

CARBON OFFSETTING

CARBON NEUTRALITY

WHAT IS CARBON OFFSETTING?

Organisations are looking for ways to lessen their negative impact on our environment. This may include making buildings more energy efficient, using renewable energy and driving or flying less often. However, even with best efforts, it is nearly impossible to reduce our carbon footprint to zero.

A way of negating these unavoidable carbon emissions is to pay for greenhouse gas (GHG) reductions to be made elsewhere, such as via tree plantings, wind farms and hydroelectricity. This is known as **carbon offsetting**.

If enough offsets are purchased to balance all emissions remaining after reduction efforts, then the net emissions will be zero. This is known as **carbon neutrality**.

Anyone can purchase carbon offsets and use them to balance all, or part, of their own emissions.

Carbon offsetting is a market-based mechanism and is typically transacted in metric tonnes of carbon dioxide equivalent (CO₂-e). Purchasing one tonne of carbon offset means there will be one less tonne of carbon dioxide (or an equivalent greenhouse gas) in the atmosphere than there otherwise would have been.

Once a carbon offset is purchased it is retired permanently.

ACHIEVING CARBON NEUTRALITY

Carbon neutrality can encompass an entire organisation's activities or a part, such as its head office, fleet of cars, a product, an event or air travel.

An organisation can claim 'carbon neutrality' as long as it can demonstrate that it has firstly properly calculated and accounted for its GHG emissions and offset all of these so that net emissions from its business activities equal zero. An easy to use [carbon calculator](#) is available on Carbon Neutral's website.

WHY USE CARBON OFFSETS?

Along with their key benefit – creating reductions in greenhouse gas emissions – voluntary carbon offset purchases also allow companies to:

- take responsibility for their own climate impact
- demonstrate leadership, going beyond government regulations or incentives
- enhance brand perception, especially in the eyes of environmentally conscious consumers
- meet environmental procurement requirements
- tangibly demonstrate Corporate Social Responsibility policy and overarching business plans and strategies
- gain positive media coverage
- increase staff motivation and be an employer of choice
- just do the right thing

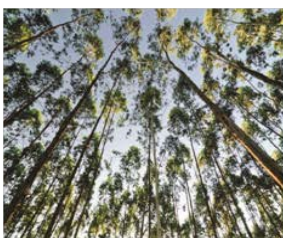
Carbon offsetting and carbon neutrality have become powerful, credible choices for companies that are looking to make considerable reductions in their carbon footprint.

WHAT IS A CARBON OFFSET PROJECT?

Carbon offset projects either avoid, reduce or sequester (remove) GHG from entering the atmosphere. Wind farms, for example, create renewable energy and reduce the need for conventional sources such as coal burning generators. Other typical offset projects are solar farms, small hydroelectric projects, tree plantings, biogas, methane avoidance, landfill gas, and fuel efficient cook stoves.

High quality voluntary carbon credits are issued in compliance with a number of schemes and standards to meet the following, crucial criteria:

- A real project, and measurable
- Additional to a business-as-usual scenario
- Permanent
- Independently verified



REFORESTATION



WIND FARM



SOLAR FARM



METHANE CAPTURE



WAVE ENERGY

ACCREDITED CARBON OFFSETS

Accredited carbon offsets have been through an accreditation process by complying with one (of a number) of voluntary standards designed to ensure the quality of offsets. The following are all endorsed by the Australian National Carbon Offset Standard (NCOS):

- Gold Standard: selling Voluntary Emission Reductions (VERs)
- Carbon Farming Initiative: selling Australian Carbon Credit Units (ACCUs)
- Voluntary Carbon Standard: selling Verified Carbon Units (VCUs).

BIODIVERSE REFORESTATION CARBON OFFSETS

Trees require carbon dioxide to grow. As part of photosynthesis and transpiration, CO₂ is absorbed by trees from the atmosphere, with the carbon molecules stored in the woody biomass (stems, roots and branches) and the oxygen molecules released back into the atmosphere.

Trees also improve soil quality by reducing salinity (by lowering the water table) and creating important wind breaks. Reforestation and revegetation zones are important for re-establishing native flora and fauna as they create food, shelter and nesting habitats.

WHICH OFFSET TYPES DOES CARBON NEUTRAL OFFER?

Carbon Neutral offers clients two types of voluntary carbon offsets:

Accredited carbon offsets – Gold Standard and Voluntary Carbon Standard across a broad spectrum of countries and projects.

Unaccredited biodiverse native trees – Plantings are in degraded farming land in the Western Australian wheatbelt, - the Yarra Yarra Biodiversity Corridor. They are independently verified and audited each year, are monitored regularly, are genuinely biodiverse, with a 100 year protection under *Carbon Rights* and *Carbon Covenants*. An internal register of inventory allocations is maintained.

WHICH CARBON OFFSETS - AUSTRALIAN OR DEVELOPING NATIONS?

Benefits of buying offsets located in Australia:

- Australia is the fourteenth highest per-capita emitter of GHG emissions in the world. We have a responsibility to reduce our own emissions and investing in Australian offset projects is a way to do this.
- We can educate Australians about the climate change solutions found in their communities.
- It creates employment, technical expertise, and financial benefits locally.
- Projects are more readily monitored to ensure that the emissions reductions do occur.
- The co-benefits of projects, such as conservation of biodiversity, impact domestically.

Benefits of buying offsets located in developing countries:

- Income from offset sales can provide financial help to some of the poorest communities in the world.
- Offsets from developing nations are often less expensive than domestic offsets.
- It helps support the transition to clean, renewable energy and helps to avoid the high emissions path of developed countries like Australia.
- Kyoto's Clean Development Mechanism was created to allow industrialised countries like Australia to meet a part of their emissions reduction targets.

One solution to buying Australian or developing countries offsets is for buyers to purchase a portfolio of both international and domestic offsets, thereby sharing the benefits.

COST

The price of carbon offsets vary from AU\$5 to \$35 and is dependent on the **project choice**, the **certification standard** and the **volume purchased**

TALK TO US about being an environmental leader in your industry

1300 851 211

contactus@carbonneutral.com.au

Carbon Neutral Pty Ltd
www.carbonneutral.com.au

ABN 42 164 635 769

Carbon Neutral Pty Ltd is regulated by the Australian Securities and Investments Commission and holds Australian Financial Services License Number 451004