Counterbalancing residual emissions

8 Monitoring and adjustment

9 Reporting

Incentivising companies to:

- Reduce emissions across their operations
- Scale removals to manage residual emissions
- Contribute to global net zero on the path to net zero



SECTION 6

Top management leadership

Net zero is an organization and board-level accountability, not a sustainability side-project.



Own it at the top

Take accountability for achieving net zero and for every related claim; publicly commit to the target.



Align strategy & resources

Ensure corporate strategy, capital allocation and governance are wired to deliver the commitments.



Assign strong leadership

Define responsibilities, appoint staff with strong background, and consider performance incentives tied to targets.



Review annually (at minimum)

Reassess pathway and transition plan, trigger remedial action, and report progress publicly.



SECTION 7

Guidance on setting separate targets across scopes

Start with a complete, value-chain inventory, the foundation for targets, action and reporting.



Scope 1 Direct emissions

All direct GHG emissions from owned or controlled sources

GHG budget for Scope 1 emissions in relation to the sector aligned with interim and net zero targets and grounded in peer-reviewed science.



Scope 2 Energy - indirect

All emissions from imported electricity, heat, steam and cooling.

Set interim targets for Scope 2 emissions using **location-based accounting** (ISO 14064-1 or GHG Protocol Scope 2).
With interim targets for consuming low-carbon imported energy.



Scope 3 Other - indirect

Interim targets on all significant upstream & downstream value-chain emissions.
Significance justified and disclosed,

Significant emissions include those that are high magnitude and high potential for influence.

Aligned with an inventory using ISO 14064-1 or the GHG Protocol.



Serviced Emissions in the ISO NZ Standard

Set under

- Section 3 on definition
- Also under Section 8 (Quantification) and Section 11 (Actions for scaling low carbon solutions)

Professional service providers should estimate potential serviced emissions (enabled and avoided), using recognised methodologies and standards such as ISO 14064-2:2019 [\[5\]](#)

Organizations that provide professional services shall integrate serviced emissions targets into new contracts and should attempt to update existing contracts in line with their net zero targets.

NOTE The Race to Zero's report "Catalysing climate action : The role of professional service providers in realizing a net-zero future" [\[38\]](#) provides more information on serviced emissions .



SECTION 8

Quantifying emissions & removals

Measured annually, communicated transparently, and improved over time.

How emissions are quantified



Annual quantification

Per ISO 14064-1 or the GHG Protocol, using a consistent approach across all territories.



Location-based electricity

Location-based method required; market-based may be reported in addition.



Best-available data

Country/region-specific factors where available; uncertainty assessed and disclosed.

Base year

A representative historical baseline against which pathway, targets and progress are measured, including a documented recalculation policy.

Continual improvement

- Increase use of primary, supplier- and locality-specific data
- Don't delay action for incomplete data, rather estimate and improve
- Professional services estimate 'serviced' enabled & avoided emissions



SECTION 9

Transition planning

The connection between ambition and implementation — integrated into the core business plan.



Targets & milestones

Net zero target, interim milestones, and estimated anticipated residual emissions.



Governance & finance

Investments, divestments and asset management aligned to targets (resourced and owned).



Emissions reduction

Energy efficiency, low-carbon energy procurement, and Scope 3 supplier engagement.



Monitor, evaluate, report

How progress is tracked, validated/verified, and how the plan adjusts to results.

Must be publicly available and updated every five years (at minimum).

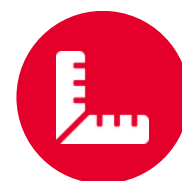
With a focus on just transition, stakeholder engagement and due-diligence on social & environmental impacts.



SECTION 10

Target & pathway setting

Ambitious, science-based targets across every scope.



Absolute & budget-based

Separate targets per scope, all GHGs, tied to an organizational GHG budget derived from a peer-reviewed pathway (Annexes D–F).



Equity-aware pathways

Larger budgets for emerging economies; net zero years of 2050 / 2060 / 2070 by capability (Annex E).



“Significant” scope 3

Targets set where magnitude × influence is high; exclusions disclosed, activity targets fill the gap.



SECTION 11

Net zero action

Implement the plan and take action beyond the inventory for global net zero.

Reduce your own emissions



Efficiency & clean energy

Improve energy efficiency and procure additional low-carbon / renewable energy.



Redesign products & value chain

Enable circularity and lower Scope 3; engage suppliers and customers.



Scale low-carbon solutions

Environmental commodity certificates may accelerate scaling — never a substitute for reductions.
For professional services, this looks like updating contracts to include SE and attempting to include in existing contracts

Act for global net zero



Climate solutions. Products and services that help others cut emissions (avoided emissions reported separately).



Climate finance portfolio. Allocate finance for high-integrity mitigation, disclosed against remaining emissions.



Policy engagement. Align advocacy (direct and via associations) with the Paris Agreement. This includes, for example, action on GHGP when that consultation opens



Just transition. Empower workers & communities; align to the SDGs; provide remediation for affected groups.



SECTION 12

Counterbalancing residual emissions

Only durable carbon dioxide removals close the gap to net zero.

100+ years

Required durability of storage
used to counterbalance residual
emissions at net zero.



Durable

≥100-yr storage, reversal risk
managed



Additional

Would not have happened
otherwise



Quantified

Science-based, verified before
issuance



No leakage

No consequent rise elsewhere



Single use

Not claimed by more than one
party



Credible accounting

Independently verified



SECTION 13

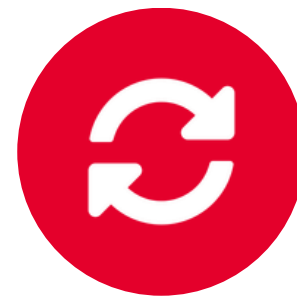
Monitoring, improvement & adjustment

A continual process that keeps the organization on track.



1. Monitor progress

Track emissions compared to base year; flag gaps against the pathway (under- or over-performance).



2. Continually improve

Seek opportunities to go faster; track evolving science and sector pathways; implement lessons learned.



3. Adjust

Update reduction and removals targets; close any gap as result of underperformance to ensure staying on course for net zero.



SECTION 14

Reporting

Complete, accurate, and public communication — the evidence behind every progress claim.



Inventory & boundary

Latest GHG inventory (emissions and removals shown separately), and the quantification standard used.



Progress vs. targets

Interim and net zero targets, GHG budgets, and CO₂ removal milestones, including notation of any under-performance.



Residual emissions

Anticipated residuals with a feasibility analysis, and how durable removals are being scaled to meet them.



Action for global net zero

Climate solutions, climate-finance portfolio, policy advocacy, and SDG/human-rights alignment.



SECTION 15

Validation & verification

Independent assurance is what makes a claim credible — and, increasingly, legally required.



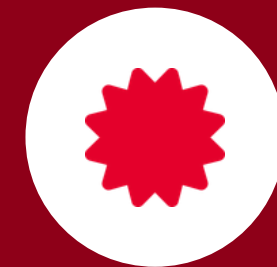
First party

Self-declared by the organization



Second party

Assured by an entity in the value chain
(e.g., a customer or investor).



Third party

Accredited, independent assurance.

Validation tests how reasonable forward-looking plans are; verification confirms historical data. Both distinguish credible transition plans from aspiration.



SECTION 16

The four-stage claims framework

Each claim builds on the last with clear wording, public reporting, and defined remedial routes.



Remedial action keeps claims honest. Miss an interim target and, within limits, an adjustment or remedial period (up to 3 years) allows a return to pathway, with mandatory disclosure.



ANNEXES A–G

The technical toolkit

Where the standard turns ambition into quantifiable budgets and targets.



SME guidance

Proportionate approaches for smaller organizations



Ambition

How to demonstrate higher ambition



Mitigation action

Proven action examples across all scopes



Budget allocation

Absolute contraction & SDA methods



Pathways by sector and region

2050 / 2060 / 2070 net-zero years



GHG emission reduction targets

Step-by-step Scope 1/2/3 targets



Non-CO₂ gases

Methane, N₂O and F-gas pathways



Budgets trace back to a 570 Gt CO₂ global carbon budget (~1.57°C, 50%).

WHAT THIS MEANS FOR INVESTORS

A reference point for the transition economy



Sharper due diligence

Compare portfolio-company transition plans against one verifiable, international baseline.



Lower transition risk

Independent assurance and a mitigation hierarchy reduce greenwashing and stranded-asset exposure.



Regulation-ready

Harmonized with GHG Protocol, SBTi, PCAF and IFRS S2 — a defensible anchor as disclosure rules converge.



Resilience & value

Credible, front-loaded transition planning signals well-governed, future-fit businesses.



Now out for public consultation — closes 9 September 2026.

Engage the draft, pilot it with portfolio companies, and align transition planning with emerging global best practice. As a draft (ISO/DIS 14060), details may change before publication.