

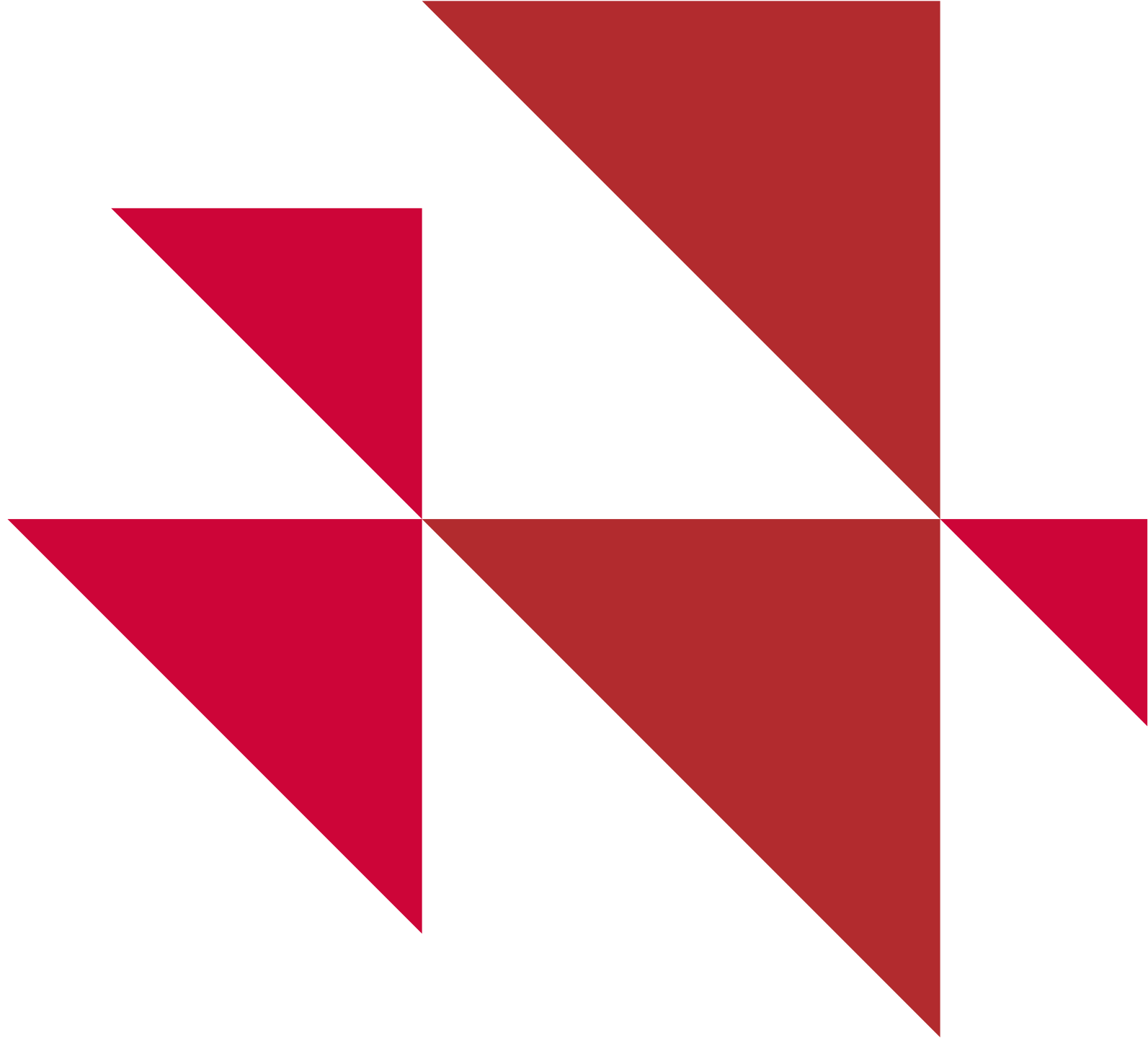
The role of offsetting in science-based net-zero targets

Alberto Carrillo Pineda

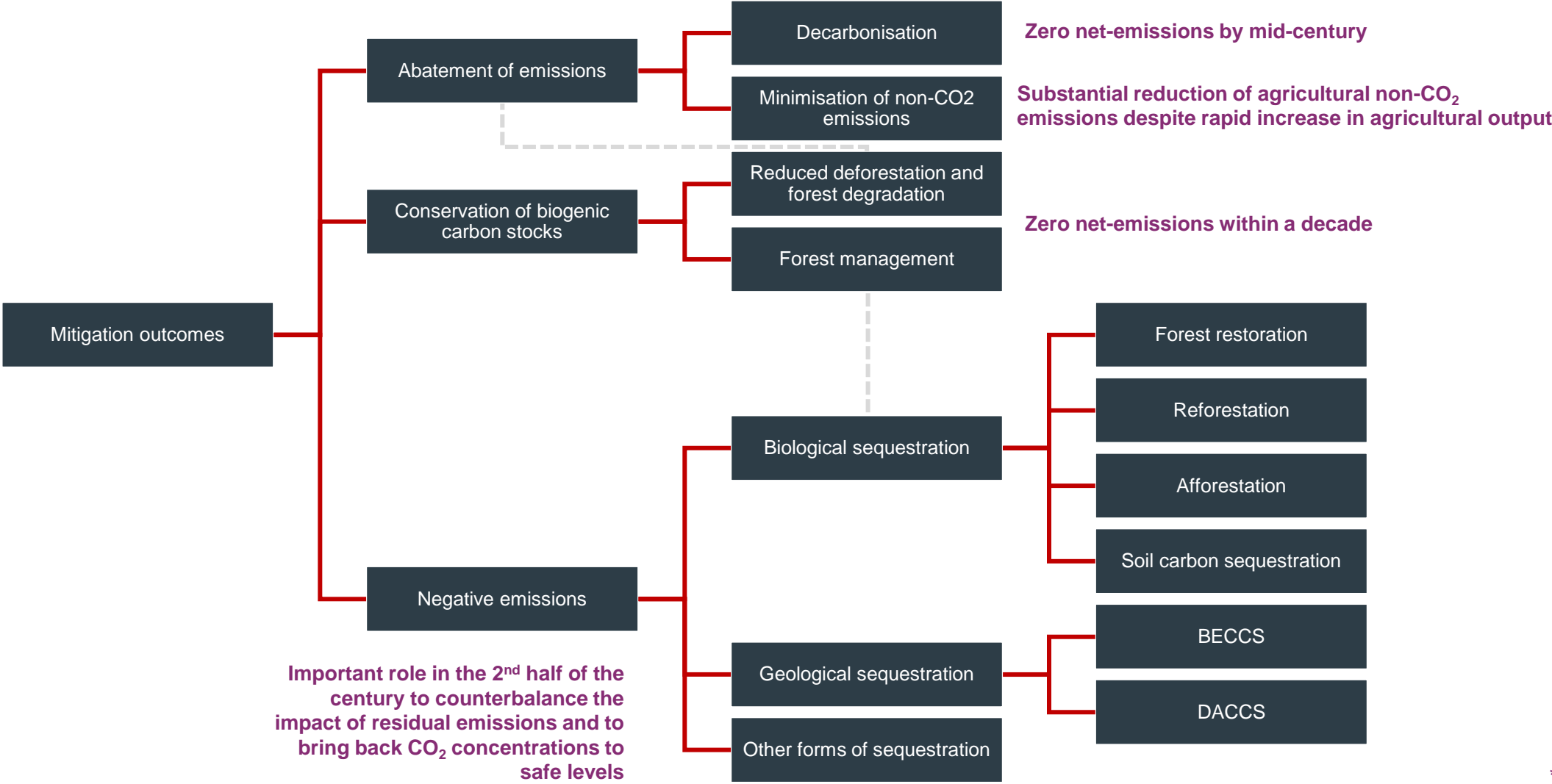
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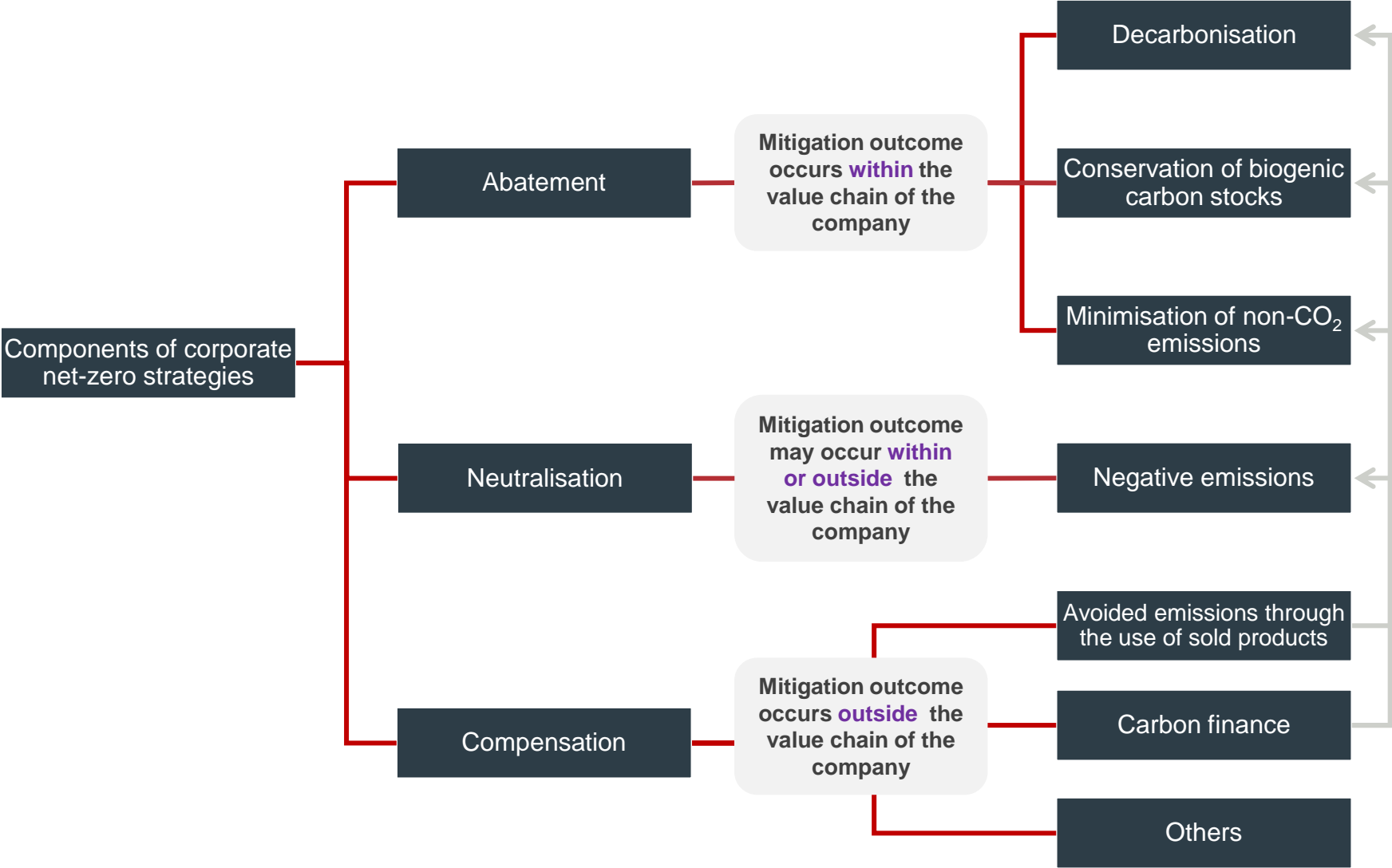
May, 2020



Mitigation outcomes to reach net-zero emissions



Components of corporate net-zero strategies



Abatement: Actions that companies take to reduce their impact on the climate by reducing greenhouse gas emissions associated with their operations and value chain.

Neutralisation: Effect of counterbalancing the impact of emissions of greenhouse gases to the atmosphere through appropriate emission removal measures.

Compensation: Measurable climate (mitigation) outcomes, resulting from actions outside of the value-chain of a company to compensate for the impact that a company causes on the climate.

What constitutes an effective neutralisation strategy?

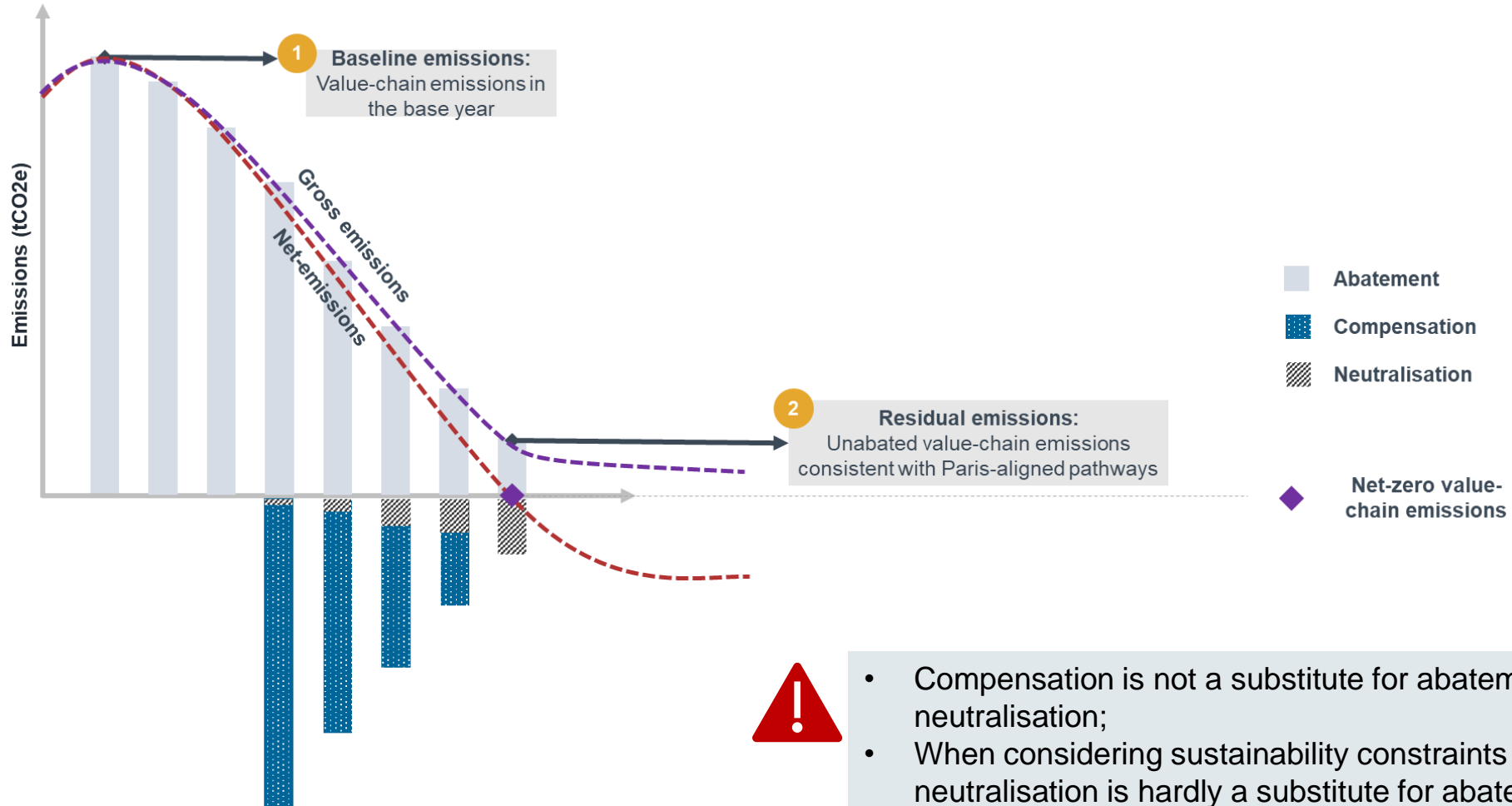
- Volume and type of GHG released;
- Atmospheric lifetime of GHG
- Warming equivalence of GHG emissions (e.g. GWP*);



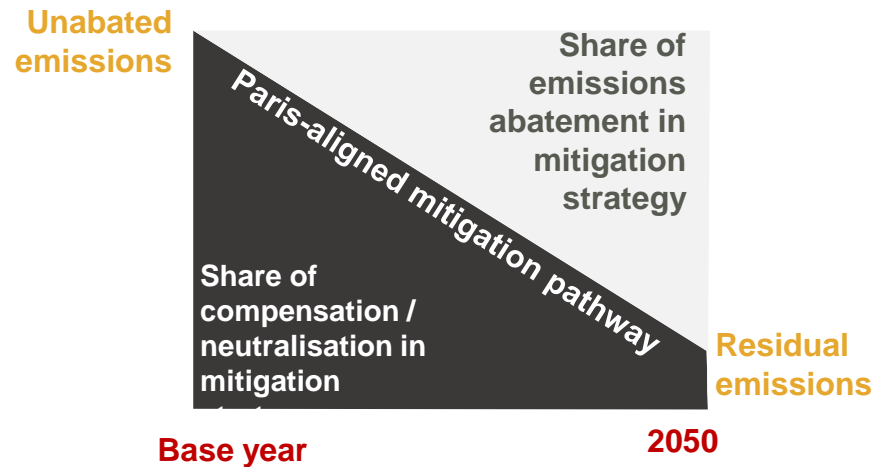
- Permanence of sequestration option;
- Risk of reversal;
- Leakage (Direct and indirect);

		Shorter-term storage	←————→	Longer-term storage
		Harvested wood products	Biogenic sinks	Geological sequestration
Type of forcer being neutralised	Short-lived climate pollutant (e.g. CH ₄ , etc)			
	Long-lived climate pollutant (e.g. CO ₂ , N ₂ O)			

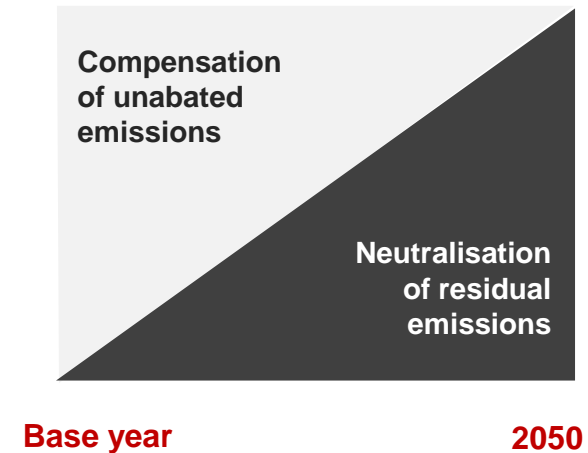
Net-zero as a north star for mitigation (and compensation) strategies



Net-zero as a north start for mitigation (and compensation) strategies



Companies are expected to reduce emissions in line with 1.5°C / Paris-aligned pathways and encouraged to compensate unabated emissions to help accelerate decarbonisation beyond their boundaries



A transition towards effective neutralisation measures (i.e. permanent carbon sequestration) to mitigate **residual** emissions is needed. Yet, this represents a transition from the current practice, and this transition needs to happen in a way that maximises sustainability and climate benefits along the journey

Towards a common terminology and credible claims

