



CARBON OFFSETTING



WHAT IS CARBON OFFSETTING?

Carbon offsetting refers to the practice of compensating for the negative impact of carbon emissions, by investing in projects or actions that reduce or remove an equivalent amount of carbon from the atmosphere.

WHY DO COMPANIES USE CARBON OFFSETS?

Carbon offsetting allows companies to take responsibility for their carbon emissions beyond what they can reduce directly. It is an additional step in mitigating climate impact, contributing to global efforts to combat climate change while also contributing to industry efforts in reaching net zero carbon emissions.



CAN OFFSETTING ALONE SOLVE CLIMATE CHANGE?



Carbon offsetting is just one tool in the business aviation toolkit to reach net-zero emissions (N.B. the other tools include SAF, operational efficiencies & modernised infrastructure and new technologies). Moreover, the purchase of carbon offsets should only happen once emissions have been directly reduced elsewhere.

HOW DOES CARBON OFFSETTING WORK?



Carbon offset projects, such as reforestation, renewable energy, or methane capture, are implemented to reduce or remove carbon from the atmosphere. When individuals or companies purchase carbon offsets (or carbon credits), the funds support these projects, helping to offset the individual or company's own carbon footprint.

WHAT DIFFERENCE BETWEEN COMPLIANCE OFFSETS AND VOLUNTARY OFFSET PROGRAMS?

Compliance markets are created and regulated by mandatory national, regional or international carbon reduction legislation. **Voluntary markets** operate outside of compliance markets and allow companies or individuals to purchase carbon offsets on a voluntary basis under no mandate.



HOW DO I CALCULATE MY COMPANY'S FOOTPRINT?

There are online calculators available that estimate carbon footprints based on factors such as energy use and transportation. Some of our member companies can also help you in this process.



IS OFFSETTING A SUBSTITUTE FOR REDUCING EMISSIONS?



No, offsetting should not replace efforts to reduce emissions. It should be considered an addition to emission reduction strategies to achieve a more comprehensive sustainability approach.

ARE ALL CARBON OFFSET PROJECTS THE SAME?



No, carbon offset projects vary in type and quality. Some projects have a more significant impact on emissions reduction than others. It is crucial to choose credible and verified projects certified by reputable standards.

CAN CARBON OFFSETTING BE EXPENSIVE?

The cost of offsetting varies depending on the size of the carbon footprint, the type of projects chosen and their location. It can be a more affordable way to contribute to climate action, especially when combined with emission reduction efforts.



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HOW CAN I BUY CARBON CREDITS?

There are several avenues for purchasing carbon credits, each catering to different preferences and objectives.



- First, individuals and companies can buy directly from the project developers, allowing deeper understanding of the project and potentially lower prices. However, this option requires research and expertise to identify suitable projects.
- Another approach is to use carbon brokers who find and purchase carbon credits on the individual or the company's behalf, often with a mark-up. This is practical when dealing with larger quantities of carbon offsets, as brokers handle all transactions, but pricing structures may not be transparent.
- Lastly, marketplaces offer a blend of direct purchasing and broker-like convenience, still requiring some research and higher fees than liaising directly with the project developer but combining the benefits of both approaches

WHAT SHOULD I LOOK OUT FOR WHEN PURCHASING A CARBON CREDIT?

Carbon credits should be:



- **ADDITIONAL**
Carbon credits should have played a decisive role in the decision to implement an activity or project, and not something that would have happened regardless?
- **NOT OVERESTIMATED**
Baseline emissions should not be overestimated, actual emissions should not be underestimated, and indirect effects must be considered.
- **PERMANENT**
Carbon credits should be tied to carbon reductions that are genuinely permanent to offset the long-term effects of CO2 emissions. Reversals should be minimized, especially in projects involving carbon storage in vulnerable environments like fire-prone forests.
- **NOT CLAIMED BY ANOTHER ENTITY**
Multiple entities should not claim the same carbon reductions, which could lead to an overestimation of reductions and worsen climate change. This includes avoiding double issuance, double use, or double claiming of offset credits.
- **NOT ASSOCIATED WITH SIGNIFICANT SOCIAL OR ENVIRONMENTAL HARMS**
Offset projects should not significantly contribute to social or environmental harms, ensuring that they are environmentally and socially responsible.

Carbon registries are essential tools that help maintain integrity of carbon credits in accordance with the above.

ARE ALL OFFSET PROVIDERS TRUSTWORTHY?



No, the offset market can be susceptible to greenwashing and unverified claims. It is important to use reputable providers that offer transparent information about their projects, certifications, and third-party verifications. Some of our member companies can also help you in this process.

ARE CARBON OFFSETS PERMANENT?



Some offset projects, like reforestation, store carbon for decades or centuries. Others, such as renewable energy projects, continuously reduce emissions during their operational life.

CAN OFFSET PROJECTS HAVE CO-BENEFITS?



Yes, many offset projects promote social, economic, or environmental co-benefits. For instance, reforestation projects can enhance biodiversity and support local communities.

CAN I OFFSET NON-CARBON EMISSIONS LIKE METHANE OR NITROUS OXIDE?



Yes, some offset projects focus on reducing non-carbon emissions, such as methane capture from landfills or agricultural sources

CAN I OFFSET EMISSIONS FROM PAST ACTIVITIES?



Yes, it is possible to offset historical emissions. The impact is the same: funding projects that reduce or remove an equivalent amount of greenhouse gas emissions.



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