

Building a science-aligned carbon procurement strategy

A practical guide for companies



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About Abatable

Building trust in the carbon markets

Our mission is to enable climate action by building the infrastructure for companies and investors to access and support credible climate solutions delivering long-lasting positive environmental and social impact.

As operators in the voluntary carbon market (VCM), we understand that companies may be seeking guidance on how to navigate this market. This step-by-step guide aims to help companies better understand and strategically leverage the VCM in order to build an effective carbon procurement programme.



Executive summary

Carbon credits are central to voluntary climate commitments, and a company may need to procure a significant number of them to meet their commitment depending on their emission profile. These needs may be far in the future but rather than delaying action, this guide recommends taking a strategic approach and incorporating the time value of carbon¹ into their strategies by supporting carbon projects early on.

Developing a robust carbon credit procurement strategy is both a matter of future-proofing the company's procurement needs by securing prices today and safeguarding their reputation. To help companies develop their strategies, this guide proposes a 10-step approach to maximise climate impact while keeping procurement and finance teams aligned.

One of the key messages of this guide is to shift the thinking about carbon credits from an annual operational expense to a strategic procurement

decision aligned with climate needs. **By moving away from annual purchases and instead undertaking forward offtakes or investments, companies can support in solutions that need it the most. This approach also has the benefit of securing carbon credit prices today, which should lead to future cost savings.**

This guide is sector-agnostic and does not prescribe a specific strategy for companies to adopt. Instead, it provides a range of options for companies to consider, from the scope of their procurement efforts to the best way to finance their strategy. The guide uses the language of the Science Based Target initiative (SBTi) and highlights how to align a company's strategy with their guidance.

One of the key recommendations for companies is to invest appropriate resources into conducting due diligence on the projects they purchase carbon credits from to avoid potential reputational risks.

What you can expect to learn from this guide:

- ☑ The benefits of setting a holistic carbon credit procurement strategy
- ☑ How to kick-start the internal discussion about setting your strategy
- ☑ How to build an approach that resonates with your finance team

We hope that you find this guide helpful in setting your carbon credit procurement strategy. If you have any questions about this guide or how Abatable could help you, [please get in touch](#).

¹ The time value of carbon is the concept that greenhouse gas emissions cut today are worth more than cuts promised in the future, due to the escalating risks associated with the pace and extent of climate action.

Why build a carbon credit procurement strategy today?



Close the emissions gap

Despite current policies, the emissions gap to a 1.5C degree scenario remains high. Companies can use sustainability budgets today to catalyse impact and scale cost-effective nature-based solutions, contribute to reducing the “green premium” gap, to accelerating adoption of Carbon Dioxide Removal (CDR) solutions needed at scale by 2050¹.

12-20 GtCO₂e emissions per year through to 2030 not tackled by current policies

Source: Emissions Gap Report 2022, UNEP



Drive emissions reductions

CDP data shows a positive correlation between internalising a carbon price and taking actions to reduce emissions. A carbon credit budget can serve as either a direct or indirect internal price on carbon, in preparation for a carbon tax regime or to incentivise abatement within the value chain.

34% of global emissions are hard-to-abate for less than \$400/tCO₂e, requiring carbon tax policies or offsets

Source: Goldman Sachs Research



Strategic cost mitigation

Carbon credits are an integral part of any net zero plan, particularly for hard-to-abate residual emissions. By strategically procuring carbon credits today and securing prices and volumes through multi-year purchase agreements or direct investments, companies can secure their inventory and save on future high carbon prices.

2-8x VCM price increases are expected as volume of credits retired grows from 0.2GtCO₂e in 2022 to 0.5-1GtCO₂e by 2030

Source: The voluntary carbon market: 2022 insights and trends, BCG, Shell

¹ The green premium is the additional cost of choosing a clean technology over one that emits more greenhouse gases.

Four outlooks for companies

Taking a proactive approach to procuring carbon credits ensures companies meet their targets but also plays a key role in scaling and maturing the VCM.

The VCM fails to gain momentum, with reduction and avoidance credits failing to overcome quality concerns and carbon dioxide removal struggling to scale

NET ZERO IS REACHABLE
Companies supporting projects strategically manage to procure credits from the scarce pool of quality projects. They can retire them for their own targets.

AHEAD OF THE CURVE
Companies who procure strategically will be in an ideal situation, where they will have secured low prices early on and could even consider selling some credits onwards.

NET ZERO IS UNREACHABLE
It becomes impossible to reach net zero for companies due to scarcity of permanent removal credits. Nature and biodiversity are in a dire state due to lack of support.

PREMIUM PRICES APPLY
Companies will have to procure carbon credits via the spot market when targets approach, most likely paying a very high premium due to competing demand.

The VCM overcomes integrity and quality challenges due to industry initiatives and supportive policies, prices increase exponentially due to demand outstripping supply

Companies take a proactive approach to procuring carbon credits

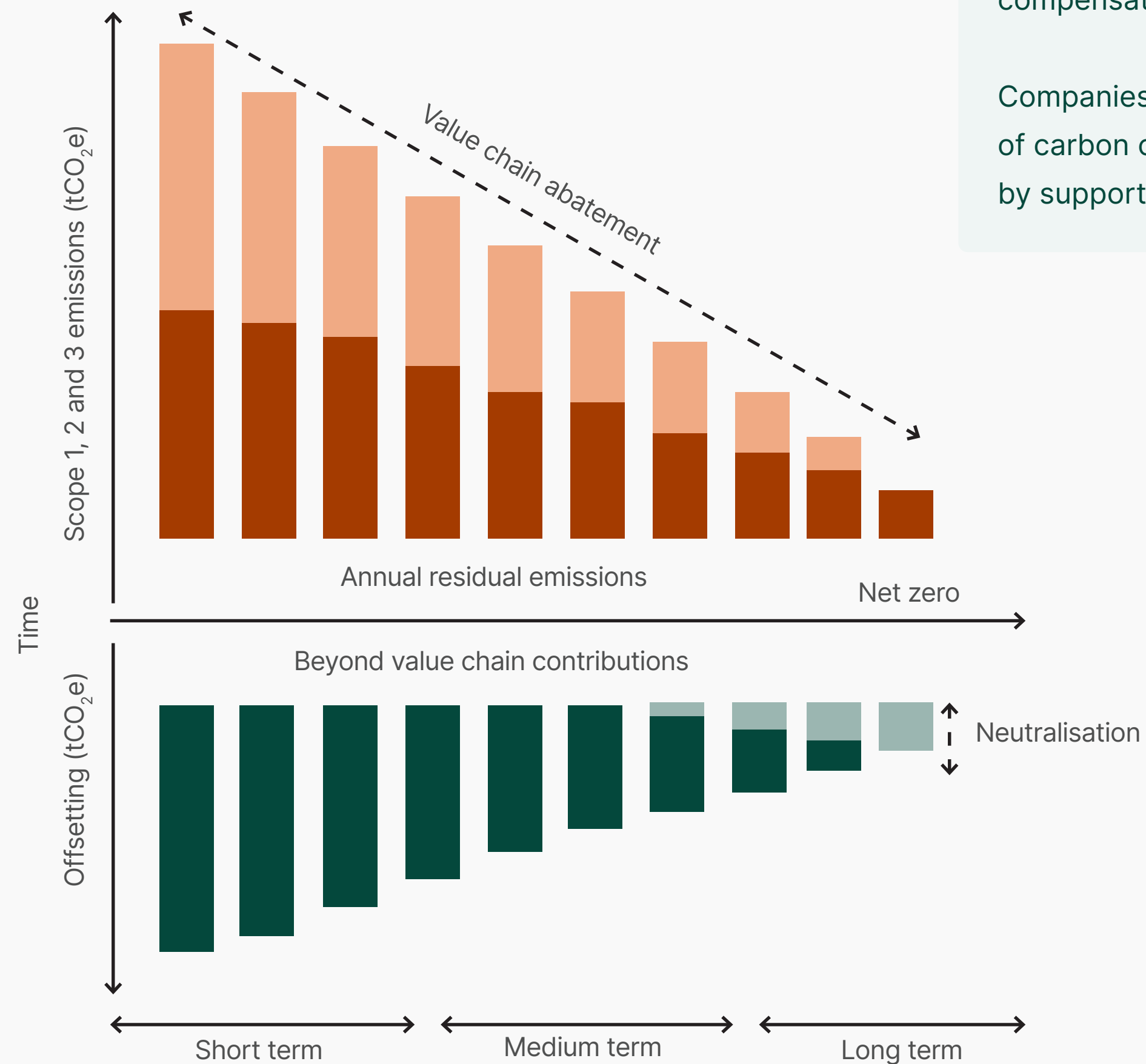
Companies choose to 'wait and see' and delay procuring carbon credits

Carbon credits play a critical role in any net zero strategy

Leading organisations have recently published detailed guidelines for companies to set decarbonisation targets. These include the Science Based Target initiative (SBTi), ISO Net Zero Guidelines and the UN Expert Group. The guidelines consistently emphasise the dual role of carbon credits:

1. Companies must use permanent removal carbon credits to neutralise (SBTi) or counterbalance (ISO) emissions that cannot be abated. This is done after all abatement measures have been taken to achieve and maintain a state of net zero.
2. Companies are urged to engage in “beyond value chain mitigation” (SBTi) by supporting activities that avoid or reduce GHG emissions beyond their company’s own activities. This is necessary in order to stand a chance of limiting global warming to 1.5 C. ISO and the UN Expert Group stress the importance of supporting the protection and restoration of ecosystems.

Simplified representation of a net zero strategy and how carbon credits integrate





As companies work towards achieving net zero, they can make claims of climate neutrality if they compensate for 100% of their emissions annually.


Companies can also choose to procure fewer tonnes of carbon credits and instead maximize their impact by supporting pioneering solutions.


- **Abatable emissions** are emissions that are possible to prevent, reduce or eliminate with today’s technologies at a reasonable cost.
- **Hard-to-abate emissions** are emissions that are either prohibitively costly or impossible to reduce with today’s technology.
- **Neutralisation** can be claimed using permanent removal credits
- **Beyond value chain mitigation** which can be carried out using any type of carbon credit (avoidance, reduction or removal)


Key principles when setting a science-aligned carbon procurement strategy


 Embrace the concept of the time value of carbon


 Carbon credits are not a substitute for value chain abatement

 Only purchase high quality carbon credits⁵

 Work with reputable counterparties with transparent margins

 Transition to permanent removals in the long term⁶

 Ensure the carbon credits support livelihoods & enhance biodiversity

 Apply radical transparency in your disclosure

⁵ To understand how you can assess the quality of carbon credits, you can read Abatable's white paper on [quality](#), focused both on the quality of projects and project developers.

⁶ As recommended by the Oxford Offsetting Principles and SBTi.



10 recommended steps

STEP 1 | Define the role of carbon credits in your strategy

STEP 6 | Refine your procurement criteria

STEP 2 | Define the scope of your carbon procurement

STEP 7 | Take a portfolio approach

STEP 3 | Set the budget to meet your goals

STEP 8 | Find ways to access the market

STEP 4 | Define your approach to procurement

STEP 9 | Carry out thorough due diligence

STEP 5 | Identify the right project criteria

STEP 10 | Focus on reporting and monitoring

STEP 1

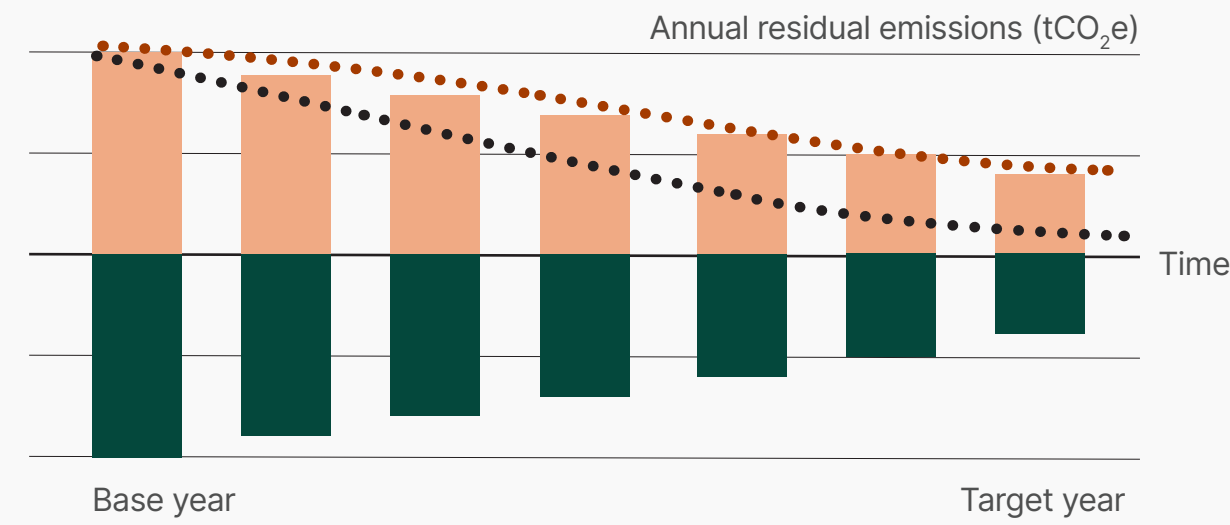
Define the role of carbon credits in your sustainability strategy

As stated in the principles, carbon credits should not be used as a substitute for reducing emissions within the value chain. Developing a strong value chain reduction approach ensures that your company does not overly rely on carbon offsets in the long-term and avoids accusations of greenwashing.

As a first step, companies should assess what they want to achieve using carbon credits and how they fit into their broader sustainability and business strategy. Will your strategy focus solely on neutralization or also on beyond value chain mitigation (BVCM)?

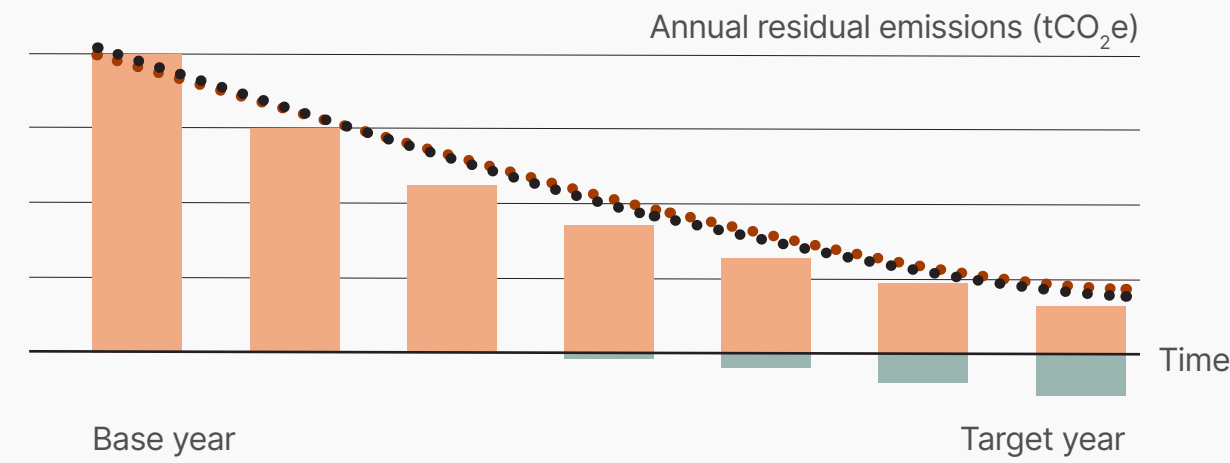
A company's approach to carbon credits will define the claims they can make publicly, such as being climate neutral, net zero, or climate positive.

Climate neutral
Achievement claim



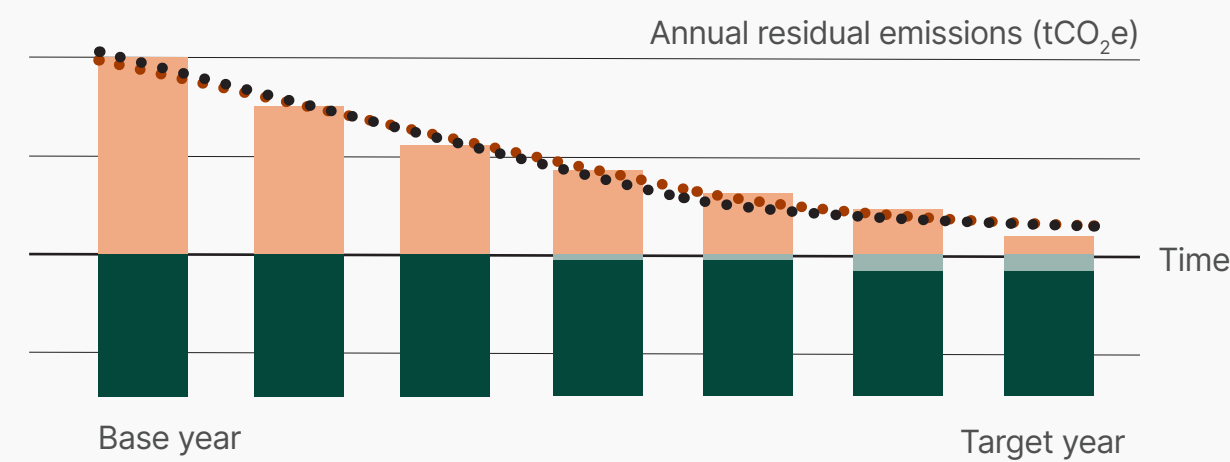
Insufficient value chain abatement and over-reliance on carbon credits

Net zero
Commitment claim

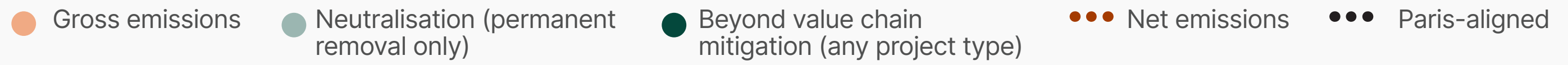


Sufficient value chain abatement and neutralisation, but with no BVCM activities

Climate positive
Achievement and commitment claim



Sufficient value chain abatement and neutralisation, in addition to outstanding BVCM



STEP 2

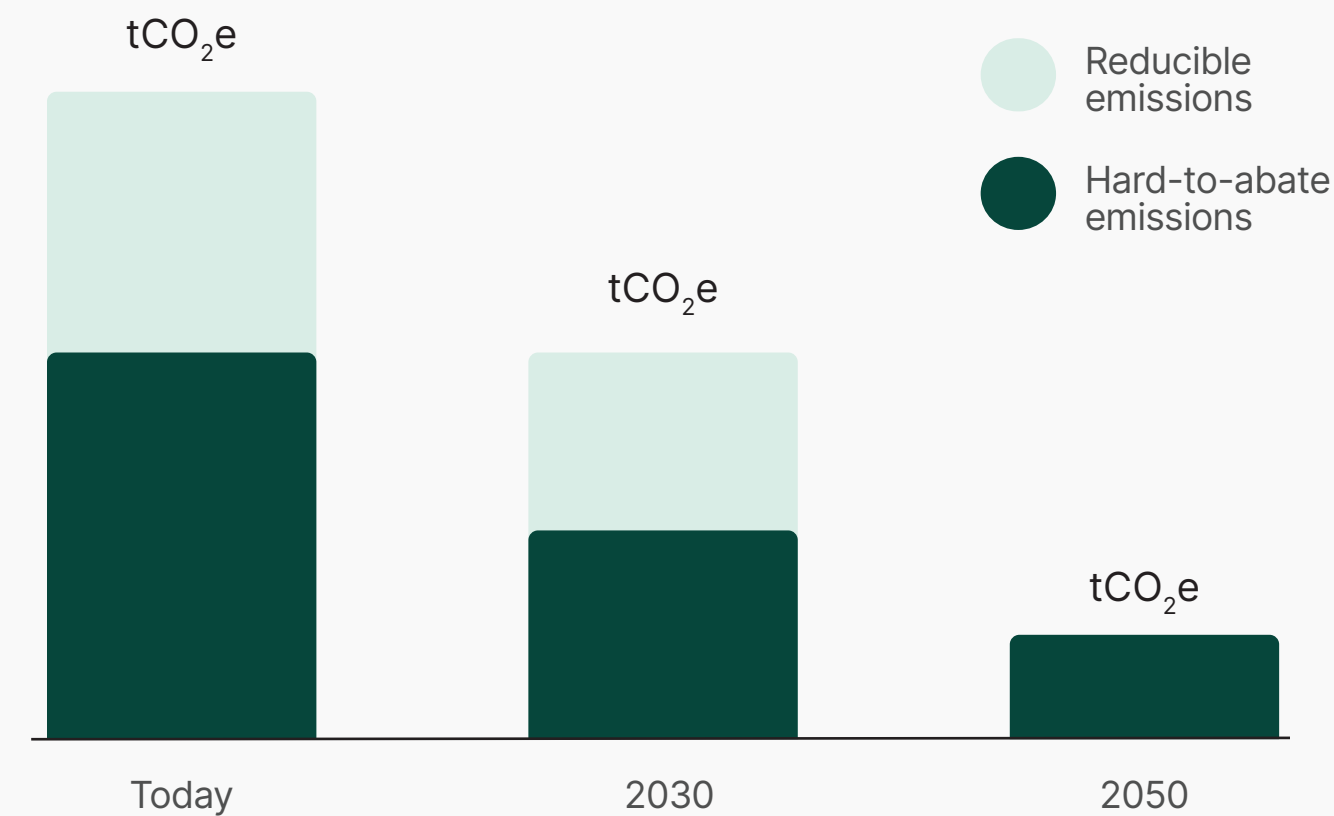
Define the scope of your carbon procurement efforts in tonnes

Defining the scope of your procurement efforts will depend on your emissions profile and your company's ambition. If you already have a pledge in place, such as being carbon neutral or net zero, part of the scope of your procurement will be directly linked to your current and projected hard-to-abate emissions.

In addition to this approach, you can use carbon credits to make climate contributions, which is also referred to as beyond value chain mitigation (BVCM). BVCM does not necessarily have to be tied to a voluntary commitment such as net zero or carbon neutral. This provides flexibility to companies wanting to optimise quality over quantity of credits.

At a minimum, you will have to neutralise your hard-to-abate emissions

Your procurement strategy should be anchored on the hard-to-abate emissions which you will not be able to abate by your voluntary commitment pledge date. This means measuring and estimating what your future emissions may look like.



Most corporate guidance advocates for 'permanent removal' credits to be used for neutralisation

Options to focus beyond value chain mitigation efforts on

Offsetting annual emissions of specific business activities or products

Offsetting annual emissions of specific scopes of emissions

Offsetting 100% of company's annual emissions

Avoidance, reduction and removal credits can be used

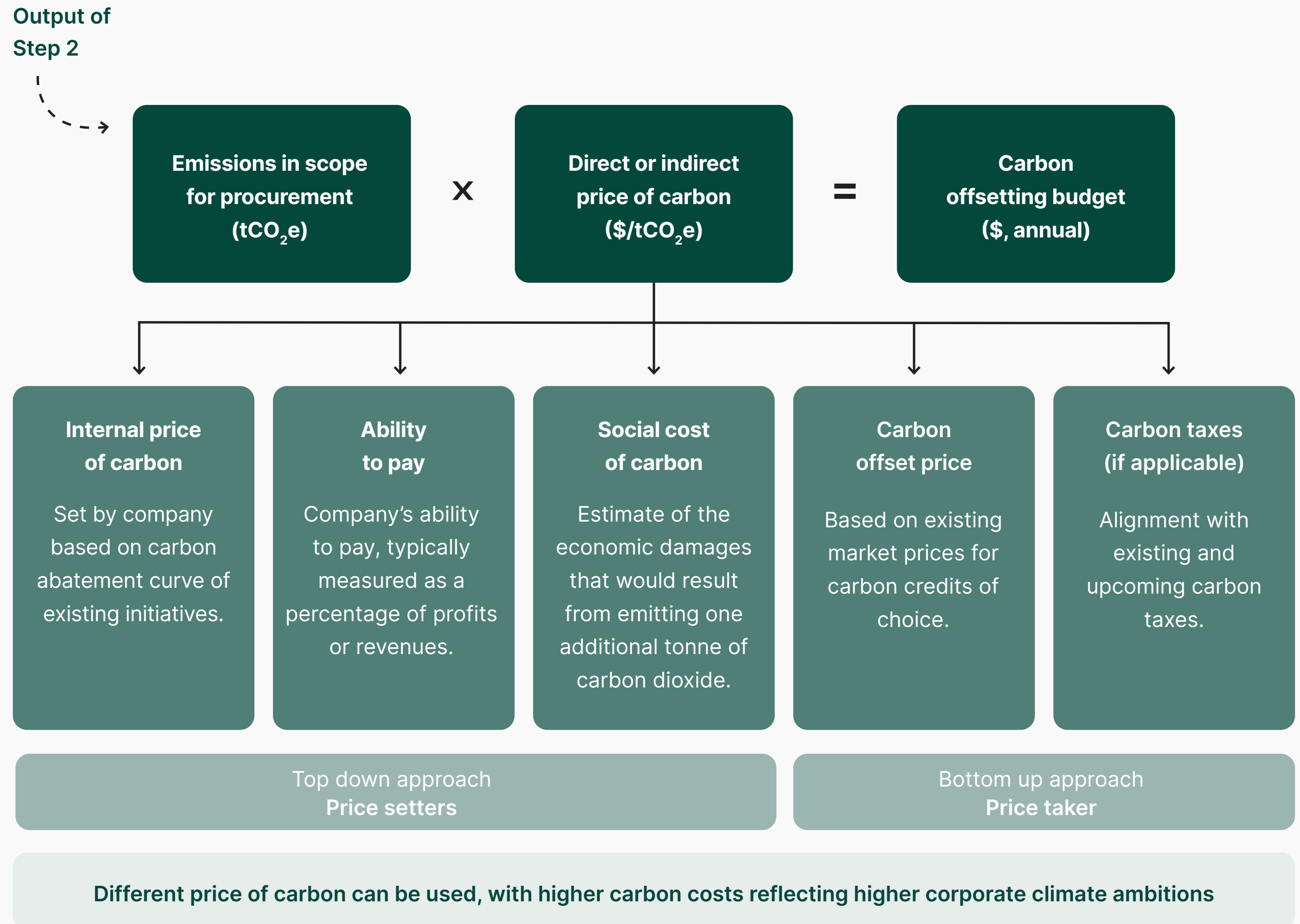
STEP 3

Set the budget to meet your goals

Companies can choose to be “price setters” or “price takers”. Currently, most companies purchase credits annually, and their offsetting budget varies depending on estimates of the market price for credits. Due to the high level of volatility in market prices, budgets can fluctuate significantly year-on-year.

A bottom up approach, which is driven by considerations such as the current market price of carbon credits can lead to less ambitious carbon procurement budget allocations, anchoring procurement programs around lower carbon tax levels and offset prices in the market today.

In contrast, a top-down approach involves companies setting a carbon price as a goal post. This approach can be more ambitious in terms of pricing, allowing companies to invest more in beyond value chain mitigation activities.



Bringing budget and procurement strategies together

Budget and procurement strategies can vary significantly from company to company, and are often dependent on various factors, particularly the emissions and financial profile of the company. Companies with high emissions and lower profit margins face greater constraints on their carbon budgets compared to those with high profit margins and lower emissions. Two examples are provided below to illustrate this point:

For Company A, a technology company, a carbon procurement budget based on emissions priced in line with the social cost of carbon (\$190/tCO₂e based on EPA) represents the most ambitious approach relative to all other options. This corresponds to an annual carbon budget of \$209 million and has a limited impact on operating profits (<2%).

For Company B, a shipping company, social cost of carbon and carbon taxes (\$190/tCO₂e and 50/tCO₂e, respectively) represent the most ambitious approaches however they are not feasible as weighting the most on operating profits. Ability to pay (1% of revenues), while resulting in a low price per tonne, yields a \$100m annual carbon budget, which weighs approx. 6.7% of operating profit.

Company A (technology company)

Total Annual Emissions (GHG)	1,100,000	tCO ₂ eq
Offsetting scopes	1, 2 & 3	Carbon neutrality
Revenue (FY 2021)	\$20bn	
Operating Profit (FY 2021)	\$12bn	(60% of revenues)

	Illustrative Price (\$/tCO ₂ eq)	Procurement Budget	as % of Operating Profit
A. Internal Cost of Carbon	\$20	\$22,000,000	0.18%
B. Ability to Pay (1% of revenues)	\$182	\$200,000,000	1.67%
C. Social Cost of Carbon	\$190	\$209,000,000	1.74%
D. Carbon Offset Price	\$20	\$22,000,000	0.18%
E. Carbon taxes	\$50	\$55,000,000	0.46%

Company B (shipping company)

Total Annual Emissions (GHG)	50,000,000	tCO ₂ eq
Offsetting scopes	1, 2	Climate contribution
Revenue (FY 2021)	\$10bn	
Operating Profit (FY 2021)	\$1.5bn	(15% of revenues)

	Illustrative Price (\$/tCO ₂ eq)	Procurement Budget	as % of Operating Profit
A. Internal Cost of Carbon	\$20	\$1,000,000,000	66.67%
B. Ability to Pay (1% of revenues)	\$2	\$100,000,000	6.67%
C. Social Cost of Carbon	\$190	\$9,500,000,000	633.33%
D. Carbon Offset Price	\$20	\$1,000,000,000	66.67%
E. Carbon taxes	\$50	\$2,500,000,000	166.67%

Disclaimer: Abatable is showing 1% of revenue for illustrative purposes only. The social price of carbon is based on the US's Environmental Protection Agency's numbers

STEP 4

Define your approach to procurement

Once a company has set its annual budget, there are different approaches to procurement that they can take, including:

- **Tonne-for-tonne approach:** Companies purchase carbon credits and retire them like-for-like. If a company needs to offset 100 tonnes of carbon, they will purchase 100 tonnes of carbon credits. The main challenge with this approach is that it incentivises companies to optimise for a low carbon price.
- **A dollar-for-tonne approach:** A budget to support carbon offsetting projects is allocated, but the company is not focused on optimising for a specific volume of carbon credits, and it may be willing to accept some degree of carbon delivery risk over time. This can be allocated based on the projected annual budget over several years.
- **A dollar-for-dollar approach:** A company positions itself as an investor in a carbon project and benefits from a return on investment on the initial upfront investment and/or preferential access to receive carbon credits. The company must be comfortable taking higher carbon delivery risks.

Carbon offsetting budget
(\$, annual)

Tonne-for-tonne

Annual carbon procurement cycle

Allocate as an annual operational expense, source spot credits in the market each year



Annual carbon offsetting budget aggregated over several years
(\$, few years)

Dollar-for-tonne

Pre-purchase agreements

Allocate strategic carbon offsetting budget today to pre-pay for volumes delivered in the future at a more attractive price to market prices



Dollar-for-dollar

Corporate carbon fund

Allocate capital for investments into carbon offsetting projects and maximise your catalytic impact in starting new projects



High

Cost containment pressures

Low

Low

Catalytic impact

High

High

Certainty on volume delivery

Low

STEP 5

Define your impact agenda and identify the right project criteria

Companies may face restrictions on the types of carbon credits they can focus on depending on their strategy and the claims they wish to make. For instance, if you are procuring credits solely to meet a net zero pledge, you will only be able to procure permanent removals.

Procurement preferences can be “values-aligned” with a preference for projects that align with the company’s corporate social responsibility agenda. Increasingly, corporations are adopting a “nature-positive” approach and using beyond value chain mitigation programs to invest in more established projects focused on preserving and regenerating natural ecosystems and biodiversity.

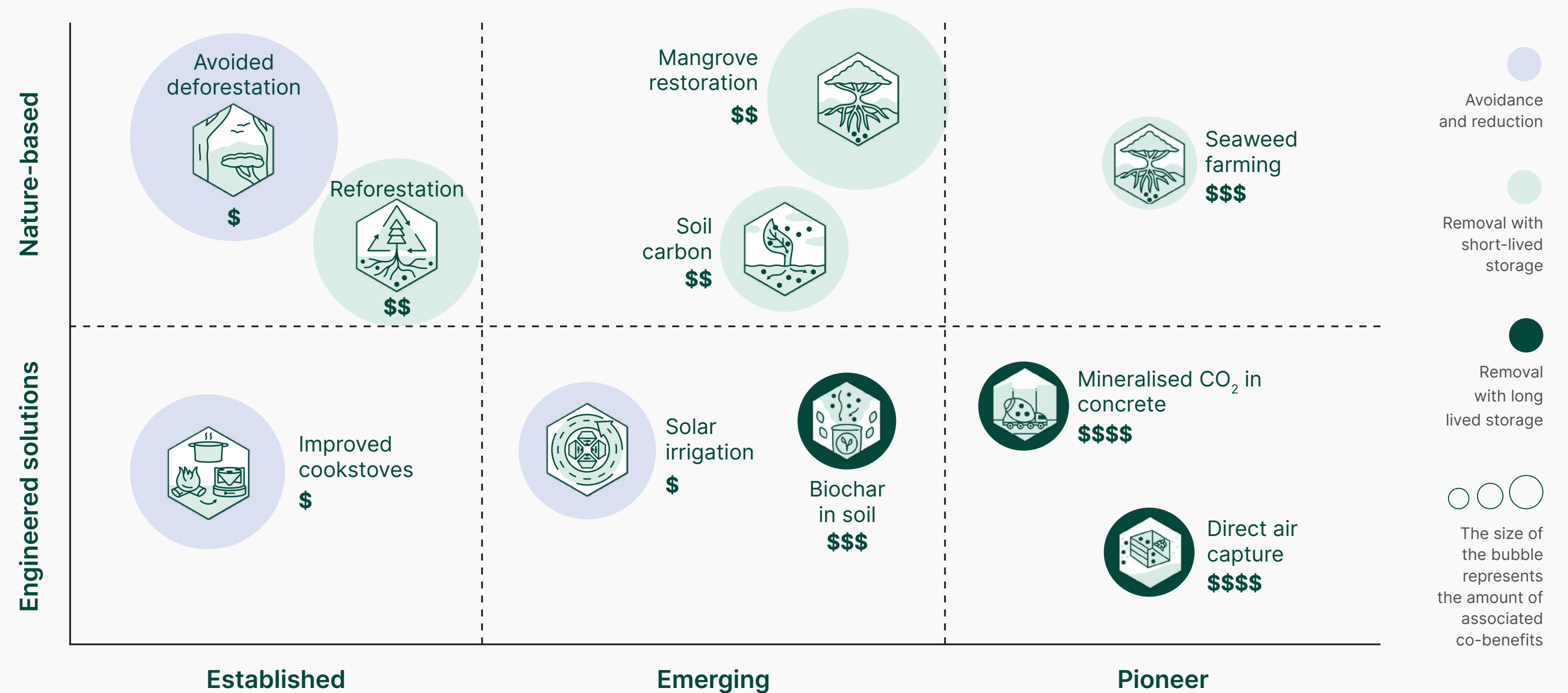
Impact approaches:

- Specific SDG focus
- Focus on local impact
- Removals-only
- Nature-positive

Project type considerations:

- Nature vs engineered**, with nature solutions being more exposed to natural disasters
- Many or few co-benefits**, with engineered solutions typically driving fewer co-benefits

- Long vs short-lived storage**, with restrictions on what claims can be made
- Regional preferences** might influence availability of projects and determine suitable project type
- Established vs pioneering solutions** with pioneering tending to be more expensive and risky



Beyond carbon, the emergence of nature positive and biodiversity commitments

Governments and intergovernmental organisations are increasingly drawing attention to the crisis of nature and biodiversity loss. At the same time, a growing number of businesses are making pledges related to biodiversity or striving to become “nature positive.” Industry-led organisations, such as the Taskforce on Nature-related Financial Disclosures (TNFD), are establishing frameworks for how businesses report and act on nature-related risks and opportunities.

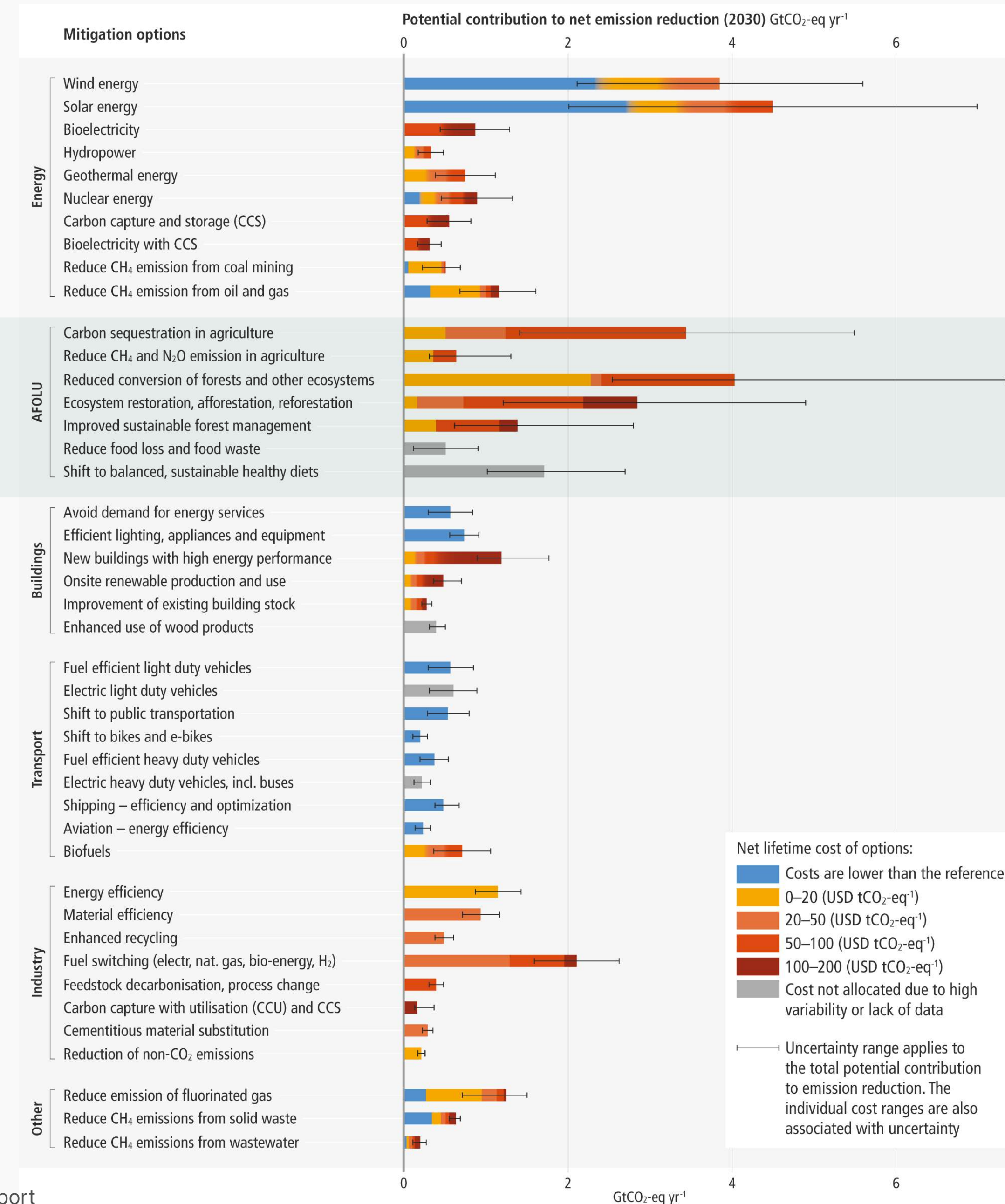
According to the IPCC’s Sixth Assessment Report, certain project activities, such as carbon sequestration in agriculture, improved forest management, and reduced forest conversion, can achieve the largest emission reductions through 2030

The success of nature-based projects depends heavily on the monetization of carbon offsets, especially for reduced conversion of forests (or REDD+ carbon projects). Through an active carbon procurement program, corporations can actively contribute to reducing the large climate finance gap for nature.

In its 6th Assessment, the IPCC identifies a list of mitigation options and their potential contribution to net emission reduction along their net lifetime cost.

Cumulative potential contribution of AFOLU = 12.9 GT CO₂e / year

Implementation cost is around \$20/tCO₂e (Abatable estimation)



Source: IPCC Sixth Assessment Report

STEP 6

Refine your procurement criteria

To enter the market, you must first define some of your needs. However, we recommend not setting criteria that are too restrictive, as this may limit the range of project developers and opportunities available for consideration.

Before beginning to procure carbon credits, it is important to have discussed internal due diligence and risk management requirements.

In terms of flexibility, we highly recommend keeping an open mind to preferred geographies. The developer ecosystem is highly concentrated, and many project types are location-specific.



Requirements that should be set before procurement

- Tonnes required (step 2)
- Carbon budget or average price range (step 3)
- Preferred purchase option, i.e. spot, forward, investment (step 4)
- Project type and impact theme (step 5)
- Internal due diligence criteria & risk management framework (step 9)

Requirements where flexibility is recommended

- Preferred geographies
- Registries and verification standards
- Specific co-benefits and SDGs

STEP 7

Take a portfolio approach

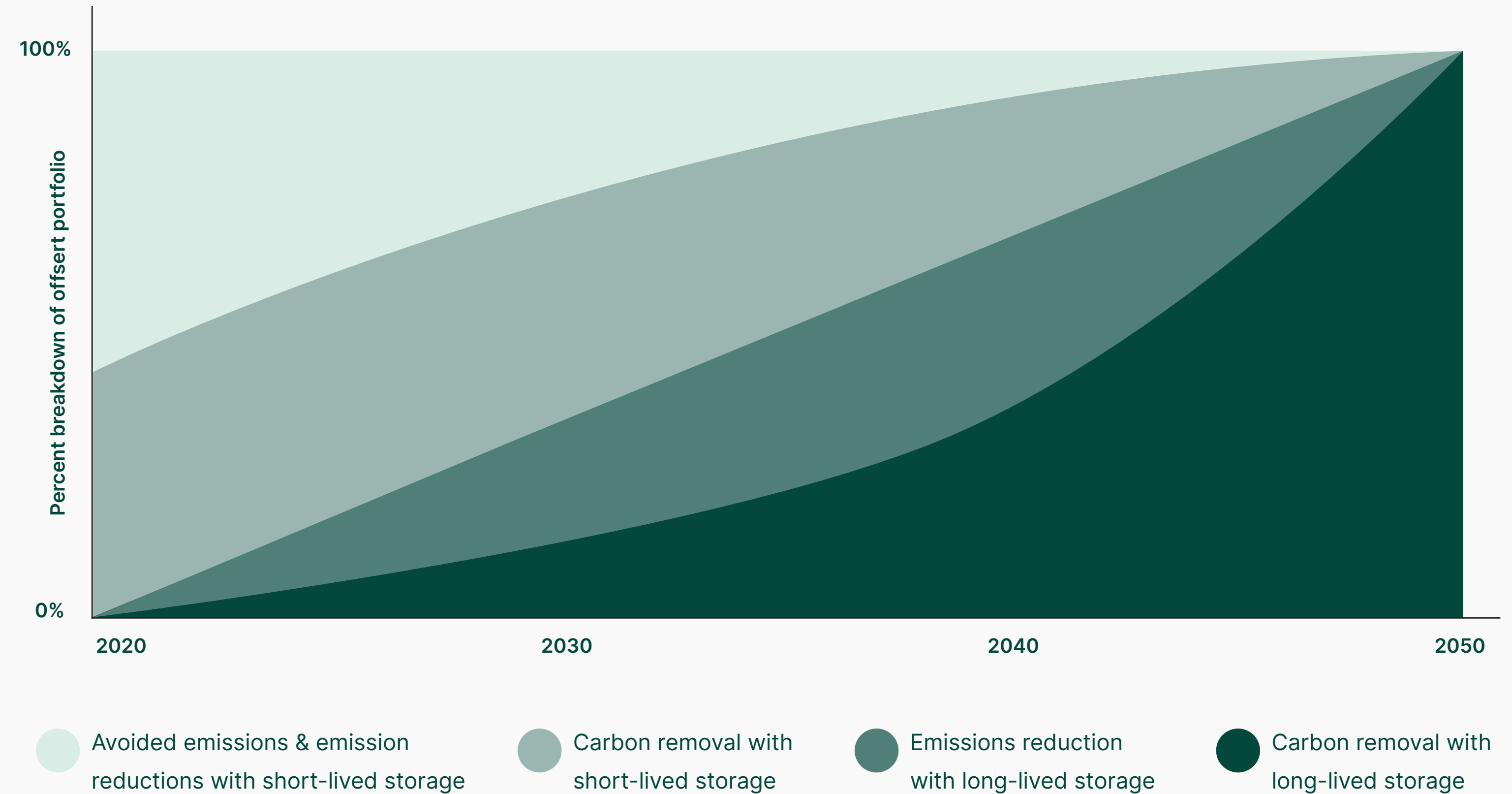
There are three main reasons to take a portfolio approach:

Aligning your strategy with climate needs: You may want to begin by supporting projects that require urgent financing, such as avoided deforestation, and gradually support solutions like carbon dioxide removal.

Meeting long-term targets: The mix of credits you purchase every year should align with your voluntary commitments. For example, if you have a net-zero commitment, you should shift your portfolio's focus to permanent removal projects.

Risk diversification: Not all project types are proven solutions. Therefore, you may want to support project types with different risk profiles.

Example net zero aligned offsetting trajectory



Source: Oxford Offsetting Principles

STEP 8

Find ways to access the market

Carbon credits can be accessed through various distribution channels, depending on volume needs and budget. For smaller volume transactions, marketplaces and carbon market exchange platforms are suitable options. However, purchasing carbon credits through these channels can be challenging as buyers cannot conduct appropriate due diligence

For larger volumes, brokers/traders and direct bilateral deals with developers are more appropriate. However, procuring from brokers and traders comes with the risk of high intermediary margins (ranging from 40 to 60%), which may not be transparent to the buying companies. Procuring carbon credits directly from project developers is recommended but requires sourcing the right projects, being able to conduct due diligence and contracting directly with developers.

	Marketplaces	Carbon Market Exchanges	Commodity Brokers/ Traders	Bilateral directly with developers / investors	Carbon procurement platform
Type of offers	Spot offer	Spot offer	Mainly spot, some forward offers	Spot, forward, option offers (or combination)	Spot, forward, option offers (or combination)
Volume	Small volume	Small & Large	Small & Large	Mostly large (negotiable)	Mostly large (negotiable)
Price	Highest prices, includes intermediary margin vs wholesale +10-20% transaction fee	Wholesale price + exchange transaction fee (few cents per tCO ₂ eq traded)	Wholesale price + intermediary margin	Wholesale price, generally cheaper than secondary market	Wholesale price + transparent buyer fee
Access	Online, single projects or portfolio	Online, standardised contracts (GEO, N-GEO, GNT, GNT+ etc)	Offline, single or portfolio of projects (with a focus on eligibility under standardised contracts)	Offline, single projects or portfolio	Online, access more than 2,000+ project developers
Due diligence	Limited (not sufficient breath of information offered)	Not possible (unknown project is delivered under standardised criteria-box)	Limited possible under time pressure	Can be detailed, primary source information offered	Detailed, conduct buyer-side expert due diligence
Selected sample solutions provider	  	 	  	  	

STEP 9

Carry out thorough due diligence






In order to mitigate the reputational risks and greenwashing claims, it is key to resource due diligence of projects appropriately. Companies can leverage:

- **Internal resources:** leveraging technical staff and/or resources to review project against internal diligence, quality and audit criteria.
- **External resources:** leveraging an external technical and carbon specialist diligence provider who is able to review against different quality criteria (e.g. ICVCM, CCQI, etc) and other technical aspects.
- **Solutions providers:** solutions provider exist which provide a “rating” on project quality. Measurement, Reporting, and Verification solutions provider can also be leveraged for independent review.

Today, no established standards exist for assessing the quality of carbon projects, although some initiatives are emerging to ensure supply-side integrity in the market, such as the ICVCM, ICROA, and others.

Example net zero aligned offsetting trajectory

Abatable leverages common quality pillars across all initiatives for the assessment of carbon projects on behalf of the companies it advises.

Abatable Quality Pillars			
Initiatives	Key elements of quality	Sub-factors	Factors
 <p>ICROA Code for Best practice</p>	<ul style="list-style-type: none"> Additional Low risk of non-additionality Assurance of non-additionality Additionality Additionality 	<p>Additionality</p>	<p>Evidence of additionality (Additionality)</p>
 <p>The Oxford Principles for Net Zero Aligned Carbon offsetting</p>	<ul style="list-style-type: none"> Measurable, independently verified Verifiable and correctly accounted for Quantification of emission reductions and removals, Credible baselines, Preventing and accounting for leakage Real reductions, Realistic credible baselines, Effective monitoring, reporting and verification, Accounting and avoiding leakage Robust quantification Strong institutional arrangement 	<p>Quantifiability</p> <p>Verifiability</p>	<p>Robust determination of GHG emissions (Measurability)</p>
 <p>Climate Focus - The VCM Explained</p>	<ul style="list-style-type: none"> Permanence “Low risk of ... reversal” Assurance of permanence Permanence 	<p>Mitigating and accounting of reversal risks</p> <p>Effective ownership and governance structure</p>	<p>Addressing non-permanence risks (Permanence)</p>
 <p>The Integrity Council for the Voluntary Carbon Market</p>	<ul style="list-style-type: none"> Real, Unique Policy alignment Counted only once Host country ambition Avoiding double counting / claiming 	<p>Policy risks and jurisdictional nesting considerations</p> <p>Value chain and technology risks</p>	<p>Mitigating external risks (External risks)</p>
 <p>Carbon Credit Quality Initiative</p>	<ul style="list-style-type: none"> “Low risk of ... creating negative unintended consequences” Safeguards [to avoid social/environmental harm] Transparent and fair benefit sharing No net harm Environmental and social impacts 	<p>Environmental and biodiversity impacts</p> <p>Community and social benefit sharing</p>	<p>Environmental and social impacts (Co-benefits)</p>

[Read more here](#) about how Abatable supports the due diligence of carbon projects and developers.

STEP 10

Reporting, monitoring and communicating

Once carbon credits have been issued and purchased, they should be retired through their registry. Any credits retired in a given year should be disclosed, along with the claim associated with them. If you are using offtake or investment agreements, these should also be reported as part of the company's financial reporting.

We recommend having a solution in place or a partner to monitor the projects on an ongoing basis, especially for offtakes and investments. This will allow you to monitor how the project is performing and whether there are any policy risks affecting the host country. In this way, you can mitigate any unforeseen risks.

Last but not least, it will be crucial focusing on educating leaders and communications teams as to how to speak about a company's procurement approach and strategy.

Reporting >

Retirement of credits and associated claims

Disclosure of offtake agreements and investments as part of financial reporting

Example of reporting requirements



Report full details on credits retired including their registry, host country, vintage, methodology and association with corresponding adjustments.



Disclose planned milestones and near-term investments that demonstrate the integrity of commitments to neutralise unabated emissions at net-zero.

Monitoring >

Track your inventory of credits and their performance

Organise site visits for offtakes and investments

Monitor changes in host country policy and regulation

Summary

There is an urgent need for private finance to flow towards climate solutions. However, most net zero company guidance focuses on value chain abatements above everything else. This overlooks the time value of carbon and how close we are to climate tipping points. **It is essential that we work on decarbonising value chains while also supporting climate solutions that can have an impact today.**

We are not alone in calling for a change of approach. Recently, the SBTi published a series of blogs explicitly urging companies to take urgent action beyond their value chain. This includes using both carbon avoidance and removal credits. The SBTi is expected to update its guidance accordingly later in 2023.

As highlighted throughout this guide, there are various ways to engage with carbon credits. Most companies will take different approaches depending on their ambition, emission profile, and ability to pay.

We urge companies to think about carbon credits as more than just an operational expense. Instead, consider undertaking forward offtakes or investments to channel investments into solutions that need it the most. This approach also enables future cost savings by securing carbon credit prices today.

The quality of carbon credits remains a key concern for the voluntary carbon market. Therefore, it is of utmost importance that companies invest in thorough due diligence, both of projects and project developers. With the tools and insights available, we can distinguish between high and low quality projects.

We hope this guide will be useful in setting your strategy. If you have any questions about this guide or how Abatable could help you, [please get in touch.](#)

Key takeaways

1

Start procuring today to enable cost savings

Most voluntary climate commitment (e.g. carbon neutrality, net zero) require procuring a certain number of carbon credits. Procuring strategically via offtakes and investments can lead to significant cost savings and the ability to conduct thorough due diligence of the quality of projects.

2

Prioritise quality and balance claims and budget

Companies should align the scope of their procurement activities with their ability to pay in order to avoid compromising quality. When setting a company strategy, it is important to prioritise quality over claims and budget.

3

Take a portfolio approach

The types of project types that companies procure should ideally vary over time. In the short term, nature and biodiversity degradation are desperately in need of private finance. In the longer term though, companies should aim to purchase from permanent removal, in line with the IPCC recommendations.

About
Abatable



Transparent. Efficient. Reliable carbon procurement at scale

Our platform enables efficient procurement of carbon credits, with a focus on variety, quality, speed and simplicity

- Access to a network of project developers covering more than 50% of the currently available credits on the voluntary carbon market
- Fully-automated and standardised Requests for Proposal (RFP) to simplify and streamline data collection from suppliers
- Independent, user-friendly evaluation system to assess and compare the quality of both the project developer and the carbon project itself

Project types we support

Nature-based solutions

- Afforestation & reforestation
- Soil carbon
- Improved forest management
- Avoided deforestation
- Blue carbon

Engineered solutions

- Improved cookstoves
- Industrial efficiency
- Direct air capture
- CO₂ mineralisation
- Biochar

How to join the procurement platform

- 1** [Schedule a call](#) to discuss your needs
- 2** Submit your RFP to our developer network
- 3** Review received proposals and quality criteria to create your carbon portfolio

Glossary

Net zero means cutting GHG emissions to as close to zero as possible across all scopes, with any remaining emissions being neutralised via carbon removals.

Carbon neutral means GHG emissions are 'balanced' by purchasing and retiring the equivalent amounts of carbon credits from avoidance or removal projects.

Annual residual emissions are emissions sources that remain unabated in a specific year.

Unabatable emissions are emissions that cannot be reduced after all initiatives have been taken, either because the technology does not exist or because it is too costly.

Neutralisation means purchasing permanent carbon removal credits to balance out emissions which are impossible to abate. Most net zero guidance limits neutralisation to 10% of emissions.

Abatable emissions are emissions that are possible to prevent, reduce or eliminate with today's technologies at a reasonable cost.

Hard-to-abate emissions are emissions that are either prohibitively costly or impossible to reduce with today's technology.

Removal credits represent one tonne of CO₂ removed from the atmosphere and stored.

Emission reduction or avoidance credits represent one tonne of CO₂ reduced (e.g. promoting fuel switching) or avoided (e.g. forest conservation).