

B Corp Climate Collective

A Climate Action Offset Guide for B Corps

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This guide is for B Corps who have scrutinized whether, and subsequently decided that, offsets play a role in the course they will chart to reach Net Zero by 2030.

As a B Corp who has committed to the [Net Zero](#) 2030 Commitment you have already set out to measure, reduce, and offset your carbon emissions. Excellent! You are confident in the impact you can make by reducing your own emissions, but when it comes to offsetting you aren't sure where to begin, or how to ensure that your offset purchase is a meaningful climate action. This guide invites all B Corps to learn what an offset is, the role offsets can play in their path to [Net Zero](#), and what to consider when offsetting.

Offsetting as a B Corp Committed to Net Zero 2030

Today, all B Corps generate greenhouse emissions in the course of their business. For help with every step on the path to reducing those emissions, we recommend B Corps begin by visiting the [B Corp Net Zero Roadmap](#). To identify and estimate emissions, we recommend B Corps seek support from B Corp peers by signing up for a **coaching call**. To ensure a human-centric, climate justice-oriented approach, we urge you to begin your learning journey with the [Climate Justice Playbook for Business](#). To reduce emissions, visit the [B Climate Tools Base](#). And we recommend each B Corp raise its voice on [climate advocacy](#) because collectively, we must be the change far above and beyond the level of our own annual emissions.

After B Corps have measured and established a plan to reduce emissions on an ongoing basis, remaining emissions can be balanced out, or offset, to reach what is considered 'net zero' by annually supporting actions that sequester or reduce the same amount of emissions elsewhere. These are carbon offsets.



Image courtesy Offset Alliance



“[Offsets] represent the reduction, removal, or avoidance of GHG emissions from a specific project that is used to compensate for GHG emissions occurring elsewhere... Offsets are calculated relative to a baseline that represents a hypothetical scenario for what emissions would have been in the absence of the mitigation project that generates the offsets.” - WRI GHG Protocol

[The World Resources Institute guidance on the five criteria that define offsets](#) are just as true now as they were a decade ago, that any action to offset emissions must be real, permanent, additional, verifiable, and enforceable. The more recent [Oxford Principles](#) for offsetting in line with net zero, reinforce these criteria (in addition to putting forward additional considerations). Offsets developed and verified to one of the existing recognized offset project standards from Gold Standard, Climate Action Reserve, VCS/Verra, American Carbon Registry, Clean Development Mechanism, and Australia’s Emissions Reduction Fund will meet these basic criteria.

Going beyond these essential performance criteria, B Lab and the B Corp Community encourage B Corps to view any necessary offsets as an opportunity to have positive impacts that extend beyond climate. Consider yourself a supporter of each offset project you evaluate - how can your support make a difference to this project? What change will your support cause, and what will be the measurable, verifiable outcomes of that change? In that way, the B Corp Community can make a large and lasting contribution to communities and ecosystems, as well as to the climate.

And remember, if you want to reach Net Zero right away through offsetting, you may have a high proportion of emissions to offset in your first year. As you reduce emissions each year, you will have fewer and fewer emissions left to offset in future. Achieving Net Zero is not a one time thing, but a commitment to an annual process of measuring, reducing and offsetting a steadily declining number of remaining emissions.

Getting Started

Once you measure, create a plan to reduce emissions (we perhaps cannot say that bit enough!), and are ready to offset, search [the B Corp directory for an offset provider](#), or reach out to a B Corp peer who can tell you about the offset projects they have chosen to support.

Begin your research into offset projects, keeping in mind the number of offsets you would like to purchase, the type of offset projects you would like to support, the location you would like to support, and the price you would like to pay. Be sure to research documentation of the social, socio-economic and environmental benefits (beyond climate) of each project, including details of how those benefits are measured and verified.



1. How many offsets do I need?

Once you have measured your scope 1, 2 and 3 emissions, you will need to determine your offsetting strategy. For Net Zero, you will acquire an amount of offsets to match all of your emissions, each year. You will need fewer offsets the more you reduce emissions each year!

On the path to Net Zero 2030, B Corps will want to measure and address as many of their scope 1, scope 2¹ and scope 3 emissions as possible in a given year. United Nations guidance on the Race to Zero and others emphasize the criticality of including all scopes and especially scope 3 emissions.

B Lab guidance is carefully non-prescriptive but does require B Corps to publicly and clearly state which emissions are included in the measurement and which are offset. This transparency - explaining what is measured and included in your emissions footprint, and what actions you are taking to Zero - is long-standing best practice and can help foster continuous improvement. It is okay to not have measured all emissions in year one. But do have a plan to measure more and more of your emissions so that, over time, your footprint becomes increasingly accurate. This visibility into all emissions sources will help you find meaningful ways to reduce emissions.

2. What types of offset projects exist?

The B Corp Community loves nature-based climate actions – restoring agricultural lands', forests' and wetlands' ability to pull carbon from the atmosphere and hold it there! But it is most important to select a type of climate action project connected to your emissions sources or that otherwise suits your company's activities and values. The primary [climate action project types](#) either remove carbon from the atmosphere or avoid emissions that would otherwise occur.

Common avoided emissions projects include preserving wetland ecosystems or preventing deforestation (and the resulting loss of stored carbon), as well as destroying methane leaking from landfills or emitted by livestock, or supporting the transition to renewable energy or low-emission vehicles to avoid fossil fuel emission. Common carbon removal projects include managing grasslands and agricultural lands to restore soil health and soil's ability to absorb and store carbon, or using technology to pull carbon from the atmosphere.

3. How can I achieve even more benefits from my offsets?

First and foremost, refer to the [Climate Collective's Playbook](#) on climate justice. And if you have not already, take action on the UN Sustainable Development Goals via B Lab's [SDG Action Manager](#).

As you consider projects to support, invest time to investigate the social, economic, equity and environmental benefits the project delivers. Choose projects with benefits that align with your

¹ Per the globally recognised and applied [GHG Protocol](#), it is also possible to 'zero' scope 2 emissions by purchasing Renewable Energy Certificates. But please remember to reduce your scope 2 each year!



company's activities and values, and that help advance your other goals – from education, to children's health, biodiversity, economic empowerment, and others. Is destroying methane from landfills a good link between your climate and your waste goals? Does destroying methane emitted from livestock provide your company a way to support local farmers while meeting climate goals? Is avoiding deforestation by providing efficient cookstoves to families an important connection across your goals for health, habitat protection and climate? Will protecting threatened grasslands enable your company to support biodiversity in regions where you operate, protect our waterways, enhance environmental educational opportunities, and reach Net Zero?

And be scrutinous! Go beyond brief project descriptions to ask what benefits the project operators measure and publicly report (in addition to the carbon, of course!). Look for projects with [CCBA certification](#), or [Gold Standard](#) for the Global Goals, as such labels typically indicate a project provides positive benefits for local communities and biodiversity in addition to the climate.

4. Where should the offset projects I support be located?

Greenhouse gases, once emitted, are all around us. Any verified action you support, anywhere in the world, matters. But if your company has an opportunity to support an offset project in a region connected to your business, that can improve the connection of your climate investment - you are taking action on climate and supporting a community or landscape your company relies on. It may be that in considering both the type of project and the social and economic benefits of a project (point 3 above), you have already come to your choice. But if not, think about places that matter most to you – where do employees and customers live or travel? Which regions of the world do you source from? Which communities or landscapes does your business rely on?

5. How much should I invest?

Offsets can be a cost. They can also be an investment in the lands and communities you and your partners depend upon. Today, the price to offset one metric tonne of CO₂ ranges from \$3.00 to \$18.00 per offset credit, and above. You will find smaller, community-based projects that generate offsets in the range of 10,000 offsets in one year, can be priced higher. On the other hand, larger projects that generate hundreds of thousands of offsets each year are typically priced at the lower end of that range. Each year when you go through the process of measuring your remaining emissions, upping your plans to reduce emissions and offsetting remaining emissions on your path to Net Zero, you will have to decide which projects to support. What should drive your decision are your goals, and your satisfaction that you are investing in a project type, located in a community and providing a suite of benefits, that all align with your goals and makes sense for your business, and are substantiated via the project standard and reporting.



6. Do Offsets Age?

Sort of. Climate actors build projects they hope the market (that's us!) will support. Those projects generate offsets over their entire operating life - decades. The year a credit is generated (the emissions avoided or carbon sequestered) is referred to as vintage, like a wine. It can be the case that a project generates more offsets in a given year than it sells. Subsequently, in 2020, one could purchase an offset of 2018 vintage, i.e., an offset generated in 2018.

Opinions on purchasing older vintages are mixed. One unit of emissions was indeed avoided, and indeed needs a financial supporter (an offset buyer!). Additionally, since some projects are not verified each year (think soil carbon that may take a few years to accrue), if you buy an offset of 2018 vintage in 2020, it may only have just come available for purchase in 2020. Some in the field maintain buying offsets generated in 2016 or later ensures your offset meets the latest rules. What matters most is the project's performance verified to a standard and publicly reported.

On the other end of the spectrum, a climate action project may sell offsets before they are generated at all! This can catalyze new climate actions that cannot rely on after-the-fact annual purchases by bringing funding to them early. But it gets tricky. Lots of climate leaders use their offset budgets to take this type of catalytic action, but make sure you have a partner with a well recognized track record and add questions to ensure the emission reductions will be third party verified to a recognized standard and retired on a public registry.

7. How can I confirm the quality of a carbon credit?

Do check to be sure a third party has checked! Every carbon offset project need be validated to a recognised carbon standard. Common standards include Gold Standard, Climate Action Reserve, VCS/Verra, American Carbon Registry, Clean Development Mechanism, and Australia's Emissions Reduction Fund.

Every validated carbon offset project generates offsets over a given period, and those offsets need to be verified, most often annually, and then issued (i.e., they receive a unique identification number) for sale. Once issued and sold, offsets must then be retired. If you have an account on a carbon registry, you are savvy on this already and can retire your own offsets! However having an account is not necessary and comes with an annual cost. If you do not have an account, it is common practice for your offset provider to retire offsets on your behalf. Ask your provider to show you where on the public registry you can see the offsets retired on your behalf, and be sure to ask them to retire the offsets in your name.

If you are forward purchasing offsets (that is, you are supporting a validated project that will not verify and issue offsets for another year or two, such as soil carbon sequestration from regenerative agriculture, or some other types of nature-based solutions), those offsets will not be retired for you immediately. Once they are issued, however, they should instantly be retired.



Be sure to ask your provider to show you where on the public registry you can see those offsets retired on your behalf.

8. Where do I communicate my climate action?

In the context of the B Corp Net Zero 2030 goal, it is essential we share the details of our actions.

To start, you can publicly share which emissions sources you measured. Perhaps this includes all of your scope 1 and 2 emissions, and but only a portion of scope 3 to start - be sure to list them all. Or maybe you measured scope 1, but your scope 2 and 3 are currently estimates - share this as well. Be fully transparent and work over time to continue measuring the remaining emissions.

Now publicly share which of those emissions you were able to avoid or reduce, and which residual emissions you offset. Here is where you will discuss the offset projects you supported and the impact they have on the climate and any additional benefits the project accomplishes.

Our B Corp goal stipulates that “Participating B Corps are expected to annually self-report their performance towards achieving the [Net Zero 2030] commitment in a public forum (e.g., the company’s website and/or CSR report), including... The type of verified offset used to balance emissions, and the rationale for its selection...” and “... Current Scope 1, 2, and 3 emissions and amount offset.”

Beyond the B Corp community there are other emissions accounting and reporting initiatives your business may already be a part of - the WRI GHG Protocol, Science Based Targets, ISO, Climate Neutral labelling, CDP, and more. We hope future guidance can provide support for those interested in the benefits of these other programs.

Visit the B Climate Tools Base

For support, please [visit and use the tools](#) curated by the B Corp Climate Collective in partnership with Oxford University. The **B Climate Tools Base** provides a set of tools to guide you on the path toward achieving net zero emissions by 2030 while taking a human-centric, climate justice-oriented approach.

These tools will help in tracking greenhouse gas emissions, refining your climate justice approach, reducing your own emissions and the emissions in your value chain, identifying offsetting projects, reporting your progress, forming partnerships, and more.

Join the B Corp Climate Collective

By joining the B Corp Climate Collective, you are signing up for our mailing list to stay updated on new developments and opportunities to support and engage with this important initiative. B



Corp status is not required to join. Companies can also choose to commit to joining 900+ other companies in achieving [Net Zero by 2030](#).

The B Corp Climate Collective is a member organization of the [UNFCCC's Race to Zero campaign](#), which mobilizes cities and organizations to achieve net zero carbon emissions by 2050. As part of this partnership, all Net Zero by 2030 committed B Corps are considered a part of the #RaceToZero.

