aDryada's Position on SBTI's Second Draft Standard

Destinataires : Public

Date: 08/12/2025

As a company with a mission to restore Nature at a large-scale to high integrity standards, while remaining feasible and bankable, aDryada welcomes SBTi's second draft of the Corporate Net-Zero Standard. To fight climate change effectively it is crucial that corporate net zero trajectories are ambitious and aligned with climate science, while at the same time being attractive and operational for companies.

aDryada considers this second draft of SBTI's standard to be clearly reflective of SBTi's aim to better strike this balance. We need an SBTi framework that facilitates the recognition of efforts made by companies to combat climate change, while at the same time ensuring that these are ambitious enough so that the net zero goal remains intact. The draft standard is even more precise in its alignment with the objectives of the Paris Agreement since it holds the potential to unlock new corporate financing for nature-based carbon removal projects. This is a crucial change to achieve the ambition of 5 GT of removal per year by 2050.

Nevertheless, aDryada holds that the framework could be even more impactful for climate if three modifications were made:

- SBTi should require companies to only finance carbon projects certified by methodologies that are approved by ICVCM's Core Carbon Principles under the "Optional Recognition Program" and "Post 2035 Responsibility Requirement";
- Counting carbon credits towards an NDC while they are used in a company's trajectory to Net zero should not be considered as double counting;
- Under the right conditions, nature-based removals should be considered "long-lived removals", capable of sequestering carbon for centuries to millennia.

1. A framework that gives a clear incentive for corporates to finance climate mitigation projects, while recognizing the crucial role of NbS removal projects.

In a context where we are struggling to mobilize the investments needed to reach the Paris Agreement target, **aDryada welcomes the fact that the SBTI second draft elevates both carbon credits and green investment to be a core component of company decarbonization plans and better recognizes these efforts**:

Document ID: MARKETING-916854340-1253, Access: PUBLIC, Version: 0.5

- Where previously companies had no real incentive to engage in any “Beyond Value Chain Mitigation” (BVCM), which only involved carbon credits, the second draft has reversed this, with financing for climate activities now a core element of decarbonization trajectories. Under the “Responsibility for Ongoing Emissions” framework (which includes residual emissions), companies can now gain recognition for neutralizing emissions through either purchasing carbon credits or “supplementary climate contributions” (direct climate finance toward forward-looking mitigation investments, R&D and innovation, adaptation and resilience initiatives, or loss and damage support), thus unlocking corporate funding for climate mitigation projects globally.
- Even if taking responsibility for ongoing emissions is optional until 2035, early movers can easily gain official recognition for their climate finance efforts beforehand.[1]

Moreover, **aDryada supports the introduction of interim carbon removal targets**.

- In the previous drafts, companies were only expected to neutralize residual emissions at the net zero year. Since most corporate net zero years are decades from today, this means that there was practically no incentive for companies to finance climate mitigation projects through carbon markets starting now, despite the coming years being critical for reaching the Paris Agreement goals and other corporations that are leading their own decarbonization doing so (e.g., Symbiosis Coalition).
- In particular there was no incentive for corporates to begin investing in nature-based carbon removal projects today, despite these projects:
    - Being crucial for reaching the 1.5° Paris Agreement target. A June 2024 Oxford University report has estimated that 7 to 9 billion tons of CO2 will need to be removed annually by 2050 to reach the target.
    - Offering a multitude of co-benefits for biodiversity and socio-economic development, such as soil health and water filtration and alternative income streams for local communities respectively.
    - Being the primary way for countries of the Global South to access essential international financing for domestic climate mitigation
- aDryada therefore welcomes SBTI’s new draft standard which incentivises and after 2035 progressively requires corporations to channel financing to climate mitigation projects globally, including for nature-based removals.[2] We believe the new framework holds the potential to unlock new corporate financing for impactful carbon projects, including in countries of the Global South

Nevertheless, this framework could be further optimized to realize its full potential.

2. aDryada's three proposals.

1. **Only credits generated by ICVCM-approved methodologies should be eligible.**

While SBTi's new draft standard offers carbon credits a central role in corporate decarbonization strategies, it is crucial that only credits with real, tangible positive impact on the environment are used by corporations. Worldwide, ICVCM's Core Carbon Principles are acknowledged as a minimum baseline for high quality carbon credits.

2. **Counting towards one NDC while being used in one company's trajectory to Net zero should not be considered as double counting**

The SBTI second draft confuses "double-claiming" and "double counting" in the following paragraph:

*C29.6. Double counting and corresponding adjustments: Removals used for neutralization shall not be simultaneously **claimed** by another entity for compliance or or NDC **accounting** purposes. Where removals are authorized for use under Article 6 of the Paris Agreement, a corresponding adjustment by the host country shall be demonstrated. In the absence of such adjustment, the activity may only be reported as a contribution under the Ongoing Emissions Responsibility recognition framework, not as neutralization.*

Considering that:

- There is no link between country national carbon accounting (used to define NDC) and corporate carbon accounting.
- The article 6 framework only considers that there has been "double counting" when two countries (or CORSIA) register the same carbon credit. Corporates' purchases are not taken into account.
- Many countries will want to keep the removals from carbon projects to achieve national NDCs. If companies are unable to claim these same removals for their decarbonization pathways, there will be practically no buyers for carbon credits and hence, with no revenue stream, no way to finance carbon projects, making their development incredibly difficult.
- This provision would render EU CRCF credits ineligible, as they count toward the EU's NDC.

Removals generated within the scope of NDCs or compliance mechanisms should be eligible for use towards company neutralization claims, under the Ongoing Emission Responsibility recognition framework as well as towards company net zero targets.

3. **Recognizing that Nature-based Solution projects that implement the necessary mechanisms for permanence should be considered "long-lived removals".**

In the second draft, SBTI acknowledges that

> "Actual permanence may be affected by human or natural disturbances. This applies even to storage types with high durability potential (...). There is, however, growing interest in w**hether contractual, financial, or stewardship mechanisms could provide credible guarantees to**

ensure continuity of storage over climate-relevant timescales (e.g., centuries to millennia) and thus whether these could offer climate-equivalent permanence to that achieved IPCC classified “long-lived reservoirs.”

At the same time, various market stakeholders - including ICVCM, the Nature Plus Coalition, IBA in Brazil etc. - are working on such “contractual, financial or stewardship” mechanisms that will increase the permanence of Nature-based carbon projects for centuries. They should be better defined in a few months.

In such a context, aDryada maintains that

- The SBTI second draft should explicitly open the door for NBS solutions to be considered as “long-lived removal”, providing the projects implement such permanence mechanisms when better defined;
- Fully supports the SBTI wish to issue a call for evidence on the potential role of such mechanisms