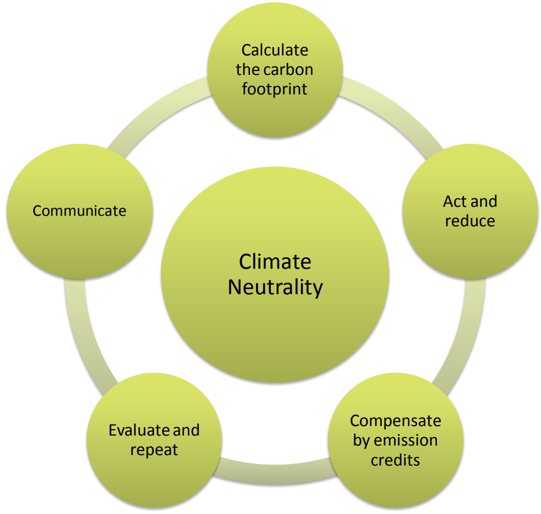
Use of emission credits to achieve climate neutrality

Climate Neutrality

Climate neutrality means from a technical point of view to offset the greenhouse gases (in CO_2 equivalents) emitted from *your* activities by reducing an equivalent amount of emissions someplace else, e.g. by using the Kyoto Protocol's flexible mechanisms.

In order to become a climate neutral company one should also develop a climate strategy plan which includes your carbon footprint calculation, a plan to physically reduce own emissions and communication both internally and externally. It is also important to evaluate and repeat this over a number of years. By doing so it is possible to measure any improvements, e.g. by indicators such as emission per employee or emissions per revenue.



CO2focus has developed a model to help corporations through this process. In our work we use international proven standards as The Greenhouse Gas Protocol. An important reference to our work is also the UN report;"Kick the habit, a UN guide to climate neutrality."

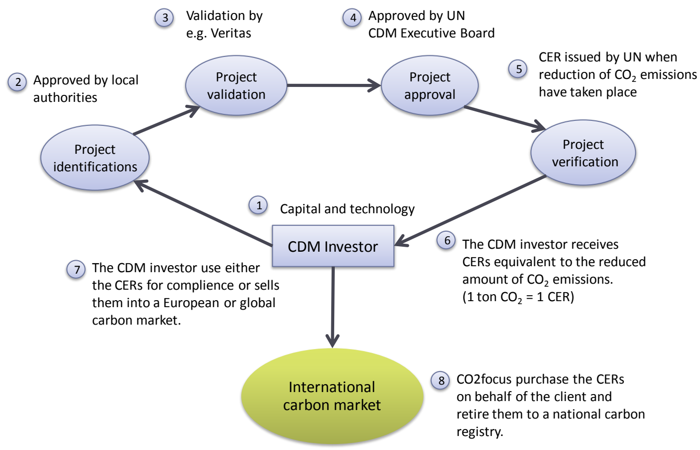
UN emission credits as a tool

The carbon offsetting takes place by reducing the same amount of CO_2 emissions in a UN approved Clean Development Mechanism (CDM) project in a developing country. The emission trading scheme is part of the Kyoto Protocol's flexible mechanisms to combat global warming. The emission credits have been issued by UN and have been validated and verified by an approved certification entity.

A CER (Certified Emission Reduction) is an official emission credit which guarantees the reduction of greenhouse gas emissions of 1 ton CO_2 equivalent (1 CER = 1 ton CO_2) and also supports the development of sustainable growth in developing countries. When a CER is issued the reduction in greenhouse gas emission has already taken place.

The projects are very often linked to production of renewable energy or energy efficiency measures. By purchasing an emission credit from the project developer you are helping to finance the project. All the CERs purchased on behalf of the clients will be transferred from the UN CDM registry to a national carbon registry for retirement. Thus, it is not possible to resell the CER.

Figure: Kyoto Protocol's Clean Development Mechanism



A CER emission credit has the following qualities:

- ✓ A CER is linked to a specific project which is well documented and where the reduction in CO_2 emissions has already taken place when the CER is issued.
- ✓ The CER and the CDM mechanism encourage transfer of both capital and technology from industrialised countries to developing countries.
- ✓ The CER and the CDM mechanism encourage sustainable growth in developing countries.