

Session 9

Joint EWG virtual session on 20th January 2026

Humphrey Adun, Alice Farrelly & Piera Patrizio,

AGENDA

Welcome & housekeeping

10 min

Storage durability at the net-zero target year

45 min

Double claiming and corresponding adjustments

30 min

Closing & next steps

5 min

Purpose of this meeting



- ▶ Share feedback from the public consultation, with a focus on the two topics where the EWG raised concerns.
- ▶ Present potential approaches to address these concerns, including proposed criteria refinements, and discuss their implications for integrity, feasibility, and coherence of the standard.
- ▶ Seek EWG inputs on preferred direction and remaining open question to support the development of the final draft.

Neutralisation and State of Net Zero | Today's focus

NEUTRALIZATION AT NET-ZERO TARGET YEAR

- ✓ All companies required to **neutralize 100% of residual emissions across all scopes**
- ✓ Neutralization through **portfolio of carbon removal activities, incl. 41% long-lived removals**
- ✓ Removals used for neutralization **shall not be simultaneously claimed by another entity for compliance or NDC accounting purposes**

Under consultation: Approach for neutralization at net-zero year: proposed portfolio or like-for-like

Further research conducted during consultation: Key findings shared with EWG members as pre reads for this section

FEEDBACK FROM BVCM/CDR EWGs

Core concern: The shift from requiring that all residual emissions be neutralised with permanent removals, to the new portfolio approach. Some EWG members argues this deviated from the established principle of "geological net-zero" and risked allowing companies to **continue emitting fossil CO₂ while using only partial long-lived removals**.

- Committing prematurely to **specific removal types** or durability thresholds could be unrealistic given current market immaturity and uncertainty about availability and cost.
- **The demand signal for novel CDR is now lacking** (BVCM EWG member) Instead of pre-determining allowable activity types, **SBTi should define the permanence requirement clearly**, then allow any removal type (nature-based or engineered) to meet it if they can.

Core concern: the draft language prohibit a company from purchasing removals if the host country included them in its NDC, which most EWG viewed as unworkable and inconsistent with how Article 6 rules operate.

- Durable removals are not yet reflected in IPCC inventory guidelines, making CA requirements impractical as countries cannot adjust emissions for activities they are not accounting for.
- Requiring corresponding adjustments could inhibit countries that rely on voluntary finance to achieve NDCs and threatens public-private funding which many EWG members view as essential for CDR scale up.

DISCLAIMER & ANTITRUST

- **Disclaimer** - Please note, this document is for information purposes only in order to inform discussions and for no other purpose.
- The information provided by SBTi (including information supplied by third-parties) in this document is furnished on a confidential basis and must be treated as confidential.
- No such information may be divulged to any third party without the prior written approval of SBTi.
- This information shall not be used for any other purpose. SBTi reserves all rights in this document.

Antitrust Caution – Do not engage in any discussion, activity or conduct that may infringe on any applicable competition law.

For example, do not discuss company-specific information on:

- current or future prices, pricing strategies, or price related information;
- output, capacity, inventory levels, or costs;
- data related to market share;
- current or future business model transformation strategies.

Members are responsible for halting any activity that may violate this policy and reporting it immediately to SBTi.

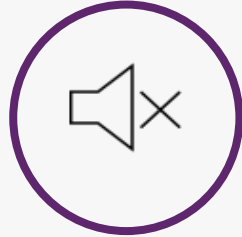
CONFLICT OF INTEREST DECLARATION

- As per the [EWG Terms of Reference](#) and the [SBTi COI policy](#), conflicts of interest must be declared
- At the start of each meeting the chair will ask members if a new COI has arisen
- A Conflict of Interest may be:
 - Actual: A true conflict exists between a Party's duties with the SBTi and their private interests.
 - Potential: Where a Party has personal or private interests that could conflict with their duties with the SBTi, or where it is foreseeable that a conflict may arise in future.
 - Perceived: Where an unbiased observer could reasonably form the view that a Party's private interests could influence their decisions or actions.

ARE THERE ANY COI THAT THE SBTi SHOULD BE AWARE OF?

VIDEO-CONFERENCE GUIDELINES

Participant guidelines



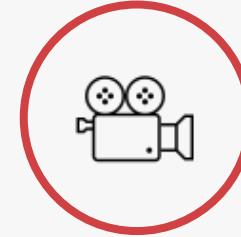
Mute during presentations



Use the chat box



Use the raise hand function



If you can, please keep your camera on

Notes from us



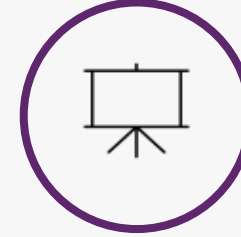
Treat info as confidential



Meeting is being recorded



We will follow up with minutes...



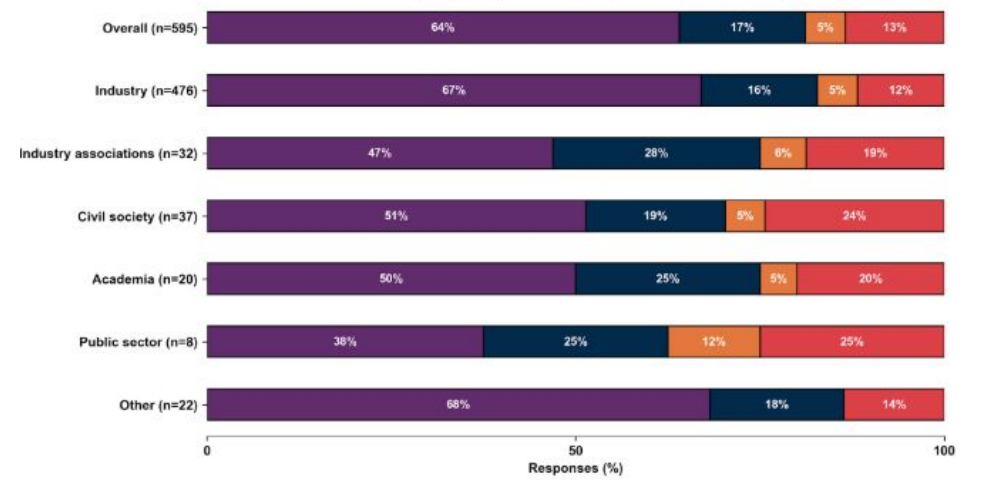
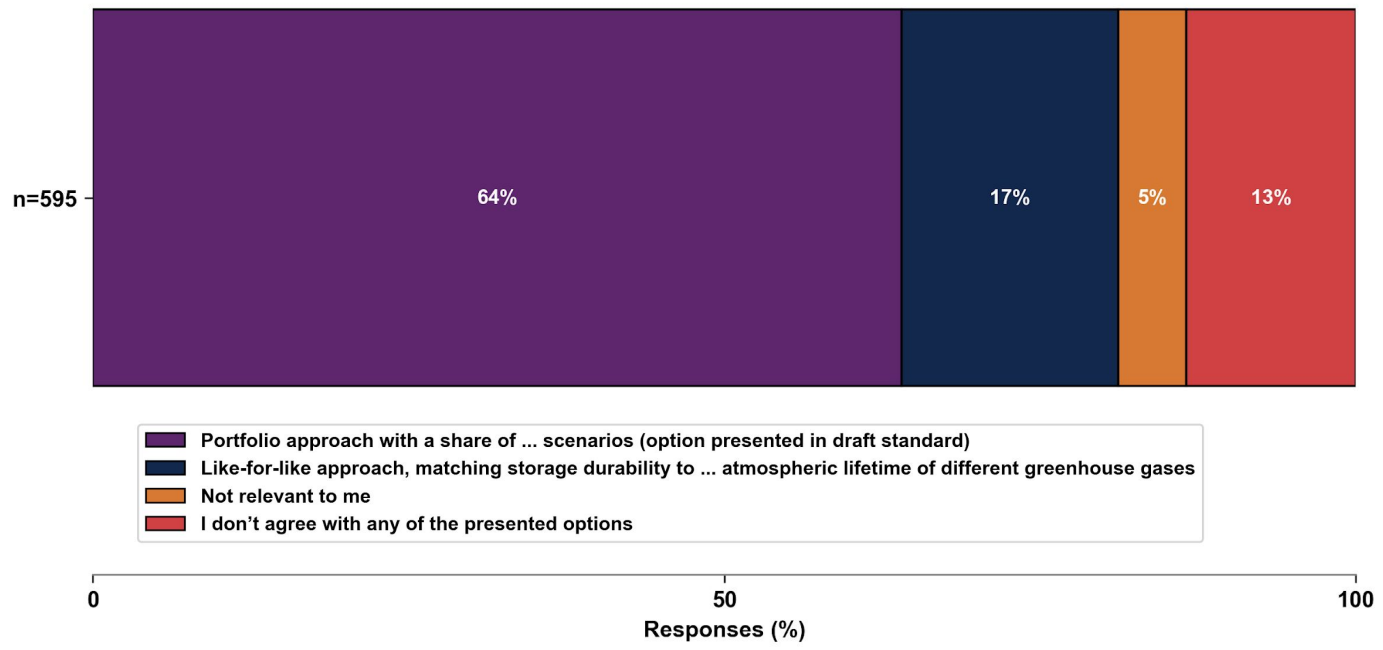
..And we will follow up with slides!

AGENDA

| | |
|--|--------|
| Welcome & housekeeping | 10 min |
| Storage durability at the net-zero target year | 45 min |
| Double claiming and corresponding adjustments | 30 min |
| Closing & next steps | 5 min |

Storage durability at the net zero year: consultation feedbacks

General preference for the portfolio approach over like-for-like



Feedback interpretation

- The survey result does not allow us to determine *why* the like-for-like option was least preferred. Respondents may have assumed a strict one to one matching **in which residual fossil CO₂ emissions are expected to be balanced by removals with storage on geological timescales**. The observed preference may therefore reflect concerns about perceived technological prescriptiveness, rather than a rejection of the underlying like-for-like principle
- The consultation responses are **heavily weighted toward industry stakeholders**. The lower overall support for the like-for-like option may therefore partly reflect industry-specific concerns regarding feasibility, flexibility, or perceived prescriptiveness, rather than a uniform assessment across stakeholder groups

Storage durability at the net zero year: open letters

The SBTi has received feedback from 17 unique organisations, coalition and academic experts that specifically discuss the topic. Scientific experts expressed concerns on the portfolio approach; some others would be in favour of a higher share of long lived removals at net zero-year.

The storage durability criteria are **"inadequate and misaligned with scientific insights."** Fossil fuel emissions (and fossil methane) **can only be neutralised with durable removals** (1,000+ years), making the use of non-durable CDR for this purpose scientifically invalid

I believe that this requirement is misguided and misaligned with what we wrote in the IPCC AR6, noting that **"neutralization of residual fossil CO₂ emissions... requires permanence over millennial timescales."** **"Prescribing specific percentages across categories a priori is counterproductive,"** as what matters most is the actual durability of the removal.

41% long-lived/59% short-lived split is logically flawed, stating that **short-lived storage creates a "timing mismatch"** rather than a true neutralisation event. They maintain that a short-lived removal **cannot extinguish a long-lived liability** like fossil CO₂ which persists in the atmosphere for centuries

We strongly disagree with the proposed requirement that 41% of residual emissions be neutralized through long-lived removals. The models used to reach this figure are **"unscientific"** and **"outdated"** and rely on scenarios that underrepresent diverse removal technologies.

Think of the atmosphere as a **leaking dam**. Long-lived removals are like **rebuilding the concrete wall**—they solve the problem permanently. Short-lived removals are like **sandbags**; they help temporarily, but if you only use 59% sandbags, the dam will eventually fail because sandbags rot over time while the water pressure stays the same

In case SBTi wants to stick to the 'portfolio approach' for neutralizing residual emissions, I'd be in favor of **raising the % of mandatory long-lived removals to (at least) 60-70%**

The CDR framework in CNZS: how did we get here

| | CDR framework | Design rationale | What counts? |
|---|---|--|--|
| CNZS V1 | Removals required to counterbalance residual emissions | Undefined | Solutions providing permanent storage |
| CNZS V2.0 1st Consultation Draft | Interim removal target (IRTs): <ul style="list-style-type: none"> - Required - Recommended | Two approaches proposed <ul style="list-style-type: none"> - Gradual transition - Like for like (atm. matching) | Solutions meeting durability thresholds: <ul style="list-style-type: none"> - 40+, 200+, 1000+ |
| PC1 feedbacks | Requiring IRT introduces barriers to entry (60% respondents). | Preference for gradual transition due to low market maturity of CDR | Durability threshold are not science-based. |
| EWG discussions | Ses IV: Implementation barriers Requiring IRTs could absorb up to 7% of annual profit of companies | London meeting proposal: <ul style="list-style-type: none"> - Before NZY: portfolio of solutions - At NZY: durable removals | Ses III: How long is long enough? Weak support on defining durability threshold |
| | Ses V-VI : Joint sessions <ul style="list-style-type: none"> - Phase I recognition - Phase II requirement Broad support on merging BVCM and interim removal targets | Broad support on the portfolio approach before NZY Proposal to incorporate sectoral differentiation. No consensus achieved on framework design at NZY, incl. definition of durability | London meeting proposal: <ul style="list-style-type: none"> - Before NZY: Durability thresholds - At NZY: Physical vs Contractual permanence Broad support for IPCC storage classification vs rigid thresholds |
| CNZS V2.0 2nd Consultation Draft | <ul style="list-style-type: none"> - From 2035: address a % of s1-s3 ongoing emissions - At NZY: All s1-s3 residuals to be addressed with removals | <ul style="list-style-type: none"> - From 2035: 17% long-lived - At NZY: 41% long-lived Note: challenges reconciling portfolio approach before 2050 and like for like at NZY | Long-lived storage: Centuries-millennia Short-lived storage: Decades-centuries |

Unpacking the design challenges at the Net-Zero year

GUIDING PRINCIPLES

Climate integrity: managing long-lived atmospheric liability

Residual fossil CO₂ represents a **centuries-long atmospheric liability**. Short-lived storage may delay warming but do not resolve the underlying long-term climate impact unless durability is preserved over time

Why this matters

- Creates a timing mismatch that undermines the environmental integrity of net-zero claims.

Role of nature-based solutions at Net-zero

A strictly geological interpretation of like-for-like may **under-recognise the role of short-lived removals** at the net-zero year

Why this matters

- Incentives for the deployment of short lived removals may be weakened at net zero and during the transition

Definition of durable storage

Approaches to durability are still evolving, as both assurance methods and the scientific understanding of CDR pathways continue to develop.

Why this matters

- Privileging a single durability approach risks locking in assumptions and favouring certain solutions before evidence and practice have sufficiently matured.

A new approach for aligning removal capacity to ongoing emissions at the net zero target year

Portfolio approach with progressive like-for-like



- ✓ Supports a **gradual scale-up of long-lived removals**, reducing delivery and feasibility risks associated with a late deployment.
- ✓ Improves **climate integrity** by progressively aligning removals with the atmospheric lifetime of emissions
- x Adds **methodological complexity** compared to a single end-state requirement
- x Requires definition of like-for-like
- x Received **less support** during consultation compared to a portfolio approach

From 2035, companies shall take responsibility for the impact of a portion of their ongoing emissions by undertaking supplementary mitigation action.

C28.1 Responsibility level: From 2035, companies shall take responsibility for at least 1% of their ongoing emissions (scopes 1, 2, and 3). This responsibility share shall increase linearly over time, reaching 100% of ongoing emissions by 2050.

C28.2 Quantification of long-lived GHGs emissions: Within the emissions covered by the responsibility level in C28.1, companies shall identify the proportion of emissions that are attributable to long-lived greenhouse gases *[as defined in footnote defining long-lived GHGs]*.

C28.3 Eligible activities: To meet C28.1, companies shall support activities that deliver short-lived removals (e.g., capable of decadal storage) and long-lived removals (e.g., capable of retaining carbon for centuries to multiple millennia), *following the storage classification provided in the IPCC AR6 WGIII report (Chapter 12, Box 8)*.

C28.4 Like-for-like treatment of long-lived GHGs: Companies shall address a share of the long-lived GHGs emissions identified under C28.2 with long-lived removals. This share shall begin at [X%] in 2035 and increase linearly over time, reaching 100% by 2050.

C28.5 Portfolio approach to mitigation outcomes: Emissions within the responsibility coverage of C28.1 that are not required to be addressed through long-lived removals under C28.4 shall be addressed through short-lived removals, additional long-lived removals, or a combination of both.

Resolving key design questions at the net-zero year

Climate integrity: managing long-lived atmospheric liability

A 100% like-for-like requirement at the net-zero year ensures residual fossil CO₂ emissions are counterbalanced with removals delivering century-to-millennial storage.

This directly addresses concerns about climatic non-equivalence and timing mismatch.

Role of nature-based solutions at Net-zero

Scenario evidence confirms that residual emissions in the industry and energy sectors at net zero include a material share of short-lived gases (~30%)

The Call for Evidence on contractual permanence will inform the conditions under which short lived removals might provide durable storage

Definition of durable storage

The proposal relies on storage classification rather than fixed duration thresholds, allowing durability to be expressed in categories rather than hard cut-offs.

The Call for Evidence on contractual permanence will inform the conditions under which short lived removals might provide durable storage

Reflections

- Do you support the new proposal as a way to build long-lived CDR capability ahead of net zero and preserving climate integrity?
- Should the storage classification table be removed to keep the definition of durability technology-agnostic?
- Any unintended incentives or implementation risks we should be aware of?

AGENDA

| | |
|--|--------|
| Welcome & housekeeping | 10 min |
| Storage durability at the net-zero target year | 45 min |
| Double claiming and corresponding adjustments | 30 min |
| Closing & next steps | 5 min |

Why corresponding adjustments come into play at net-zero

Neutralization at net-zero



Neutralization requires **specific conditions**. Residual emissions are **counterbalanced using removals**. This implies **a net atmospheric effect** over a defined period and raises the question of exclusive use of removals.

NDC interaction



Removals occur in national jurisdictions and outcomes may be **reflected in national accounting / NDCs** creating potential double claiming: corporate claim + NDC.

What a corresponding adjustment does



Established under the Paris Agreement to avoid double counting between countries. Article 6 allows host countries to **authorize outcomes for other use (incl. VCM)**. A CA reflects the host country “un-counting” the outcome toward its NDC.

What was the consultation feedback on corresponding adjustments?

Despite not having a dedicated PC survey question, C29.6 received substantial feedback

Corresponding adjustments was **one of the most frequently raised topics in letter feedback**.

36% of unstructured feedback provided comments on C29.6.

85 items of open text feedback in the PC survey addressed this topic.

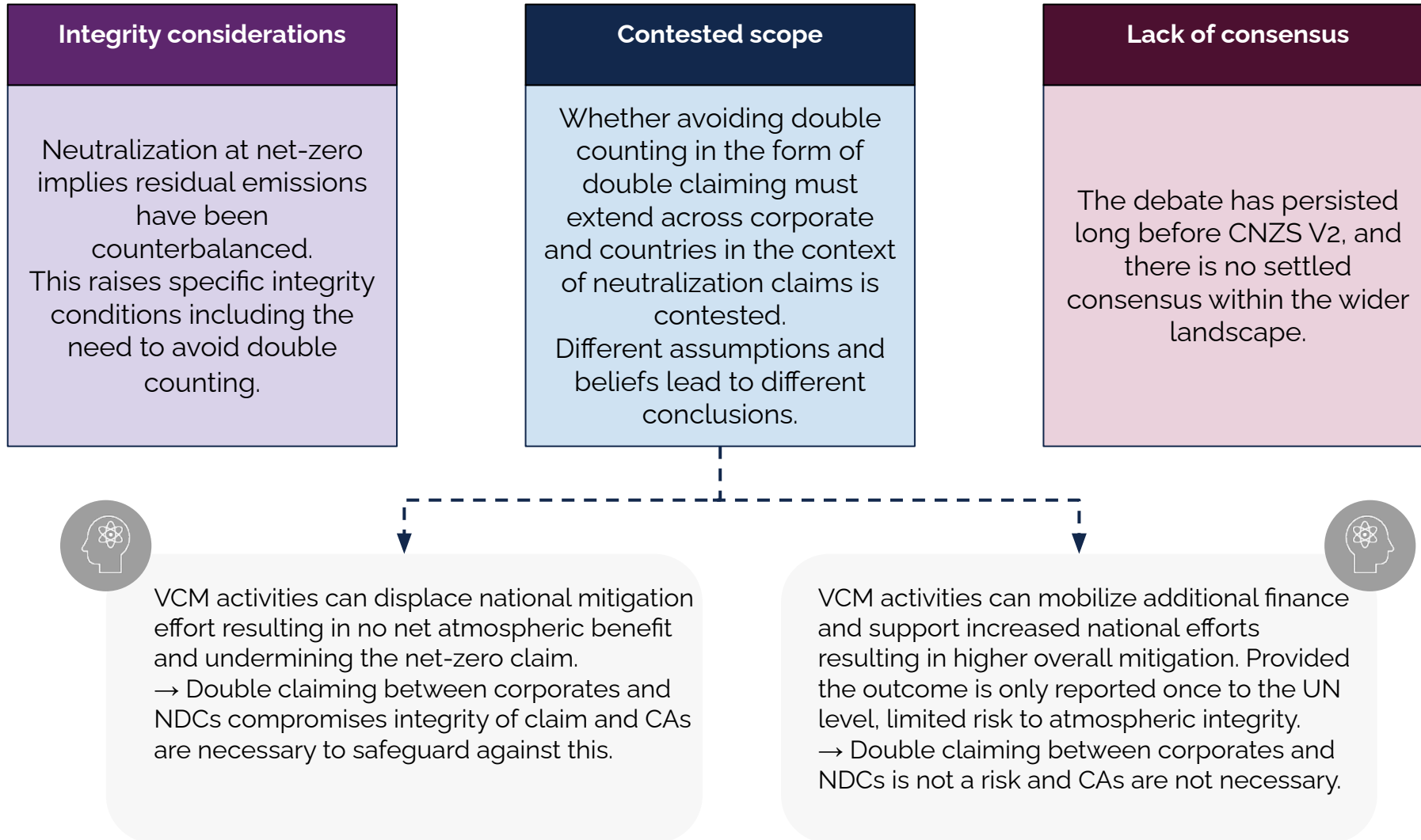
Feedback was **weighted toward concerns about requiring corresponding adjustments**, but this topic was not asked as a stand-alone survey question; views captured here may reflect self-selection in letter submissions.

Feedback is therefore treated as **insights into key concerns and arguments**, rather than as a measure of overall stakeholder preferences.





Feedback clustered around themes of:



This is a challenging topic that sits within a wider debate about how voluntary carbon market activity interacts with national mitigation efforts



There are external factors which needs to be considered

|  Level of control |  Individual national context |  Net-zero timing |  Distributional impacts |
|---|--|---|--|
| <ul style="list-style-type: none">• Host country governments decide whether VCM activities under authorized Article 6.• Political decision outside the control of standard setters or companies.• Can create uncertainties in the supply and timing of CA-backed credits. | <ul style="list-style-type: none">• Whether double claiming occurs and is a risk depends on factors including the scope and ambition of NDC, inventory visibility of VCM activities and national accounting practices.• These factors are country-specific. | <ul style="list-style-type: none">• Proposal for CA-backed credits becomes effective at net-zero target year, 2050.• Long-term planning will be contingent on understanding which projects will be authorized by host countries. | <ul style="list-style-type: none">• VCM channels finance to Global South.• Requiring CA-backed credits could make achieving NDCs challenging for countries with limited financial and institutional capacity. |

These factors have implementation consequences for setting a blanket requirement for CA-backed credits.

Proposed refinement to C29.6

Problem statement context

- Neutralization at the net-zero target year underpins a company's net-zero claim and implies that residual emissions have been counterbalanced through the use of removals.
- Exclusive use of removals strengthens the integrity of this claim. Making avoiding double counting an important safeguard.
- But, whether this this safeguard must extend across corporate and national accounting systems - through the use of corresponding adjustments for corporate neutralization claims - remains contested.
- At the same time, operationalizing any requirement related to corresponding adjustments is constrained by governance and market realities: host-country governments control authorization and adjustments, supply of authorized outcomes remains limited and uncertain, and the wider Article 6 and accounting landscape continues to evolve.



Proposal: A staged **criterion + recommendation approach** that establishes a clear, enforceable minimum requirement, alongside an ambition-raising recommendation.

C29.6 Double counting: Removals used for neutralization shall not be counted by **another company** for voluntary or compliance purposes.

R29.1: To support the integrity of neutralization claims, companies are encouraged to use removals that are authorized by host countries and subject to corresponding adjustments, where available.

Illustrative text!

Reminder: Recommendations are not validated, creating an opportunity to signal highest-integrity practice while leaving space for the wider landscape to evolve.

Reflections

- Do you support for the requirement + recommendation proposal?
- Is the requirement sufficient to support a high-integrity net-zero claim?
- Any unintended incentives or implementation risks we should be aware of?

AGENDA

| | |
|--|--------|
| Welcome & housekeeping | 10 min |
| Storage durability at the net-zero target year | 45 min |
| Double claiming and corresponding adjustments | 30 min |
| Closing & next steps | 5 min |

Next steps



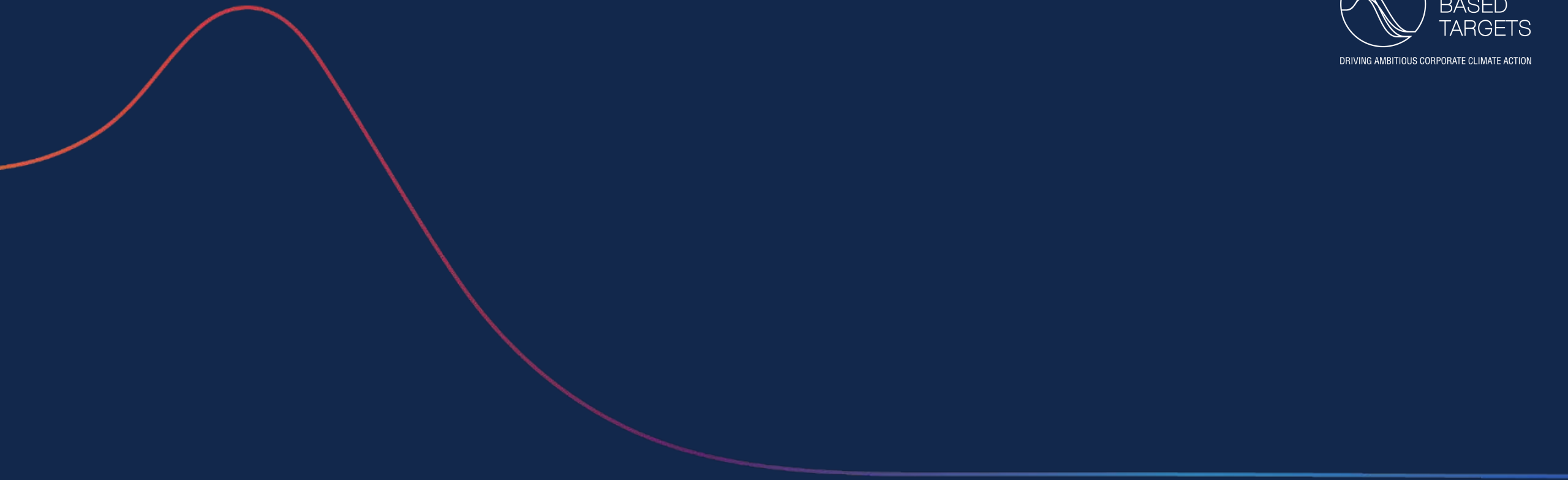
Today's **slides and minutes** will be uploaded to our shared folder.



SBTi team is currently **reviewing all consultation feedback**.



Aim is to submit a **final version of CNZS V2 for Technical Council approval in H1 2026**.



Science Based Targets Initiative is a registered charity in England and Wales (1205768) and a limited company registered in England and Wales (14960097). Registered address: First Floor, 10 Queen Street Place, London, England, EC4R 1BE.


SBTI Services Limited is a limited company registered in England and Wales (15181058). Registered address: First Floor, 10 Queen Street Place, London, England, EC4R 1BE.

SBTI Services Limited is a wholly owned subsidiary of Science Based Targets Initiative.

 sciencebasedtargets.org

 [@ScienceTargets](https://twitter.com/ScienceTargets)

 [Science Based Targets](https://www.youtube.com/ScienceBasedTargets)

 [/science-based-targets](https://www.linkedin.com/company/science-based-targets)

 info@sciencebasedtargets.org