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Additional benefits of carbon offsetting valued at \$664 per credit

LONDON, 3rd September – Offsetting one tonne of carbon dioxide brings an additional \$664 in benefits to the communities where carbon reduction projects are based, according to research published today.

The research, carried out by Imperial College London in partnership with the International Carbon Reduction and Offsetting Alliance (ICROA), demonstrates how purchasing carbon credits¹ creates economic development opportunities, aids environmental conservation and helps improve people's lives by delivering household savings, health benefits and improving water resources, among other social benefits.

The amount of carbon reduced by such projects has been rigorously measured and independently verified for many years, but to date there has not been academic research conducted to measure and value the impact of investing in carbon offset programmes beyond reducing emissions. This research finds that each tonne of carbon reduced has additional benefits – such as poverty alleviation, infrastructure development and nature conservation – worth \$664², meaning that businesses which are voluntarily offsetting their emissions are having a bigger impact than perceived.

The findings of the study also demonstrate that businesses with offsetting programmes report corporate benefits such as enhanced brand image, engaged employees and market differentiation.

“The voluntary carbon market is a smart opportunity for businesses to consider as part of their sustainability strategies,” says ICROA Programme Director,

¹ <http://www.icroa.org/29/the-icraa-code-of-practice/>

² Across sample of projects. For full report & methodologies visit: <http://www.icroa.org/42/icroa-research/>

Sophy Greenhalgh. “This research demonstrates offset programmes deliver numerous business objectives, such as employee engagement and resource efficiency savings, and make a positive contribution to local communities in addition to reducing emissions.”

“By utilising latest natural capital accounting methodologies, we have been able to demonstrate the impact offset projects are delivering on the ground,” says Yiannis Kountouris, an environmental economist at Imperial College.

Better identification and measurement of the extra social benefits of buying carbon credits could encourage more governments, companies and individuals to invest in projects that make a real difference to communities around the world, whilst reducing dangerous carbon emissions, finds the report.

NOTES TO EDITORS:

How the study was conducted:

The study took a two-pronged approach. Firstly, data was collected from 59 offset projects around the globe and all the social and economic benefits were quantified then monetised utilising environmental economics methodologies. Imperial calculated the total value of aggregated benefit in order to determine the value per tonne of carbon dioxide for this sample. These initial results show promise for evaluating the market value in a more holistic manner in the future.

The second prong of the research investigated 72 of the larger companies participating in voluntary carbon offsetting programmes. Surveys were undertaken to gather tangible business benefits that had come about by implementing an offset programme. Further information including their willingness to pay (WTP) for additional social and environmental benefits was also gathered.

The **International Carbon Reduction and Offset Alliance (ICROA)** is a global non-profit housed within the International Emissions Trading Association. Its members provide carbon reduction and offset services across the world to thousands of organisations, including household brands and multinationals supporting the reduction of global emissions towards the goal of avoiding dangerous climate change impacts. ICROA supports fast, global emissions

reductions by promoting a responsible “reduce and offset” approach to carbon management by businesses and individuals.

Imperial College London University– Centre for Environmental Policy (CEP)

Imperial College London is a research university located in London, United Kingdom, which houses The Centre for Environmental Policy (CEP). The Centre produces internationally recognised research and teaching that addresses key environmental and global policy challenges through the interdisciplinary study of science, technology and innovation. Staff within CEP include climate change researchers, energy policy researchers, economists, engineers and ecosystems services researchers who work with firms in the following sectors: oil and gas, mining, water, waste, environmental services, strategic advisory services. The Centre integrates the College’s outstanding science and technology research with a leading team of social and policy scientists, creating exciting interdisciplinary research programmes.