



European tech is shaping the future. Is its net-zero strategy keeping pace?

In unprecedented times, how can European tech stress-test its emission reduction and removal commitments, anticipate the climate infrastructure and capacity it will depend on, and help shape the future it needs?

European tech: A quiet power in unprecedented times

European tech enters the current period of upheaval from a position of strength. According to Atomico's 2025 State of European Tech report, the ecosystem is now worth nearly \$4tn, equivalent to around 15% of European GDP, with almost 40,000 funded companies, up from 13,000 in 2016. Founder optimism is at a ten-year high.

A sector where future-thinking is a prerequisite

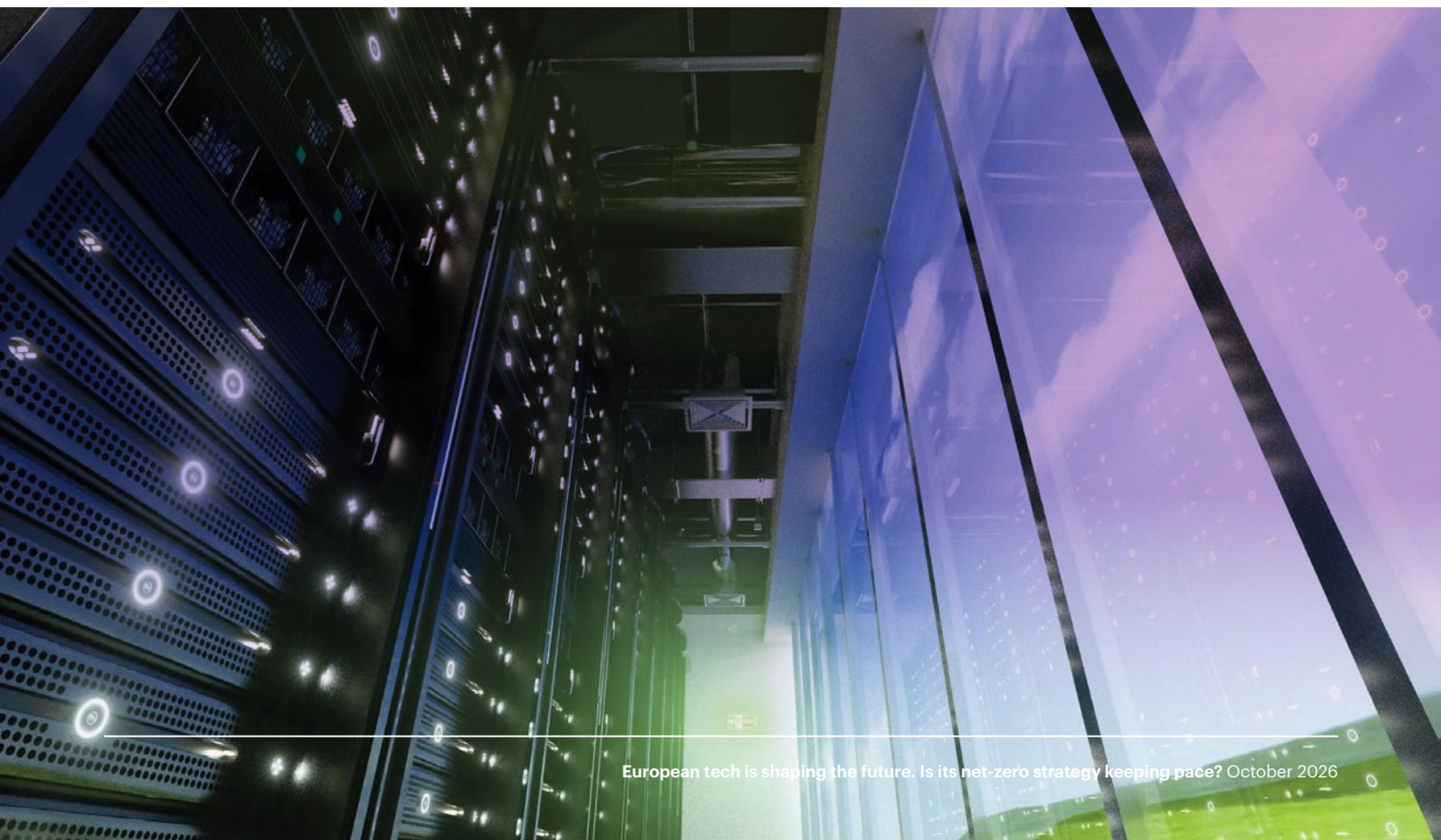
European tech is accustomed to shaping the future, not waiting for it. Companies invest years ahead in products, talent, networks, energy, chips, cloud, because they know future capacity has to be created before demand arrives.

Has this future-thinking been applied to the net-zero strategy?

Technology companies have made ambitious net-zero commitments. But many were written in a different business environment. The acceleration of AI, among other drivers, is changing companies' profiles and emissions. Do the plans still work for the business that is emerging?

For CEOs and senior management, there are a number of useful questions to ask:

- **Growth:** Do our net-zero commitments reflect the company we plan to become?
- **Emissions reductions:** Have we stress-tested our plans to ensure emissions reductions keep pace with growth?
- **Residual emissions:** Do we have credible plans to access the infrastructure needed to address the emissions that will remain?
- **Supply risks:** Have we selected a permanent carbon removal partner that we can rely on to deliver?
- **Competition:** How will our competitive position be affected by our ability to execute on reductions and acquisition of removals?



Securing access to future climate infrastructure

Infrastructure: the next bottleneck for net zero?

Technology companies are accustomed to planning years ahead for the infrastructure their scaling will require. But delivering on net-zero commitments also depends on infrastructure, much of it beyond their direct control, from clean energy and low-carbon materials to permanent carbon removals.

Companies will need to work with suppliers, governments and partners to ensure this capacity is built in time. Two factors make action now particularly important.

- First, the political and financial climate has become markedly more challenging for the climate technology sector. Shifting political priorities and a more cautious investment environment are creating uncertainty for reduction and removal projects that already face long development times. Europe is not immune.
- Second, the window is narrowing. More than 12,000 companies have validated SBTi targets, many with similar deadlines.

The risk is familiar to technology leaders: demand can grow faster than the infrastructure needed to serve it.

So far attention has mostly been paid to reductions. This document takes on the other leg of net zero, permanent removals.

Risk management: spotlight on residual emissions

Emissions reductions remain the first priority. The EU has committed to cutting net greenhouse gas emissions by 90% by 2040, relative to 1990 levels, on the path to climate neutrality by 2050. Many technology companies have set earlier net-zero targets.

Yet even with ambitious reductions, some emissions will remain. Furthermore, data centres are among the few sectors where emissions are expected to continue growing beyond 2030 (IEA, Energy and AI, 2025). Embodied emissions in the steel and concrete which are used to build technology infrastructure present another challenge.

Achieving net zero will require residual emissions to be neutralised through permanent carbon removals. Microsoft, Google and Meta are among the technology companies that have anticipated this need, and placed carbon removal at the centre of their carbon-credit portfolios.

Recent standards and policy developments have strengthened the position of permanent carbon removals

The SBTi's Corporate Net-Zero Standard V2 states that, from 2035, larger companies will be required to start acquiring eligible removals, increasing over time to 100% of residual emissions. These proposed requirements reinforce the need to plan for residual emissions alongside continued reductions.

Meanwhile, the European Commission has proposed using the EU ETS to finance the central purchase of 250 million tonnes of permanent carbon removals between 2031 and 2040. If adopted, this would introduce a major new buyer into the market.

For technology leaders, future carbon removal capacity is becoming a question of strategic risk management: what will their companies need, what will it cost, and how much influence can they have over what gets built?

What does permanent carbon removals infrastructure look like?

EU-approved carbon removal approaches rely on major infrastructure, with direct air capture facilities and carbon capture from bioenergy plants expected to play the main role. These permanent carbon removal infrastructures have already started being built throughout the continent, often supported by governments and the EU.

One example is Beccs Stockholm, a €1.2 billion investment to integrate carbon capture into an existing Stockholm bioenergy plant. Designed to deliver permanent carbon removals at scale from 2028, the project includes two +100 metres tall CO₂ capture columns, liquefaction facilities, a new harbour quay, 16 000 m³ bullet tanks for intermediate liquid CO₂ storage and 3 purpose-built +160 metres long tankers to ship CO₂ for final, permanent storage beneath the North Sea.

The question for Europe is how many such projects can be financed, built and operating in time.

The future cannot always be procured at the last minute

Capacity does not appear on demand. A tonne of permanent carbon removals in 2040 has to come from something somebody planned and built long before 2040.

Facilities have to be financed. Permitted. Built. Connected to transport and storage.

If you expect to depend on infrastructure in the future, you have an interest in how it gets built today.

The next capacity question for European tech

For European tech, the question is not just how much permanent carbon removal its net-zero targets will require, but whether that capacity will be available when needed, and at what price.

Engaging now can help companies:

- Secure access to credible future supply.
- Hedge exposure to future price volatility.
- Deliver on their net-zero targets with greater confidence.

US tech giants have played a pioneering role in carbon removal. Microsoft has been leading the removals market for years. Stripe, Alphabet, Meta and Shopify helped launch Frontier, a buyers' coalition committing nearly \$1 billion to develop future carbon removal supply. European tech faces similar needs, but can forge its own approach, focusing on risk management, quality and governance. As such it can help shape the industry's future capacity.



While delivered credits are still scarce, some large carbon removal projects are nearing production and already contracting for deliveries over the coming 10 or 15 years ahead.

The geography of resilience

European tech is thinking much more seriously about where its critical capabilities come from - making big decisions about the infrastructure behind its future growth.



The company you keep: a checklist for carbon removal partnerships

Finding the right suppliers is crucial – all the more so as companies need secure supplies from reliable partners for at least 20 years through 2050.

As climate commitments come under increasing scrutiny, the quality of these long-term partnerships matters to corporate reputation and a company's competitive edge.





1. The corporate climate goal

Does the supplier's carbon removal project align with the corporate net zero goal?



2. Certification

How is the carbon removal project verified and certified?



3. Volumes

What is the volume of carbon removal credits available over the project's lifetime, and is it meaningful to the company's needs?



4. Near-term supply availability

Are credits deliverable in the near term? Is the supplier capable of delivering the project as promised?



5. Long-term supply reliability

Are supplier and supplies likely to remain available over a 10-20 year timeframe?



6. Governance

Does the supplier meet stringent corporate governance standards?



7. Geopolitical risk

What risk factors relate to the geography of the carbon removal project?



8. Regulatory support

Does the carbon removal method have long-term regulatory support, for example through alignment with the EU CRCF?



9. Price and value

Are the carbon removal credits correctly priced relative to value? If the first eight factors are positive, then value is easy to determine.

Start before you must

In conclusion: European technology companies are accustomed to shaping the future, not waiting for it. That same thinking needs to extend to their net-zero commitments.

Emissions reductions remain the priority. But delivering net zero also depends on permanent carbon removal capacity that has yet to be built. The decisions companies make today determine what will be available tomorrow.

The company you keep matters. So does the capacity you rely on. For technology leaders, the challenge is not to become carbon removal experts, but to identify the partners and projects they can trust to deliver at scale, over decades.

This executive briefing is written by **Stockholm Exergi**.

Stockholm Exergi is building one of Europe's largest carbon management infrastructures: a €1.2 billion, EU-backed facility delivering 800 000 tonnes per annum of permanent carbon removals from 2028.

The SBTi, ISO and the EU ETS are all strengthening the role of permanent removals, pointing to the need to secure supply now.

Launching end 2028, Beccs Stockholm offers corporates and institutions EU backed carbon removals, with over 70% of early issuance already purchased.

Get in touch for more information.
www.stockholmexergi.se/en/beccs

