

Carbon Offsetting, Carbon Neutral, and Tree Planting: What You Need to Know

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www.circularecology.com

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- What is a carbon offset?
- How do carbon offset credits work?
- What are the wider benefits of offset projects?
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- Can they be used to support carbon neutrality statements?
- Are there any standards to support carbon-neutral statements?
- Tree planting
- Q&A



Circular Ecology – Introduction



Environmental consultancy, founded in 2013

Offer a range environmental services:

- Carbon Offsetting and Tree Planting
- Organisational Carbon Footprints, Scope 1, 2 & 3
- Product Carbon Footprints
- Whole-Life Embodied Carbon Assessments for Construction Projects
- Life Cycle Assessments (LCA)
- Net Zero Carbon Strategy
- Carbon Footprint Database (library) Development
- Verification and Peer Review
- Online E-Learning Training Courses





Our Mission Statement

"Making a difference together

Towards a more sustainable future"

Five Core Values:



Impactful



Community



Quality



Ethical



Continuous Improvement



Scaling Carbon Reduction Initiative (SCRI)

- Launch of our Scaling Carbon Reductions Initiative (SCRI)
 - A key part of our purpose is to release impactful work, to enable scalable carbon reductions
 - We will be diverting a specified amount from some of our sales into the SCRI
 - Funds will be used to develop free carbon footprint data, tools and resources
 - Publication of an annual impact report disclosing the amount raised and use of funds
 - https://circularecology.com/scaling-carbon-reductions-initiative.html





Scaling Carbon Reduction Initiative (SCRI)

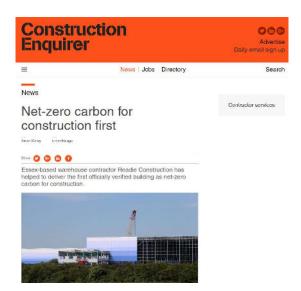
Products that make a contribution to our **Scaling Carbon Reductions Initiative (SCRI)**

- e-learning training courses 66.67% of ex. VAT sales diverted until
 June 25
 - Intro to carbon footprinting
 - Into to Life Cycle Assessment
 - Intermediate embodied carbon in construction
 - [under development] Sustainability 101 training course
 - https://circularecology.com/training.html
- Carbon offset credits £1 ex. VAT per tCO2e offset
 - https://circularecology.com/product-category/carbon-offset
- Tree planting packs
 - Recently added to our website online store
 - 25% diverted (exchange rate dependant)



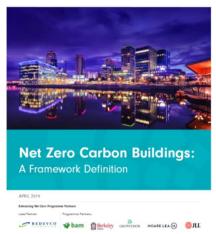
World's First UKGBC Net Zero Carbon Building

- GLP Magnitude Net Zero Carbon Construction
 - Logistics centre 29,183 m² GIA
 - First building verified to UKGBC as Net Zero
 Construction (Embodied carbon)
- Circular Ecology:
 - Measured embodied carbon
 - Advised on carbon reduction
 - Took through the Net Zero Carbon verification process
 - Provided the carbon offsets 11,735 tCO₂e
- Example news:
 - https://www.constructionenquirer.com/2020/08/25/net-zerocarbon-for-construction-first/







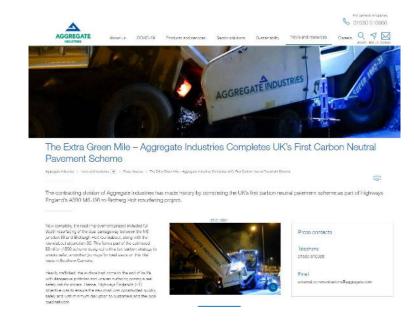




UK's First Carbon Neutral Road

UK's First Carbon Neutral Road

- Circular Ecology provides carbon offsets to Aggregate Industries
- Including for Highways England's A590
 M6 J36 to Brettarg Holt resurfacing project
- First UK carbon neutral road
- 43% lower embodied carbon
- https://www.aggregate.com/newsand-resources/press-releases/firstcarbon-neutral-pavement-scheme







Introduction to Carbon Offsetting



What is a Carbon Offset?

- Carbon offsetting is a mechanism to compensate for GHG emissions
 - By funding carbon emission reductions that occur elsewhere
- Carbon offset credits are the currency (commodities) of carbon offsetting

1 carbon offset credit

An emission reduction of 1 tCO₂e



How Do Carbon Offset Credits Work?

- When someone wants to offset their emissions, they need to buy carbon offset credits
- 1 carbon offset credit = 1 tCO₂e
- 1 carbon credit is the minimum volume (no part credits)

If someone wants to offset an annual footprint of 9.2 tCO_2 e, they need to offset 10 tCO_2 e to cover these emissions



Carbon Offset Verification Schemes

- Its important to use verified carbon offset credit schemes
- Companies can't just estimate or calculate carbon emissions from reduction activities and claim it as a carbon offset
- There are recognized carbon offset verification & certification schemes



Gold Standard













How Do Carbon Offset Credits Work?

- Carbon offset verification & certification schemes issue carbon offset credits for specific projects
- Projects around the world apply to the carbon offset schemes, to have their carbon emission reductions verified
- Once the verification is complete, the offset scheme issues carbon offset credits for this project
 - e.g. 1 tCO₂e, clean cookstove project, Kenya, 2023 vintage
- Offset schemes have carbon offset registries to track and trace offsets



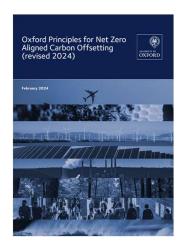
Traceability

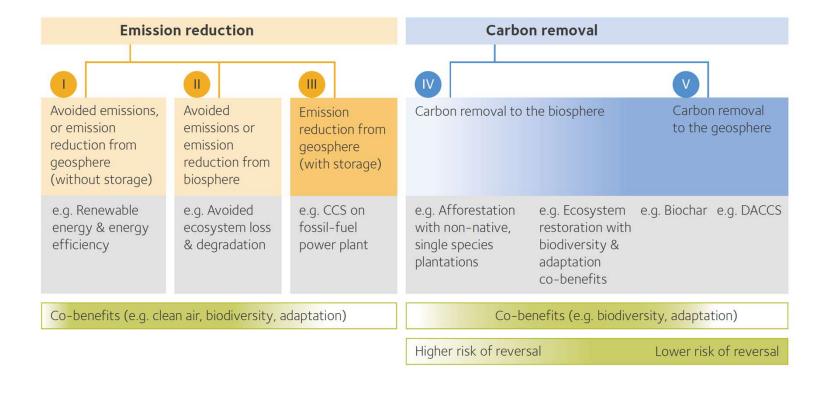
- Each carbon offset schemes has their own carbon offset registry
- These are secure platforms that store all the details of carbon offset credits
- Carbon offset credits are a tradable (virtual) commodity
- A carbon credit has a digital serial number, to identify it
- Carbon offset credits are retired when being "consumed"
- Once retired they can no longer be traded or used for any other purpose
- Carbon offsets are retired on behalf of a beneficiary and a purpose
 - For example, Company XYZ, organisational carbon footprint 2024



Best Practice Carbon Offsetting

- University of Oxford released Principles for Carbon Offsetting in 2020
 - Updated in 2024
- Two categories of emissions:

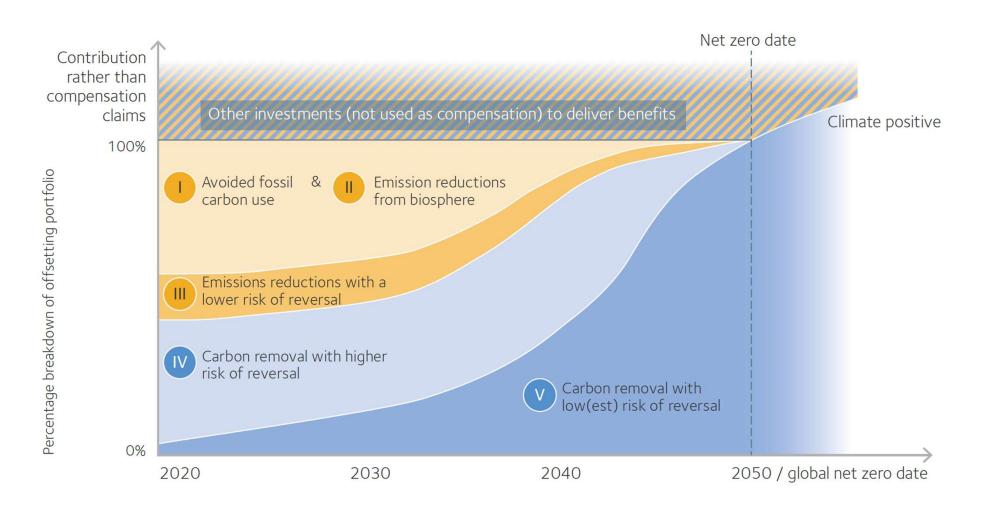






Best Practice Carbon Offsetting

Over time expected to move to carbon removal offsets....





Our Approach



Carbon Offsetting

- Verified carbon offsets to businesses and consumers
- Focussing on the wider benefits of carbon offsets
- From credible schemes:
 - Gold Standard
 - Verified Carbon Standard (VCS)
 - Plan Vivo
- We do not use UN Clean Development Mechanism for business
- All offsets are retired on official registries
- Provide offsets for:
 - Carbon Neutrality
 - Net Zero Carbon Buildings





Beyond Carbon Offsetting

- Our approach was developed to provide more than just carbon offsets
- Buddied to the carbon offsets:
 - 1 to 4 trees planted for each 1 tCO₂
 - Additional to the carbon offset
 - Rounding off the environmental story, beyond carbon offsetting
 - Creating wider socio-economic & environmental benefits
- We have large social media networks
 - 18,000 newsletter subscribers
 - 20,000 LinkedIn followers





Creating Socio-Economic & Environmental Value from Carbon Offsets



UN Sustainable Development Goals

Carbon offsets now alignment with benefits
 against the UN Sustainable Development Goals

































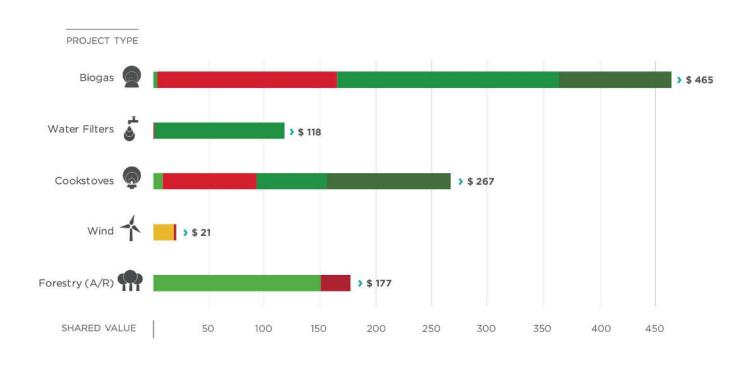






Wider Benefits of Offsetting

- There are many wider environmental, social, economic & environmental benefits of carbon offset projects
- These can paint a positive narrative, to balance out the perception of using carbon offset credits
- The Gold Standard have estimated the wider socio-economic-environmental benefits of their offsets, aligned with the UN Sustainable Development Goals...

















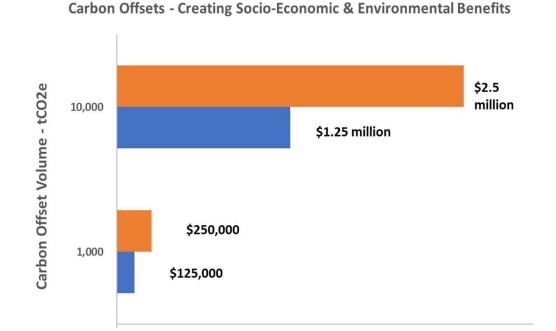
[Source: The Gold Standard]



Socio-Economic & Environmental Portfolio

Overview:

- For example, wider socio-economic & environmental benefit created:
 - 1,000 tCO2e
 - \$125,000 (standard)
 - \$250,000 (higher)
 - 10,000 tCO2e
 - \$1.25+ million (standard)
 - \$2.5+ million (higher)
- Amplifying socio-economic & environmental value



■ Higher Value Portfolio



Climate Security & Sustainable Development



Standard Portfolio

Offset Projects



Portfolio: Gold Standard Biogas

Project Overview:

- Biogas are estimated to have the highest wider socioeconomic-environmental benefits
- \$465 wider benefit per 1 tCO₂e
- Benefits for UN Sustainable Development Goals:



















BIOGAS

VALUE CREATED



Carbon credits issued

Social cost of carbon for the value of the CO2e saved Social cost of carbon for black carbon + organic carbon

Decrease in deforestation

Financial savings from reduced fuel use + increased job opportunities

Reduced respiratory illnesses + death

Gold Standard Biogas - Cambodia

- Highest socio-economic-environmental benefits
 - \$465 societal benefit per 1 tCO₂e
- Biogas kitchen air pollution reduced with 88% (Particulate Matter, PM 2.5)
- \$143 per year saving on cooking fuels per household
- Over 90,000 direct beneficiaries
- On average 5 tCO₂ reduced per digester per year
- 117 minutes daily time saving per household
- Over 250,000 tonnes of wood saved
- 21,000 households use bio-slurry as fertilizer



UN Sustainable Development Goal Benefits:











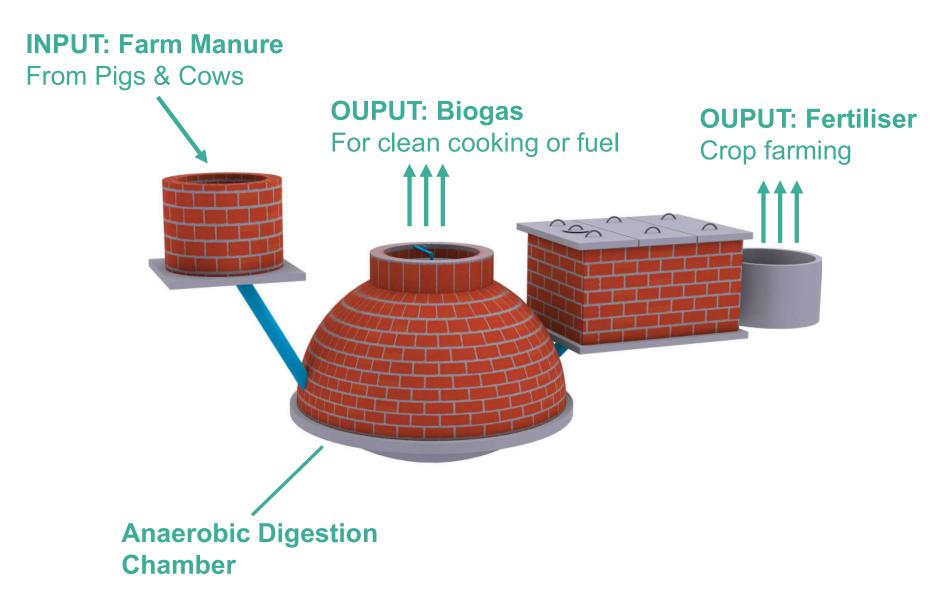






Video: https://www.youtube.com/watch?v=nsOclQeC1EE

Gold Standard Biogas - Cambodia





Gender Equality Certified - Gold Standard Lango Safe Water

- First project to be certified under the Gold Standard's Gender Equality Framework
- Access to safe water is a major challenge and required the water to be boiled using firewood which contributes to deforestation
- Creates a burden for women and children who typically collect the water and firewood
- Estimated that nearly 208 hours saved per year per household (26 working days per year)
- 40,000 individuals now enjoy clean water access, reducing the incidence of waterborne illness
- Reported incidents of domestic violence related to water collection have dropped to zero compared to 35% prior

















Ugand

CommuniTree - Nicaragua

Project Overview:

- **Agroforestry, Afforestation & Reforestation**
- CommuniTree Carbon Program uses reforestation to create long-term income opportunities for smallholder farmers
- Improving livelihoods in the poorest parts of the world, who are the most vulnerable to the effects of climate change
 - Farmers typically earn less than \$2 a day

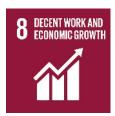
UN Sustainable Development Goal Benefits:





























CommuniTree - Nicaragua

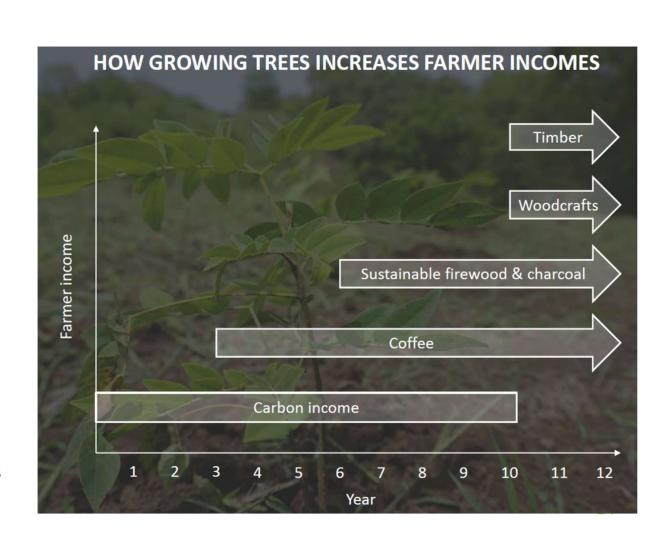
"This forest is the inheritance for my grandchildren. The trees will provide the wood for their future homes and protect our community's water supply for years to come."

Roumaldo Benavidez
One of the 1,000 CommuniTree farmers

Trees are more resilient to droughts and flooding than traditional agricultural crops so their livelihoods are partially hedged against the risk of extreme weather events caused by climate change

Building circular forest enterprises

- Tree farming
- Growing coffee alongside trees
- Producing high value wood products



CommuniTree - Nicaragua

Project Benefits:

- Works with local farmers, to build forest enterprises, through creating and selling products from the forest they grow, such as high value wood products, biochar and sustainable grown coffee
- Creates thousands of local jobs annually for non-land owning farmers, representing some
 of the poorest and most vulnerable communities
- 12,000+ educational workshops delivered annually, teaching families and communities sustainable farming practices, climate change, local environmental laws
- Working with over 800 female farmers, who would otherwise have challenges seeking financing and resources
- Over 25 million native trees planted
- Over 130 native tree species recoded, balancing the forest ecosystem and wildlife habitats

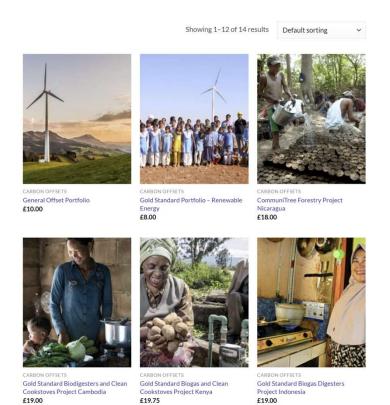
Videos: https://youtu.be/GvN127ze1JY

https://youtu.be/mSZQMStMmc8



Other Offset Projects

- We have an online store page, which information on other carbon offset projects
 https://circularecology.com/product-category/carbon-offset
- We are working on automating carbon offset certificates, for now customers can email us to request a certificate for their order
- For larger volumes, we encourage people to contact us for bulk pricing (500 tCO₂e +)





Carbon Neutral



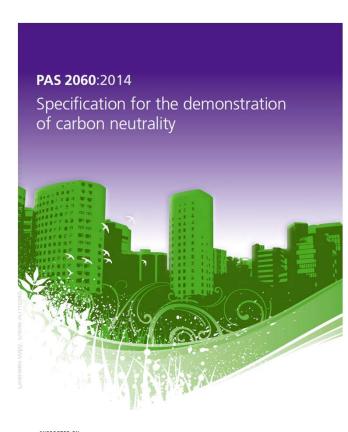
What is Carbon Neutral?

- Carbon neutral is a concept of mitigating or balancing your carbon emissions, to be neutral
- For example:
 - Company XYZ released 1,000 tCO₂e emissions from their operations in 2024
 - They can offset at least 1,000 tCO₂e to become carbon neutral
- It's important to make sure that any carbon neutral statements are aligned with best practices
 - Measurement according to accepted carbon footprint standards
 - Best practice carbon offsetting
 - Reduce emissions first, before offsetting
 - Commit to reducing your future emissions



Carbon Neutral Standards

- PAS 2060:2014 was the first standard on carbon neutrality
- It set the foundation for best practice carbon neutrality statements
- Had high levels of corporate
 commitment for reduction
- And high levels of public disclosure, including full disclosure on carbon offsetting
- However, it has now been superseded
 by ISO 14068-1:2023



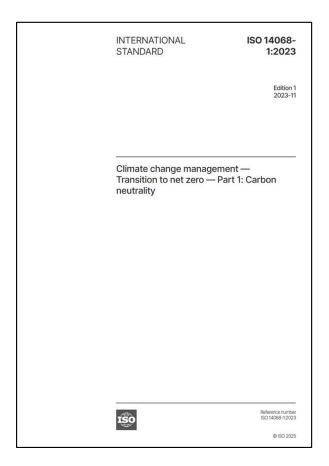






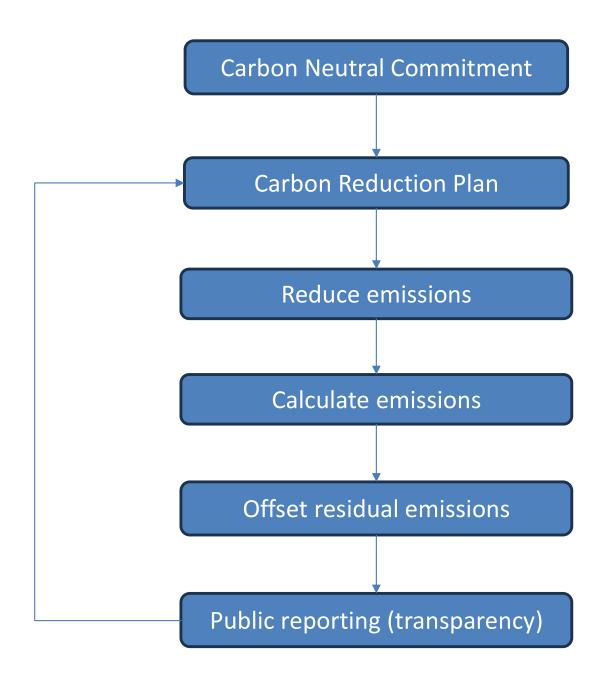
Carbon Neutral - ISO 14068-1

- ISO 14068-1:2023 sets the modern standard for carbon neutrality
- Builds upon PAS 2060
- With increased alignment to carbon footprint standards
 - ISO 14064 for organisational footprints
 - ISO 14067 for products
- Stronger requirements on carbon
 management plans over a timeline, to
 reduce down to residual emissions





Carbon Neutral Process - Best Practice





Carbon Neutral

- Carbon neutral is achieved through carbon offsetting
- If going carbon neutral, it's important to adhere to best practices
 - Measurement in line with carbon footprint standards
 - Offsetting best practices
- It's also important to reduce your emissions before offsetting
- And making sure you are committed to reducing your future emissions
- Adherence with ISO 14068-1 is recommended for modern carbon neutral statements



Tree Planting



Embedding Tree Planting Across Our Core Services

- Tree planting as a core initiative:
- Tree planting is embedded in all our activities at Circular Ecology, including:
 - Consultancy projects
 - Carbon offsetting
 (4 trees planted per tonne of CO2e offset)
 - E-learning and training courses
 - We plant a tree for every new customer
- Scaling Carbon Reductions Initiative (SCRI):
 - 25% from our tree planting sales is diverted into the SCRI to help fund the development of free resources and tools





Tree Planting with Eden: People+Planet

- Circular Ecology are proudly a Forest Partner (second-highest tier) of the non-profit
 organisation <u>Eden: People+Planet</u> (formerly *Eden Reforestation Projects*), a leader in largescale global reforestation
- By 2023, Eden had planted over 500 million trees, employing locals in Madagascar,
 Mozambique, Nepal, Haiti, and beyond
- Eden aims to:
 - Improve livelihoods
 - Reduce extreme poverty
 - Restore healthy forests
- By employing local people to plant millions of trees every year







Tree Planting: Alignment With UN SDGs

Tree planting activities align with the following United Nations Sustainable Development Goals (UN SDGs):

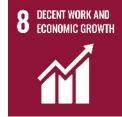
- UN SDG 1 No Poverty
- UN SDG 2 Zero Hunger
- UN SDG 3 Good Health and Well-Being
- UN SDG 5 Gender Equality
- UN SDG 8 Decent Work and Economic Growth
- UN SDG 10 Reduced Inequalities
- UN SDG 13 Climate Action
- UN SDG 14 Life Below Water
- UN SDG 15 Life on Land
- UN SDG 17 Partnerships for the Goals























Benefits of Tree Planting

The role of trees in climate action:

- Trees sequester CO₂ as they grow, contributing to long-term reductions in atmospheric carbon
- Forests absorb around 7.6 billion metric tonnes of CO₂ annually,
 playing a key role in climate change mitigation (NASA, 2021)
- Trees improve soil health and water regulation
- They can reduce urban heat islands by lowering city temperatures by up to 12°C (New Scientist, 2021)
- Find out more: https://circularecology.com/tree-planting.html





Benefits of Mangrove Trees

2-4

More carbon stored than mature tropical forests

12.3

kgCO₂e stored per tree per year

308

kgCO₂e per tree over 25-year life

Future Carbon Storage Potential of the Tree Planting

Some of the trees planted are mangrove trees. Mangrove trees are particularly beneficial to the environment as **they have been found to store 2-4 times the carbon** of mature tropical forests (Fatoyinbo et al, 2017).

Eden has established that the average amount of CO_2 absorbed by a mangrove forest is **308** kg CO_2 per tree. With an average grow life of 25 years, this works out to **12.3** kg CO_2 per tree per year (Donato et al, 2011).

Mangroves have an extensive root system that allows them to thrive in muddy coastal areas. Additionally, they are cost effective to grow and maintain so are more likely to survive once planted. Mangrove forests also encourage biodiversity (Komiyama et al, 2008).

A Video About Eden





New Tree Planting 'Products' Now Available

- We offer tree planting options through <u>our online store</u>
- How it Works:
 - 1. Choose the number of trees and place an order
 - 2. Eden: People+Planet plants the trees in regions affected by deforestation, in collaboration with local communities
 - 3. (Optional) email us for a digital Tree Planting Certificate
 - 4. 25% of tree sales through our store is allocated to our SCRI to fund free resources, tools, and data for emissions reductions



Celebrating 750,000 Trees Planted

- We have facilitated the planting of over 750,000 trees through our partnership with Eden: People+Planet
- Our website now offers tree planting for £1 ex. VAT per tree
- 25% of tree planting sales diverted to our SCRI fund
- Our next goal: 1 million trees planted



Summary



Summary

- Carbon offsetting is a process to mitigate carbon emissions elsewhere
- It's recommended to adhere to best practices
 - Reduce emissions first
 - Measurement inline with carbon footprint standards
 - Best practice offsetting
 - Carbon management plan for future emission reductions
- Carbon neutrality best practice defined by ISO 14068-1:2023
- We recently added tree planting to our online store
- We are diverting funds from all carbon offsets and tree planting to funding of free carbon footprint data and tools
 - ICE Database updates (free embodied carbon database for materials)



Next Webinars

- We are planning a webinar series across 2025
- Next 2 webinars:
 - Whole Life Embodied Carbon Assessment of Buildings
 & Construction Thur 27th Feb
 - Organisational Carbon Footprinting March
- Keep an eye on our networks for more information
 - Website <u>circularecology.com</u>
 - LinkedIn <u>linkedin.com/company/circular-ecology</u>



Thank you for watching

Sign up to our newsletter for monthly updates

https://circularecology.com/newsletter.html

