



A Quick Guide to Sustainability & Carbon Offsetting.



Sustainability Jargon Buster

What is biodiversity?

Every plant, animal and bacteria species play a critical part in the sensitive balance of life on Earth. The term biodiversity describes the enormous variety of these species. Greater biodiversity means a natural stability for all life forms. If there is a breakdown of biodiversity, it threatens the ability of humans to exist on Earth – that is why you hear the term ‘existential crisis’ linked to the way that human activity is changing the planet.

What is sustainability?

A sustainable individual or organisation is one that doesn't deplete nature or natural resources faster than they re-generate, doesn't directly or indirectly destroy natural habitat and doesn't compromise the ability of future generations to meet their own needs. In this way, human civilisation can co-exist with nature.

What are greenhouse gases, and what is climate change?

Greenhouse gases occur naturally. By trapping heat inside the Earth's atmosphere they help support life on Earth. However human activity, principally through burning fossil fuels such as oil, gas, and coal, is increasing the amount of these so much that we are heating up the planet faster than nature can adjust to it, thus threatening biodiversity. We are changing the climate so much that more extreme weather is occurring such as hurricanes, floods, droughts and wildfires. As such, most scientists consider we have a window of 5-10 years to switch to sustainable behaviour and prevent the worst of climate change.



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What does CO2e mean?

The main culprit of climate change is a greenhouse gas called carbon dioxide (or simply carbon or CO₂). 'CO₂e' is the standard measure for carbon emissions created by human activity. It includes carbon dioxide as well as the other most important greenhouse gases created by human activities that contribute to climate change (e.g. methane) as determined by the UN's Intergovernmental Panel on Climate Change. These are converted to a much simpler to understand 'carbon dioxide equivalent', or CO₂e.

What is the difference between Scope 1, 2 and 3 emissions?

Scope 1 and 2 refer to carbon emissions that an organisation directly controls. Scope 1 is on-site combustion of gas and oil, fuel for company vehicles, industrial usage of greenhouse gases such as CO₂, and leakage from units such as refrigeration.

Scope 2 refers to the purchase of electricity, steam, heating or cooling that was generated by a third party. Scope 3 is all other greenhouse gas emissions associated with the activity of an organisation, most notably in their upstream and downstream supply chain. Scope 3 also includes other activities such as business travel, commuting, capital goods, leases, franchises and investments – along with the processing, use and end-of-life of products sold to another organisation or to the end consumer.

What is the circular economy?

In a traditional 'linear' economy items are made, used and disposed. Items often end up in landfill or are incinerated, so to replace them we will deplete or destroy more natural resources and habitats in an unsustainable way. In a circular economy we keep resources in use for as long as possible, make the most of them, and then recover the raw materials to begin the process all over again.

What does it mean if a company has Science Based Targets for tackling climate change?

Organisations that have signed up to the Science Based Targets Initiative are committed to making change in their operations and supply chains to reduce their carbon emissions. This must be in line with the Paris Agreement to limit global warming due to climate change to 1.5°C.



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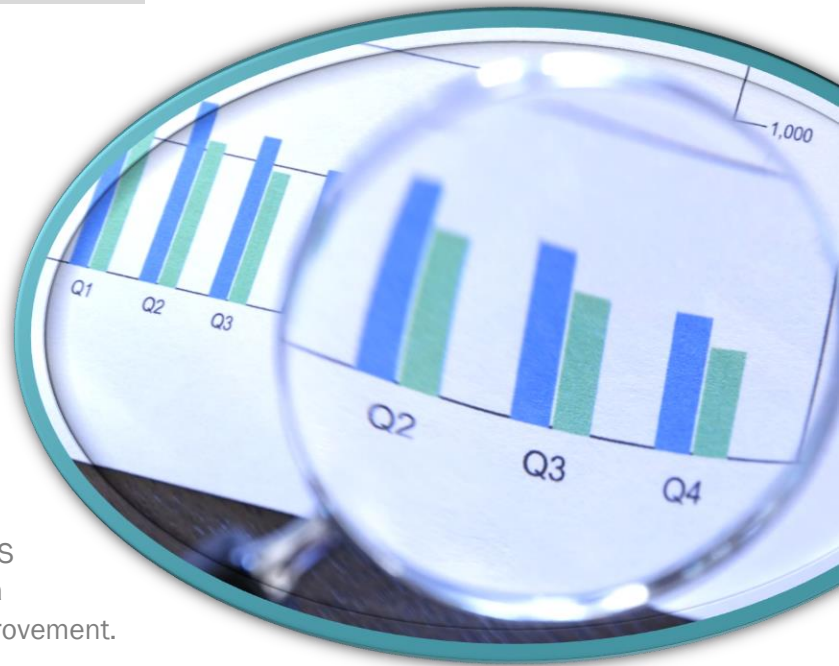
What are the Carbon Disclosure Project and Global Reporting Initiative?

CDP is a not-for-profit charity that runs a system for investors, companies, cities, states and regions to report on their environmental impacts. Through scoring and reporting, they are encouraging transparency to encourage sustainable business operations. Similarly, the GRI covers a range of topics for sustainability reporting.

What is ISO14001?

This international standard provides a framework for an effective environmental management system (EMS). It does not set performance requirements, rather an EMS allows an organisation to measure compliance against a policy or standard(s), and it encourages continuous improvement.

See more on [ISO 14001 here](#)



What are the Sustainable Development Goals?

Otherwise known as the Global Goals, these are a collection of 17 interlinked targets to “achieve a better and more sustainable future for all”. Set up in 2015 by the United Nations General Assembly, they are intended to be achieved by 2030. They cover social as well as environmental topics.

What is Environmental, Social and corporate Governance (ESG)?

This is the process of reporting on the environmental and social impacts of business activities. Along with financial reporting, it creates the ‘triple bottom line’ against which a sustainable business is measured.

Carbon offsetting explained

Offsetting should follow exhaustive carbon reductions, and with credible short-term plans in place to make further conclusive reductions.

Carbon neutral

Being carbon neutral means the carbon emitted by an activity (e.g. making a product) are cancelled out, or offset, today by the reduction or removal of an equal amount of carbon by such verified schemes.

Supporting the Sustainable Development Goals

The highest quality offset schemes to become carbon neutral abide by principles that projects should also contribute to the United Nation's Sustainable Development Goals (SDGs). Ideally they help people in Low and Mid Income Countries most impacted by the disastrous effects of climate change. An offsetting scheme should therefore be judged by its impact on a range of SDGs:



Carbon offsetting explained

In high quality schemes, 80% of funds go to the scheme or focus on social and environmental benefits. Schemes that are considered to directly reduce carbon emissions include biogas generation, efficient cooking stoves, clean water boreholes to reduce the need for firewood, and renewable energy schemes. Under specific circumstances, tree-planting and forest preservation may qualify.

Carbon insetting is an investment in an organisation's own supply chain to reduce or remove carbon (as opposed to carbon offsetting where an organisation pays to reduce or remove carbon somewhere else). The term is quite new and awaiting international guidance

Offsetting

Various providers offer a portfolio scheme where a specialist partner sources and manages a range of high quality offset schemes to carbon neutral standards. These schemes should be governed by **Gold Standard** or **Verified Carbon Standard**. Climate positive, also known as carbon negative, goes further and while there is no recognised definition, the norm is 2x carbon neutral.

Rounding off the story

Carbon offsetting is a catch-all phrase and, like net zero or carbon balanced, can be incorrectly used to refer to schemes which are not certified to have reduced or removed carbon from the atmosphere today. Many tree planting or preservation of existing forests lack independent verification after reduction or removal to be considered carbon neutral.

Tree planting and re-wilding schemes are vital to revive biodiversity and help prevent the potential breakdown of nature due to human activities. However, they are not usually considered as carbon neutral in the short term because it can take decades for a new tree to begin to remove carbon dioxide from the atmosphere. In many ways these schemes are a gift for the next generation.

Forest preservation is vital to preserve existing biodiversity. However, it is rarely considered a genuine offset meeting carbon neutral standards because many people claim the forest wasn't under threat in the first place, or they don't reverse carbon emissions.

If you want to do something in your local community, we recommend working with a locally established charity because very few high quality offset schemes operate at a local level in High Income Countries.



We hope you found this guide useful and that it gives you some insight into Carbon Offsetting. Should you require further information or support you can contact us in a variety of ways:

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