

The Impact of the Voluntary Carbon Market (VCM) and Offsetting

Cash & Payments Sustainability Forum

14 - 16 November 2022, Edinburgh

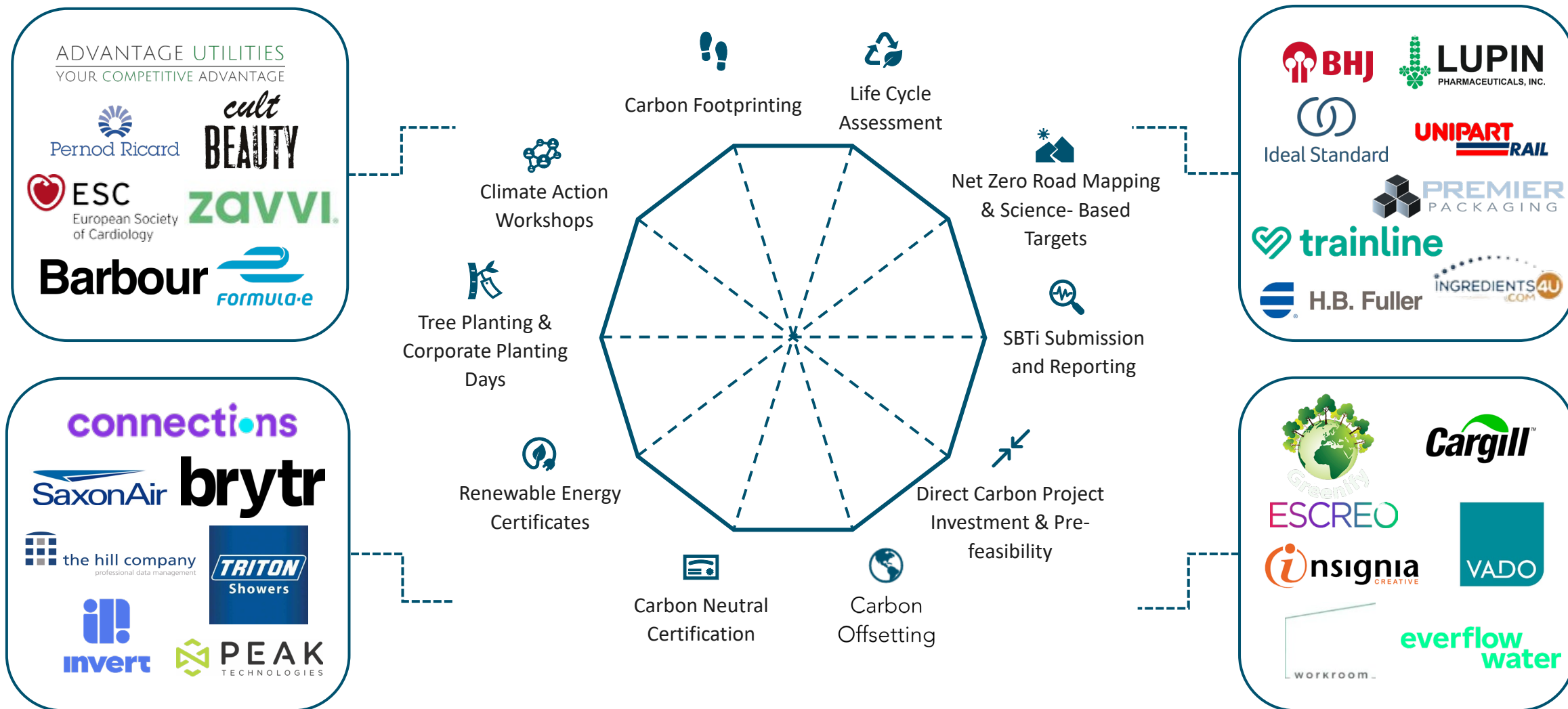
Philippa Desiderio

THG Eco

Managing Director - Environmental Markets



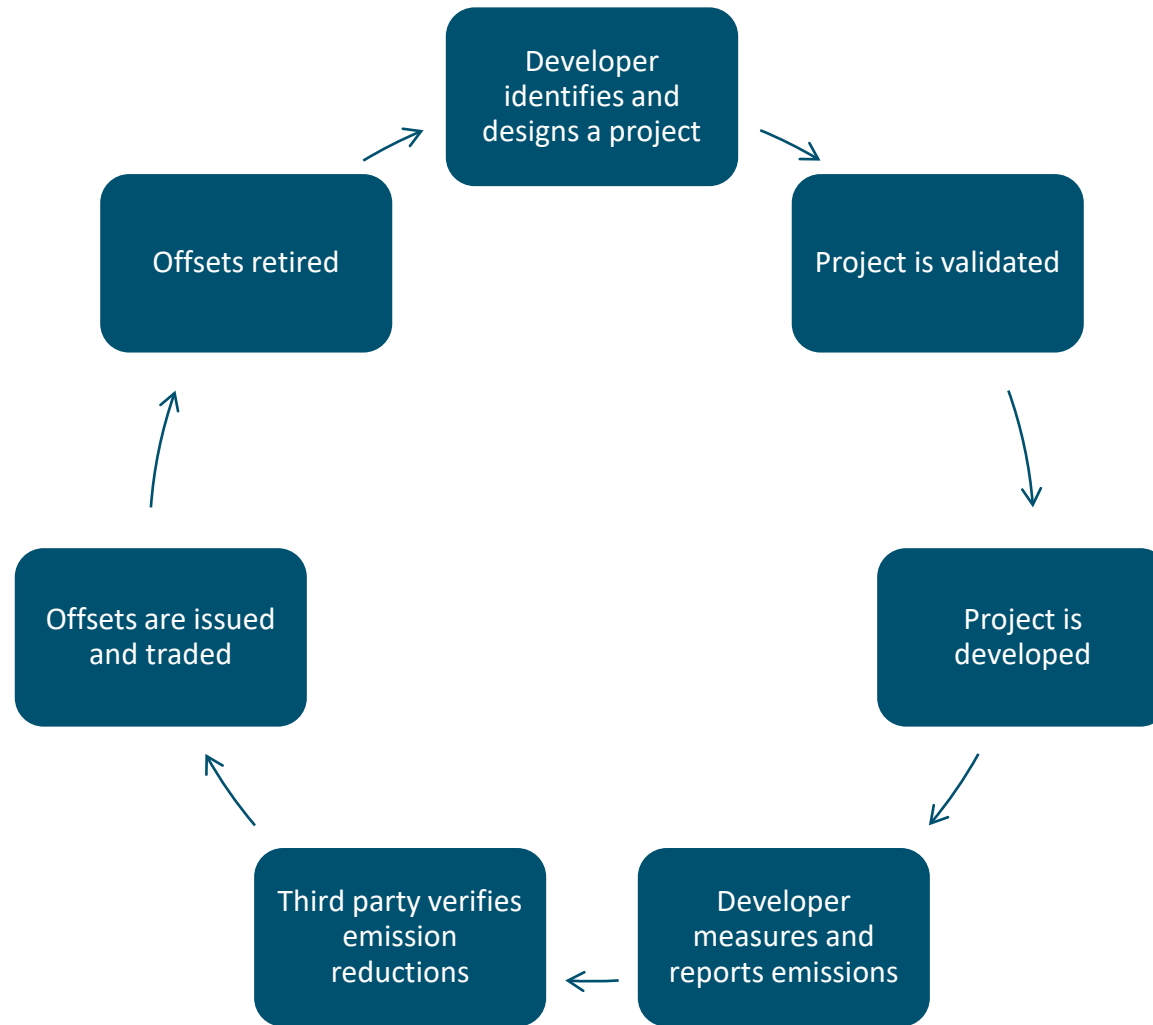
THG / ECO



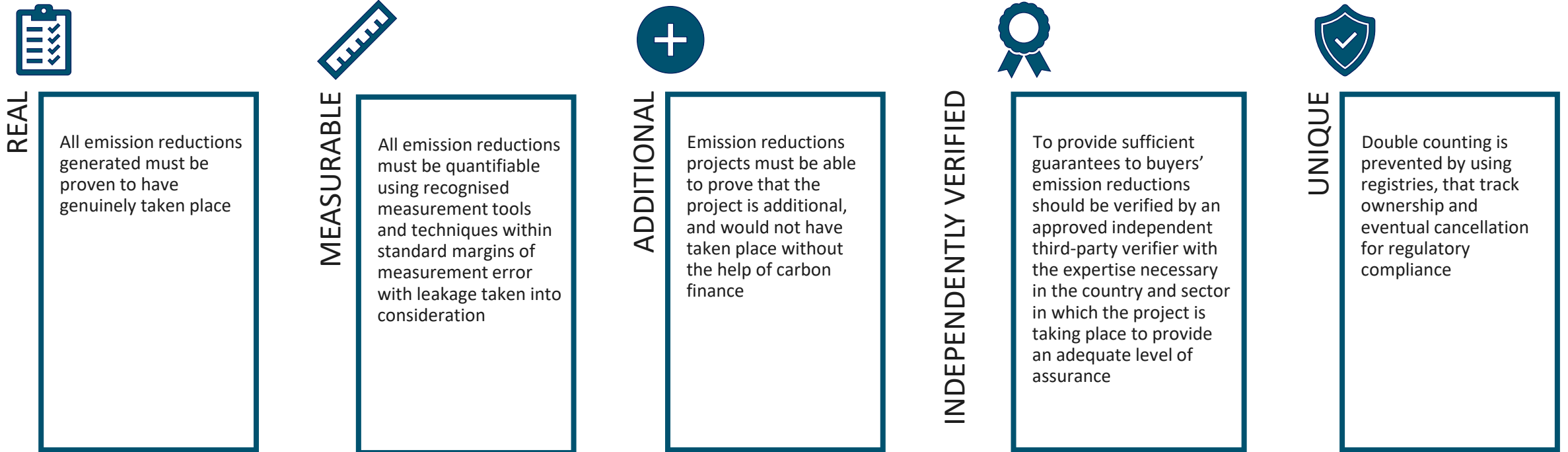


Carbon
Offsetting

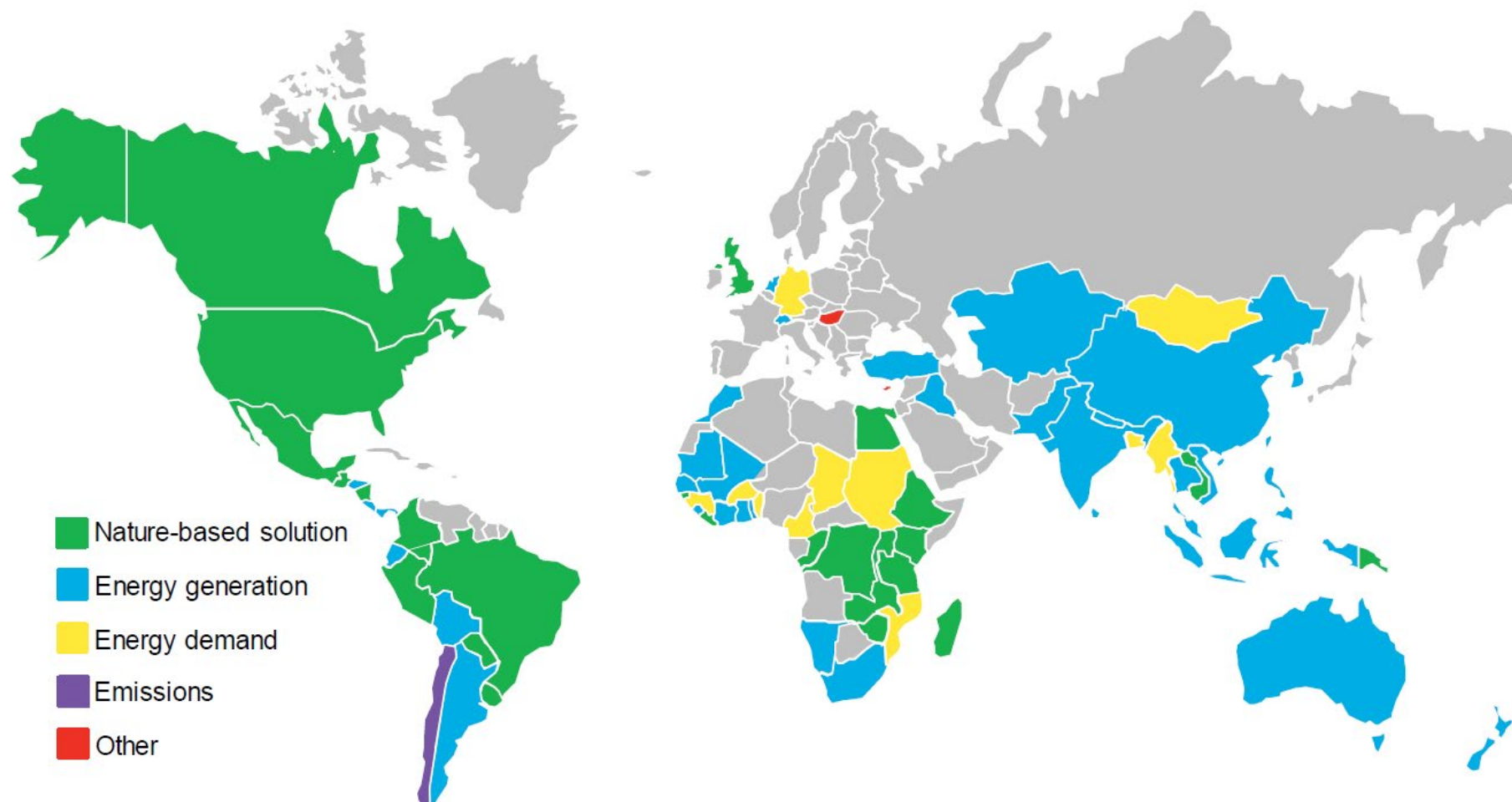
Carbon Offsetting



Validation and Verification



Global Projects

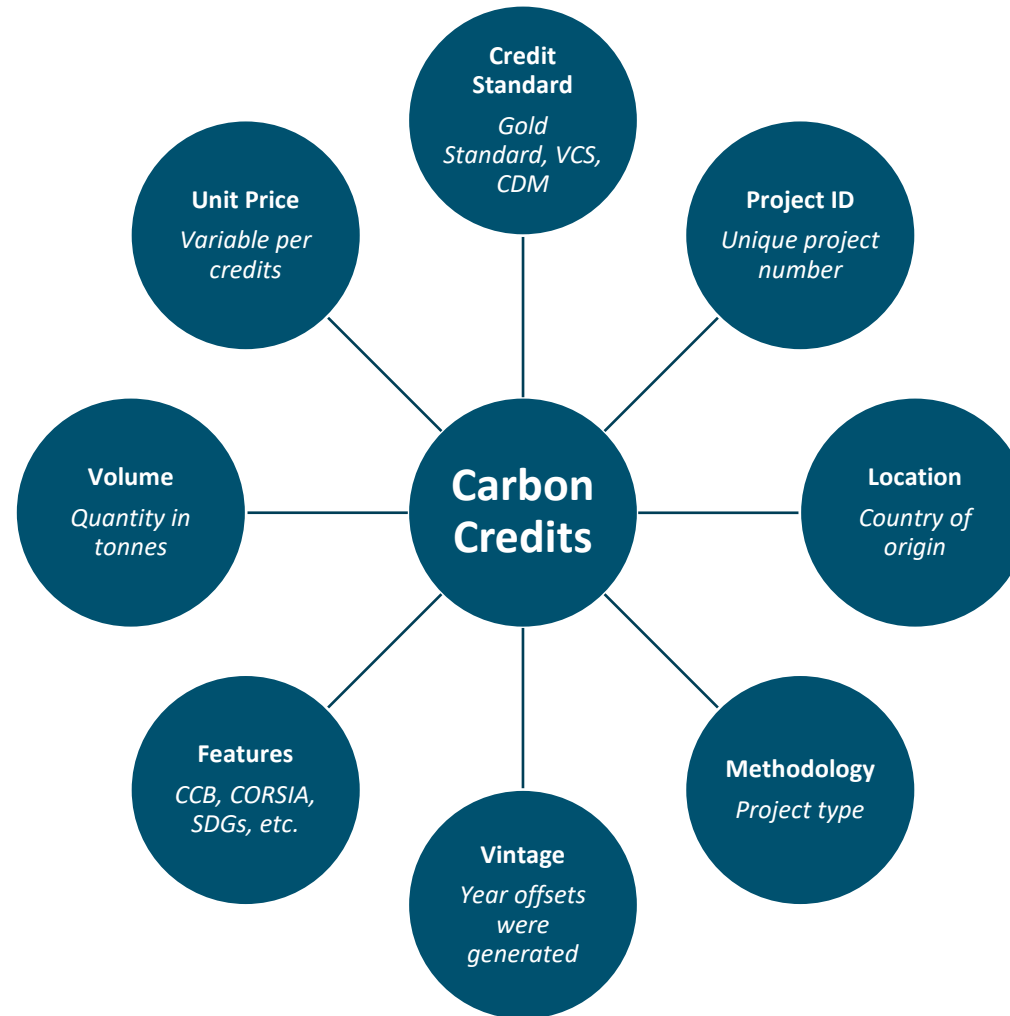


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Countries with a
registered Carbon
Offset project

N.B. From 2020, Gold Standard and Verra VCS only issuing renewable credits in 'least developed' countries

Characteristics



Credit Standards

- UNFCCC CDM Certified Emission Reductions (CER)
 - Gold Standard Verified Emission Reductions (VER)
 - Verra VCS Voluntary Carbon Unit (VCU)
-
- Global benchmarks for rigorous third-party monitoring, reporting, and verification procedures
 - Provide infrastructure required to issue, trace, transfer, and retire carbon credits
 - Show evidence of ownership and prevents double-counting



United Nations
Framework Convention on
Climate Change



Credit Retirement

- Buy to retire or buy to transfer offsets
- Use of THG Registry Accounts to receive, retire and transfer carbon credits
- Automated Retirement Certificate
 - Company logo
 - Reason for cancellation narrative
 - Record of retirement held in public domain on Credit Standard Registries (Verra VCS and Gold Standard only)



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 29 Mar 2022, 1,000 Verified Carbon Units (VCUs) were retired on behalf of:

more.trees

Project Name
VTRM Renewable Energy

VCU Serial Number
11091-280853369-280854368-VCS-VCU-1491-VER-BR-1-1812-01082018-30092020-0

Additional Certifications

Powered by 



United Nations
Framework Convention on
Climate Change

Date: 28 September 2021
Reference: VC/0547/2021

VOLUNTARY CANCELLATION CERTIFICATE

Presented to:
CDM Project 2535: CUIDEMOS Mexico (Campana De Uso Inteligente De Energia Mexico) - Smart Use of Energy Mexico

Reason for cancellation:
Retired on behalf of The Hut Group to offset the carbon footprint of The Hut Groups' clients, partners and suppliers.

THG / ECO

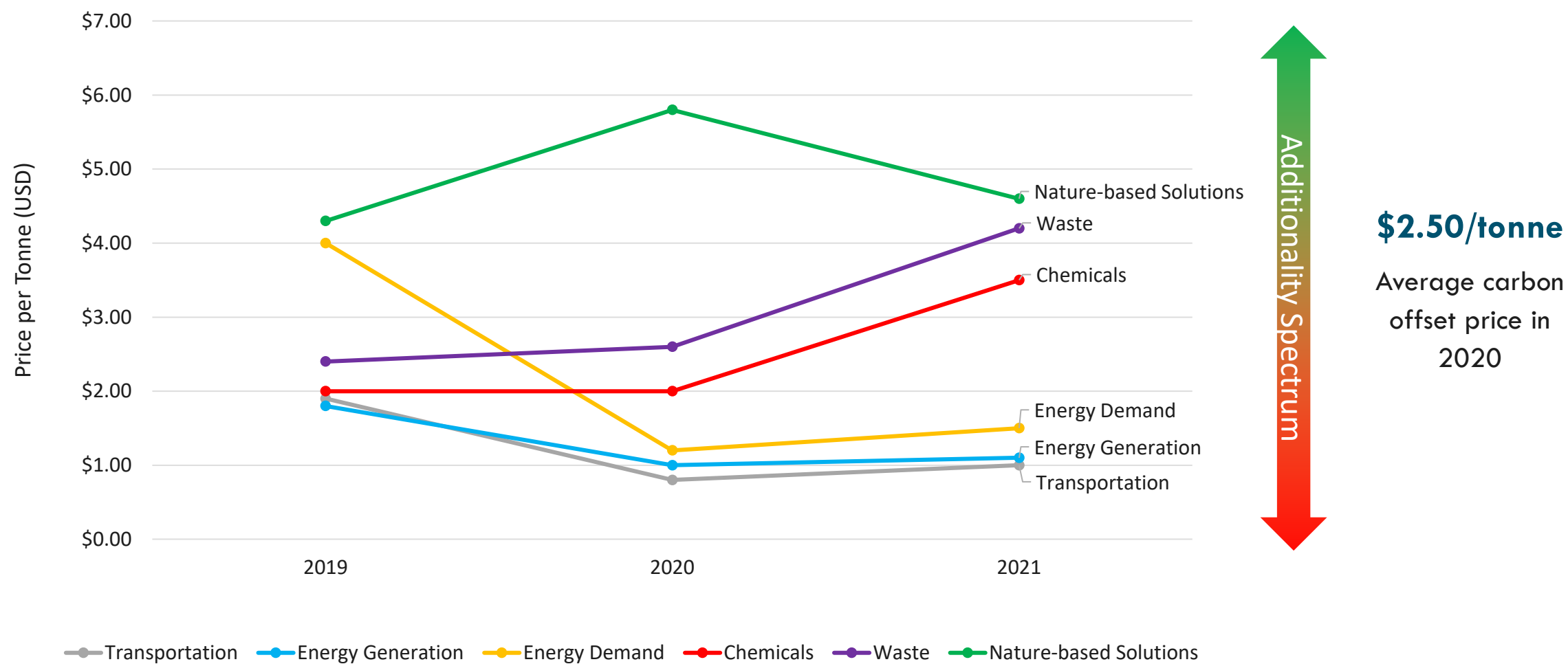
Number and type of units cancelled	219,509 CERs Equivalent to 219,509 tonne(s) of CO2
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Start serial number: MX-5-26177743-2-2-0-2535
End serial number: MX-5-29397251-2-2-0-2535

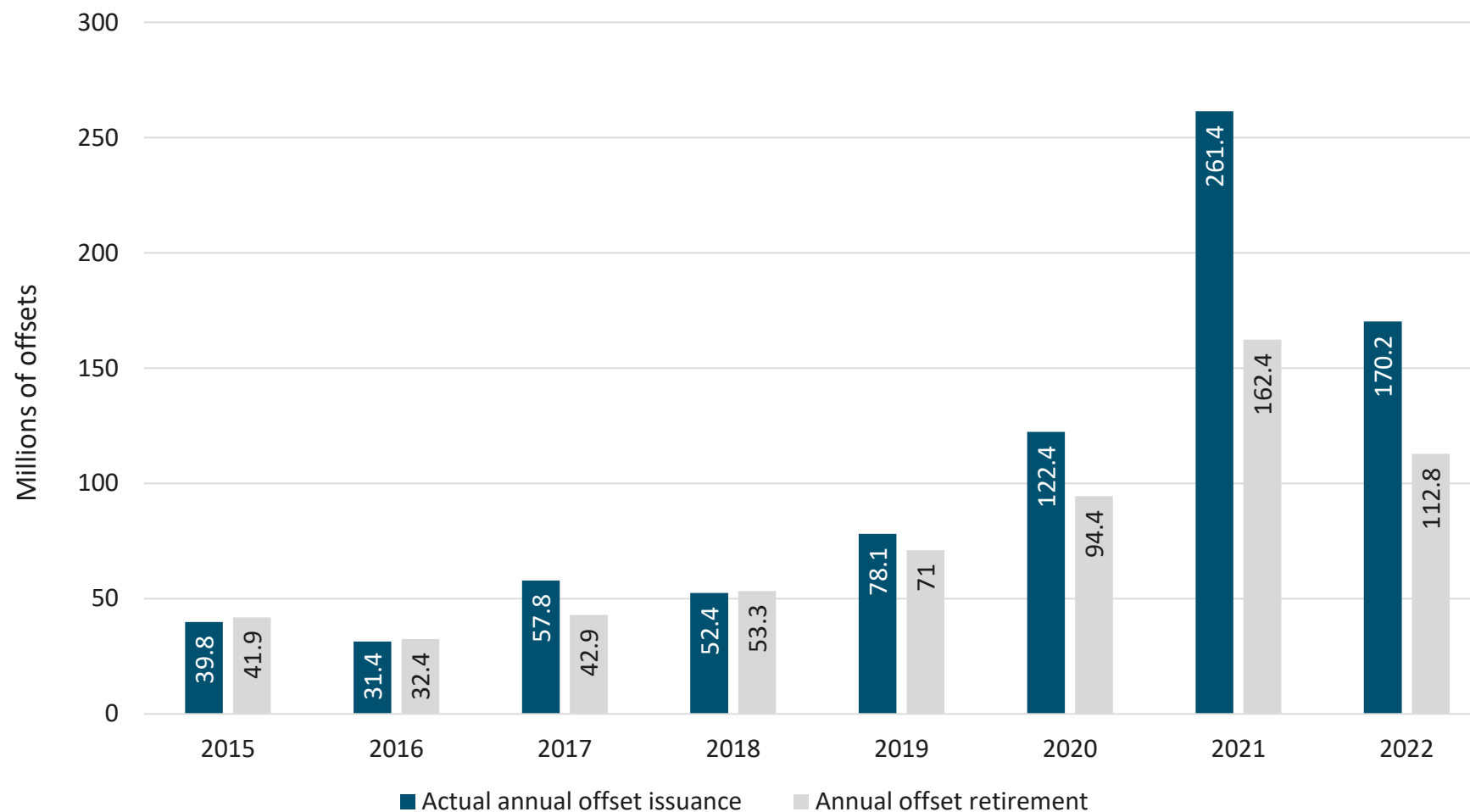
The certificate is issued in accordance with the procedure for voluntary cancellation in the CDM Registry. The reason for cancellation included in this certificate is provided by the canceller.



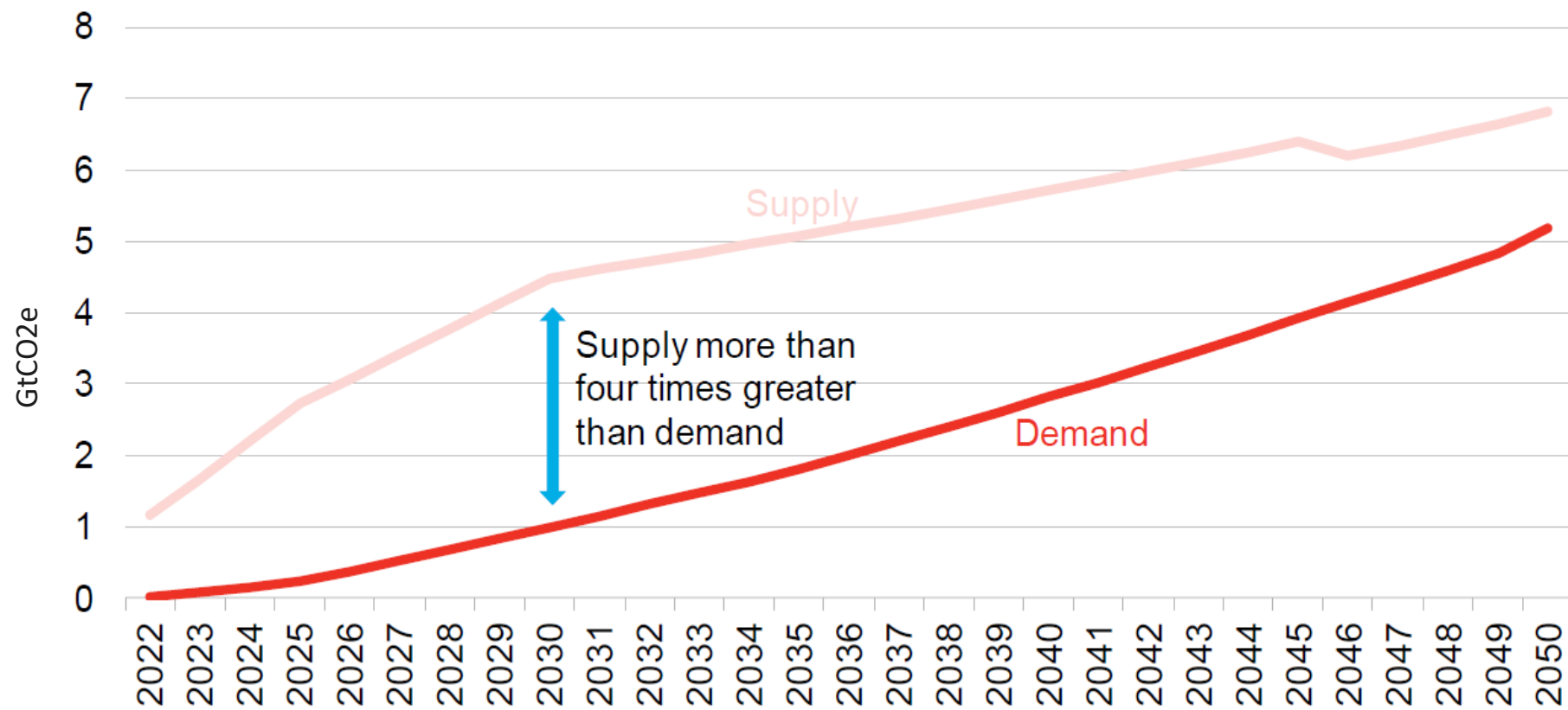
Carbon Offset Pricing



Historical Supply vs. Demand -



Future Supply vs. Demand -



Avoidance vs. Removals

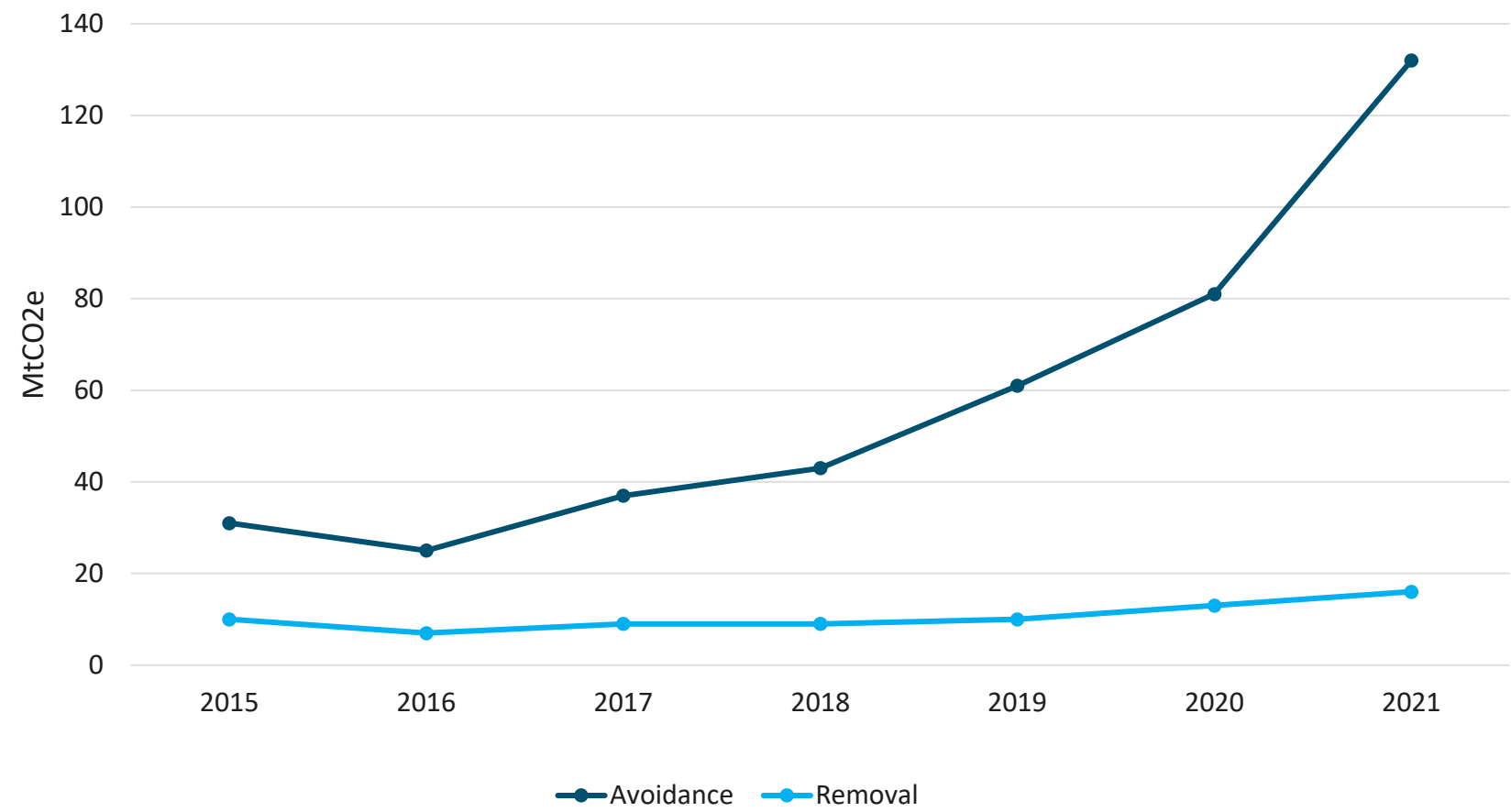
Avoidance Credits

- Produced by a methodology that offers a cleaner alternative project compared to the otherwise most likely course of action, for example, generating electricity via a solar or wind project emits significantly less emissions than a typical coal burner
- Methodology examples;
 - Renewables, e.g., hydro, wind, and solar
 - Cookstoves
 - REDD+

Removal Credits

- Produced by a methodology that directly sequesters carbon from the atmosphere and stores it within the system
- Methodology examples;
 - Blue carbon, e.g., mangroves
 - Brown carbon, e.g., soil carbon, biochar
 - Direct air capture

Avoidance vs. Removals Retirements



90%
Carbon offset
supply from
avoidance projects
in 2021

Carbon Offset Purchasing Methods

Broker (middle-man)



Best project selection



Most expensive

Over-the-counter (back-to-back)

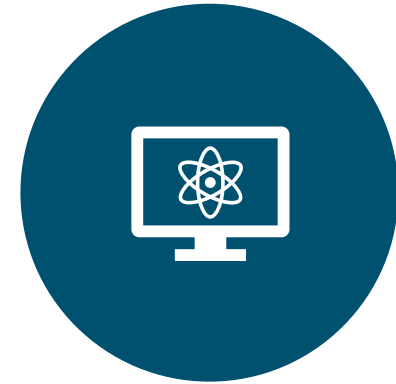


Most cost-effective



Longest, most complicated

Exchange or Marketplace



Fastest



No direct project engagement
Limited project selection

Take Action

