

Carbon removal policies and standards

While 2025 brought significant uncertainty to the global climate policy landscape, momentum behind carbon removal policies and standards persisted.

Entering 2026, the emergence of clearer net-zero guidance and more defined routes into compliance markets is set to unlock stronger use cases for carbon removal credits - ultimately increasing their value as an asset.

2025 Q1

- The Science Based Targets Initiative (SBTi) releases the first draft of the Corporate Net-Zero Standard v2.0 – introducing near-term carbon removal targets for the first time

Q2

- Norway and Switzerland complete the first trade of carbon removal credits under Article 6.2 – with Climeworks as one of the facilitators
- The French Government launches a charter along with 17 international companies to adhere to principles for high integrity use of carbon credits
- The Coalition to Grow Carbon Markets – a government-led initiative to build corporate confidence in carbon markets - is launched by the UK, Singapore and Kenya

Q3

- The UK Government releases a detailed proposal for integration of carbon removals into the UK ETS – with integration to begin in 2029
- The Integrity Council for the Voluntary Carbon

Market (ICVCM) approves the first high durability carbon removal credits, with Biochar methodologies from CAR, Isometric and Verra approved

- California extends its Cap and Invest program to 2045, with plans to develop and integrate carbon removal protocols

Q4

- SBTi releases its second draft of the Corporate Net Zero Standard v2.0, recognizing carbon removals today and requiring carbon removals starting in 2035, whilst allowing value-chain collaboration
- Germany approves ~€500 million for carbon removal project funding and credit purchases, and commits to establish a carbon removals department
- The International Civil Aviation Organization (ICAO) approves further methodologies under its compliance market for aviation, CORSIA, including Isometric's Biochar and Direct Air Capture methodologies

- COP30 hosts the first ever carbon removal pavilion, and Brazil, India, and Kenya launch the Global Carbon Harvest Coalition to accelerate soil carbon, biochar, and enhanced rock weathering
- The European Commission announces plans to establish an EU Buyer's Club for carbon removals, pooling voluntary demand from private companies
- Puro.earth is granted ICVCM eligibility – significantly expanding the future availability of ICVCM approved high durability carbon removals
- The European Union's implementing regulation for the Carbon Border Adjustment Mechanism (CBAM) includes a requirement to assess Article 6 carbon credits as eligible to reduce CBAM payments
- European Union reaches agreement on 2040 climate target, allowing use of international credits to meet up to 5% of the target, whilst also supporting the integration of permanent carbon removals into the EU ETS

Early 2026

- **SBTi expected to release the final version** of the Corporate Net Zero Standard v2.0 in Q1
- **ISO to release its first Net Zero Standard**, expected to include a ramp-up of carbon removals
- **EU expected to bring into law first CRCF methodologies** for permanent carbon removal in Q1 (biochar, BECCS, and DACCS), shortly followed by afforestation and soil carbon sequestration
- Germany is **expected to publish its carbon removals strategy** laying out policy intentions for the ~€500 million committed spending
- EU expected to pass additional **CBAM implementing regulation** by the end of Q1 – including further clarity on the role of Article 6

Looking forward through 2026

Second half of 2026

- **European Commission to release a proposal for the integration of carbon removals** into the EU ETS, expected July 2026
- Additional carbon credits under **the Paris Agreement Crediting Mechanism** (Article 6.4) and Article 6.2 removal credits are expected to become available as legislation progresses