

CARBON OFFSETTING: AN IMPERFECT BUT USEFUL MECHANISM THAT BENEFITS FORESTS

The carbon offset mechanism is an imperfect but useful solution for funding forestry projects.

- **This mechanism is useful if (and only if) organisations and individuals use it in parallel with significant, ongoing efforts to reduce their carbon footprint following a clearly-defined pathway.**

The goal of making the world carbon neutral by 2050 can only be reached through a balanced focus on CO₂ emissions AND removal. In other words, there is just one way forward: reducing emissions while preserving and massively developing quality carbon sinks. It is not one OR the other. Both solutions must be implemented at the same time. If offset schemes take precedence over reducing emissions, then they are counter-productive.

- **The voluntary carbon market is a major source of funding needed to reach climate objectives.**

Nature-based solutions can help us get a third of the way to reaching objectives set out in the Paris Agreement¹ and the need is great! The UN estimates that around \$4.7 trillion needs to be invested in forest restoration and afforestation between now and 2050.²

- **The carbon target is a prerequisite, not an end goal.**

It is important for so-called carbon offset projects to go beyond addressing CO₂ impact and include promoting and preserving biodiversity as a basis for ecosystem resilience to climate change, as well as an essential co-benefit for local populations.

If these projects surpass their sole carbon target by also including production of bio-based and renewable raw materials, they will enrich value chains based on living resources and thereby help develop a low-carbon AND biocircular economy.

- **Carbon offsetting is a misleading term used incorrectly that causes problems.**

The term "offset" conveys the idea that the negative impact of CO₂ emissions is *cancelled* and gives the impression that this happens *immediately*. One possible consequence is that emitters will feel they have accounted for and/or erased their impact, which makes it more difficult to raise awareness and change behaviours aimed at progressively reducing their carbon footprint. Many companies have taken advantage of this and avoided reduction efforts by contenting themselves with co-funding a project somewhere else, which has significantly damaged this mechanism's reputation.

This is why we now advise, like other stakeholders, to shift **from a mindset of "compensation" to a mindset of "contribution"**. While this will not solve everything, we believe that changing terminology will help inspire a more consistent, collective and fair approach to climate issues.

- **Companies have a societal responsibility for the messages they convey.**

¹ IUCN, February 2021; <https://www.iucn.org/resources/issues-briefs/forests-and-climate-change> (Paragraph: Why is it important?).

² Source PNUUE/WEF https://wedocs.unep.org/xmlui/bitstream/handle/20.500.11822/36149/SFN_Inf2.pdf

We are convinced that conveying the right messages is *also* part of the answer. That is why we provide companies with a communication guide and educational tools to inform them about the importance of being consistent in their actions and to help them communicate in an appropriate and responsible way.

- **Since January 2022, Reforest'Action has strengthened its selection criteria for contributing businesses.**

We refuse financial contributions from certain activities:

- such as arms, pornography and tobacco because they do not align with our ethics and values,
- and activities such as air transport and fossil fuels that are not yet in a position to transform. However, we do not exclude working with certain branches of companies currently in transition, such as the *renewable energy* unit of a company in the energy sector.

We are not an environmental consultancy. However, for sectors whose activities potentially generate significant negative impacts in terms of greenhouse gas emissions or deforestation, we have set up an internal process to *evaluate* on a case by case basis whether their activity and potential support for our forestry projects is compatible. This involves activities directly or indirectly connected to the sectors listed above, as well as the agri-food sector (nearly three-quarters of deforestation in the world comes from agriculture), the automotive sector, financial products (because they can fund activities that are linked to fossil fuels or deforestation), and activities that use high amounts of wood (furniture, etc.). We reserve the right to decline contributions from companies whose business seems incompatible with our fundamental principles.

Taking the right actions for an essential cause in a complex world where different views coexist is not easy. Yet we must make progress quickly. We consider our mission with an open mindset and a focus on continuous improvement. As a result, our position may evolve if we believe it is necessary.