

# AD NET ZERO POINT OF VIEW

## CARBON OFFSETTING

Reducing emissions must be seen as the first port of call to reaching net zero. As stated by Race to Zero, "In the transition to (net) zero" we must always "prioritize reducing emissions, limiting any residual emissions to those that are not feasible to eliminate".

Carbon offsetting does not reduce your organisations emissions. While investing in credible carbon offset schemes is of course a positive action, it should be seen as an additional investment if your company has the time and money during or after you have pursued all opportunities to directly reduce emissions within your organisation and its value chain.

While your company can be both "carbon neutral" (meaning you are offsetting residual and external emissions) and on a track to "net zero", they are entirely separate claims. Being "carbon neutral" cannot replace reducing your emissions or prove you are moving on a science-based pathway to net zero.

**Below are some key focus points when considering carbon offsetting.**

- Focus must be on achieving emission reductions first and foremost. Offsetting should not be done instead of taking direct action to reduce emissions.
- If there is remaining resource/budget after all opportunities to directly reduce emissions within the value chain have been pursued, it is then that "purchasing carbon credits is a way to be accountable for a climate impact and to take climate action beyond one's own area of influence.", as stated by the Gold Standard.
- The SBTi's 'Corporate Net Zero Standard' states that organisations should aim to reduce as close to 100% emissions as possible. They mention aiming for at least 90%, and then using carbon removals for any remaining emissions that cannot be reduced. This 90% figure was developed as a minimum, through a balanced, transparent, and inclusive stakeholder process. It was based on the IEA 'Net Zero by 2050' report which itself was in line with reductions assessed in the IPCC in its Sixth Assessment Report.

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- Businesses can be both "Net Zero" & "Carbon Neutral"- many organisations are on Net Zero reduction journeys but invest in offsets as well.
- If you're buying offsets, the Climate Change Committee's guidance is to "support high integrity nature-based and biological solutions and engineered removals", prioritising schemes which contribute to the preservation and restoration of natural sinks, not ones linked to neutralization or compensation claims.
- Ensure that any credits achieve robust outcomes for additionality, permanence, and accounting, and do not undermine social justice or harm biodiversity. Organisations such as Gold Standard can help direct you to offsets that feature the highest levels of environmental integrity and contribute to sustainable development.

Carbon Brief have produced an insightful infographic assessing the potential risks of carbon offsets and their credibility:

[Click here to view the infographic in full.](#)

