
OPEN LETTER TO FUTURE CARBON CREDIT BUYERS

Dear Future Carbon Credit Buyers:

Carbon credits are essential climate solutions because every business has an unavoidable carbon footprint. That is why “net zero” is a pragmatic goal in line with the Paris Agreement¹, while “absolute zero” is unrealistic, now and until there are drastic advancements in decarbonization at scale.

Now is the time for companies to take greater responsibility for the emissions they cannot reduce by purchasing and retiring high-quality carbon credits. Reduce and invest is a new strategic mantra for every business leader.

Companies that are already utilizing carbon credits are 1.8 times more likely to be decarbonizing year-over-year², a key to achieving net-zero emissions by 2050. There are two reasons for this: Companies using credits likely have a diverse portfolio of climate actions, including decarbonization. And by purchasing credits, companies put a price on their carbon emissions, which creates further incentive to decarbonize.

The world will only meet the goals of the Paris Agreement (and public expectations) if all businesses take comprehensive climate action. This means prioritizing emissions reductions within their value chains while also investing in additional mitigation activities to take responsibility for residual emissions, including through the use of high-quality carbon credits.

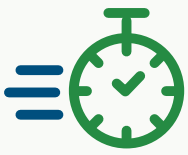
Corporate climate action is largely voluntary, however many companies are already committed, setting Paris Agreement-aligned targets and decarbonizing their scope 1, 2 and 3 emissions to the greatest extent possible. **Yet even among committed companies only 18% are on track to achieve their targets**, according to Accenture³.

Purchasing carbon credits can help companies and the planet get back on track. Investing in a diverse portfolio of credits, including both nature-based and engineered solutions, can reduce nature loss and advance actions with immediate impact. Nature is essential for maintaining a thriving economy; 55% of global GDP depends on natural capital and ecosystem services⁴, making natural climate solutions an important part of a portfolio. Done well, both natural climate solutions and engineered solutions can also provide positive socio-economic benefits for Indigenous Peoples and communities local to project areas. Projects targeting super-pollutants that have much greater near-term harm, such as methane and refrigerants, have immediate benefits and buy the world time to address hard-to-abate sectors like heavy industry and transportation.

Carbon markets are not perfect. The science, technology, data and market expectations underpinning high-integrity climate action continue to evolve and become more consistently regulated. However, the fact remains that the urgency of climate change calls for action now, as broadly supported initiatives reinforce requirements for carbon market integrity.

A decision to buy carbon credits requires a strong case showing that the business benefits of buying carbon credits outweigh the risks.

Here's how carbon credits bring value to your organization:



Carbon markets allow companies to move fast. Markets let you act before you have access to all the tools you know you need. In a recent survey of 500 business leaders, the top benefit of carbon markets was that they allow “immediate climate action while working to reduce emissions in the longer term.”⁵ Buying carbon credits from projects with verified emissions reductions and removals creates immediate impact, even as companies prioritize supply chain decarbonization.



Carbon markets move capital efficiently at scale. Buying carbon credits is efficient, lowering economy-wide costs of decarbonization and raising ambitions and impact, according to research from Environmental Defense Fund⁶. Carbon markets can also move capital at scale. For example, more than \$100 billion was invested in carbon markets in 2023, which is a record according to the World Bank⁷. By comparison, all climate philanthropy was estimated to be \$7.8 - 12.8 billion in 2022⁸. To achieve net-zero emissions by 2050, more than \$3.5 trillion in additional average annual spending will be required, according to McKinsey⁹. Only private markets can move capital at that speed and scale.



Carbon markets measure impact. Carbon markets are laser-focused on measuring emissions reduced or removed. For most companies, scope 3 emissions account for more than 70% of their total emissions and most companies with Paris Agreement-aligned targets are not meeting their scope 3 targets¹⁰. Carbon markets offer ways to quantify progress and contributions beyond value chain emission reductions, with rigorous measurement, monitoring, reporting and independent verification, alongside work to decarbonize.



Your stakeholders expect action. 90% of employees engaged in their company's sustainability work say it enhances their job satisfaction¹¹ because people want to work for responsible businesses. Consumers expect companies to act. Carbon credits show a level of maturity in your decarbonization journey, which is why 8 of the 10 most valuable brands in the world already are using carbon credits or have pledged to do so¹².



Carbon markets are the future. All companies are likely to participate in carbon markets at some point in the future¹³. Acting now offers “first-mover” benefits as markets develop. To address material business risks, as a defensive posture against future regulation, price increases, and reporting requirements, and as a proactive investment in new business systems and opportunities, buying carbon credits now helps to future-proof your company.

Here's why now is the time to act:

Carbon market integrity is converging on a clear definition. Across civil society and governmental bodies and private organizations, definitions of “high-integrity” are now widely shared and integrated into carbon markets. While there is more work to do, a clear framework is emerging for companies to engage. Demand inherently pushes markets towards integrity and rewards quality. With a clear definition in place for high-integrity carbon credits, your company's support means engagement and improvement in the local communities in which you're invested — in a measurable, third-party-verified way.

Climate change is an urgent issue. It is already affecting all parts of our economy, from supply chain disruptions to employee health. In the climate fight, speed matters. **This letter is a call for pragmatic action now.**

We, the undersigned, know from experience that carbon markets have a critical role to play alongside supply emissions reductions. We have seen how carbon credits can help companies decarbonize faster, with greater efficiency that increases ambition.

We encourage you to take the next step by including carbon credits in your sustainability strategy now. We stand ready to support your efforts. Don't hesitate to contact us if we can be helpful in sharing our own experiences. Sincerely,



ACR, Mary Grady,
Executive Director



American Forest Foundation,
Nathan Truitt, Executive Vice
President of Climate Funding



Anew Climate, LLC
Josh Strauss, President,
Environmental Products



Business Alliance for Climate Action (BACA)
Jennifer C. Jenkins, Ph.D. &
Janet Peace, Co-Chairs



Bonneville Environmental Foundation, Felicia Phillips,
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C+C, Julie Colehour and
Bryan Cohen, Owners



Carbon Growth Partners,
Rich Gilmore, CEO



Climate Impact Partners,
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ClimeCo LLC, Derek Six,
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EFM Investments & Advisory,
Bettina von Hagen, CEO



Finite Carbon,
Brandon Vickery, Co-CEO



Gordian Knot Strategies,
Sean Penrith, CEO



GreenEnergy GPO, LLC,
Lana Carmichael, Partner,
Managing Director



GreenTrees, LLC,
Chandler Van Voorhis,
Co-Founder and Manager



Kita, Racheal Notto, Director,
Carbon Markets Engagement



LoCI Controls, Inc.,
Peter Quigley, CEO/Chairman



National Indian Carbon Coalition, Bryan Van Stippen,
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NativState, Stuart Allen,
Founder & President



oneshot.earth, Thomas
Annicq, CEO and co-founder



Rebellion Energy Solutions,
Staci Taruscio, CEO



Respira International Ltd,
Ana Haurie, CEO



Rubicon Carbon,
Jennifer C. Jenkins, Ph.D.,
Chief Science Officer



The Climate Trust,
Kyler Sherry, COO



Therm, Fritz Troller,
CEO & Co-founder



Tradewater, Kirsten Love,
Chief Marketing Officer



Wren Climate, PBC, Landon
Brand, CEO & Co-founder

Endnotes

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