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Good corporate climate action means buying carbon removals, starting now

Gabrielle Walker, Rethinking Removals and Kaya Axelsson, Oxford Net Zero

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The updated Oxford Offsetting Principles can help build integrity into carbon markets, write Gabrielle Walker and Kaya Axelsson

What does good corporate action look like when it comes to the climate?

The answer has become complex and confusing – and the most difficult part is the role of carbon credits in tackling residual emissions that can't (yet) be eliminated. There is a huge effort underway to clean up the murky world of these so-called offsets, since many of the cheap credits sold to compensate for carbon emissions have turned out to be worthless.

But while shoring up the integrity of credits is vital, it is not enough. We don't just need to fix last year's problems in the carbon markets. We also urgently need those markets to help build next year's solutions.

That's what the Oxford Offsetting Principles aim to do. These widely-used principles offer offsetting recommendations from world-leading climate scientists, and the long-awaited update, launched today, shows how a genuinely good offsetting strategy can help us get to net zero emissions in time.

The revised Principles double down on the basic table stakes for a robust climate strategy: cut your own emissions as much as possible; and make sure the credits you buy for the remainder have high environmental integrity.

But they also emphasise two important – and urgent – tasks that the carbon markets have so far failed to address: the need to start now on the gargantuan task of building an entire new industry for removing carbon dioxide from the atmosphere, and the need to protect and restore a wide range of natural ecosystems.

In the three years since the first version of the principles was released, the call for action to scale up high integrity carbon removals has become increasingly urgent. The carbon removals industry is currently tiny – just four million tonnes of high durability removals have been purchased to date, most in advance of delivery – and scientists say it must grow quickly to billions of tonnes to have a safe chance of meeting global temperature targets.

Still, many have assumed that they can leave acting on removals until some point in the future and focus now on all the other challenges of climate action. This is encapsulated in the so-called 'mitigation hierarchy', which emphasises the importance of avoiding and reducing your own emissions first.

But this is about priority, not about sequence. The revised principles make it much clearer that prioritising reducing emissions is not a reason to delay action on removals. Companies should not wait until their net zero target is only a few years away and hope that a high integrity carbon removals industry with durable storage will have miraculously sprung into existence in time to serve them, at a much lower price than the eye-watering costs of today. Instead, good corporate action means investing in carbon removals, starting now.

There are at least two good reasons for corporates to do this. The first is noble. Carbon removals need urgent investment in the form of offtake agreements to enable finance to

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flow to developers and ensure supply can scale at the pace we need. The second is strategic. Since companies know they will need them, a prescient CEO should be investing now to bring costs down, secure future supply, and explore the kind of business opportunities that pioneering companies have identified in decarbonisation.

The updated Principles also highlight the need for companies to rethink how they address the protection of nature as an essential part of a net-zero aligned strategy. They provide a glide path showing how protecting natural sinks, as well as phasing out fossil fuels, go hand-in-hand with rapidly scaling up the supply of durable carbon removals.

To date the carbon markets have simply not shown up either to reliably protect and regenerate nature or to build remove and geologically store carbon at the pace and scale we need. If corporate actors take the updated Oxford Principles to heart, we may finally be able to use the carbon markets as they were intended: not to get polluters off the hook, but to preserve and regenerate nature while genuinely building up the climate solutions of the future.

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