



# RADICLE

## What to Consider When Buying Voluntary Carbon Credits

Leading companies are setting ambitious climate targets. Carbon credits are one of the tools to help meet them. Businesses can enhance their impact while strengthening their brand and competitiveness by supporting projects that reduce emissions and create co-benefits in local communities. Selecting which voluntary credits to buy can be complex, but the good news is: we make it easy. Here are nine factors you should consider before buying voluntary carbon credits.

### 1 ESG Strategy

A company's Environmental, Social, and Governance (ESG) strategy can guide its offset purchase planning. The emission reduction targets and plan determine the volume of credits required. The broader social and environmental strategy guides the type of credits to purchase.



### 2 Project Type

Every credit represents one tonne of CO<sub>2</sub>e removed from or avoided before entering our atmosphere. Credits are generated from several sources.

Offset projects generally fit into four main categories:



Renewable Energy



Nature Based Solutions



Energy Efficiency



Industrial Processes

### 3 Co-Benefits

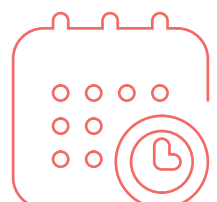
Many projects have additional benefits beyond reducing GHGs that enable you to effect positive social and environmental change to support your ESG strategy. These co-benefits align with the United Nations' 17 global Sustainable Development Goals (UN SDGs). Using them, you can join a global effort to "achieve a more sustainable future for all" and better share your impact story.



To learn more about the UN SDGs, visit: [un.org/sustainabledevelopment](https://un.org/sustainabledevelopment)

### 4 Scope of Impact & Region

Some projects impact a select community, and others impact whole regions, countries, and even the world.



### 5 Vintage

The vintage year of the offset refers to the year the emission reduction occurred. Some projects will issue offsets every year, while some will issue offsets in different increments because of varying project complexity and cost.



### 6 Standard

It is important to purchase credits verified by a credible standard. Look for certifications or standards like American Carbon Registry (ACR), Verified Carbon Standard (VCS/Verra), Climate Action Reserve (CAR), or Gold Standard.

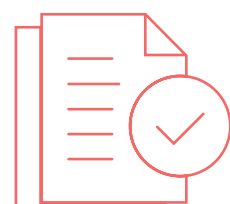
### 7 Price

All offsets reduce one tonne of CO<sub>2</sub>e. The price is determined by a number of factors, including supply and demand, type of project, co-benefits, location, standard, vintage year and project development costs.



### 8 Counterparty

Experience transacting in carbon markets and the ability to meet financial and other contractual obligations are key attributes to consider in selecting a counterparty when trading in the carbon market.



### 9 Contract

When participating in carbon markets, contract structure and key terms are critical to protecting a company's commercial and legal interests while mitigating corporate risks. Offsets are predominantly traded Over-the-Counter (OTC) through agreements between the Buyer and the Seller.

## What Next?

Still have questions or looking to enter the market? Reach out.

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Radicle exists to guide today's progressive companies towards tomorrow's sustainable future.



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