senken

SBTi Net Zero Standard v2.0 — The Corporate Guide

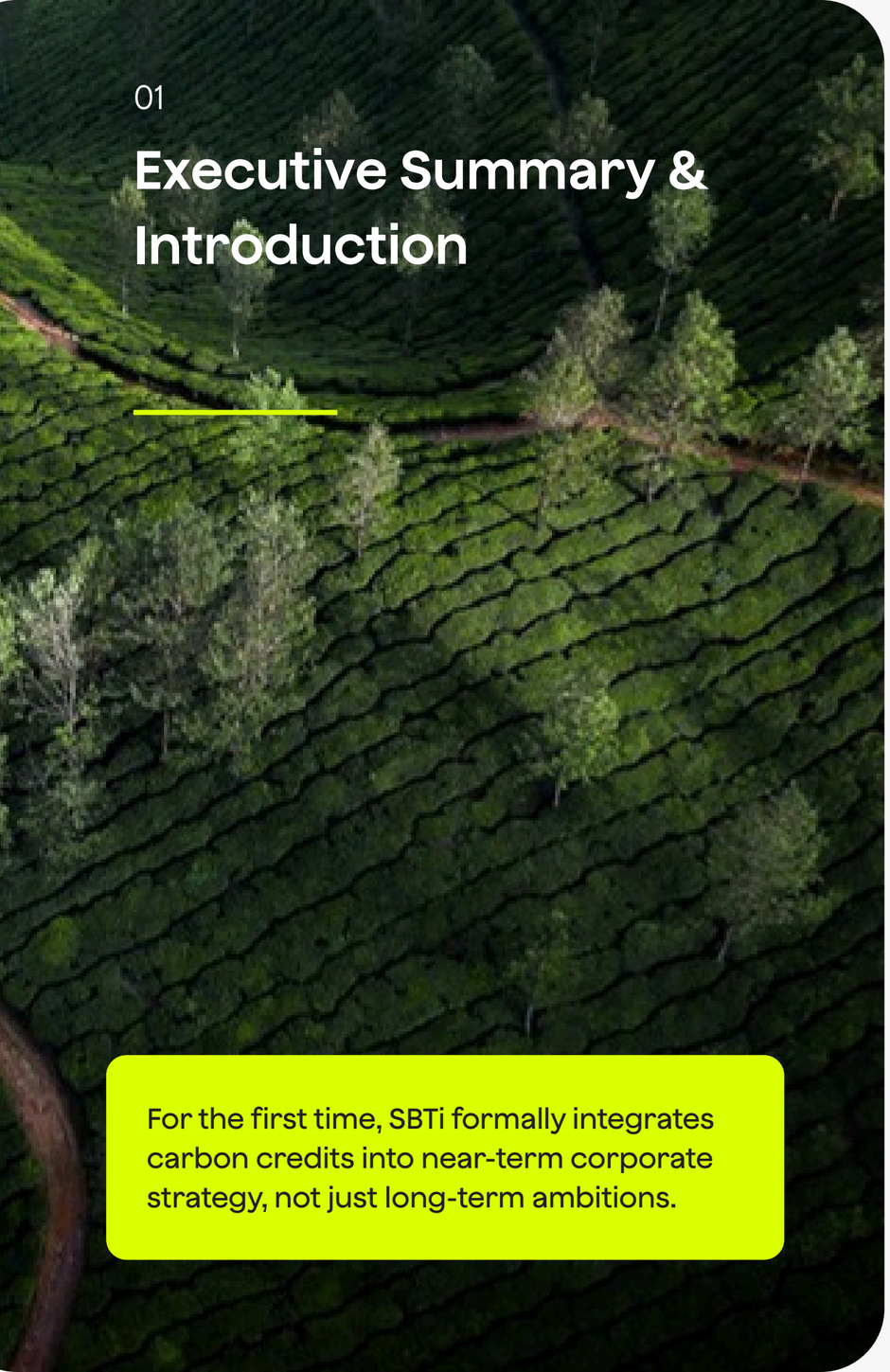
Breaking down the latest SBTi 2.0 draft focusing on carbon credit requirements, Ongoing Emissions Responsibility, Recognition Tiers, and mandatory removals.

www.senken.io

November 2025

Contents

01	Executive Summary & Introduction	3
02	What has Changed	4
03	Ongoing Emissions Responsibility (OER)	5
04	SBTi Recognition Tiers for OER	6
05	Mandatory Removals from 2035	7
06	Timeline of OER Implementation	8
07	Carbon Credit Quality	9
08	The Problem: Quality Claims vs. Reality	10
09	Roadmap to SBTi alignment	11
10	How Senken Supports Companies	12
11	Case Study: Deutsche Telekom	13
12	Frequently Asked Questions	14



01

Executive Summary & Introduction

For the first time, SBTi formally integrates carbon credits into near-term corporate strategy, not just long-term ambitions.

Key Takeaways

1. **Purchasing carbon removals will become mandatory under SBTi V2 from 2035.**

2. Before 2035, under a new **'Ongoing Emissions Responsibility'** framework, companies have the option of achieving **Recognised or Leadership status** to address their ongoing emissions with carbon credits before they are required to do so.

3. All companies **must report on the use of carbon credits** as soon as V2 comes into action. If a company does not invest in carbon removals, they must explain why.

You can think of SBTi v2.0 as a shift from a one-dimensional focus on:

"Reduce emissions by X% by year Y"

to a three-part framework:

1. Reduce emissions in line with 1.5°C
2. Take responsibility for ongoing emissions through OER
3. Use removals, especially durable ones, to address residual emissions over time

What has Changed

Under the original SBTi net-zero framework, the emphasis was largely on:

- Setting near-term reduction targets
- Achieving net zero by 2050, followed by neutralisation of residual emissions with removals
- Carbon credits were mentioned but not fully integrated. The interpretation was: **“Focus on reductions now, think about credits and removals later.”**

This created several challenges:

“Net zero later” mentality
Decisions on removals and climate finance were postponed, and very few companies had a removals roadmap.

Credits treated as a side tool
Without clear guidance on volume and quality, some companies bought cheap credits for “carbon neutral” claims, while others avoided the market entirely.

SBTi v2.0:

- Introduces Ongoing Emissions Responsibility (OER) as a formal concept.
- Establishes recognition tiers for companies that take responsibility for ongoing emissions.
- States when removals become mandatory from 2035 for most companies.
- Sets clearer expectations for carbon credit integrity and requires to report it.

Reductions remain non-negotiable. The difference is that carbon credits are now explicitly part of the framework, not an optional afterthought.

Ongoing Emissions Responsibility (OER)

Ongoing Emissions Responsibility (OER) is one of the central innovations of SBTi v2.0.

The idea is simple:

While you reduce emissions in line with your targets, you also decide how you will handle the emissions that remain each year. OER is the way to describe and disclose that decision.

What OER requires:

During target validation, companies must state whether they will purchase carbon credits (take responsibility) for at least 1% of their ongoing emissions.

There are two main ways to take responsibility:

1. Tonne-for-tonne (only with carbon credits)
Purchase verified, high-integrity carbon credits corresponding to at least the OER share of ongoing Scope 1–3 emissions.
Example: if a company emits 1 million tCO2e per year and chooses a 1% OER, it would buy credits for at least 10,000 tCO2e.

2. Money-for-tonne (internal carbon budget going into carbon credits and other ways of supporting climate)
Introduce an internal carbon price and direct the resulting budget into eligible climate actions.
This may include high-integrity credits, advanced market commitments for removals, mitigation-enabling investments, or innovation support.

OER does not replace emissions reductions. It sits on top of reduction pathways. It is about how you contribute beyond your own value chain while you decarbonise.

SBTi Recognition Tiers for OER

1. Recognised – for starters

Option 1: Tonne-for-tonne

Cover ≥ 1% of ongoing Scope 1-3 emissions with high-integrity, ex-post carbon credits.

Example Claim

“In 2026, we took responsibility for the climate impact of 1% of our ongoing emissions by purchasing 1,000 tCO2 of high-integrity carbon credits, reported separately and not used to meet our science-based targets.”

Option 2: Money-for-tonne

Apply an **internal carbon price of ≥ 20 USD/t to >1%** of Scope 1-3 emissions and use this budget for eligible climate actions.

Example Claim

“In 2026, we applied an internal carbon price of $20/tCO2e to 1% of our ongoing emissions and allocated €200,000 to the purchase of high-integrity carbon credits, reported separately from our science-based targets.”

2. Leadership – for advanced

Money-for-tonne

Apply an **internal carbon price of ≥ 80 USD/t to 100% of ongoing Scope 1-3 emissions** and use this budget for eligible climate actions. **At least 40%** of budget must go to high-integrity, ex-post carbon credits.

Example Claim

“In 2025, we applied an internal carbon price of $80/tCO2e to 100% of our ongoing emissions. We used 80% of budget to purchase high-integrity carbon credits, with remaining funds supporting eligible climate actions (reported separately from our targets).”

05

Mandatory Removals from 2035

From 2035, SBTi expects large companies to use carbon removals to take responsibility for a rising share of their ongoing emissions.

Who is affected?

Requirements focus on Category A companies:

- All large companies (>1,000 employees or >$450M turnover)
- Medium-sized companies in high-income countries (>250 employees and $25M on balance sheet/$50M turnover)

These companies will need to:

- From 2035, cover a growing share of ongoing emissions with **ex-post removals**, moving towards 100% in 2050.
- Use a **mix of shorter-lived and durable removals**, with the durable share increasing over time towards 2050
- Exact numbers on removals share are not yet disclosed. Senken expects removals requirement to be around 1% of total emissions in 2035, growing to 100% in 2050.

Short-lived vs durable removals:

Short-lived removals

- Often nature-based (e.g. afforestation, regenerative agriculture, mangroves)
- Provide important co-benefits (biodiversity, communities)

Durable removals

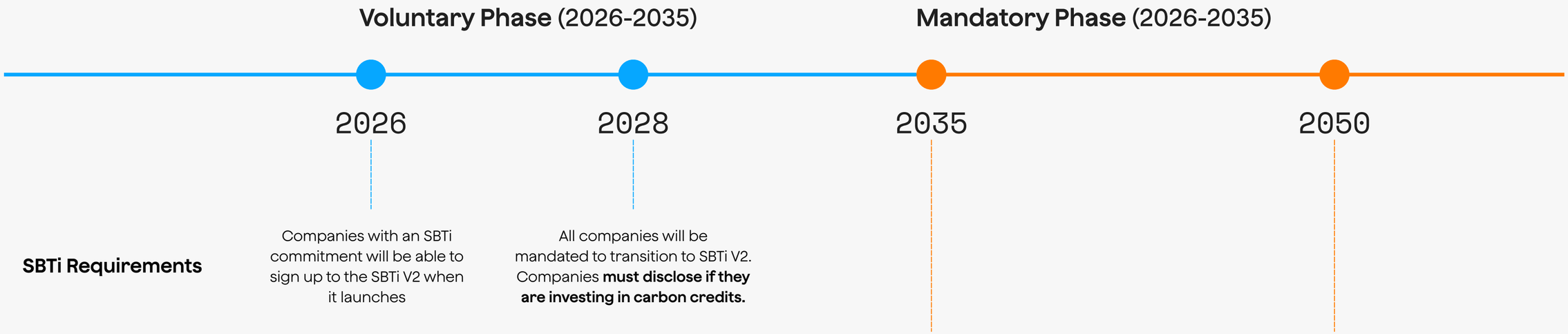
- Storage over centuries to millennia
- Examples: biochar, direct air capture, enhanced weathering

The pathways proposed in v2.0 are still indicative, but the direction is clear: removals, and especially durable removals, will become a structured requirement.

Implications for companies

- Waiting until 2035 to think about removals will mean less choice and higher prices.
- Starting early, with pilot portfolios, gives you time to build knowledge, test suppliers and understand legal, accounting and reputational aspects.
- A phased plan that gradually increases the share of durable removals can smooth out the cost curve and reduce future shocks.

Timeline of OER Implementation



	2026	2028	2035	2050
SBTi Requirements	Companies with an SBTi commitment will be able to sign up to the SBTi V2 when it launches	All companies will be mandated to transition to SBTi V2. Companies **must disclose if they are investing in carbon credits.**		
Ongoing Emissions Responsibility requirements	Companies can **voluntarily achieve 'Recognition' or 'Leadership' tiers**.		All Category A SBTi companies must purchase carbon removal as certain percentage (TBD) of ongoing emissions	All SBTi companies must neutralise all residual emissions to the point of zero.
Portfolio balance requirements	While SBTi recommends a portion of the carbon credit portfolio to be short-lived and long-lived removals, **portfolio allocation remains flexible**		A certain percentage (TBD) of carbon removal portfolio **must be durable removals** (e.g. Biochar, Direct Air Capture)	**At least 41%** of carbon removal portfolio must be allocated to durable removals

07

Carbon Credit Quality

For Ongoing Emissions Responsibility to be validated by SBTi, carbon credits must follow integrity standards. While final guidance is still in progress, the draft already outlines these core principles:

01

Accuracy

Each carbon credit really stands for 1 tCO2e reduced or removed, based on solid, accepted accounting methods.

02

Exclusive issuance

A project can't issue two different instruments for the same climate impact.

03

Verifiable

The project's performance is backed by transparent, traceable and auditable evidence.

04

Traceable project → buyer

Credits are linked to specific projects, with information on what technology, where, and when the impact happened.

05

Expiry

Credits are issued within systems that have provisions for certificate expiry.

06

Listed on a registry

Issuance, transfers and retirement happen in a secure public registry so anyone can trace what happened to each credit.

07

No double counting

The registry setup allows co-claims where justified, but prevents two parties claiming the same tonne of climate benefit.

The Problem: Quality Claims vs. Reality

These principles sound simple, and most credits claim to meet them. But claims are not proof.

Studies find 86% of registry credits fail deeper quality checks. If those credits are in your portfolio, you risk being non-compliant when SBTi finalizes its requirements, even if you assumed you were covered. Here's how to verify your credits meet the bar:

Additionality

Would the emissions reduction happen without credit financing? **Look for: project financial analysis, satellite monitoring data, credible baseline assessments.**

Permanence

How long will the carbon stay removed or stored? **Look for: buffer pool allocations, insurance mechanisms, reversal risk assessments.**

Third-party Verification

Registry approval alone isn't enough. Get an independent quality rating (BeZero, Sylvera, Renoster) - we recommend BB as the minimum rating.

No high-risk Methodologies

ICVCM has already rejected renewable energy projects. Cookstoves credits are under scrutiny. Avoid methodologies with known integrity issues.

Full Traceability

Many providers offer only a retirement certificate as "proof." Demand a due diligence report for every project in your portfolio.

Senken's Sustainability Integrity Index (SII) analyzes 600+ data points per project to verify compliance with SBTi and CSRD requirements. Only the top 5% of credits pass.

Roadmap to SBTi alignment

Diagnose your current position

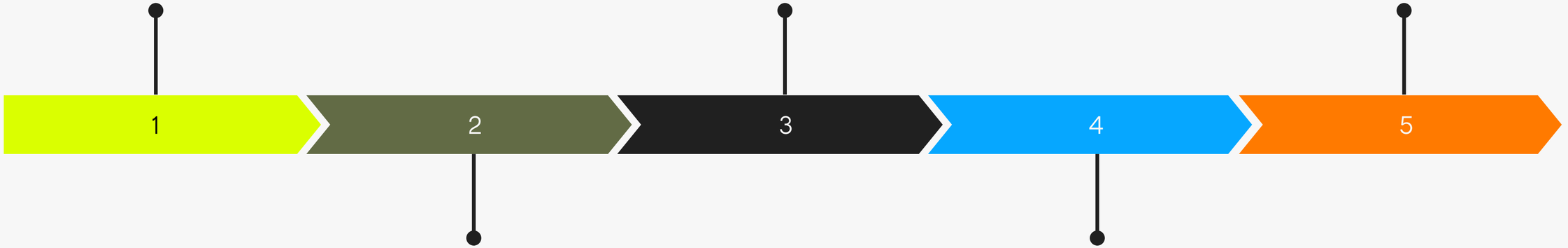
- Map existing targets against SBTi v2.0.
- List all historic and current credit purchases.
- Spot gaps in data, governance, quality criteria and comms.

Design a future-proof portfolio

- Define project types to include vs exclude.
- Plan how the share of removals, especially durable, ramps up over time.
- Set diversification rules across methods, regions and suppliers.

Align reporting & governance

- Link climate finance to CSRD and other disclosures.
- Define ownership and approval flows.
- Explain how credits and removals support – not replace – decarbonisation.



Set your OER recognition level

- Decide your ambition: Recognized, or Leadership.
- Test cost and volume scenarios with finance (e.g. internal carbon price levels).
- Align ambition with risk appetite, profitability and sector context.

Lock in supply

- Identify high-integrity suppliers and intermediaries.
- Mix spot purchases, forwards and offtakes to lock in volume and price.
- Build integrity criteria, safeguards and reporting into contracts.

How Senken Supports Companies

Senken is built for the compliance-first carbon market.

We give you everything you need to answer questions from auditors, boards, and regulators with confidence.

01
Sustainability Integrity Index

We use our 600+ datapoint Sustainability Integrity Index (SII) to evaluate each project and make sure it complies with ICVCM and SBTi requirements.

02
Science-based Portfolio Design

We build a portfolio with short-lived and durable removals to follow SBTi requirements, and diversify it across geographies and methodologies.

03
Defensibility & Reporting

We provide Integrity Reports for every project and a Champion's Kit - documentation for SBTi, CSRD audits and Q&A for your board and the press.

Case Study: Deutsche Telekom

“Senken supported us end-to-end. From identifying the right projects to tracking results, their expertise have been invaluable in advancing our net-zero journey.”

ANTJE-SUSAN METZ
Senior Manager

Starting point

- Ambitious decarbonisation targets covering Scope 1, 2 and material Scope 3.
- A legacy portfolio of carbon credits, some of which were purchased under older, less strict integrity assumptions.
- A strategic choice to lead rather than follow on climate topics, including removals.

The approach

Designed a removals portfolio with roughly:

- ~75% high-quality nature-based removals (e.g. afforestation, peatland, blue carbon)
- ~25% durable removals (e.g. direct air capture, enhanced rock weathering, biochar)
- Applied our 600+ datapoint due diligence process (SII) per project, covering additionality, co-benefits and alignment with emerging standards (SBTi, ICVCM, Oxford).

Outcome

- A future-ready removals portfolio aligned with where SBTi v2.0 is heading.
- A clear internal policy on what is acceptable and what is not in the credit universe.
- Stronger resilience to external scrutiny from customers, media and regulators.

Frequently Asked Questions

01 **Does SBTi v2.0 force us to use carbon credits?**
No. SBTi targets must be met through value-chain emissions reductions (not credits). The v2.0 draft introduces optional recognition for “Ongoing Emissions Responsibility” (OER), i.e. purchasing carbon credits and financing climate action beyond your value chain, plus clearer disclosure expectations. Use of carbon removals becomes mandatory only from 2035 onwards.

02 **Are removals only relevant after 2035?**
No. The draft increases emphasis on removals over time, but companies can engage earlier to:

- Lock in access to limited high-quality supply
- Build internal governance and procurement capability
- Reduce exposure to price and availability shocks later

(If you have a net-zero pathway, removals matter for neutralizing residual emissions by the net-zero year.)

03 **Do we have to stop using avoidance or reduction credits?**
Not necessarily, but be precise about what they are for:

- You cannot use any credits to “count toward” SBTi value-chain targets.
- You can use avoidance credits for OER/recognition until 2035, but it is recommended to include short-lived and durable removals in it. We recommend that your portfolio follows Oxford Offsetting Principles.
- From 2035, you must invest in removals. You can do avoidance as well, but they will not contribute to SBTi targets.

04 **How do we avoid accusations of greenwashing if we use credits?**

1. Use separate accounting and careful claims: Never say “carbon neutral” or “net-zero” only because of credits. Deliver significant reduction within value chain, then present OER as additional contribution
2. Disclose project details (type, vintage, registry/retirement, verification) and limitations

05 **How much budget should we allocate to OER and removals?**
At Senken, we created a simple calculator to assess the budget → **SBTi OER Calculator**. There’s no single number.
This framework might help:

- Start from an internal carbon price of $20-100/tCO2e and apply it to a defined share of Scope 1–3
- Use SBTi recognition tiers as benchmarks (e.g., “recognized” vs “leadership” levels)

senken

Let’s build your climate portfolio the right way.

Adrian Wons
adrian@senken.io Connect on LinkedIn www.senken.io