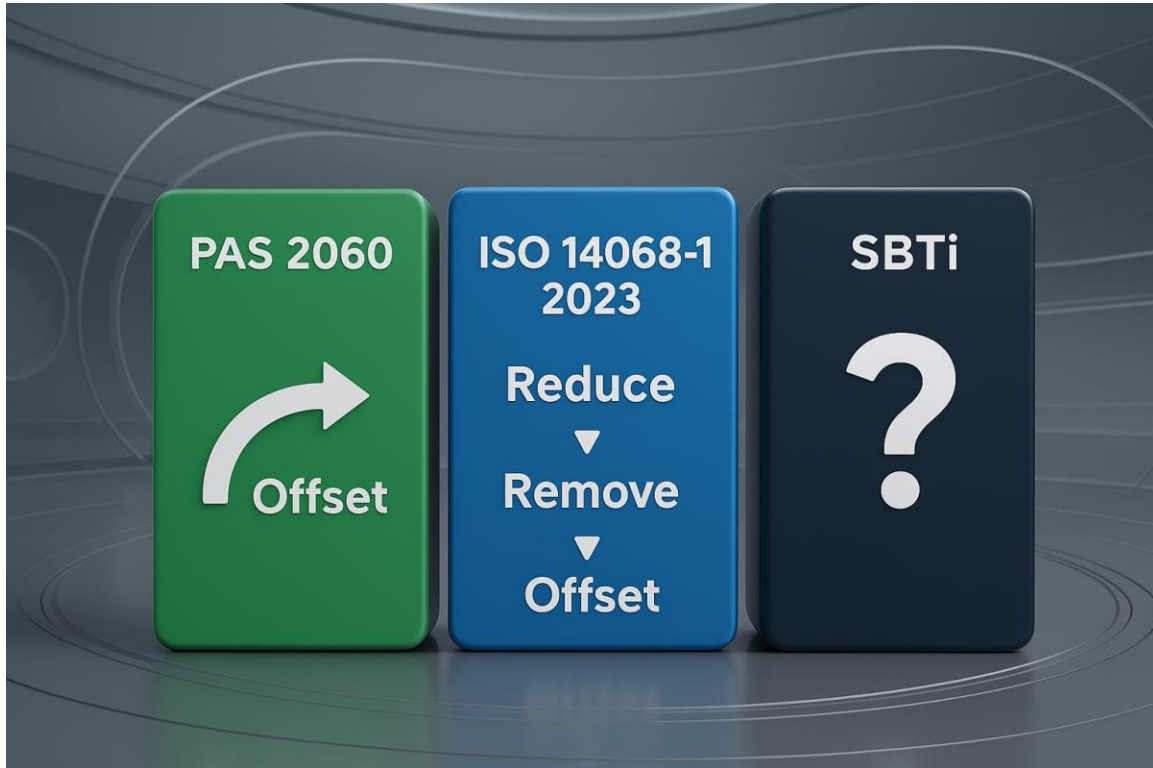


PAS 2060, ISO 14068-1:2023 and SBTi --- White Paper



Executive Summary

In brief: PAS 2060 and ISO 14068-1:2023 are standards that handle both reduction and offsetting within a unified, auditable framework, enabling immediate carbon neutrality while prescribing mandatory reduction pathways. While SBTi works with scientific language, it is practically restrictive regarding the use of offsetting: this approach potentially delays immediate global investments that are indispensable for rapid transition.

Timeline --- Brief Overview

- PAS 2060 --- BSI publication 2010, with 2014 update; first standard for proving carbon neutrality.
- SBTi --- Launched in 2015, published the first Net-Zero Standard in 2021 aligned with the 1.5°C target.

- ISO 14068-1:2023 --- Published in November 2023; from 2025 it becomes widely applied as an international standard, replacing PAS 2060.

PAS 2060 --- The Standard for Immediate Carbon Neutrality

PAS 2060 is based on the following principle: Measure -- Reduce -- Offset. The standard allows an organization to declare carbon neutrality already in the first year, provided it presents a public, documented reduction plan and offsets residual emissions with verified credits.

Mandatory Elements

- Establishing baseline footprint (with LCA and ISO 14064-1 compatible methodology).
- Documented reduction program and timeline (short and medium-term targets).
- Annual offsetting of residual emissions with verified credits.
- Publication of public "Declaration of Achievement" and detailed "Qualifying Explanatory Statement".

Rationale: Immediate offset purchasing provides financing to projects, which accelerates the scaling of renewable and nature-based solutions --- this indirectly also contributes to companies' later reduction of their own footprint.

ISO 14068-1:2023 --- Structured and Audited Approach

ISO 14068-1 builds on the technical foundations of PAS 2060, but is not a simple adoption: the international standard prescribes more detailed, stricter and more transparent requirements. The hierarchical order is particularly emphasized: Reduce → Remove → Offset, and it also requires independent auditing and publication.

Main Characteristics

- Hierarchy: first reduction, then removal, finally offset.
- Integration with other ISO standards (ISO 14064-1, ISO 14067) for quantification and transparency purposes.
- Strict requirements for credit quality: additionality, permanence, vintage, independent certification, avoiding double counting.

The Scientific Nature of Offsetting

The role of offsets can also be justified on scientific grounds: climate is a global system, and every tonne of CO₂e that we reduce or remove somewhere has the same effect on the Earth's energy balance. However, quality (additionality, permanence, measurability) and accountability are critical in evaluation.

Offset ≠ Loophole

Offsets do not mean substitution of internal reduction per se: if a company does both (own decarbonization + credible offsetting), it achieves combined, often faster global impact. The key issue of credibility is project quality and transparency.

Multiplier Effect

- Market demand stimulates the creation of new projects (additionality).
- Project financing changes local energy mix, supply chains and infrastructural investments.
- Feedback: the greening of the global system later also reduces companies' own Scope 2/3 emissions.

SBTi --- The "Near-term" Focus and Limited Offsetting

SBTi's goal is to ensure the scientific foundation of corporate emission pathways, particularly through alignment with the 1.5°C pathway. However, the approach restricts the use of offsetting for near-term targets, and allows the involvement of removal-type instruments only in very constrained form even for long-term net-zero targets.

Summary of Criticisms

1. Delay: net-zero targets are often pushed to 2050, while science gives increasingly urgent time.
2. Anti-offsetting: it does not recognize immediate project financing in target achievement, so the global financing impulse may weaken.
3. Communication risk: rules within SBTi may be misinterpretable and may result in misleading "delayed" performance for companies.

Practical Effects on Corporate Strategy

If a company commits to PAS/ISO-based carbon neutrality, the obligations trigger a dual effect: in the short term, they provide financial resources for projects, while in the long term, the mandatory reduction pathway ensures organizational decarbonization. SBTi focuses more on internal technical and operational transformation but provides less support for market financing immediately.

Closing Thoughts

The advantages of SBTi do not necessarily outweigh the damage caused by delaying offsets. The pace of global warming is accelerating, and several key systems have reached or approached critical tipping points. Immediate meaningful action and credible project financing are essential.

Immediately Solvable Obligations (Summary)

4. Radical reduction of methane emissions (energy, waste, agriculture).
5. Immediate deforestation stop and large-scale forest protection/reforestation.
6. Accelerating the transition to renewable energy; reducing fossil subsidies.
7. Establishing carbon pricing at global level; the price of emissions should reflect social costs.
8. Scaling nature-based solutions (mangroves, wetlands, soil sequestration).
9. Corporate carbon neutrality commitments with immediate offset support.
10. Promoting technological innovations (CCS, green hydrogen, circular solutions).

References

Sources and citations: ISO.org, BSI, NetZeroNow, CarbonMarketWatch, Reuters, Climate Impact Partners, DFGE, ECA Business Energy, NewClimate Institute --- detailed links on the publication's subpages. (<https://ouroffset.com/az-sbti-mind-tudomanyos-alapu-klimastrategia/>)

Author: László A. Rampasek --- OurOffset | Date: 2025. 09. 08.