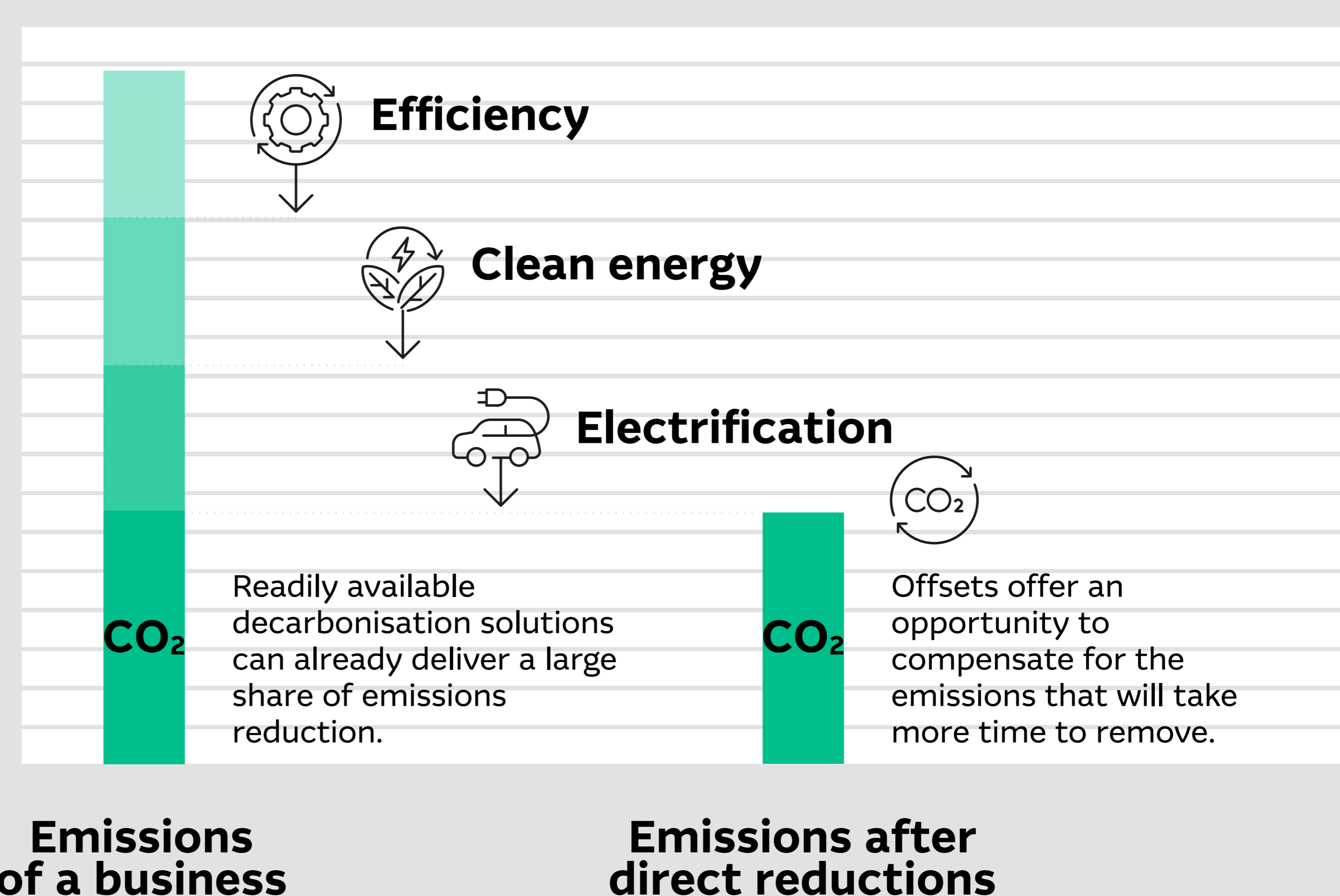


How does carbon offsetting work?

WHAT ARE CARBON OFFSETS?

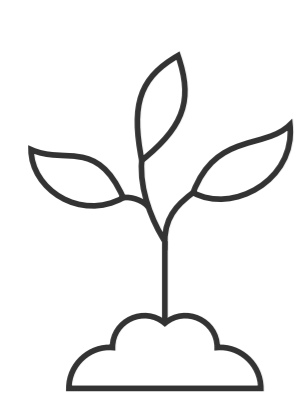
CARBON OFFSETS ARE A KEY COMPONENT OF COMPANIES' DECARBONISATION EFFORTS.

They can be used in conjunction with direct emissions reduction efforts to mitigate near-term emissions tied to parts of the value chain that will take longer to decarbonise.



01

SOURCING

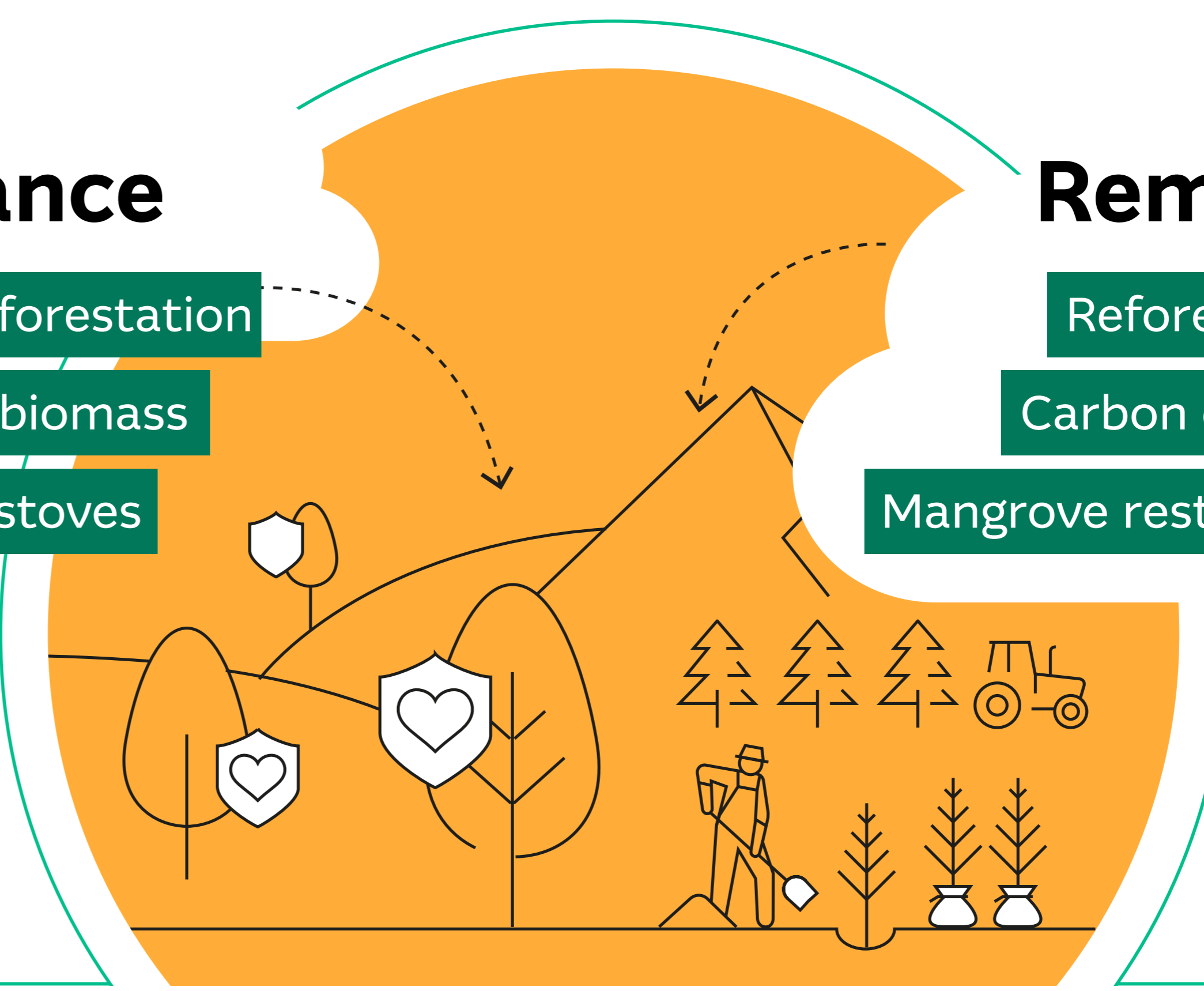


Carbon offsets are sourced from projects designed to either avoid or remove carbon emissions.



Avoidance

- Avoided deforestation
- Preserving biomass
- Clean cookstoves



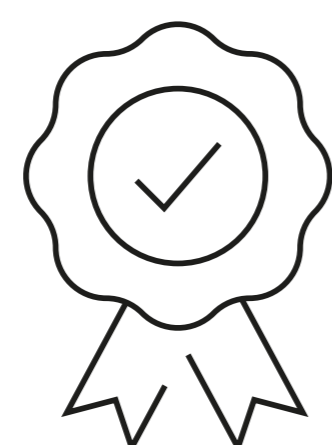
Removal

- Reforestation
- Carbon capture
- Mangrove restoration

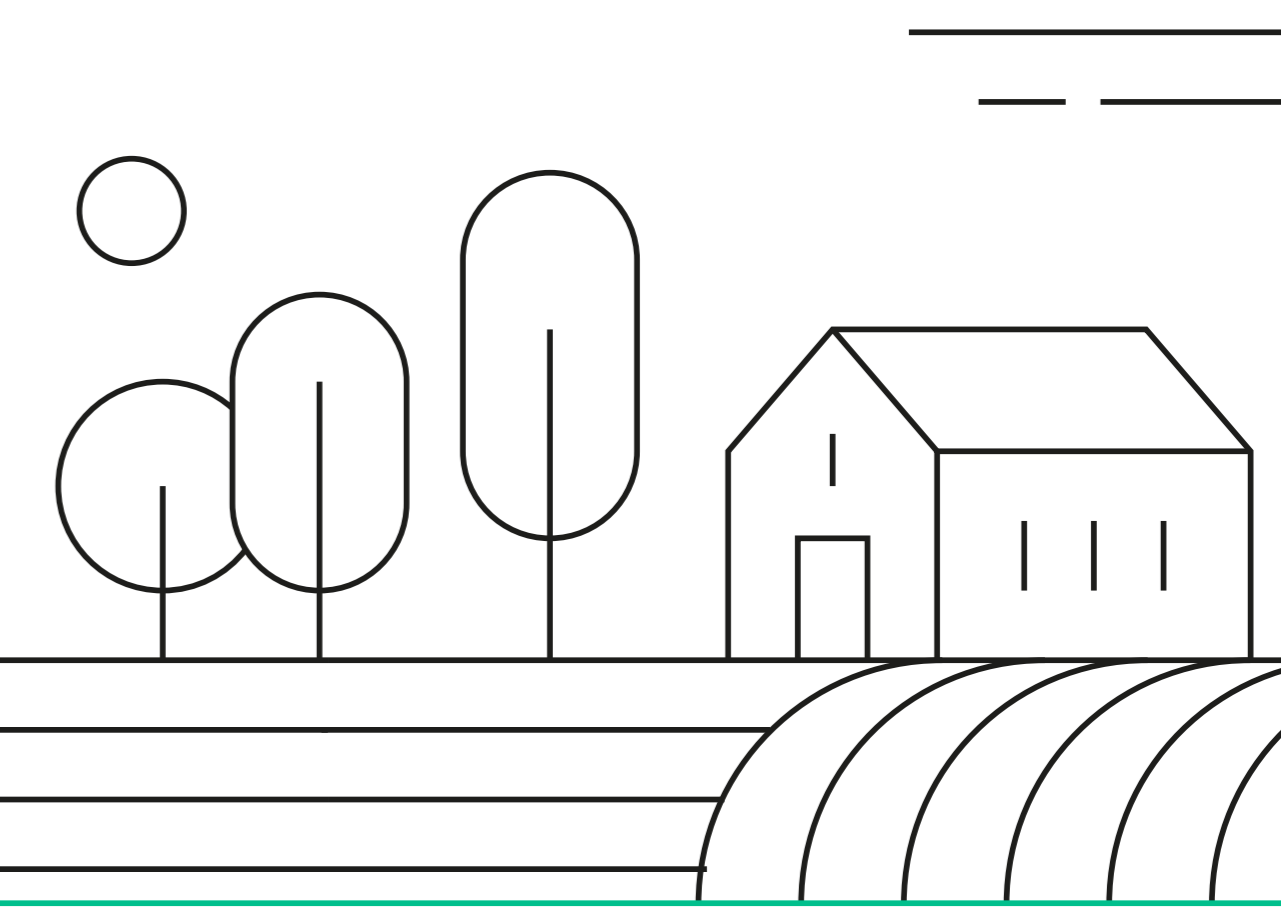


02

VERIFICATION

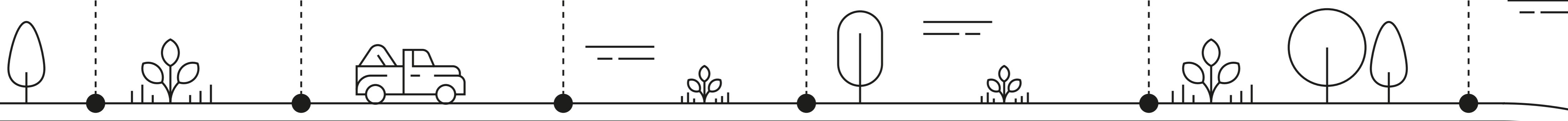


An independent verification body (IVB) checks the project to confirm that it is designed and implemented in accordance with the relevant methodology.



HIGH-QUALITY CARBON OFFSET PROJECTS ALIGN WITH LEADING GLOBAL STANDARDS TO ENSURE THEY ARE:

- REAL
- MEASURABLE
- PERMANENT
- ADDITIONAL
- INDEPENDENTLY VERIFIED
- UNIQUE



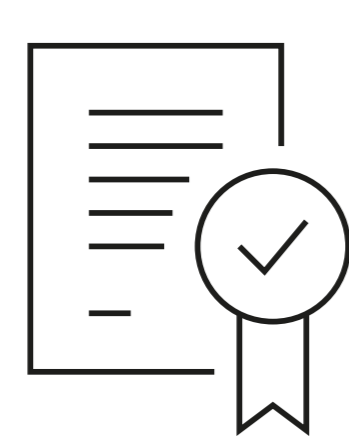
SUSTAINABLE DEVELOPMENT GOALS

Certain projects will achieve significant co-benefits, contributing to the UN's wider sustainable development goals:

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 13 CLIMATE ACTION

03

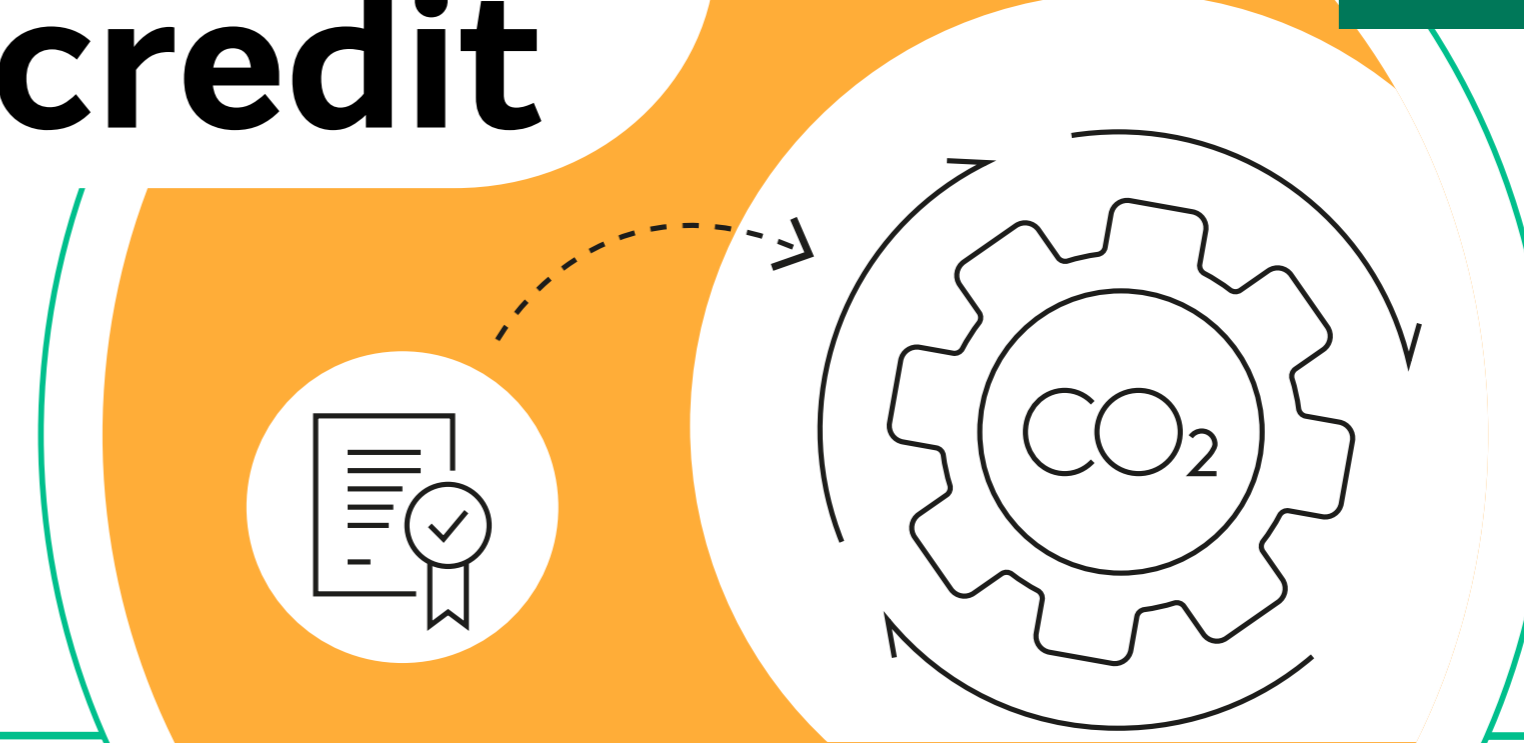
ISSUANCE



Once the IVB has confirmed the number of CO₂ tonnes avoided or removed, offsets are issued to the project by the registry operator (e.g. Verra).

A carbon credit

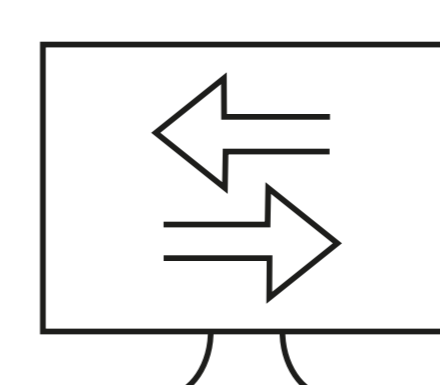
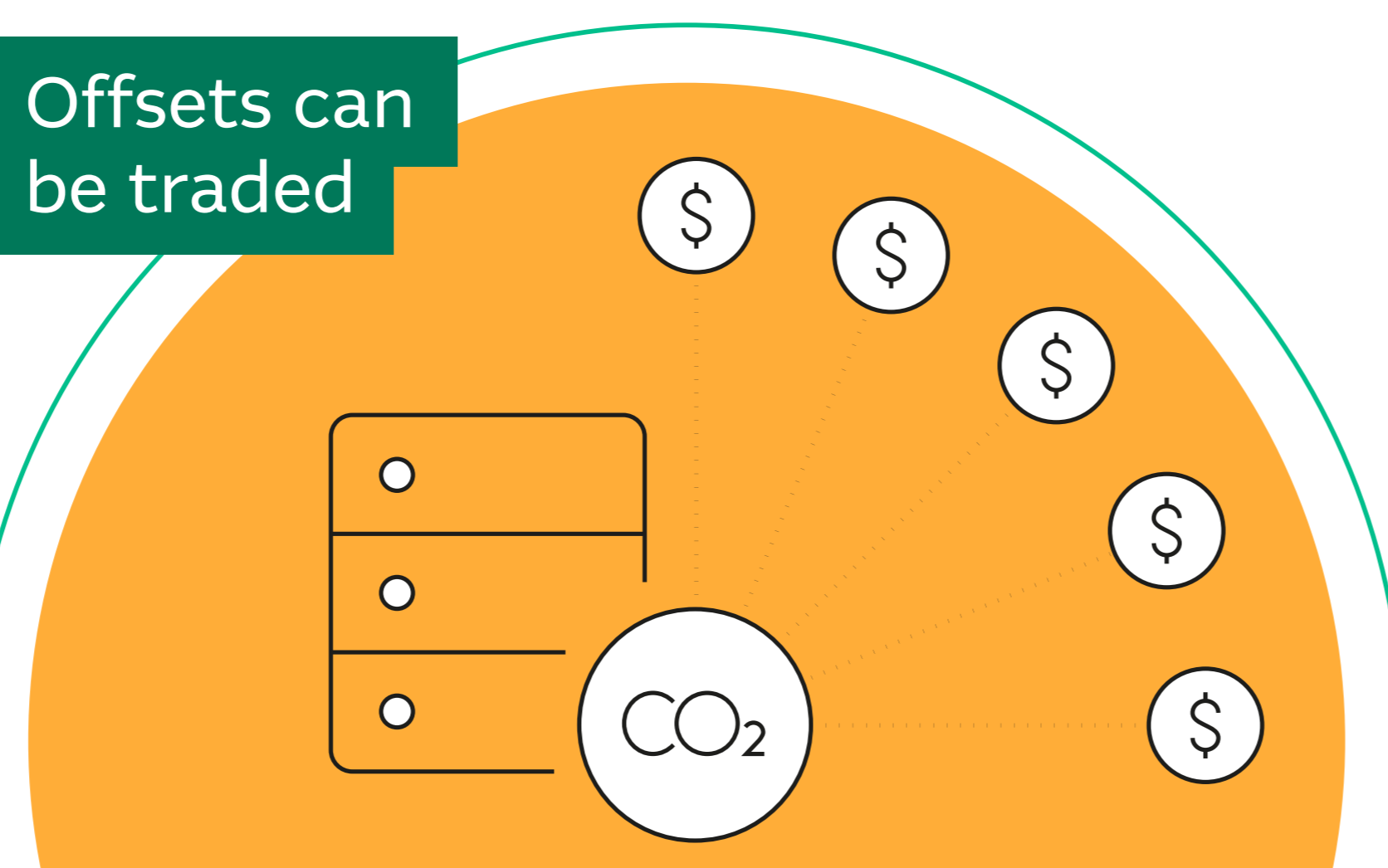
One carbon credit represents the avoidance or removal of one tonne of CO₂.



04

TRADE AND PURCHASE

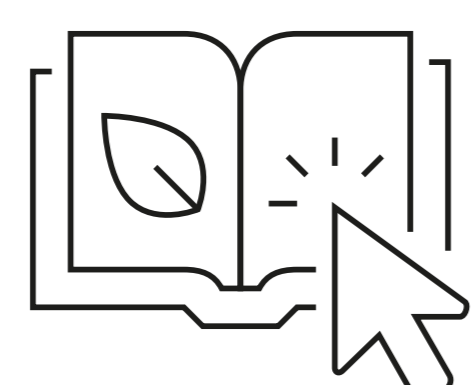
Offsets can be traded



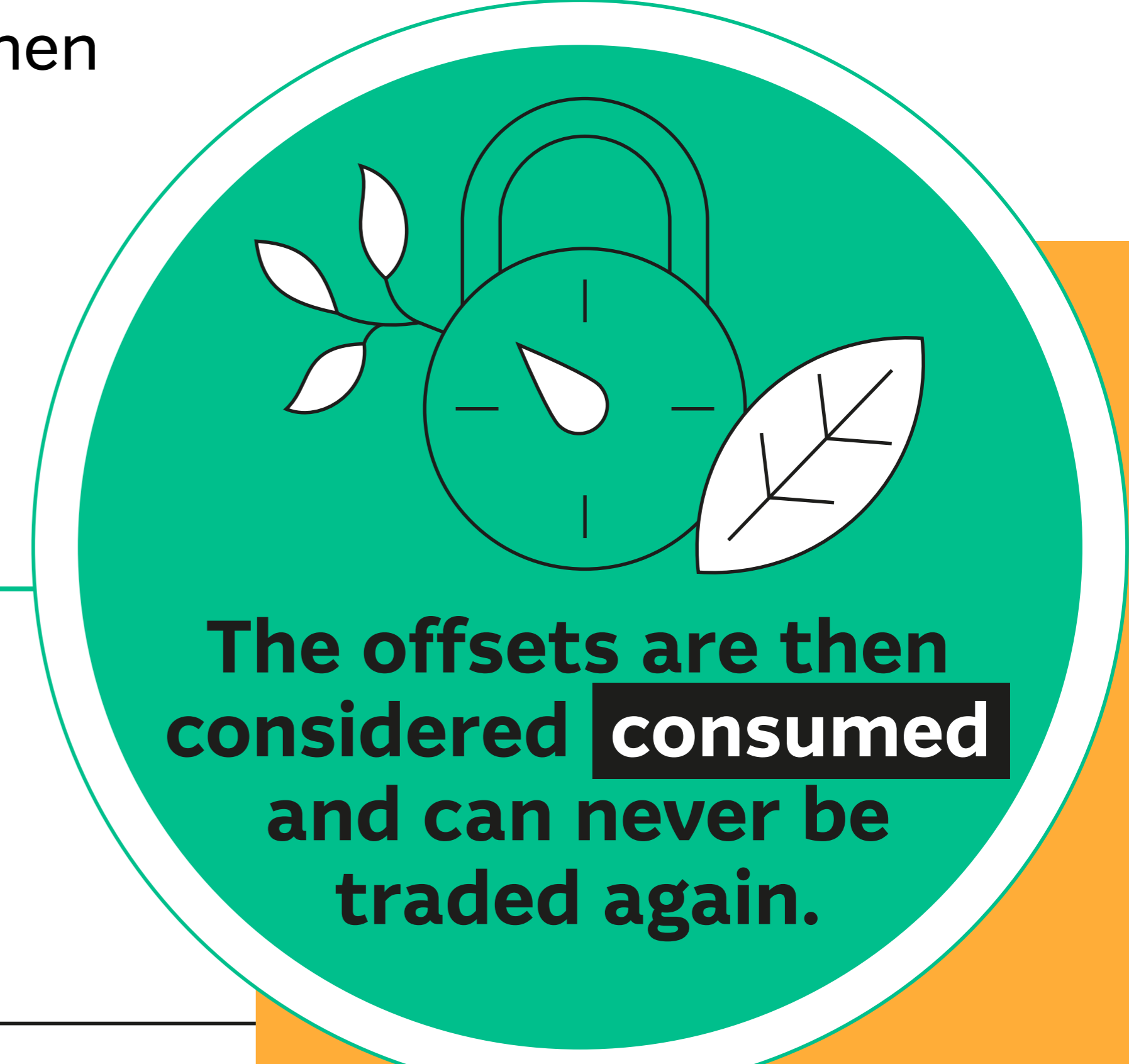
Offsets can then be traded and eventually sold to the end consumer through exchanges and marketplaces, such as Xpansiv.

05

RETIREMENT



The purchasing corporate then retires the offsets against their identified set of emissions to demonstrate that they have been compensated for.



The offsets are then considered **consumed** and can never be traded again.

