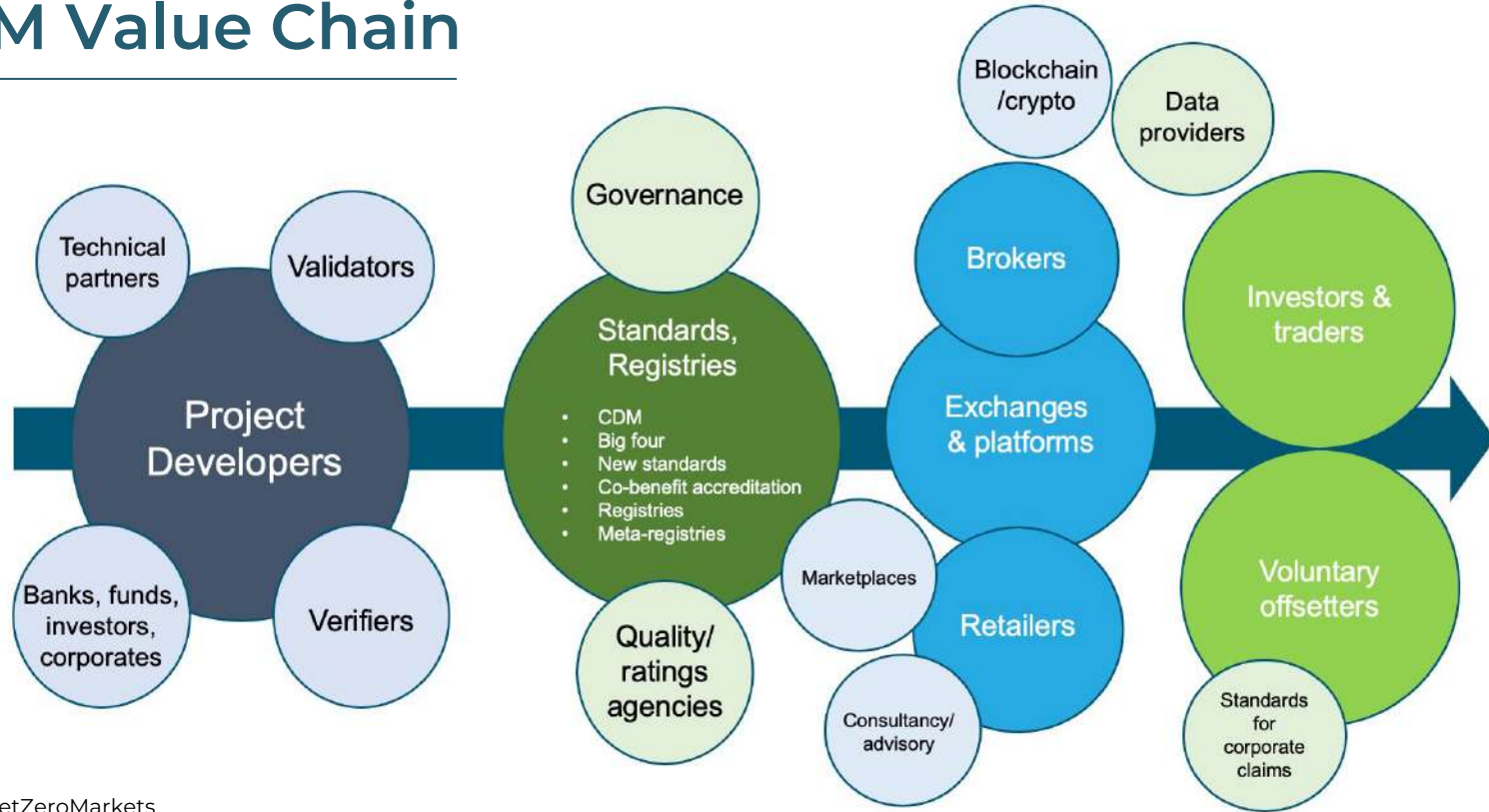


A GUIDE TO CORPORATE OFFSETTING

How to Reach Net Zero: Decarbonisation & Carbon Markets

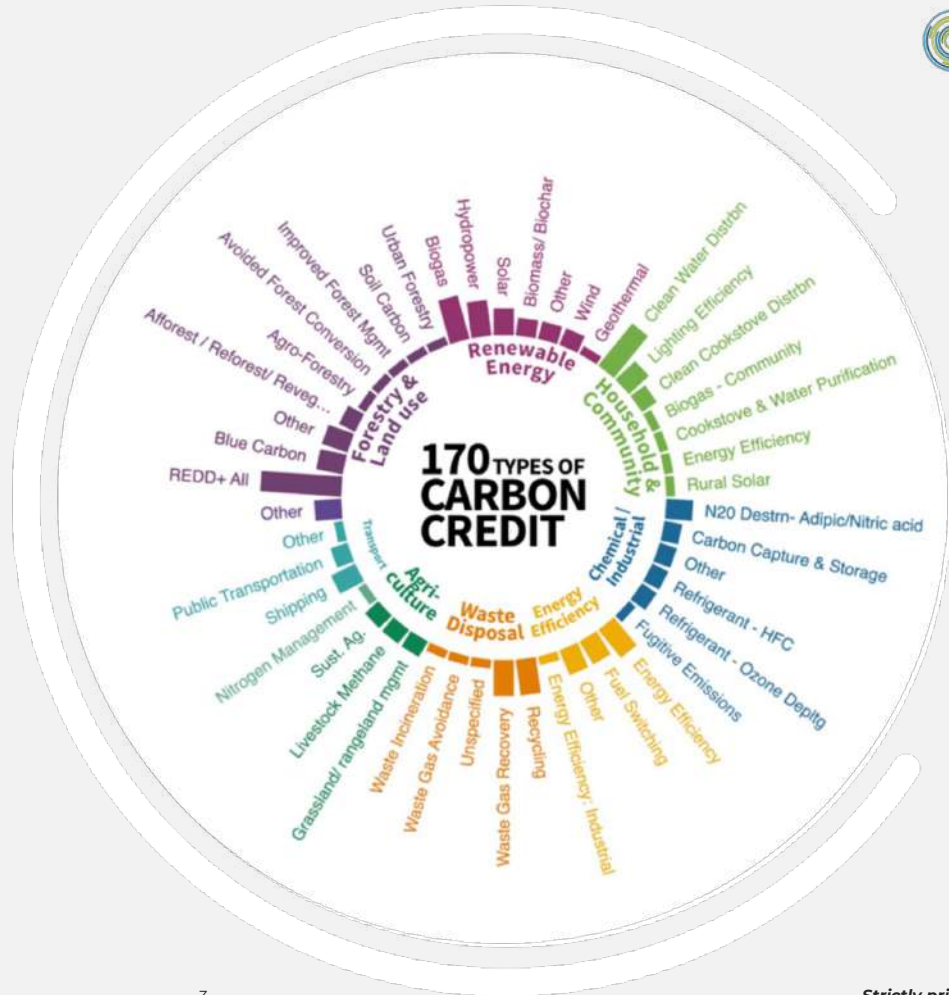
Karim Kanji, Net Zero Markets
DIRECTOR

VCM Value Chain



Source: NetZeroMarkets

Offsetting Methodologies: *Project types*

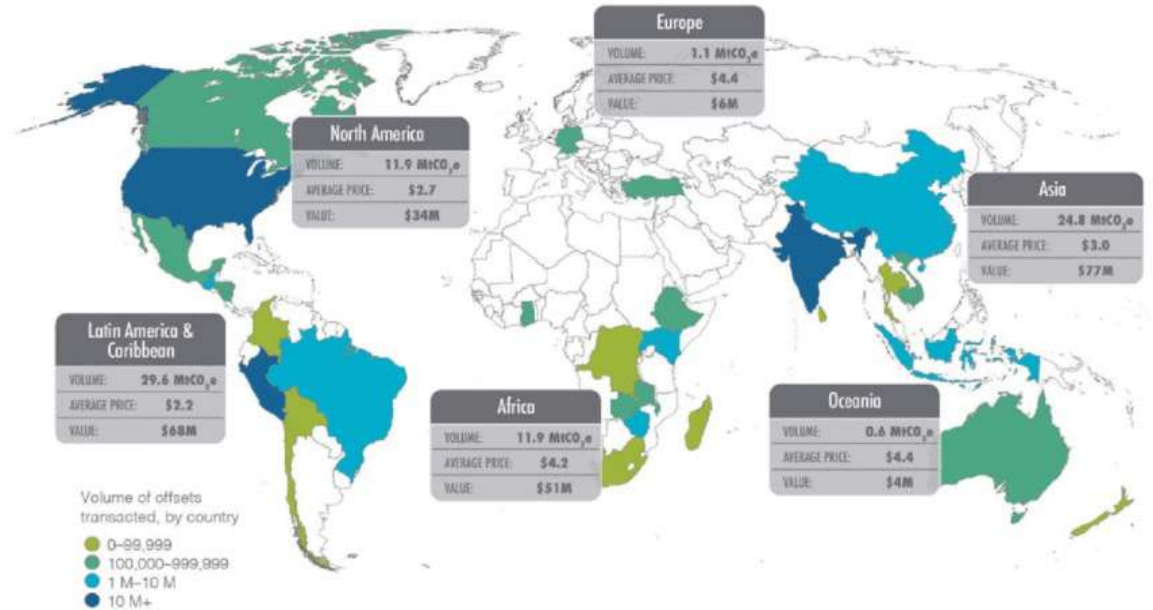


Source: [Ecosystem Marketplace](https://ecosystemmarketplace.com/)

Offsetting Methodologies:

Other factors

- Additional accreditations
- Project location
- Vintage



Source: [CarbonBetter](https://www.carbonbetter.com)



Permanence, Additionality & Leakage

Permanence

While most of the CO₂ emitted today will eventually be removed from the atmosphere, up to 25% remains for hundreds to thousands of years. Reductions should be similarly 'permanent'. Some reduction types have a higher risk of the reduction being reversed. A common example is trees which store CO₂ burning down and releasing the CO₂ they stored back into the atmosphere.

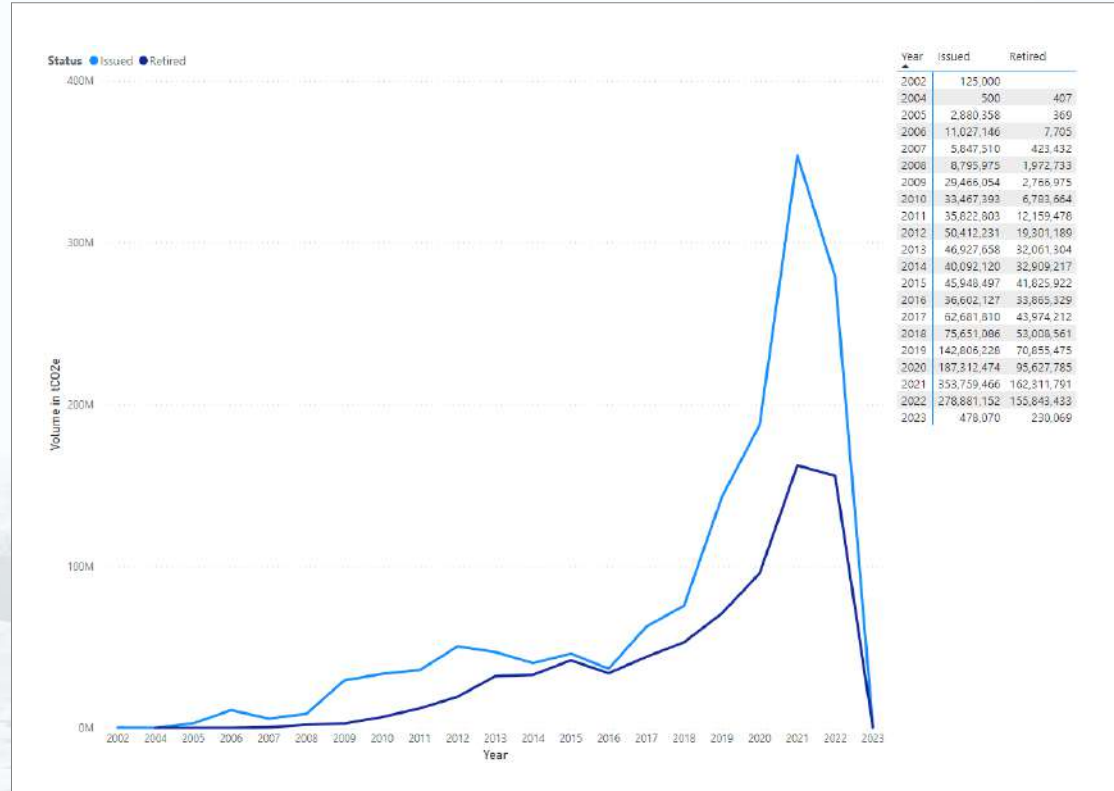
Additionality

Projects are only said to be additional if they would not have taken place in the absence of a market for carbon credits. For example, some types of reductions are compulsory due to legislation while others are profitable activities that businesses would seek to implement regardless of the revenue they receive from carbon credits. Additionality can be hard to ascertain and can change over time.

Leakage

Leakage occurs when an emissions reductions project results in those emissions taking place elsewhere rather than truly being avoided.

Issuances & Retirements



Source: [ClimateFocus VCM Dashboard](#)

Different Approaches to Offsetting



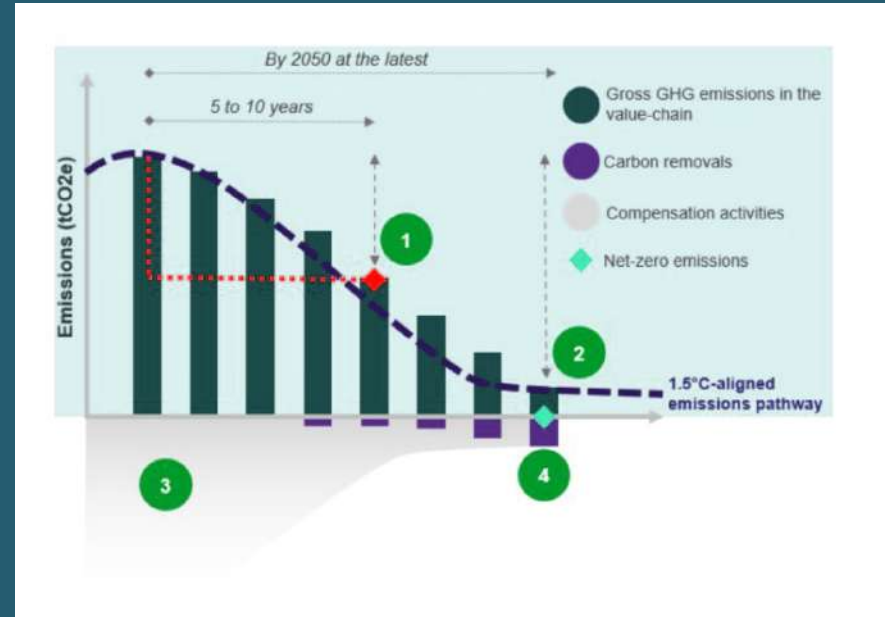
Carbon Neutral vs Net Zero

Many companies have set out environmental goals for the action they wish to take. Often these targets are in the distant future. What is less clear is how they plan to achieve these.



SBTi and Oxford Offsetting Principles

The Science Based Target initiative and Oxford Offsetting Principles are two sets of guidelines that suggest pathways for corporates to reach environmental goals using a combination of internal decarbonisation and purchasing avoidance and removal offset credits.



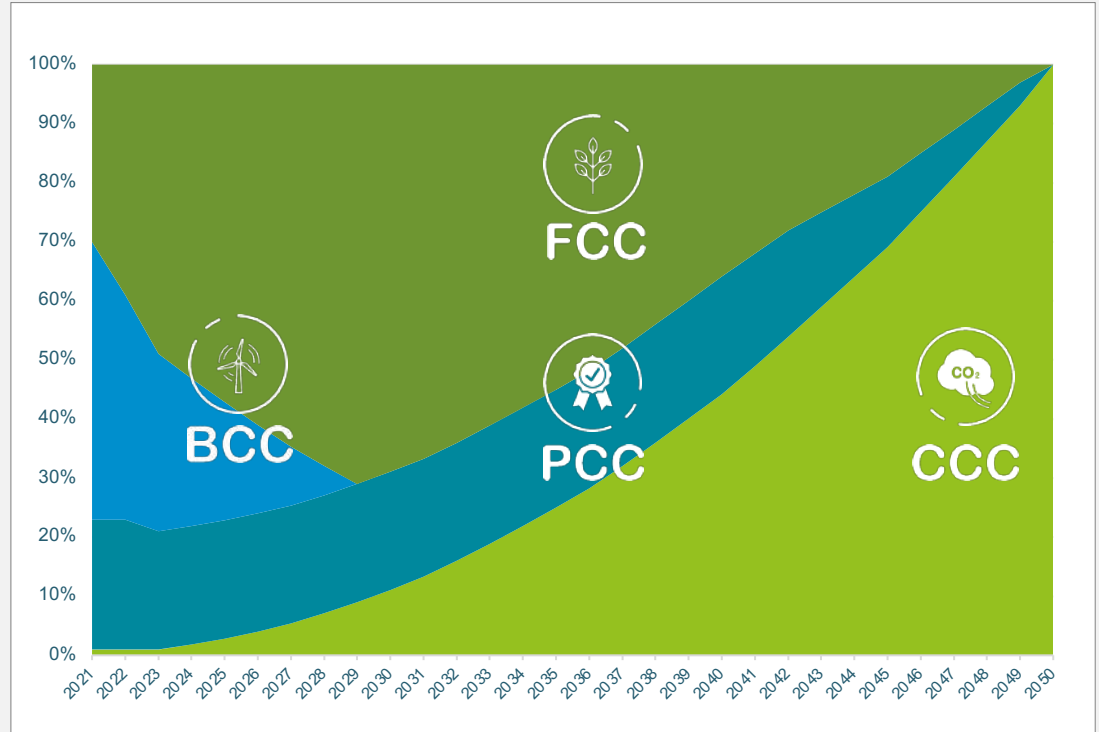
Source: [Science Based Targets Initiative \(SBTi\)](#)

The GER is a revolutionary offsetting product that combines a market-based basket of offsets with a built in pathway to net zero.

The GER will incorporate a pre-determined number of Carbon removal credits which will escalate in order to reach 100% by 2050 aligned with the Oxford Principles for Net Zero Aligned Carbon Offsetting.¹

¹: <https://www.smithschool.ox.ac.uk/sites/default/files/2022-01/Oxford-Offsetting-Principles-2020.pdf>

Source: NetZeroMarkets



BCC - Base Carbon Credit [Renewables/Energy Efficiency]

PCC - Prime Carbon Credit [i.e., with additional benefits]

FCC - Forestry Carbon Credit [i.e., LULUCF]

CCC - Carbon Capture Credit [e.g., long-lived removals]

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