



# CARBON OFFSETTING

A FU<sup>+</sup>UREPLUS GUIDE



## + INTRODUCTION

Carbon offsetting involves calculating the greenhouse gas (GHG) emissions produced by an individual, a company, or a particular project or event, and then purchasing credits for the equivalent amount of GHGs from an emissions prevention, reduction or removal project. The aim is to balance the GHGs emitted against GHGs sequestered.

By financially supporting carbon offset projects, a company can offset emissions that are currently unavoidable, and hence reduce its 'net' environmental impact.

Carbon offsets are measured in either tonnes of carbon dioxide-equivalent (tCO<sub>2</sub>e), or kilograms of carbon dioxide-equivalent (kgCO<sub>2</sub>e).

There are numerous different types of offsetting projects, including renewable energy projects, nature-based solutions, waste diversion & management, recycling & reusing projects, and many more.

## + WHEN SHOULD YOU CONSIDER OFFSETTING?

- Your company operates in an industry where low-carbon options are currently scarce (e.g. oil & gas, manufacturing, agriculture, shipping, aviation etc.).
- Your company has set targets for reductions and is offsetting the deficit.
- Your company's carbon footprint is already small, but you would like to go beyond achieving net-zero emissions to create an environmental benefit by removing more CO<sub>2</sub>e than you emit.

It is extremely difficult for most businesses to completely eliminate all emissions. Carbon offsets can divide opinion, but they are seen by many as a way of bridging the transition to a net zero carbon economy.

**It's important to remember that carbon offsets are not intended to be a replacement for action on emissions reductions.** They should always come **after** attempts at significant emissions reductions are in place.



## + WHAT TO LOOK FOR IN OFFSETTING PROVIDERS?

There are a huge number of offsetting providers on the market and the number is growing. **Do your homework!** Not all offsetting projects are of equal quality or legitimacy.

- Ensure transparency by requesting tCO<sub>2</sub>e/kgCO<sub>2</sub>e calculations and the period over which providers are counting sequestration.
- Verify sequestration plans - most forests for example need to be in place for 25-100 years in order to reach full carbon sequestration targets.

If you are unsure where to start, please contact us for advice: [team@future-plus.co.uk](mailto:team@future-plus.co.uk)

## + WHY DO PROJECTS COST DIFFERENT AMOUNTS?

Different project types provide different levels of benefits and are therefore priced differently. The price of a carbon credit depends on type, size, quality or geographical location of the project, as well as market dynamics. **Be sure to use a reputable and third-party certified provider** such as [REDD+](#) or [Gold Standard](#).

## + THE TWO TYPES OF MARKETS

There are two distinct markets for carbon offsets:

- The **regulated** (or compliance) market is governed by the [United Nations Framework Convention on Climate Change](#) (UNFCCC), with an internationally agreed framework of regulation. It is mainly aimed at energy intensive emitters, such as manufacturing companies, oil refineries, iron and steel producers, etc.
- The **voluntary** market, which is unregulated, serves individuals, government departments, NGOs, and companies wishing to be voluntarily accountable for their carbon footprint. For recommendations, please ask the team: [team@future-plus.co.uk](mailto:team@future-plus.co.uk)



## + JARGON BUSTING

- **Net Zero** – achieving a balance between carbon emitted into the atmosphere, and carbon removed.
- **Carbon / climate neutral** – achieving net zero emissions by balancing carbon emitted with an equivalent amount sequestered or offset, or buying enough carbon credits to make up the difference.
- **Carbon / climate positive** – going beyond net zero to create an environmental benefit by removing additional carbon dioxide from the atmosphere.
- **Carbon / climate negative** – means the same as carbon / climate positive
- **CO<sub>2</sub>e** – carbon dioxide equivalent (meaning carbon dioxide or the equivalent of another greenhouse gas).
- **Carbon credits** – a permit that allows an organisation to emit a certain amount of carbon dioxide or CO<sub>2</sub>e. One credit permits the emission of one tonne of carbon dioxide or the equivalent in other greenhouse gases.

## + ADDITIONAL INFORMATION ON PLANTING TREES

Whilst tree planting offset projects can offer effective carbon solutions, there are some extra precautions to consider. Talk to your provider to ensure that the following requirements are met.

Any tree planting should:

- Encourage native species
- Protect existing forests
- Avoid creating a monoculture
- Consider and encourage biodiversity
- Reduce soil erosion and improve soil health
- Conserve water
- Support local ecosystems
- Be culturally appropriate and support the local community
- Not replace food production areas

Be aware that most carbon sequestration happens once the tree is past sapling stage (approx. 10 years).