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Your holistic partner for
high quality carbon credits

How To Create A Carbon Credit Strategy From Scratch

Executive Playbook for Building a High-Integrity Carbon-Credit Strategy

www.senken.io contact@senken.io July 2025

1 Conduct a Double-Materiality Assessment

1. **Financial Materiality**

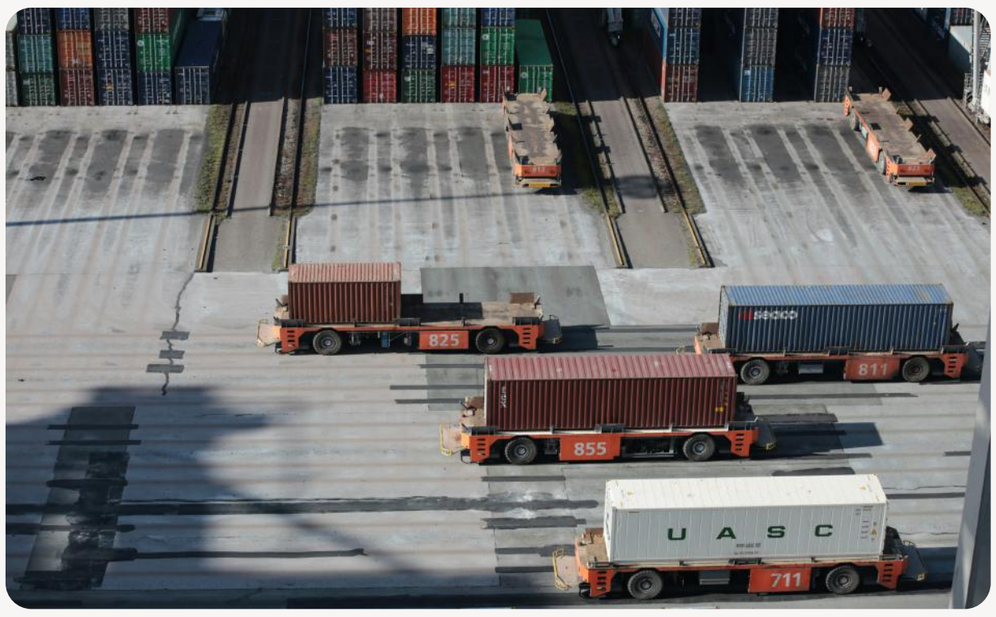
Quantify how transition and physical climate risks (and opportunities) affect revenue, cost of capital, supply security, and asset values.

2. **Environmental & Social Materiality**

Map the largest GHG “hot-spots” across Scopes 1-3 and any significant impacts on ecosystems or communities.

3. **Strategic Fit**

Select credit classes that reinforce the corporate value proposition (e.g. forest conservation for a pulp-and-paper group; engineered removals for a technology brand built on innovation).



2 Lock Down the Compliance & Integrity Framework

Category	Key Frameworks & Why They Matter
Mandatory & Investor-Led	**CSRD / ESRS E1** – granular EU disclosure on gross emissions and credit use **EU CRCF** – emerging certification rules for carbon removals placed on the EU market (durability tiers, MRV, registry linkage). **Science Based Targets initiative (SBTi)** – requires deep reductions before neutralising residuals. **CDP / TCFD / ISSB** – investor scorecards and financial-statement alignment.
Quality Benchmarks	**ICVCM Core Carbon Principles** – minimum quality bar for any crediting programme. **Oxford Principles for Offsetting (2024 revision)** – cut emissions first, shift portfolio to high-durability removals, disclose transparently.
Action	Issue an internal Carbon-Credit Procurement Policy that cites each framework, defines compliance requirements, and assigns governance responsibilities.

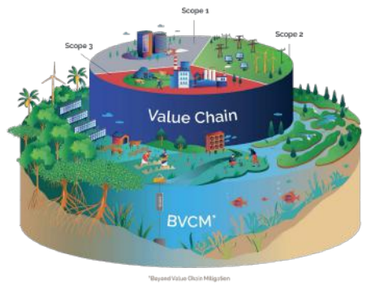
3 Master Project Types and Methodologies

Decision Axis	Practical Guidance
Avoidance / Reduction	Lower cost; prevents future emissions (e.g avoided deforestation).
Removal	Mandatory for net-zero; physically extracts CO2 (e.g. afforestation, biochar, DAC).
Methodology Rigor	Scrutinise baseline logic, MRV plan, permanence safeguards, leakage deductions, social safeguards.
Portfolio Glide-Path (Oxford-aligned)	2025 ≥ 20 % removals → 2030 ≥ 50 % → 2040 ≈ 100 % long-duration removals.

4 Clarify “Compensation” vs “Contribution”

Compensation

Retire credits equal to your residual footprint to meet carbon-neutral or net-zero claims.



Contribution

Finance additional tonnes beyond that obligation to accelerate global mitigation.

It is important to publicly tag every credit as compensation or contribution; transparency eliminates green-wash risk and is favoured by CSRD auditors.

5 Source Credits and Mitigate Risk

1. **Procurement Mix**
   - **Spot purchases** for early wins and to familiarise teams with registry procedures.
   - **Long-term offtake** or forward contracts to secure volume, hedge price risk, and enable new projects (especially engineered removals).

2. **Risk Guardrails**
   - No single project > 25 % of annual volume.
   - Vintage ≤ 5 years unless an exception is formally documented.
   - Nature-based credits must sit inside robust buffer pools; engineered removals should include delivery or insurance guarantees.

3. **Due-Diligence Checklist**

✓ Additionality
✓ Permanence
✓ Leakage
✓ Community consent
✓ Registry traceability

6 Embed Finance and Assurance

- Introduce an internal shadow or explicit carbon fee of USD 20–50 per tCO2e; channel proceeds into both abatement capex and credit procurement.
- Record every credit serial number in the corporate GHG system; retire within the financial year.
- Commission ISO 14064-3 limited assurance so auditors validate both the emissions inventory and the credit retirements.

7 Report and Communicate with Integrity

- Publish gross emissions first, then disclose the volume, type, vintage and standard of credits used—exactly as CSRD / ESRS E1 requires.
- Align language with the Oxford Principles (e.g. “offsetting residual emissions with high-durability removals”); avoid generic “carbon-neutral” claims without scope definition.
- Maintain a contingency protocol: if a project is challenged or invalidated, replace tonnes within 60 days and update all disclosures.

Outcome

A carbon-credit programme that is regulator-compliant (CSRD + EU CRCF), investor-ready, and resilient to reputational shocks—while genuinely accelerating the organisation’s journey to science-based net-zero.

Have questions about your sustainability strategy or interested in investing in carbon credits?

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Book a meeting