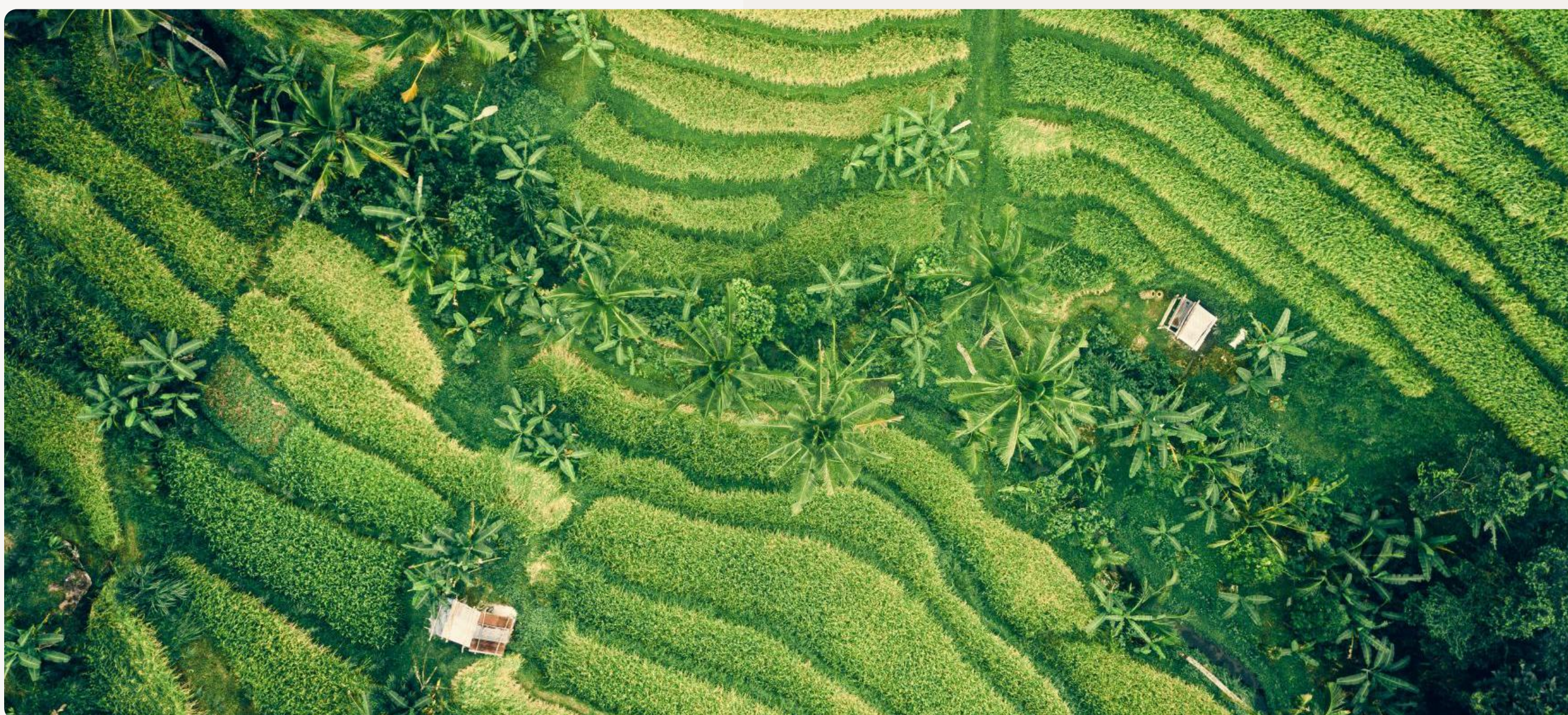




Your holistic partner for  
high quality carbon credits

The Business Case for Carbon Credits:

# Why Corporates Should Act Now





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# Corporate buyers must act now to secure carbon removals due to rising regulatory pressure, supply shortages, and rapidly increasing costs.

Corporates delaying action will face higher prices, limited access to high-quality removals, and last-minute compliance risks.

## Why Buy Now?



### Regulatory Compliance:

The Science-Based Targets initiative (SBTi) will soon require carbon removals for net zero commitments.<sup>1</sup> Companies committed to SBTi that don't prepare now risk failing that commitment.



### Supply Shortages:

By 2030, demand for removals is expected to exceed supply by 1 gigaton, leaving over 70% of demand unmet.<sup>2</sup>



### Rising Costs:

High-quality carbon removal prices are projected to increase from \$50/ton today to \$146/ton by 2030,<sup>3</sup> meaning companies that delay will pay over twice as much.



### Financial & Competitive ROI:

Companies acting early secure lower costs, ESG-driven financing benefits, and stronger brand positioning.

# Carbon removal demand is set to surge exponentially, while supply remains critically constrained.

## Regulatory Pressures: SBTi’s Upcoming Carbon Removal Mandates

Currently, SBTi only requires near- and long-term reduction targets. However, it has recently mandated removals beyond Beyond Value Chain Mitigation (BVCM), which remain optional for now. This is set to change in the coming years.

- SBTi is expected to introduce **interim removal targets** between 2026-2030.
- This will likely start at **0.5-2.8% of total emissions** and increase gradually to **10% of all scopes by 2050** according to SBTi Net Zero Standard 2.0 Draft. <sup>4</sup>
- Companies with SBTi commitments will be required to purchase carbon removals, creating a massive demand shock in the market.

| SBTi’s Expected Carbon Removal Targets (2030-2050) |   |      |      |      |      |      |
|--|---|------|------|------|------|------|
|  | Metrics   | 2030 | 2035 | 2040 | 2045 | 2050 |
| Interim removal factor (IRF <sub>y=my</sub> )      | Aggregated GHG  | 28%  | 40%  | 55%  | 74%  | 100% |
| Share of removals with different durability        | Share of GHG residual emissions addressed by conventional removals (100+) | 93%  | 83%  | 74%  | 68%  | 59%  |
|  | Share of GHG residual emissions addressed by Novel removals (1000+)       | 7%   | 17%  | 26%  | 32%  | 41%  |

Source: *SBTi Corporate Net-Zero Standard 2.0 Draft, March 2025*

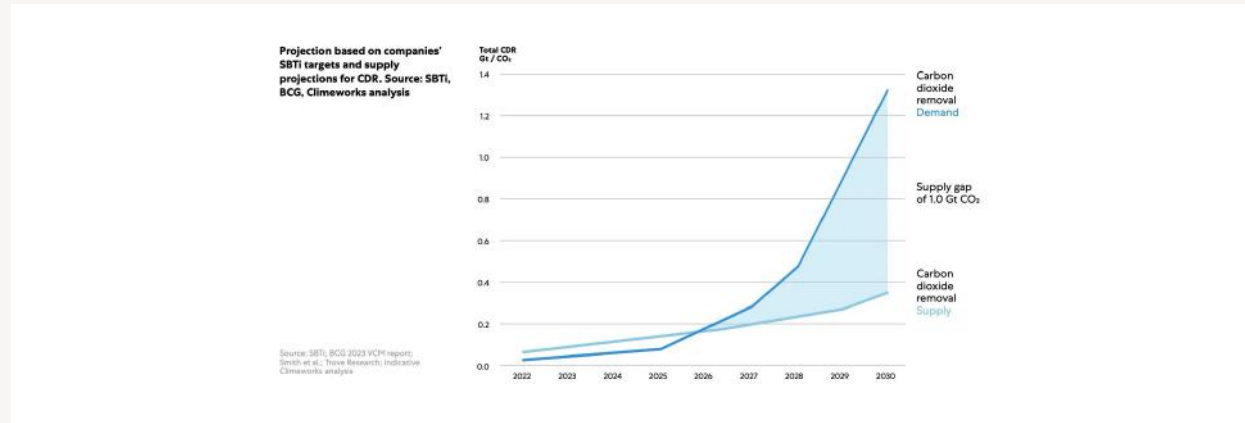
Regulatory clarity is increasing, and removals will soon be mandatory. Companies that act now will secure removals before prices surge and supply tightens.

## Demand Surge:The Supply Shortage Problem

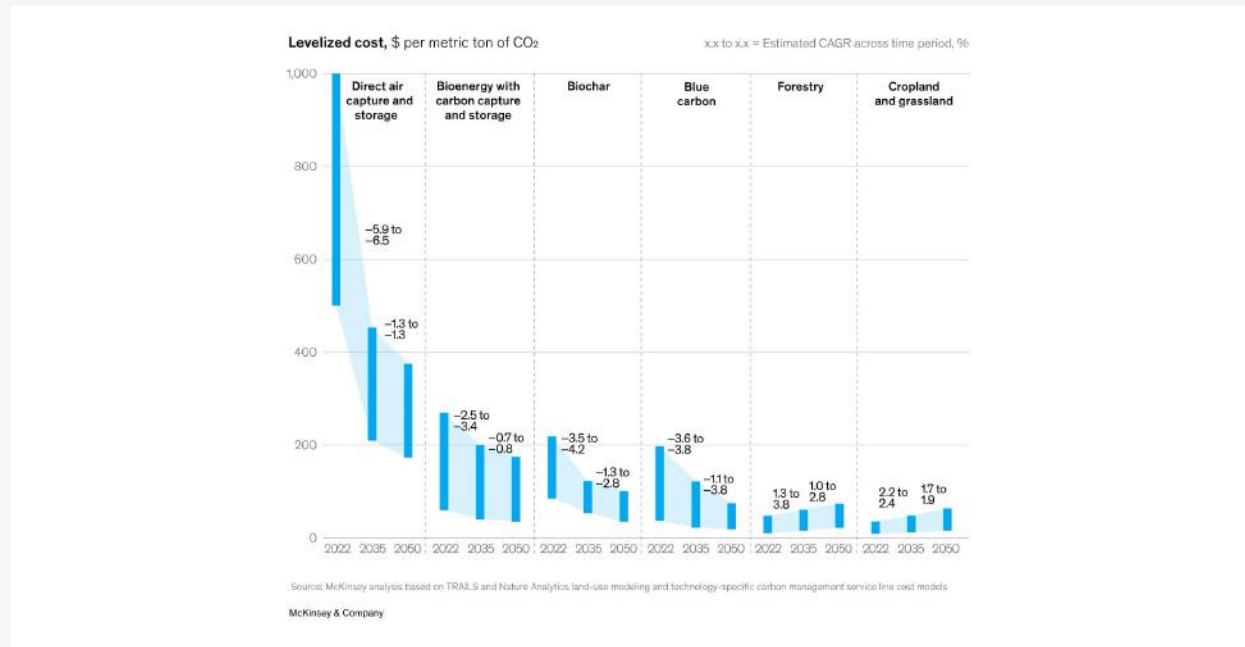
By 2030, carbon removal demand will exceed supply by at least 1 gigaton, leaving more than 70% of demand unmet. <sup>2</sup> This will lead to severe price spikes and supply shortages.

- By 2030, removals will become a constrained market, and **prices might jump to ~\$146/ton**.
- Even by 2050, despite significant technological advancements, supply will still lag behind demand with prices up to **~\$172/ton**.
- Technologies like Direct Air Capture (DAC), BECCS, Enhanced Weathering, and Biochar are not scaling fast enough to cover near-term demand.

The market is undersupplied and will remain so for decades. Companies that wait will struggle to find removals when compliance mandates are enforced.



Source: *Climeworks*



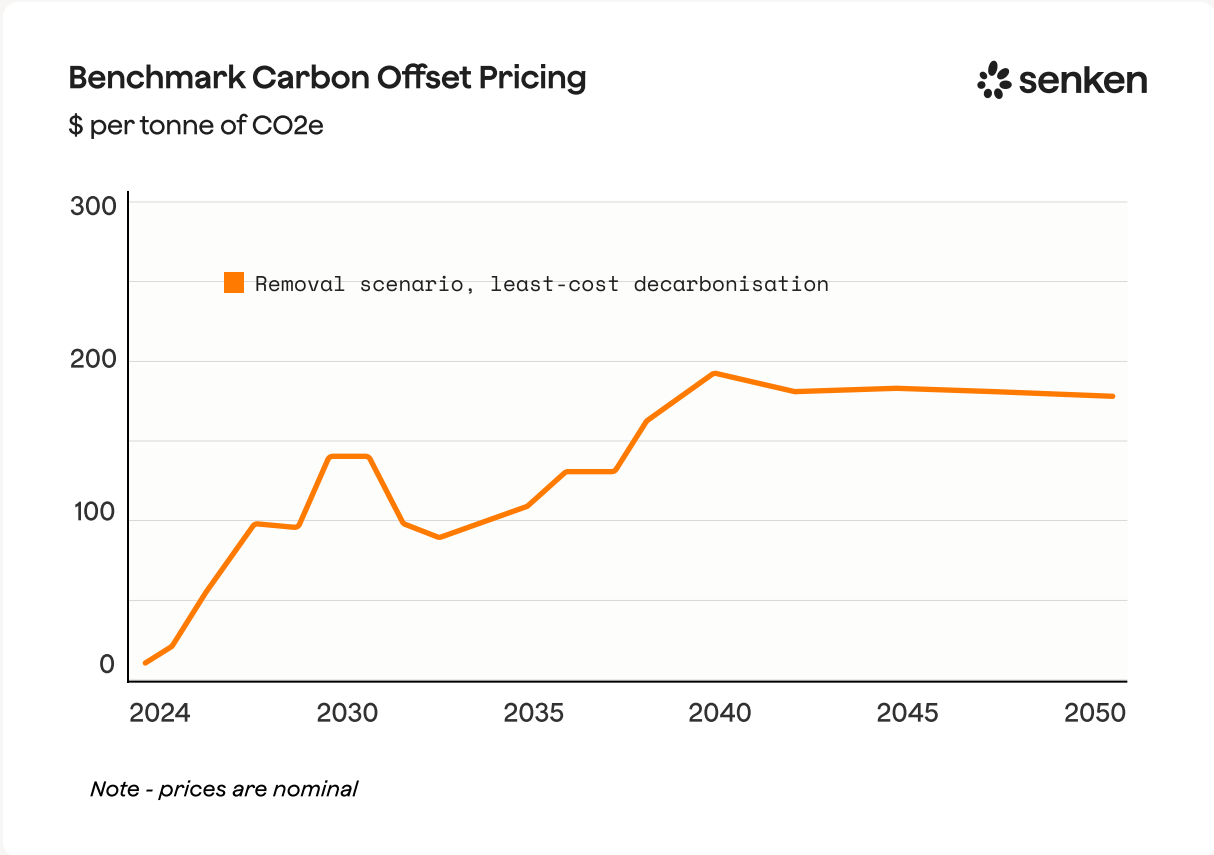
Source: *McKinsey & Company*

Pricing Trends: The Cost of Waiting

The price of high-quality carbon removals is already increasing due to limited supply, and this trend will continue.

- Current price for high-quality durable removals: **~\$50/ton.**
- Projected 2029 price: **~\$146/ton.** <sub>3</sub>
- Projected 2050 price (with improved technology yet more demand): **~\$172/ton.** <sub>3</sub>

While technology will improve, removals take years to scale, and demand will outpace supply until at least 2040. Early action guarantees cost stability and access to top-tier removals.



Source: *Bloomberg NEF*

Companies waiting for “cheaper removals” in the next 5-10 years are making a critical miscalculation.

ROI Case: Cost of Acting Now vs. Waiting

To illustrate the financial risk of delaying carbon removal purchases, let’s compare buying now vs. waiting until 2030.

- Buying 10,000 tons of durable removals today at \$50/ton → \$500k total cost
- Buying 10,000 tons in 2030 at \$146/ton → \$1.46M total cost
- Total savings from early purchase: **\$960k (65%)**

Buying now locks in costs and prevents exposure to extreme price volatility.

| Year | Expected Market price | Pre-purchase period | Money saved by pre-purchase |
|------|-----------------------|---------------------|-----------------------------|
| 2025 | 50\$                  | -                   | -                           |
| 2030 | 146\$                 | 5 years             | 65%                         |
| 2035 | 100\$                 | 10 years            | 50%                         |
| 2040 | 200\$                 | 5 years             | 50%                         |
| 2045 | 172\$                 | 10 years            | 42%                         |
| 2050 | 172\$                 | 15 years            | 42%                         |



Companies that move early in securing carbon removals gain better pricing, access to high-quality credits, and financial advantages that late adopters will struggle to match.

Securing High-Quality Removals Before Supply Tightens

As regulations evolve, not all removals will qualify for compliance. The [Core Carbon Principles \(CCP\)](#) framework and upcoming SBTi guidance will impose stricter eligibility criteria, making some removal types significantly more valuable than others.

Companies acting now can lock in access to top-tier removals such as [Biochar](#), Enhanced Rock Weathering, and Direct Air Capture (DAC) before demand surges. These technologies are already limited in supply and expensive to scale, meaning availability will tighten rapidly once regulations mandate their use.

Delaying action risks higher costs and limited choices, as companies will be forced into last-minute, high-cost procurement once compliance deadlines take effect.

With stricter regulations approaching and supply shortages worsening, delaying action means significantly higher costs and fewer options.

| Carbon Removal Methodologies |                       |             |                               |                        |                           | senken              |  |
|------------------------------|-----------------------|-------------|-------------------------------|------------------------|---------------------------|---------------------|--|
| Method                       | Nature-based removals |             |                               |                        | Technology-based removals |                     |  |
|                              | Peatland restoration  | Soil Carbon | Reforestation & Afforestation | Blue carbon management | Biochar                   | Enhanced Weathering |  |
| Permanence (years)           | < 100                 | < 100       | < 100                         | < 1000                 | < 1000                    | < 1000              |  |
| Cost 2025 (\$/tCO2)          | 15 - 40               | 25 - 50     | 25 - 45                       | 25 - 50                | 100 - 250                 | 180 - 500           |  |

Financial Incentives for Early Adopters

Beyond regulatory compliance, investing in carbon removals early translates into tangible financial benefits. Companies with strong ESG strategies benefit from lower financing costs, as banks and investors reward climate-aligned businesses.

Studies show that ESG-aligned firms experience a **0.7% reduction in the weighted cost of debt** and a **0.4% lower cost of equity**.<sup>5</sup> For a company with \$2.5 billion in debt, with 5% benefiting from ESG incentives, this translates to an \$8.75 million reduction in financing costs over ten years.

Early procurement also locks in stable pricing and prevents exposure to price volatility, protecting companies from the projected doubling of removal costs by 2030. By securing removals at today’s lower prices, companies avoid last-minute, high-cost purchases when compliance becomes unavoidable.

## Competitive Brand Positioning & Market Growth

Sustainability is increasingly a market differentiator. Consumers are shifting spending toward brands with credible climate action, and regulatory bodies are moving to combat greenwashing by enforcing strict net-zero standards.

- Green-certified products **grow 4% to 25% faster** than conventional products. <sup>6</sup>
- 70% of consumers are willing to pay a **premium of 10% to 25% for sustainable alternatives**. <sup>7</sup>
- Companies with strong ESG commitments rank higher in sustainability indexes, increasing investor trust and brand value.

For businesses in consumer-facing sectors, securing removals now strengthens brand positioning and aligns with shifting market demands. As stricter carbon regulations come into force, companies with verified removal strategies will be better positioned to attract customers, investors, and business partners.

## The Business Case for Acting Now

Early movers in the carbon removals market gain long-term cost advantages, stronger regulatory positioning, and financial savings. Companies that wait will be forced to buy at significantly higher prices while competing for scarce high-quality removals.

**By securing removals now, an example company with \$5 billion in revenue and annual emissions of 3 million tons can:**

### 1. Reduce financing costs

saving \$8.75 million over ten years through lower debt and equity rates.

### 2. Increase revenue opportunities

leveraging sustainability-driven consumer demand for \$25 million+ in additional market growth.

### 3. Lock in compliance at predictable costs

avoiding future price hikes that could double removal expenses by 2030.

The carbon removal market is shifting from voluntary action to mandatory compliance.

Companies that act now will control costs, access top-tier removals, and establish themselves as industry leaders—while those that wait will face scarcity, higher prices, and competitive disadvantages.





## A German Telecommunications Giant: Balancing Quality & Scale

One of the world's largest telecommunications companies issued a tender for high-quality carbon credits. Their strict criteria included carbon removals, geographic distribution, and competitive pricing — all while satisfying the Oxford Principles and the latest climate policies.



### Challenge

A leading telecom provider faced a 2040 net zero target and aimed to achieve carbon neutral business operations by 2025, but needed to transition from avoidance credits to high-quality removals without significantly increasing costs.



### Solution: Phased Carbon Removal Procurement

#### 2025-2030

Early adoption of Biochar and Nature-based removals (e.g. ARR) for cost-efficient removals.

#### 2030-2035:

Shift towards more larger portion of tech-based and durable removals for SBTi compliance.

#### Price Lock-in

Purchased removals at \$50/ton before expected market price hikes to \$224/ton.



### Outcome

- **Secured removals at predictable costs** preventing last-minute price surges.
- **Achieved early compliance** with SBTi's evolving removal framework.
- **Created a competitive sustainability advantage** by positioning itself as a first-mover in net-zero action.



### ROI Case

- **Early price lock-in at \$50/ton vs. \$146/ton future cost** → \$9.6M savings per 100,000 tons purchased.
- **Competitive positioning in telecom sustainability rankings** → Increased investor & customer trust.



Act now. Purchasing carbon credits today guarantees financial predictability, regulatory alignment, and a stronger competitive position in a carbon-constrained economy.

The decision to invest in carbon removals today is not just about sustainability—it is a strategic financial move. Companies that delay will face soaring costs, limited availability of high-quality removals, and tightening regulatory pressures.

### Why Acting Now is a Competitive Advantage

#### Cost Stability

Lock in carbon removals at today's prices before demand-driven price spikes make compliance exponentially more expensive.

#### Regulatory Readiness

Stay ahead of impending SBTi removal mandates rather than scrambling for last-minute compliance at premium prices.

#### Financial & Market Benefits

Secure lower financing costs, tap into growing green markets, and strengthen ESG leadership—all of which contribute to long-term profitability and investor confidence.



#### The Cost of Inaction

- Waiting means paying more and losing access to top-tier removals.
- By 2030, prices are expected to more than double, and demand will far outstrip supply.
- By delaying purchases, companies risk last-minute, high-cost procurement under regulatory pressure.

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