

Sustainability Leadership Challenge – The role of carbon offsetting – Notes for Script

Student Name: Jennifer Lloyd

Student Number: 2108609

- Sustainability Leadership in the current climate presents a big challenge for organisations in the public sector in Wales, and us a council with an ambition to be net zero carbon by 2030.
- We are working within a fast changing environment which sees new policies and legislation being introduced regularly, the pressure to meet ambitious national targets, a need to innovate, change behaviours and practices, and all of this set within the background of a quickly changing climate that evidences the need to accelerate our actions to decarbonise.
- As Senior Officers within the organisation we have an opportunity to drive forward this critical agenda. And today I am going to talk to you about a challenge that is going to need strong leadership over the coming years as we work towards becoming net zero, and that is the role of carbon offsetting in helping us to reach our ambitions and how this must be balanced with decarbonisation to help us reach our ambitions.

What is carbon offsetting?

- Carbon offsetting is described by Fawcett and Hyams in their paper 'the ethics of carbon offsetting', as a "a scheme that is projected either to remove carbon dioxide from the atmosphere or to deliver carbon dioxide emission reductions on the part of other organizations or individuals." (Hyams and Fawcett 2013)
- Organisations that are looking to offset buy into their schemes through the purchase of carbon credits. These credits are usually awarded for forest

preservation, tree planting, renewable energy projects or improved agricultural practices. (Harvey, 2021)

- Carbon credits are certified by governmental regulatory bodies such as the Clean Development Mechanism or independent organisations such as the Gold Standard. (Carbon Offset Guide, 2023)
- A study by AiDash found that 43% of businesses are already using carbon offsets for their hard to reduce greenhouse gas emissions (Ghantous, 2023). In addition to this, research undertaken by University College London reported that the voluntary carbon offsetting market was worth £320million in 2019, representing 104MtCO₂e of offsets available. (Giritharan, 2022) Whilst this is a significant amount, it is not close to the 125GtCO₂e needing to be offset if we are to stay within the Paris Climate Agreement of limiting global warming to 1.5C. (UNFCC, 2023)
- It is likely, that even after we have implemented every change we have outlined in our carbon reduction plan, that we will be left with residual emissions – that is emissions that are outside of our control, or where there is no alternative in our current state of technical knowledge, such as those that exist in our supply chain or from waste. (Buck et al., 2023)
- Carbon offsetting provides many advantages for us an organisation, for our environment and for nature. But there are also significant challenges and concerns to using carbon credits to offset our carbon emissions.

Benefits of carbon offsetting

- Carbon offsetting helps an organisation to reduce their overall carbon footprint by compensating for carbon emitted by funding the removal or reduction of carbon elsewhere, contributing to an organisation's net zero and decarbonisation goals.

- The selling of carbon credits can help to provide finance sustainable projects and nature based solutions where other forms of private or public funding is not available. (Giritharan, 2022)
- Carbon offsetting can have a positive impact on the environment by encouraging improvements in forestry, land management and agricultural practices. For example, research into the carbon offsetting market in California found that the cap and trade market for carbon credits meant that forest owners had to change the way they managed their land so that the trees stored more carbon in order to participate in the programme. [Carbon offsets have wide-ranging environmental benefits | Stanford News](#)
- Carbon offsets also provide a variety of co-benefits for the local community such as employment opportunities, access to renewable energy, access to community health and education services, improvement of local ecosystems and improvement to air and water quality. (Carbon Offset Guide, 2023)

Challenges to carbon offsetting

- Whilst offsetting our carbon footprint can have many benefits, it is not without its limitations and it is important that we understand these when considering how offsetting can help us to meet our net zero carbon journey.
- One of the biggest concerns around carbon offsetting is that the underlying data on its impact on climate change is unreliable. Research into Verra, the company hailed as the worlds leading company on carbon offsetting standards, by the Guardian, Die Zeit and SourceMaterial found that 90% of their carbon credits were phantom credits – that is that they do not represent actual emissions being sequestered from the environment. (Guardian, 2023)
- In addition to this, the investigation also highlighted some social issues around the schemes Verra was certifying, including people suffering from forced evictions and having their homes cut down to make way for reforestation

projects.

- Carbon offsetting has been criticised for giving polluting companies a get out of jail free card, allowing them to pay their way to being carbon neutral instead of changing their processes, technologies and behaviours to reduce emissions. (Gurgel, 2022)
- Building on this point, the use of carbon offsets to reach climate targets has been accused of being greenwashing – a type of marketing which makes companies look as if they are environmental to appeal to customers or stakeholders. (Das, 2023)
- In the COP26 climate conference in Glasgow Greta Thunberg and other environmental activists stormed out of a meeting on carbon offsetting accusing the speakers and attendees of “greenwashing” and stating that offsetting is a dangerous lie that lets polluters keep on polluting. (Das, 2023)
- The Climate Change Committee, the UK’s independent statutory body on climate change, warned that achieving net zero through over-reliance on offsets is undermining the economy wide transition. (Climate Change Committee, 2022)

What leadership is needed

- And that is where our leadership challenge comes in.
- As senior managers in this local authority we have a duty to provide strong and clear leadership to staff across the organisation in order to deliver on our target to be net zero carbon by 2030

- Now that you have the background on carbon offsetting, and the pros and cons, you can see that these have to be weighed up – with our ability to decarbonise.
- It is our responsibility as leaders to mobilise our staff to reduce emissions as far as possible, and with our knowledge of our service areas to identify where we can decarbonise and where carbon offsetting is necessary.

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