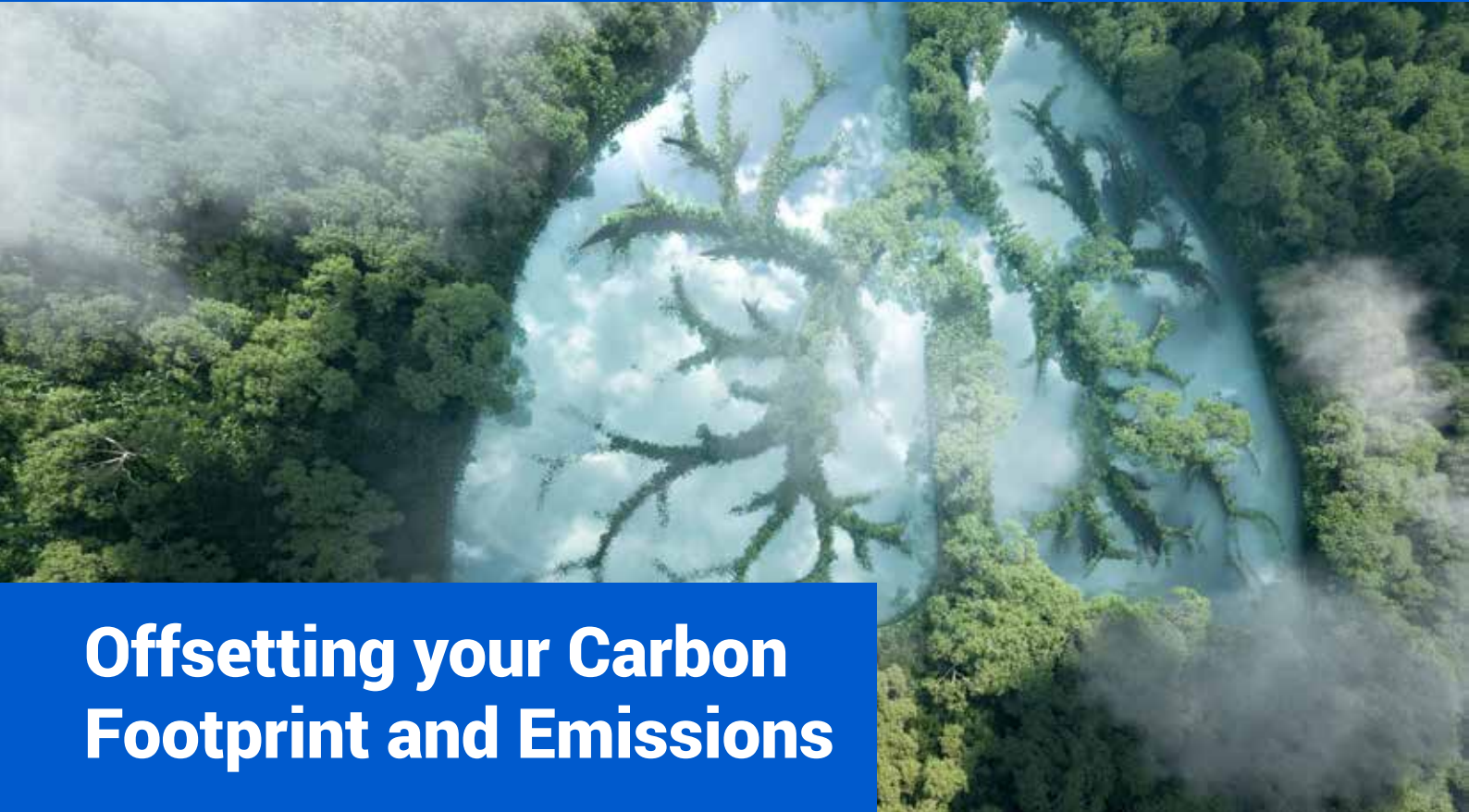


THE BOTTOM LINE



Offsetting your Carbon Footprint and Emissions

Carbon offsetting is a globally recognised way for an individual, company or organisation to take responsibility for the unavoidable carbon emissions (Carbon Dioxide) they are producing. When climate change is increasingly on the agenda and a topic of conversation, customers, staff and stakeholders are all looking at businesses to act now to reduce their carbon footprint.

We, at Auditel (UK) Ltd would like to explain what this scheme actually means, how it works, and how you or your business can become 'carbon neutral' or 'verified carbon neutral'.

WHAT IS CARBON OFFSETTING?

Offsetting your carbon means essentially funding and investing in carbon offsetting projects and schemes around the world that remove carbon emissions from the atmosphere. For your business to be Carbon Neutral, you must purchase offsets that match the same volume removed as you or your business is producing. In simple terms, offsetting one tonne of carbon means there

will be one tonne less of carbon in the atmosphere than there would have been previously. Offsetting projects help to combat carbon reduction and climate change, as well as caring for local communities. Examples of such projects include the creation of clean energy technologies; developing carbon capture technology or planting trees to remove CO₂ from the atmosphere.

Some organisations offset their entire carbon footprint, while others often aim to neutralise the impact of a specific carbon creating activity, such as taking a flight. This is done by calculating the emissions of the specific trip and investing



in offset schemes and projects that reduce those emissions, making the flight 'carbon neutral'.

THE CRITICISM AROUND BEING CARBON NEUTRAL

There are four main criticisms about being Carbon Neutral.

1. The most common criticism is that just buying offsets elsewhere, without actual carbon reduction action in your own business, is just trying to buy your way out of a problem rather than actually addressing the real issue of the emissions you are producing.
2. Often, how the original carbon footprint you are seeking to offset was measured is open to criticism. Without the correct Carbon Auditing procedures in place, many businesses simply measure energy consumption and maybe business travel, then seek to call that their entire carbon footprint. When in fact, they may still have many times that volume of emissions in other emission sources such as supply chain or distribution.
3. Very often the quality and/or validity of the offsets you purchase may come into question. Many offset projects do not have the same level of accounting standards and verification credentials. So you need to be selective of the projects you purchase offset from.
4. The final area of debate centres on the type of offsets used with lots of varying opinions on the merits or otherwise of nature-based solutions versus technology solutions. The main argument being around the length of time carbon emissions that have been captured are held for. Are they just in a temporary "reservoir" that will release again in the future (for example if the forest burns down) or have they been captured for the long term in a "sink".

VERIFIED CARBON NEUTRAL

At Auditel, we provide a service to our customers to become 'Verified Carbon Neutral'. For us that means ensuring our clients gain BSI PAS 2060:2014. A verified specification for the demonstration of Carbon Neutrality. You can browse our carbon solutions here on our dedicated carbon services page.

In order to gain PAS 2060 verification by a UKAS certified body such as BSI, NQA, SGS or Bureau Veritas, your business needs to meet the stringent criteria of the PAS 2060 specification. Much of which was designed by BSI to avoid the criticism traditional carbon neutral claims attracted. In particular, under PAS 2060 you must:

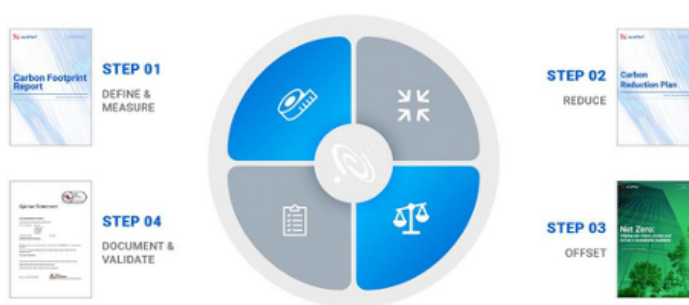
1. Make year on year reductions in your actual carbon emissions in order to retain your carbon neutral status. This focuses efforts on decarbonisation within your business.
2. Clearly define the boundaries of the footprint you are seeking to claim as neutral, consider all material emission sources

and use a recognised methodology for the calculations such as WRI GHG protocols, Corporate Accounting and Reporting Standard or ISO 14064-1.

3. Only source your offsets from Kyoto-compliant schemes or alternatively from what would be best described as High-Quality voluntary schemes. These High-Quality voluntary schemes must themselves meet strict principles of reporting and accountability.

As mentioned above, becoming 'verified carbon neutral' to PAS 2060 with us avoids the criticism and scrutiny around basic carbon neutrality. Reaching carbon neutral and it being verified builds trust, due to avoiding websites and businesses that are using self-certification and having your carbon reduction and carbon offsetting plans verified by BSI PAS 2060. This standard is internationally recognised.

How to Offset Carbon Emissions and Become Carbon Neutral
Carbon offsetting is just one way in which companies like us can tackle climate change and reduce your carbon footprint. Offsetting carbon emissions is a continuous process and we have outlined here our 4 step process below. Our 4 step process defines and measures your current and future carbon footprint. We then reduce it by implementing a tailored carbon reduction plan. We then help you buy carbon offsets to offset your emissions. Finally we document and validate this process with a verification body (e.g BSI and NQA) . We can help your business provide clarity towards net zero and provide guidance to achieve the BSI or NQA PAS 2060 recognised specification for carbon neutrality.



IS CARBON OFFSETTING THE SOLUTION TO CLIMATE CHANGE?

Offsetting your carbon provides a way to reduce greenhouse gas emissions in an efficient and cost-effective manner, but if this is done alone, this is not the solution to climate change.

At Auditel we believe that climate change will only be addressed when everyone takes the steps needed to reduce CO₂ emissions as much as possible. This is why we offer many services as well as carbon offsetting, which can be found on our carbon solutions page.