



ALL IN ON CLIMATE: THE ROLE OF CARBON CREDITS IN CORPORATE CLIMATE STRATEGIES

Special Report Launch
EM Insights Briefing #5

Tuesday, October 10th
10:00 - 11:00 am EDT

Our sponsors:



About Ecosystem Marketplace

Ecosystem Marketplace (EM) is the world's first and largest voluntary carbon markets disclosure system and data platform.

- EM is an initiative of the non-profit organization Forest Trends that has **driven transparency in carbon markets for 20 years**, by:
 - Analyzing proprietary over-the-counter transaction data and information on environmental finance, markets, and payments for ecosystem services.
 - Publishing internationally recognized reports, webinars, and blogs/news articles.

"Widely credited for advancing the concept and practical application of 'payments for ecosystem services.'"

Jeff Skoll

Founder of Skoll Foundation



EM's Analysis of Corporate Voluntary Carbon Market Buyers Over the Years

- EM's landmark report series on corporate voluntary carbon market (VCM) buyers launched in 2015 illuminates how companies are (and are not) using carbon credits to address their climate liabilities and climate action plans.

"This [2016] report from Ecosystem Marketplace clearly demonstrates that companies using offsetting in carbon management strategies perform better overall in reducing their emissions than companies that don't offset."

Simon Henry

(then) Programme Director, ICROA

(now) Director of Carbon Market Development, IETA



2023 Ecosystem Marketplace “Corporate Buyers” Report

- **First major update since 2016**, in response to stakeholder concerns of misalignment between actual vs sentiment corporate climate action and VCM activity.
- EM's 2023 analysis **continues to show that of CDP disclosers, VCM corporate buyers**, when compared with non-VCM peers, **are leading on key climate sustainability metrics** that are fundamental to ensuring the credibility of their climate claims:
 - Climate transparency.
 - Climate awareness.
 - Corporate accountability of climate change.
 - Climate ambition.
 - Climate action.

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TODAY!**

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"All in on Climate" Report Launch Webinar Speakers



Stephen Donofrio
Managing Director,
Ecosystem Marketplace,
Forest Trends



Luke Pritchard
Deputy Director, Nature
Based Solutions,
We Mean Business
Coalition



Will Turner, Ph.D.
Senior VP, Natural
Climate Solutions,
Conservation
International



Alexia Kelly
Managing Director,
Carbon Policy and
Markets Initiative,
High Tide Foundation



Mark Kenber
Executive Director,
Voluntary Carbon
Markets Integrity
Initiative (VCMI)

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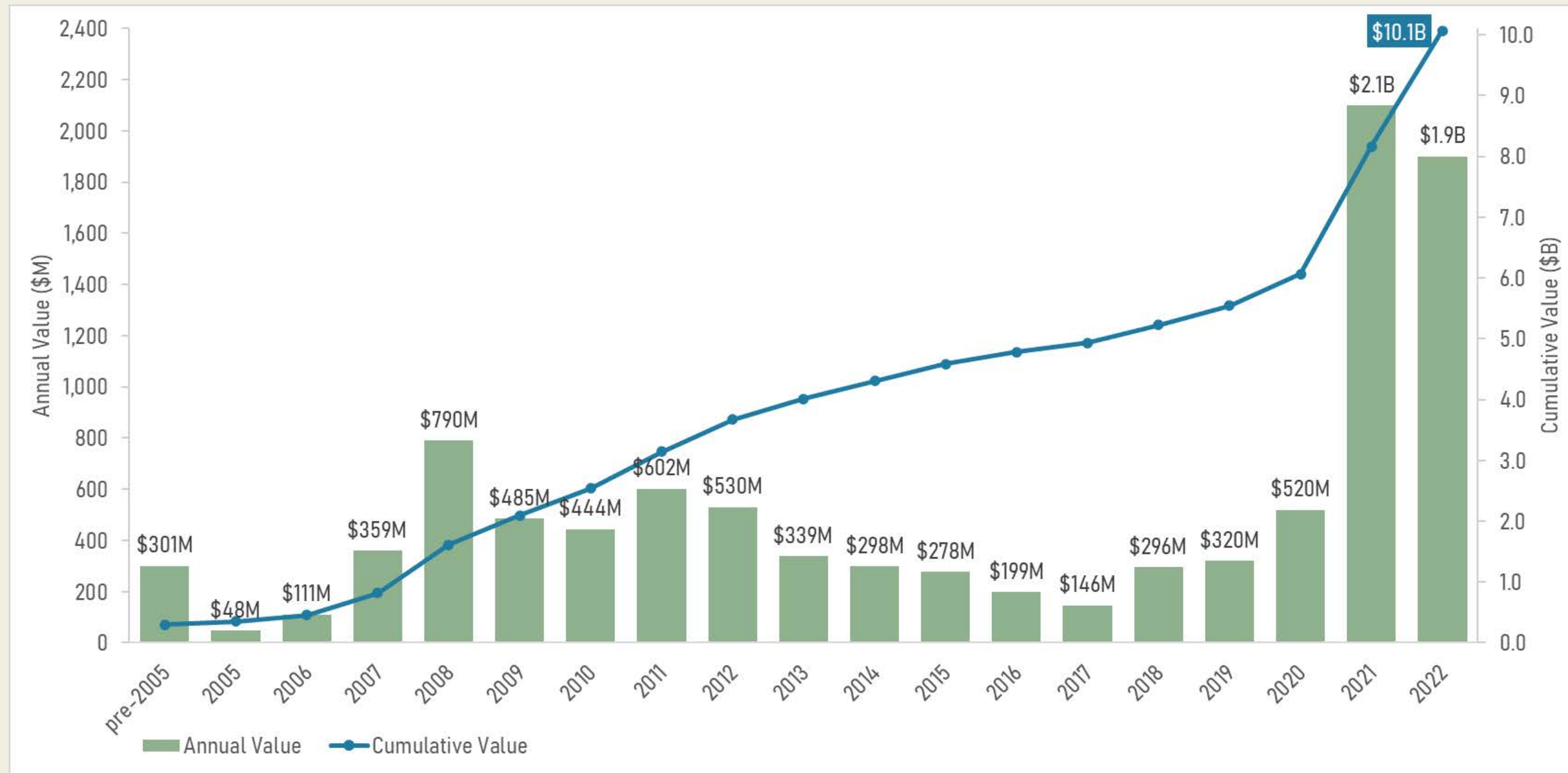
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VCM Hovers Around \$2 Billion in 2021 & 2022

2023 is too early to report, EM Respondents currently disclosing transactions



Source: Ecosystem Marketplace, a Forest Trends initiative, 2023

VCM Hovers Around \$10.1B in 2021 & 2022

2023 is too early to report on VCM transactions



Source: Ecosystem Marketplace, a Forest Trends initiative, 2023

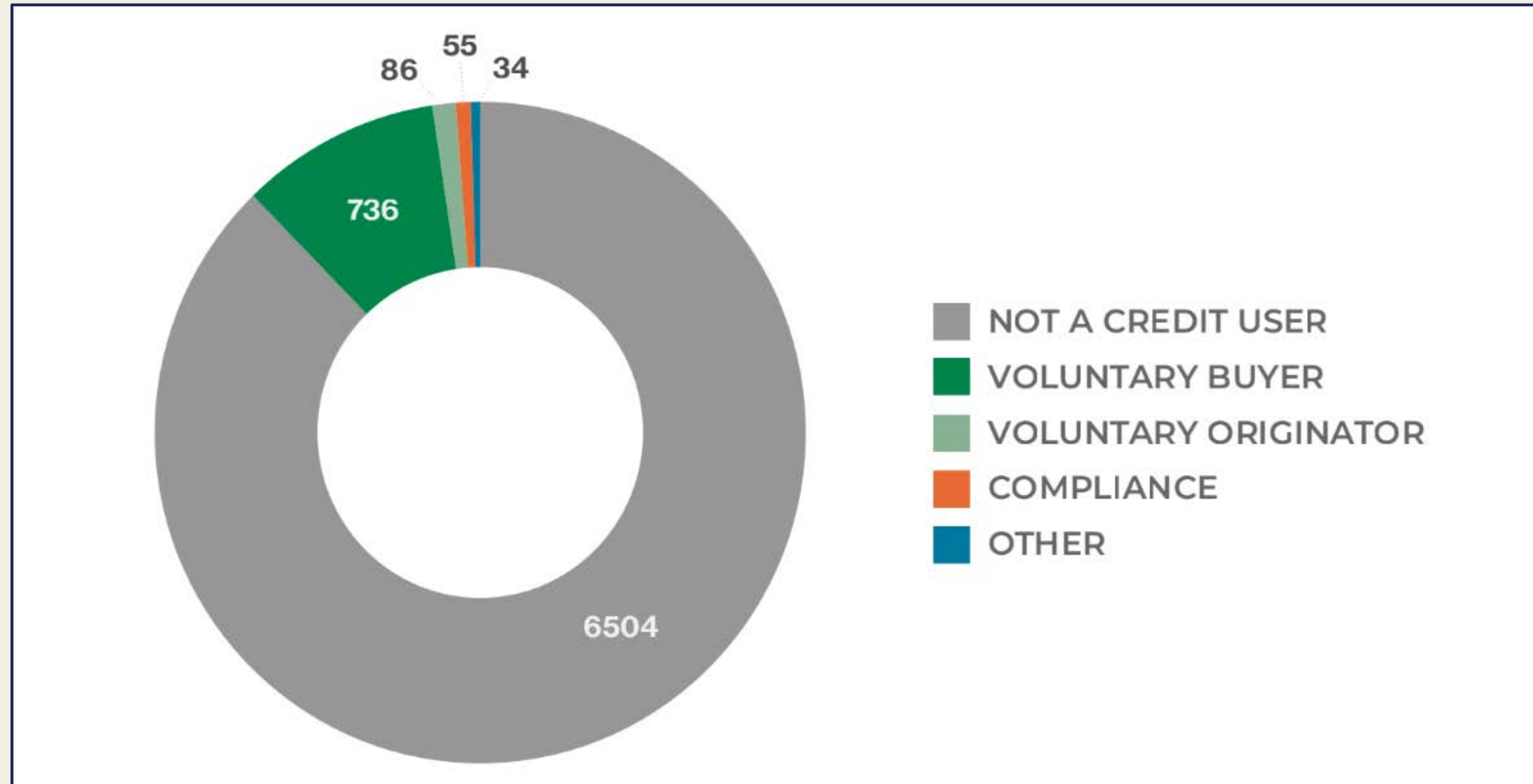
About "All in on Climate" Report Data and Methodology

- Only **public 2021 calendar year CDP data** disclosures are included in this analysis.
- Data on **2022 GHG emissions** and credit purchases **were not yet available**.
- CDP disclosers have different reporting years, included those who covered at least 6 months (181 days) of calendar year 2021.
- Data cleaning was required for irregularities in this self-reported data.
- **CDP disclosing companies only**, not a comprehensive picture of voluntary buyer demand.
 - **Per EM Data**, some CDP companies known to be voluntary buyers however did not disclose carbon credit purchases.

The primary source of data for this report is the CDP 2022 Climate Change Response dataset. Except where otherwise specified, all data analyzed comes from this dataset. We thank CDP for their help in obtaining and using these data.



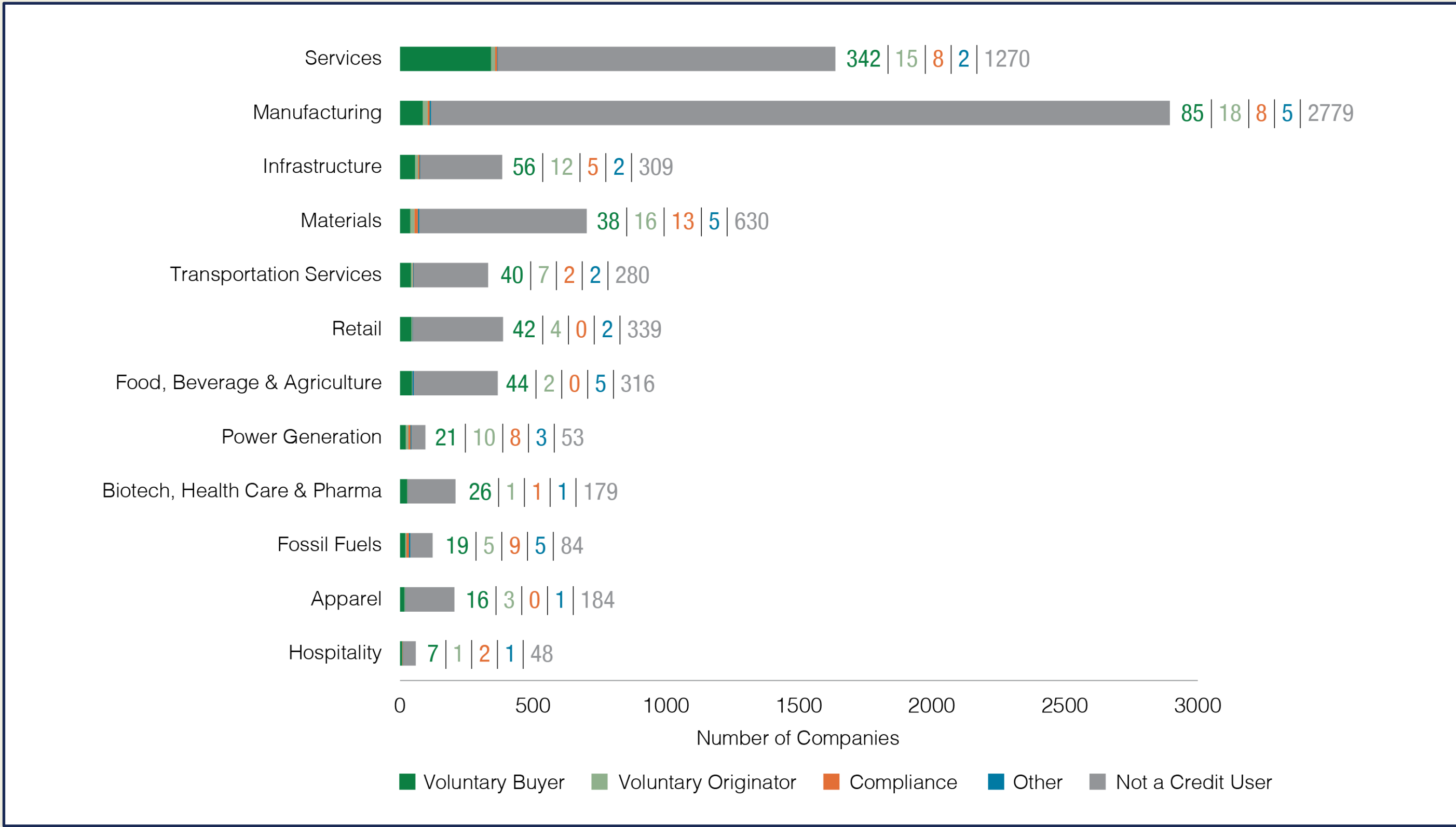
One in Ten Companies Active in VCM in 2021, of 7,415 CDP Disclosers



Source: Ecosystem Marketplace, a Forest Trends initiative, 2023

* VCM originators excluded from VCM buyers in analysis due to lack of clarity about purpose of origination
** Included compliance buyers and/or originators among companies not engaged in project-based carbon credits
*** If "Other" purposes were unidentifiable, excluded company as voluntary buyer from analysis.

Led by Services and Notable Buyers, 2022 CDP companies purchased 121.1 MtCO2e of VCM



Source: Ecosystem Marketplace, 2023

Led by Services and Notable Buyers, 2022 CDP companies purchased 12% of VCM



Source: Ecosystem Marketplace, 2023

VCM Buyers Lead on Climate Accountability and Emissions Transparency

Voluntary carbon buyers are

1.2X


more likely to have board oversight of their climate transition plans

Voluntary carbon buyers are

1.2X

more likely than non-buyers to disclose GHG emissions


VCM Buyers Lead on Climate Accountability and Emissions Transparency



Voluntary carbon buyers disclose

2.5X

the amount of Scope 3 emissions as non-buyers



Typical Voluntary/Compliance/Non-Buyer GHG Emissions

| SCOPE | COMPLIANCE | NON-BUYER | VOLUNTARY |
|----------------------------------|------------|-----------|-----------|
| SCOPE 1 | 1,870,261 | 8,545 | 13,292 |
| SCOPE 2 (LOCATION-BASED) | 210,820 | 22,092 | 33,369 |
| SCOPE 2 (MARKET-BASED) | 213,171 | 26,599 | 10,178 |
| SCOPE 3 | 4,263,685 | 134,035 | 338,525 |
| TOTAL EMISSIONS (LOCATION-BASED) | 8,646,130 | 320,554 | 531,819 |
| TOTAL EMISSIONS (MARKET-BASED) | 8,336,125 | 706,925 | 460,430 |

Source: Ecosystem Marketplace, a Forest Trends initiative, 2023

VCM Buyers More Likely to Have GHG Targets, Science is Driving the Climate Ambition



Voluntary carbon buyers are

3X

more likely than non-buyers to include Scope 3 emissions in their climate targets



Voluntary carbon buyers are

3.4X

more likely than non-buyers to have an approved science-based climate target



Note: Fossil fuels companies were excluded from the comparison of science-based targets because they are not eligible for SBTi approval.

VCM Buyers are Reducing GHG Emissions More Quickly than their Peers



Voluntary carbon buyers are

1.8X

more likely than non-buyers to be decarbonizing year-over-year

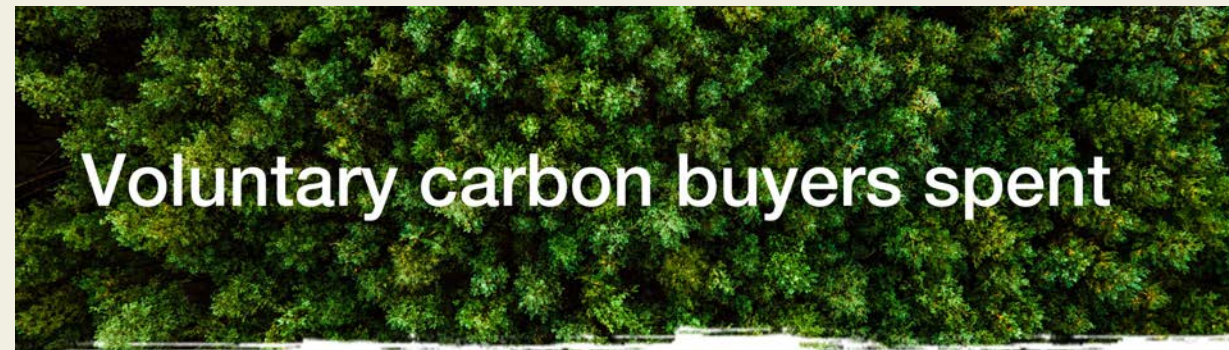


Voluntary carbon buyers are

1.3X

more likely than non-buyers to engage with their value chain on emissions reduction opportunities

VCM Buyers are Reducing GHG Emissions More Quickly than their Peers, and are Spending More on Them



3X

more on within-value chain emissions reduction than the median non-buyer.

Investment into Emission Reduction Activities, Share of Voluntary Carbon Buyers and Non-Voluntary Carbon Buyers

| CDP COMPANY SEGMENTATION BY CARBON MARKET PARTICIPATION STATUS | VOLUNTARY CARBON BUYERS | NON-CREDIT USERS ¹² |
|--|-------------------------|--------------------------------|
| TOTAL NUMBER OF COMPANIES) | 551 (17%) | 2,672 (83%) |
| MEDIAN INVESTMENT IN EMISSIONS REDUCTION | \$1,338,557 | \$447,220 |
| TOTAL INVESTMENT IN EMISSIONS REDUCTION | \$49,490,406,826 | \$77,098,139,284 |
| MEDIAN INVESTMENT IN EMISSIONS REDUCTION PER TON CO ₂ e EMITTED (LOCATION-BASED) | \$2.00 | \$1.55 |
| MEDIAN INVESTMENT IN EMISSIONS REDUCTION PER TON CO ₂ e EMITTED (MARKET-BASED) | \$2.30 | \$1.31 |
| MEDIAN INVESTMENT IN EMISSIONS REDUCTION PER TON CO ₂ e EMITTED, SCOPE 1 + 2 (LOCATION-BASED) | \$15.49 | \$9.70 |
| MEDIAN INVESTMENT IN EMISSIONS REDUCTION PER TON CO ₂ e EMITTED, SCOPE 1 + 2 (MARKET-BASED) | \$28.25 | \$13.48 |

Source: Ecosystem Marketplace, a Forest Trends initiative, 2023

VCM Buyers Achieved 26% More in Emissions Reduction Activities Over Carbon Credit Purchases in 2021

The typical voluntary carbon buyer purchased credits accounting for only

~ 2%

of their total disclosed emissions

For More Insights, Download the Report:



+ See Chat for Download Link



"All in on Climate" Report Launch Webinar Speaker:



Stephen Donofrio
Managing Director,
Ecosystem Marketplace,
Forest Trends



Luke Pritchard
Deputy Director, Nature
Based Solutions,
We Mean Business
Coalition



Will Turner, Ph.D.
Senior VP, Natural
Climate Solutions,
Conservation
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Executive Director,
Voluntary
Carbon Markets
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2023



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Question and Answer Session

We want to hear from you!

Our speakers will try to get to as many questions as possible with the remaining time.

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"All in on Climate" Report Launch Q&A



Dee Lawrence
Founder & Director,
High Tide Foundation



Luke Pritchard
Deputy Director, Nature
Based Solutions,
We Mean Business
Coalition



Stephen Donofrio
Managing Director,
Ecosystem Marketplace,
Forest Trends



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Conservation
International



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Managing Director,
Carbon Policy and
Markets Initiative,
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Contact us at:

Forest Trends / Ecosystem Marketplace
1203 19th Street, NW 4th floor,
Washington, DC 20036

-  www.ecosystemmarketplace.com
-  info@ecosystemmarketplace.com
-  [@EcoMarketplace](https://twitter.com/EcoMarketplace)

