

Pledge to Net Zero guidance on offsetting

Pledge to Net Zero's requirements on carbon offsetting align with the [Science Based Targets initiative's \(SBTi\) Corporate Net-Zero Standard](#). Carbon offsetting does not count towards greenhouse gas reductions and must only be used as an extra measure once you have reduced emissions as much as possible for the year. Offsetting has two roles in combatting the climate crisis: in the transition to net zero and at net zero. Carbon offsetting in the transition to net zero (also known as beyond value chain mitigation) is recommended to maximise our chance of keeping to 1.5C global warming. These can include any projects that avoid or reduce greenhouse gas emissions, and those that remove and store greenhouse gases from the atmosphere (with the priority given to those that generate additional co-benefits for people and nature where possible).

For those companies with net zero targets (which need to be achieved by 2050 latest) offsetting is likely needed to achieve these. This offsetting (also known neutralization) is only acceptable once companies have reduced total emissions across all scopes by at least 90% as per a long-term Science Based Target. This Neutralization should only be achieved through permanent removal and storage of carbon from the atmosphere, for example through Direct Air Capture and storage, bioenergy with carbon capture and storage, improved soil management, improved forest management and land restoration. Carbon offsetting is a new and dynamic area, so companies should aim to keep an eye on the latest science and go beyond these minimum requirements where possible including adopting the Oxford Principles for Net Zero Aligned Carbon Offsetting.

For further information on requirements for net zero and offsetting for Pledge to Net Zero, as per the SBTi: <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>

For further detailed information on offsetting from SBTi: <https://sciencebasedtargets.org/resources/files/Beyond-Value-Chain-Mitigation-FAQ.pdf>

For information on how to go further towards best practice on offsetting from the Oxford Principles for Net Zero Aligned Carbon Offsetting: <https://www.smithschool.ox.ac.uk/sites/default/files/2022-01/Oxford-Offsetting-Principles-2020.pdf>