

ISO Net Zero Guidelines vs. ISO carbon neutrality standard

A contradictory approach to net zero



About ECOS

ECOS - Environmental Coalition on Standards is an international NGO with a network of members and experts advocating for environmentally friendly technical standards, policies and laws. We ensure the environmental voice is heard when they are developed and drive change by providing expertise to policymakers and industry players, leading to the implementation of strong environmental principles.

Authors

Elisa Martellucci, Programme Manager, Environmental Coalition on Standards (ECOS)

Nerea Ruiz, Policy Director, Environmental Coalition on Standards (ECOS)

Dr. Vassia Paloumbi, Operational Energy & Sustainability Consultant, ECOS Technical expert

Edited by:

Alison Grace, Press & Communications Manager, Environmental Coalition on Standards (ECOS)

Graphic design:

JQ&ROS Visual Communications, jqrosvisual.eu

Contents

Executive summary	4
The small print behind carbon neutrality claims	6
Two ISO methodologies and a best practice benchmark	8
Analysis: Environmental principles that can lead us to true net zero	9
Scope	9
Measuring emissions and setting targets: The correct approach	10
Using the greenhouse gas mitigation hierarchy to forge a credible decarbonisation path	13
ISO 14068 is not fit to fight climate change	15
The role of carbon offsetting in ISO's documents	15
Conclusion: What ISO's dilemma means in practice	16
Notes and references	17

Executive summary

When companies communicate information about the environmental impact of their products, consumers should be able to trust every claim. But we are confronted with a very different reality. Claims of climate neutrality are only as strong as the weakest definition – or assumption.

There are multiple definitions of climate-related claims, and they can be based on very different methodologies (some following climate science, others not). Consequently, carbon neutrality claims can be vague, unfounded, and misleading⁴, creating confusion among consumers – even policymakers – about their meaning and correct use.

And what if different methods of calculating carbon neutrality are validated by the same organisation? Assessing them becomes even trickier. Yet, that is where we find ourselves.

ISO, the International Organization for Standardization, has created two different methodologies for guiding and demonstrating climate claims. One focuses in an effective way on reducing emissions (**ISO Net Zero Guidelines - ISO IWA 42:2022, hereafter Net Zero Guidelines**)², while the other endorses misleading carbon offsetting claims (**ISO carbon neutrality standard – ISO 14068-1:2023**).

This report compares the ISO carbon neutrality standard and Net Zero Guidelines with recommendations from the **UN's High-Level Expert Group on the Net-Zero Emissions Commitments (UN HLEG)**³. The analysis focuses on the

environmental aspects of these documents only. Other considerations – such as the inclusiveness of the drafting processes for each – are out of scope.

We analyse each document's scope, the greenhouse gas (GHG) management hierarchy, target setting, and the use of carbon offsetting and removals, to demonstrate that the methodology underpinning the ISO carbon neutrality standard cannot effectively drive change towards a net zero economy, and environmental principles within the Net Zero Guidelines should be observed instead.

Addressing the climate crisis is more urgent than ever, and ambitious standards have the potential to play an important role in environmental protection. For this to materialise, however, ISO must truly respond to the challenges we face. Standards are not mandatory. Companies follow them voluntarily. Nonetheless, standards can inspire progress because they harmonise practices and send a strong signal to global markets about the practices they endorse.

Our report calls on ISO to bring clarity to the fraught field of net zero CO₂ emissions and carbon neutrality. Two parallel sets of ISO guidelines that say different things send a fragmented and contradictory message to standards users: one supports the empty promise of carbon offsetting and the other is more ambitious and effective at steering climate action.

ISO should align with the more ambitious environmental principles outlined in its ISO Net Zero Guidelines.

Businesses also have a responsibility to contribute to a real solution. Companies have a critical role to play by getting their emissions in line with the Paris Agreement and limiting the planet's temperature increase to below 1.5°C above pre-industrial levels. Adopting the ISO carbon neutrality standard, ISO 14068-1:2023, may lead to ineffective environmental actions by companies – so it should be avoided.

With new, ambitious, legislation on the horizon (notably, the EU Empowering Consumers Directive, which will prohibit carbon neutrality claims based on offsetting), ISO and its Technical Committee 207 should reconsider the lack of environmental ambition of its carbon neutrality standard.

Our report clearly shows that ISO should leverage its Net Zero Guidelines as a tool for shaping future climate standardisation, and mainstream them across the ISO framework.

Key recommendations

Our analysis shows that:

1



ISO should mainstream its Net Zero Guidelines - IWA 42:2022 to shape future climate standardisation

Based on emissions reduction, these guidelines offer a true path to net zero, setting higher ambition for net zero targets in alignment with the best environmental practice efforts of the UN's High-Level Expert Group on the Net-Zero Emissions Commitments (UN HLEG).

2



ISO should reconsider the environmental ambition of its carbon neutrality standard (ISO 14068-1:2023)

This standard authorises misleading carbon offsetting. It lags behind existing legislation (for example, the EU's Empowering Consumers Directive), which prohibits carbon neutrality claims for products.

3



ISO should fully unlock the potential for standards to support climate action

ISO carbon neutrality standard, ISO 14068-1:2023, risks leading to ineffective environmental actions by companies. This must be avoided. The ambition behind ISO's London Declaration must be integrated across ISO deliverables to ensure that standards support the climate agenda.

The small print behind carbon neutrality claims

Definitions and claims of net zero and carbon neutrality have become an integral part of marketing strategies – but they can be used with little or no emission reductions. The fundamental issue with carbon neutrality claims is that there is simply no such thing as a climate neutral company or product. Such claims heavily rely on offsetting credits, rather than on real progress made by a business. Claims are rarely credible – having been shown to have an overall negligible effect on emissions⁴.

In the 2023 ECOS report ‘Greenwashing, certified?’⁵, we exposed the weak environmental integrity of using carbon credits to counterbalance a company’s emissions. This view is rapidly becoming mainstream, but many companies are still not transparent about what their claims are based on, and consumers trust the claims made on labels, falsely reassuring that our consumption patterns do not need to change.

Some businesses and voluntary carbon market players have begun to raise doubts about the effectiveness of carbon offsetting as a whole and are starting to shift from compensation claims to contribution claims to enhance the environmental credibility of their pledges. A good example is the Voluntary Carbon Markets Integrity Initiative’s (VCMI) Claims Code. VCMI Silver, Gold, or Platinum Claims represent contribution claims. Carbon credits cannot be counted towards the achievement of within-value chain emissions reduction targets, but instead represent a contribution to the company’s climate goals and global efforts to mitigate climate change⁶.

Contribution claims

In the context of climate action, a ‘contributions model’ is financial support provided by an entity to promote climate initiatives beyond its own value chain. Unlike offset or compensation models, contributions models do not aim to counterbalance emissions. Instead, they represent a financial commitment that complements, rather than substitutes, the direct reduction of an organisation’s own climate footprint⁷.



Alongside industry-developed standards and guidelines, EU legislation on climate neutrality claims is also developing – offering a level of clarity that is missing from ISO's conflicting approach. In September 2023, the Empowering Consumer Directive was agreed in Europe⁸. It will ban companies from claiming their products are climate neutral if the claim is based on offsetting. Stricter rules were also put forward for future environmental performance claims, which will only be allowed if they include a realistic implementation plan, feasible targets, and are regularly reviewed by independent third-party experts (whose findings will be made available to consumers).

In parallel to the development of other definitions⁹, ISO has been working on developing its own. In 2022, it published the **ISO Net Zero Guidelines** in the form of an International Workshop Agreement (IWA¹⁰). These provide definitions, guidance, and criteria to support entities on the path to net zero. The guidelines raise the bar for net zero targets by addressing the need to reduce greenhouse gases (GHGs) and end reliance on the use of offsetting. They follow the good environmental practice example set by the **UN's High-Level Expert Group on the Net-Zero Emissions Commitments (UN HLEG)**¹¹.

At the same time, ISO also developed an **international standard on carbon neutrality – ISO 14068-1:2023**¹², published in November 2023. The standard aims to guide companies, local authorities, and financial institutions on how to achieve and substantiate carbon neutrality. However, the methodology used by the standard could promote misleading claims and hinder real progress in reducing emissions for the simple reason that it relies on offsetting over true emissions reduction.



Two ISO methodologies and a best practice benchmark

Companies should follow coherent and ambitious guidelines that support them to reduce emissions. In this report, we benchmark the **ISO carbon neutrality standard – ISO 14068-1:2023** (hereafter 'ISO carbon neutrality standard' or 'ISO 14068') and the **ISO Net Zero Guidelines – IWA 42:2022** against the **UN's High-Level Expert Group on the Net-Zero Emissions Commitments (UN HLEG)** recommendations. The analysis clearly demonstrates that the ISO carbon neutrality methodology lacks the capacity to effectively drive change towards a net zero economy.

We assess the alignment of the two sets of ISO guidelines to various indicators, using a colour-coded scale:

✓ fully aligned ◐ partially aligned ✗ misaligned

Indicators include key definitions, scope, greenhouse gas (GHG) management hierarchy, target setting, and the use of carbon offsetting and removals.

Common uses of carbon neutrality and net zero concepts

Carbon neutrality

Businesses often speak about becoming 'carbon neutral'. This usually means they are using offsetting to counterbalance their carbon footprint – a practice that can be misleading because it does not imply any emissions reduction whatsoever. In theory, companies could continue polluting practices as long as they contribute to, say, a tree planting initiative – all this while calling themselves carbon neutral!

Net zero

Claims of 'net zero' generally focus on reducing GHG emissions. This definition covers situations in which emissions have been reduced to the point that only residual emissions remain. Carbon offsetting is restricted to permanent removal credits only – processes or technologies that permanently remove carbon dioxide (CO₂) from the atmosphere and store it in a way that prevents it from re-entering the atmosphere in the future.

What is the UN's High-Level Expert Group report on Net-Zero Commitments?

The UN's HLEG report outlines principles and recommendations that aim to enhance accountability for non-state actors who commit to achieving net zero emissions. Published in November 2022 during COP27, this document represents the perspective of an expert group which was convened under the leadership of the UN Secretary General. **The expert group has put forth recommendations in 10 key areas:**

- ✓ announcing a net zero pledge;
- ✓ setting net zero targets;
- ✓ using voluntary credits;
- ✓ creating a transition plan;
- ✓ phasing out of fossil fuels and scaling up renewable energy;
- ✓ aligning lobbying and advocacy;
- ✓ people and nature in the just transition;
- ✓ increasing transparency and accountability;
- ✓ investing in just transitions;
- ✓ accelerating the road to regulation.

Analysis:

Environmental principles that can lead us to true net zero

Scope

Echoing the UN's High-Level Expert Group on the Net-Zero Emissions Commitments (UN HLEG), the ISO Net Zero Guidelines provide definitions and criteria to support entities on the path to net zero. They are intended to support voluntary schemes and complement other ISO standards. The scope is flexible because it includes territories, sectors, organisations, portfolios, and assets.

The ISO carbon neutrality standard also has a wide scope, but unlike the ISO Net Zero Guidelines, it can be applied to

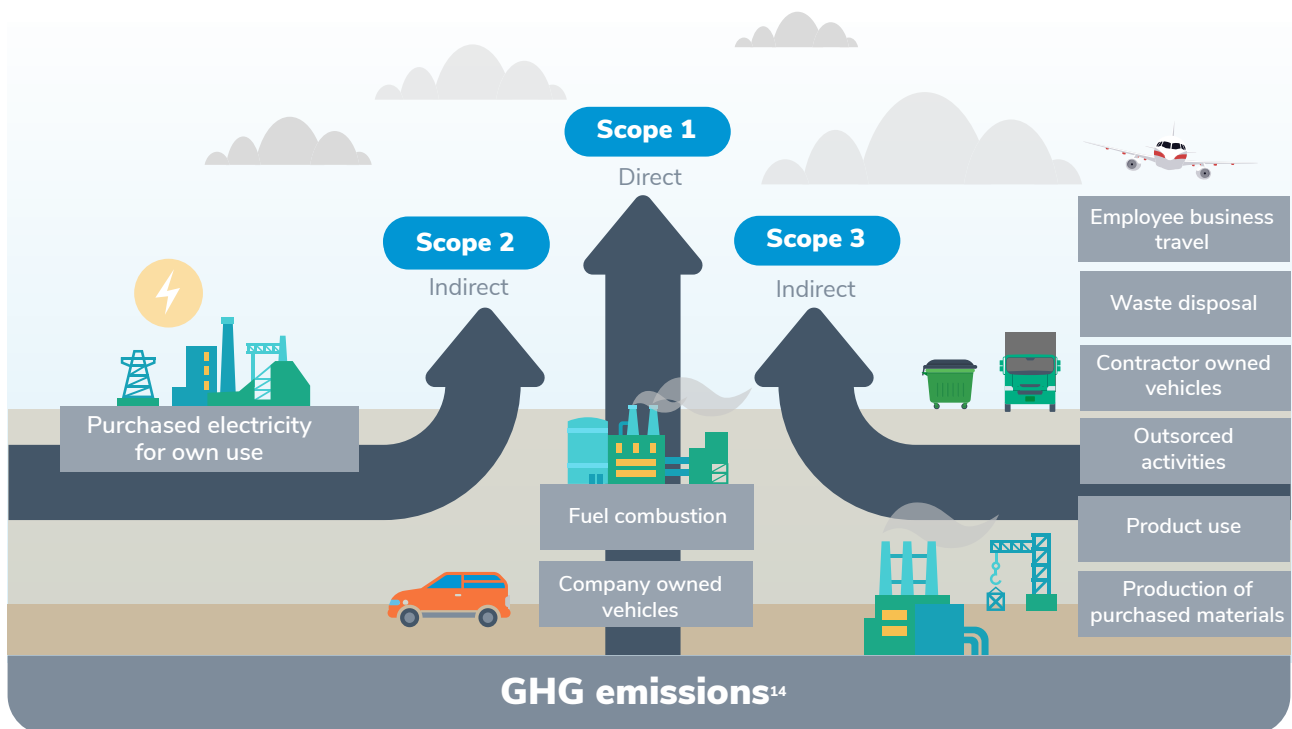
products – including services, events, and buildings. From an environmental perspective, achieving carbon neutrality for a single product or service should be discouraged and therefore excluded from the scope of the standard. Focusing on one product's sustainability can distract from the far more important goal of reducing the company's overall environmental impact. Such an approach does not account for significant emissions within the company's value chain and tends to focus solely on carbon offsetting efforts.

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
Scope	A net zero pledge must be a commitment by the entire entity, made in public by the leadership, and be reflective of the city, region, or corporation's fair share of the needed global climate mitigation.	Organisations including governance organisations (regional, local, municipal, regulators, voluntary initiatives).  fully aligned	Companies, local authorities, financial institutions, and products (including services, events, and buildings). Entity is defined as an organisation seeking to achieve carbon neutrality for the subject.  misaligned
Conclusion As highlighted in the UN HLEG, the scope of a net zero pledge should be a commitment from the entire entity. By allowing carbon neutrality for products and services, ISO 14068 is misaligned with UN HLEG. When it comes to climate commitments, boasting about a specific product's sustainability can distract from the far more important goal of reducing the company's overall environmental impact.			

Measuring emissions and setting targets: The correct approach

UN HLEG is clear: a company's pledges and progress should cover all scopes of emissions and all operations along its value chain in all jurisdictions. To drive companies to reduce their GHG emissions, it is critical to account for

all emissions – from both direct and indirect sources¹³. Both sets of ISO guidelines do so. They require companies to set interim and long-term targets to measure progress – with a significant difference in how to establish them, however.



Scope 1 Direct	Scope 2 Indirect	Scope 3 Indirect
<p>Direct GHG emissions from organisations or companies</p> <p>Direct emissions come from sources that are owned or controlled by the reporting company.</p> <p>Examples of Scope 1 emissions include fuel combustion in boilers, furnaces, and vehicles owned by the organisation, as well as emissions from chemical reactions that take place during industrial processes.</p>	<p>GHG emissions resulting from the import or export of electricity, heat, or steam</p> <p>Indirect emissions are associated with the production of electricity, heat, or steam that is imported or purchased by the reporting company. It also includes emissions attributable to electricity, heat, or steam that is exported or sold.</p>	<p>All other indirect GHG emissions</p> <p>These encompass all other indirect emissions resulting from the activities of the reporting company, but coming from sources owned or under the control of another entity. Examples of Scope 3 emissions include emissions from suppliers, the transportation of goods, and employee commuting.</p>

Figure 1 The different scopes or sources of GHG emissions of organisations and companies (GHG Protocol, 2004)

Both UN HLEG and the ISO Net Zero Guidelines call for steppingstone targets every two to five years¹⁵ and define concrete ways to reach net zero by 2050 at the latest, with specific guidelines for setting interim targets across all scopes. Targets should address all GHGs, including emissions with a relatively short lifetime in the atmosphere compared to CO₂, including methane, ozone, and aerosols¹⁶.



On the contrary, the ISO carbon neutrality standard does not provide specific guidance on how to set short and long-term targets¹⁷. Entities themselves decide on their level of ambition, GHG emissions targets, and even the use of offsetting. The absence of harmonisation will lead to inconsistencies and lack of rigour, as well as reduced ambition in individual target setting.

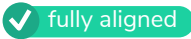

To measure emissions reduction, the standard allows for the use of location-based or market-based methods. However, these two approaches use a different set of principles and assumptions to calculate emissions. The location-based method measures the actual emissions released by the entity, whereas the market-based method

relies on renewable energy certificates to achieve emissions reductions. The location-based approach does not account for renewable energy agreements and certificates as reductions. Consequently, it provides a clearer and more transparent way to calculate GHG based on the physical location of the emissions. While the ISO Net Zero Guidelines also allow for the use of both approaches, they recommend, whenever possible, prioritising the location-based method.

The UN HLEG recommends entities to have short, medium, and long-term absolute emissions reduction targets. Whether committing to carbon neutrality or net zero, prioritising absolute emissions reduction targets over intensity-based ones is generally more robust and comprehensive. However, the ISO carbon neutrality standard has a flexible approach, where companies can choose to achieve GHG emissions reduction in both absolute and intensity terms. An “absolute” target focuses on reducing the total GHG emissions produced by a company, while intensity or relative measures use other units of measurement, such as emissions per unit of production.

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
GHGs emissions coverage	Pledges and progress should cover all scopes of emissions and all operations along an entity's value chain.	Scopes 1, 2, and 3 are included, as in the GHG protocol.  fully aligned	Direct and indirect emissions are included. Covers all GHGs.  fully aligned
GHGs emissions quantification	The document does not specify the type of GHGs quantification to be used but recommends using a robust methodology that is consistent with limiting global warming to 1.5°C, with no or limited overshoot.	Location- and market-based approaches are referenced only as part of target setting for organisations. Both location-based and market-based are encouraged and organisation should prioritise the higher of the two values for energy efficiency. Targets and progress should be reported using the same calculation methods.  partially aligned	Both location-based and market-based for GHG emissions related to the use of electricity are allowed, although conditions exist for when market-based is used for quantification.  partially aligned
Conclusion			
Both ISO guidelines are only partially aligned with UN HLEG as location-based should have been made a requirement. Location-based is a more robust and transparent way of accounting for emissions because it focuses on reducing emissions at the source and promotes the transition to renewable energy sources.			

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
Monitoring progress	Entities must have short, medium, and long-term absolute emissions reduction targets.	Recommends the use of absolute reduction targets.  fully aligned	GHG emissions reduction can be calculated in either absolute or intensity terms.  partially aligned
Conclusion ISO 14068 is only partially aligned because it allows both calculation methods to monitor progress, while ISO Net Zero Guidelines recommend the use of an “absolute” target focusing on reducing the total GHG emissions produced by an entity.			

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
Target setting	The net zero pledge should contain interim targets (including targets for 2025, 2030, and 2035) and plans to reach net zero in line with modelled pathways that limit warming to 1.5°C.	<p>The organisation should set interim targets as milestones towards its net zero target, taking into account the specific recommendations for scope 1, scope 2, and scope 3 and 1.5°C aligned science-based pathways.</p> <p>The organisation should set interim targets every 2 to 5 years on the path to achieving net zero GHG emissions.</p>  fully aligned	<p>The standard does not provide specific guidance on how to set targets. It only requires that the carbon neutrality pathway includes short-term and long-term targets, as well as a target year by which only residual emissions will remain.</p>  misaligned
Conclusion ISO 14068 is rated misaligned because it is left open to the entity to decide the pace of emissions reduction. The absence of stringent target setting results in weaker monitoring, inconsistencies, and a lack of rigour and ambition.			

Using the greenhouse gas mitigation hierarchy to forge a credible decarbonisation path

The ISO Net Zero Guidelines mandate the reduction of direct and indirect emissions to the levels required by decarbonisation scenarios in line with the Paris Agreement. Permanent removals are to be used only as a last resort after all possible emissions reduction actions have been taken to offset residual emissions.



The ISO carbon neutrality standard adheres to the key principle of prioritising emission reduction, both direct and indirect. However, enhancing removals and offsetting are used to offset any unmitigated GHG emissions, not just residuals. While ISO 14068 recommends a continual improvement approach to minimising the use of offsets over time, in practice, their use is not limited to residual emissions. This means that, any unabated emissions can be counterbalanced, especially in the so-called 'early phase' of the carbon neutrality pathway.



This is very different from the ISO Net Zero Guidelines and UN HLEG recommendations. Relying mostly on offset credits to claim carbon neutrality risks delaying reducing emissions at source. ISO 14068 does mention the precedence of GHG emission reduction over removals and offset credits but, regrettably, there is no threshold on the reduction that needs to be achieved before being able to claim neutrality.


What are residual emissions?

Residual emissions are emissions that remain after implementing all possible emission reduction actions.

According to the ISO Net Zero Guidelines, residual emissions at net zero cannot generally exceed the range of 5-10% compared to the organisation's original or baseline emissions⁴⁸. This means if there are any remaining emissions after all reduction efforts have been made, these residual emissions should be limited to a small percentage.

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
GHG emission reduction hierarchy	Reduction of GHG emissions is prioritised for interim and long-term net zero targets, with removals only used after all possible emissions reduction actions have taken place. This will minimise eventual residual emissions. High integrity carbon credits in voluntary markets should be used for beyond value chain mitigation but cannot be counted toward interim emissions reductions required by its net zero pathway.	Reduction of GHG emissions is prioritised for interim and long-term net zero targets, with removals used after all possible emissions reduction actions have taken place.  fully aligned	Achieving carbon neutrality primarily involves reducing greenhouse gas emissions and enhancing greenhouse gas removal before using offsetting measures. However, there is no specified threshold on the reduction that needs to be achieved before being able to claim neutrality.  misaligned
Conclusion			
In the UN HLEG and ISO Net Zero Guidelines, only residual emissions can be offset with removals. ISO 14068 deviates from this approach as an entity can claim to be carbon neutral at any point in time in its carbon neutrality pathway, regardless of the emission reductions achieved.			

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
Type of claim	An entity can be recognised as net zero when it has achieved its long-term targets with any residual emissions neutralised by permanent removals.	To claim net zero, only residual emissions should remain, and these should be counterbalanced by removals. The organisation should not make a net zero claim if it is on the path to net zero and still has GHG emissions that are not residual emissions, even if the emissions are counterbalanced.  fully aligned	This standard allows for a wide use of carbon offsetting as a strategy for companies to achieve carbon neutrality.  misaligned
Conclusion The UN HLEG recommends using the net zero claims only when a company has achieved its long-term targets, with any residual emissions neutralised by permanent removals. ISO 14068 instead allows subjects to claim carbon neutrality immediately – discouraging real action to reduce emissions at source.			

Category	UN HLEG recommendations	ISO IWA 42 Net Zero Guidelines	ISO carbon neutrality standard – ISO 14068
Carbon offsetting criteria	Offsets should be additional, permanent, not double counted, and ensure social and environmental integrity.	Offsets should be additional, permanent, not double counted, and ensure social and environmental integrity.  fully aligned	Carbon credits should be real, additional, permanent, measurable, and certified.  fully aligned
Conclusion The UN HLEG and both ISO documents prescribe the use of the high-integrity carbon credits, but in the UN HLEG and ISO Net Zero Guidelines these credits cannot be used to meet interim decarbonisation targets.			

ISO 14068 is not fit to fight climate change

ISO's carbon neutrality standard does not align with either the ISO Net Zero Guidelines or the UN HLEG recommendations – both good environmental practice examples – and lacks environmental ambition. The use of ISO 14068 risks hindering progress towards reaching a company's net zero target, and so it should be abandoned. It should not even serve as an "intermediary stage" for companies to make claims before fully committing to or achieving net zero emissions.

Only two criteria out of eight related to carbon offsetting and GHGs quantification within the ISO carbon neutrality standard fully match the UNHLEG recommendations. Unlike the UN HLEG and the ISO Net Zero Guidelines, ISO 14068 does not include requirements on other important principles, such as supporting the just transition, alignment between the company's advocacy and climate engagement efforts, and inclusion of specific targets aimed at ending the use or support for fossil fuels.

The role of carbon offsetting in ISO's documents

The central difference between ISO's two documents is their treatment of carbon offsetting. This is also what will be the measure of their success because offsetting can mask wildly different levels of emissions reduction.

While the ISO carbon neutrality standard relies on a wider use of carbon offsetting and removals, the ISO Net Zero Guidelines limit their use. Carbon credits should only be considered as an option to finance additional climate mitigation beyond a company's emission reduction targets. Removals can either be used to offset residual emissions or can be employed to support climate mitigation efforts beyond a company's value chain.

Therefore, a significant distinction between ISO 14068 and the ISO Net Zero Guidelines lies in the type of public claims that a company can make:

- **ISO Net Zero Guidelines - ISO IWA 42:2022:** An organisation cannot make a net zero claim if it is on the path to net zero and still produces GHG emissions that are not residual emissions, even if the emissions are counterbalanced. So, a company should be able to communicate its commitment to net zero but should not claim to have achieved (or be) net zero until it has met its long-term, science-based targets (for all scopes) and has neutralised any residual emissions.
- **ISO carbon neutrality standard – ISO 14068-1:2023:** The method underpinning this standard allows for a wide use of carbon offsetting as a strategy for companies to achieve carbon neutrality. This would allow subjects to claim carbon neutrality already today – discouraging real action to reduce emissions at source.

Comparison of ISO compliance with UN HLEG recommendations: A Scoring Overview

	Scope	GHGs emissions coverage	GHGs Quantification	Monitoring progress	Target setting	GHGs emissions reduction hierarchy	Type of claim	Carbon Off-setting criteria
ISO Net Zero guidelines	✓	✓	◐	✓	✓	✓	✓	✓
ISO 14068 carbon neutrality	◐	✓	◐	◐	✗	✗	✗	✓

✓ fully aligned
◐ partially aligned
✗ misaligned

Conclusion: What ISO's dilemma means in practice

Approval of ISO 14068 raises a question on the extent to which climate and environmental concerns are integrated into the broader ISO framework. Unless ISO realigns its carbon neutrality standard to existing environmental best practices, a cascade of greenwashing claims risks being unleashed. ISO must leverage its Net Zero Guidelines – ISO IWA 42:2022 as a tool for shaping future climate standardisation. For example, work could be carried out to upgrade the guidelines¹⁹ and ensure the process is inclusive and transparent.

Additionally, it is essential to mainstream the Net Zero Principles developed in the guidelines across the ISO framework. ISO and its Technical Committee 207 should

reconsider the lack of environmental ambition of its carbon neutrality standard, especially in light of recently agreed legislation which will prohibit carbon neutrality claims based on offsetting.

The ISO Net Zero Guidelines raise the bar for carbon neutrality claims, echoing the best environmental practice work of UN HLEG. However, ISO 14068 does not. Climate and environmental matters must be truly integrated into the ISO framework. The ISO carbon neutrality standard has not only failed to align with ISO's own Net Zero Guidelines but its future adoption by companies risks reducing the chance of emissions reaching net zero.

Notes and references

- 1 ECOS, Report Greenwashing Certified, March 2023.
- 2 ISO Net Zero Guidelines. IWA 42, 2022.
- 3 High-level Expert Group on the Net-zero Emissions Commitments of Non-State Entities, 2022: https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf
- 4 Carbon Brief, In-depth Q&A: Can 'carbon offsets' help to tackle climate change?, <https://interactive.carbonbrief.org/carbon-offsets-2023/>
- 5 ECOS, Report Greenwashing Certified, March 2023.
- 6 Claim Code of Practice, VCMI. 2022.
- 7 New Climate Institute, A guide to climate contributions: taking responsibility for emissions without offsetting, 2023.
- 8 <https://www.europarl.europa.eu/news/en/press-room/20230918IPR05412/eu-to-ban-greenwashing-and-improve-consumer-information-on-product-durability>
- 9 In the last years many initiatives attempted to provide guidelines on net zero and carbon neutrality claims, including the (SBTI) Corporate Net Zero Standard, the 10 Principles for an Ambitious Corporate Climate Strategy (Net Zero Initiative) and more recently the VCMI Claims code of practice. However, we decided to focus the scope of this report on ISO due to our involvement as ISO liaison organisation and as member of the Technical Committee 207/Sub-committee 7/Working Group 15 (WG15) on carbon neutrality.
- 10 International Workshop Agreements are prepared through a workshop mechanism outside of ISO committee structures. <https://www.iso.org/deliverables-all.html#IWA>
- 11 High-level Expert Group on the Net-zero Emissions Commitments of Non-State Entities, 2022 https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf
- 12 ISO 14068-1:2023, Nov. 2023: <https://www.iso.org/standard/43279.html>
- 13 The most common categories used to measure greenhouse gas (GHG) emissions sources are the 'scopes' as defined by the Greenhouse Gas Protocol (GHG Protocol). GHG protocol is a widely accepted standard for GHG accounting and reporting. The GHG Protocol was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
- 14 GHG Protocol Corporate Standard Revised, 2004.
- 15 ISO Net Zero Guidelines. IWA 42, 2022.
- 16 ISO Net Zero Guidelines. IWA 42, 2022.
- 17 ISO 14068-1:2023 – carbon neutrality just mentions that interim targets are set to achieve substantial reductions of GHG emissions in the short term (typically of 5 to 10 years) and subsequent targets support ongoing action in the long term.
- 18 ISO Net Zero Guidelines. IWA 42, 2022.
- 19 As IWA, the ISO net zero guidelines are reviewed three years after its publication and can be further processed to become a Publicly Available Specification, a Technical Specification or an International Standard.



Environmental Coalition on Standards

c/o WeWork
Rue du Commerce 31
1000 Brussels, Belgium
+32 2 899 76 80
ecostandard.org

Follow us



@ECOS_Standard



ECOS-NGO



ECOS is co-funded by the European Commission & EFTA.
Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or EISMEA. Neither the European Union nor the granting authority can be held responsible for them.