QUICK-START GUIDE TO EXPLORING Carbon Removal Investments AT YOUR ORGANIZATION
This guide and accompanying toolkit was developed by the Business Council on Climate Change (BC3) in collaboration with Carbon180, Anthesis, Atlassian and Autodesk. It is intended to help companies and organizations make sense of the dynamic carbon removals market, and start thinking about how to craft a carbon removal commitment.

The main toolkit is designed as a Google spreadsheet which you can access here. Our hope is that you can copy this spreadsheet and use it to begin crafting a removals strategy specific to your organization. It can be a helpful jumping off place for sustainability, executive and foundation teams to align on key goals, budget needs, and unique criteria that your organization wants to prioritize as you explore removal projects for investment. The spreadsheet has examples from Microsoft and Stripe, as well as draft guidance from the Science Based Targets initiative (SBTi). It also has useful information that can inform your project RFP process. BC3 will be updating the spreadsheet on a regular basis, as the removals market evolves.

DATE: August 18, 2021

CONTACT: Maura McKnight, Executive Director of the Business Council on Climate Change; maura@bc3sfbay.org

www.bc3sfbay.org
The time is now to act boldly on climate. Your investors, employees and customers are demanding it. While the carbon removal space is still immature and in many ways uncharted territory—there is a huge opportunity for companies to invest in the innovation required to scale solutions that will help the world meet our global climate goals. The science is stark and it is clear. We cannot meet our global climate goals with emissions reductions alone—we need carbon removals.

A number of corporate climate leaders have emerged, making major announcements to help build the market for carbon removals. While there is no silver bullet approach, this is the moment to send strong market signals about the demand for high-quality projects that make verifiable impacts on climate change, and also center on equity, local and global co-benefits, and more. Your voice and your investments can help shape the future now.

IN THIS DOCUMENT YOU WILL FIND:

- Background: Important context & an overview of how a removals strategy fits into your key climate goals
- Best practices for developing & implementing a removals strategy

FURTHER INFORMATION CAN BE FOUND ONLINE FOR THE FOLLOWING SECTIONS:

- Matrix of Removal Project Types
- Removal Project Criteria: Considerations for project selection; draft guidance from SBTi; info from Stripe & Microsoft RFPs
- Corporate Announcements on Removals
- Resources

ONLINE TOOLKIT
BACKGROUND

CONSISTENT WITH THE PARIS AGREEMENT’S GOALS OF NET ZERO

global emissions by 2050 or earlier, a growing number of corporations are committing to achieve net zero emissions across their value chain and net zero is rapidly becoming a new north star for corporate climate strategies.

While achieving net zero is a huge task to contemplate, limiting global warming to 1.5 degrees will still mean irreversible, significant impacts for human communities and natural ecosystems. In addition, the accelerating rate of habitat destruction, biodiversity loss and soil erosion will result in catastrophic impacts if not reversed through meaningful human interventions. In parallel to aggressive actions to reduce emissions, investments in carbon removals at scale will be necessary to limit global warming to below 1.5 degrees. Carbon removals also offer the potential to deliver broader ecological benefits and to bring socio-economic advantages to local communities, including those that are most impacted by climate change and ecosystem loss.

For any individual company, achieving or going beyond net zero will require aggressive science-based reductions in emissions, coupled with neutralization of remaining emissions through the removal or sequestration of an equivalent or greater amount of carbon dioxide from the atmosphere (‘carbon removals’).

Per SBTi, companies should phase in their removal strategy over time while they continue to decarbonize their value chain. Removals should be ramped up so that by the net zero target year 100% of residual emissions are neutralized through removals.

Companies can engage in carbon removals both directly (i.e. removals take place within the value chain) and indirectly (i.e. removals take place beyond the value chain).

There are two primary forms of removal—nature based (e.g. afforestation, reforestation) and engineered solutions (e.g. direct air capture and storage).

Some removal types are reasonably well established in the carbon finance market, e.g., afforestation. While such ‘nature based’ projects can bring local ecological and social benefits if carefully designed and managed, they also face several challenges including permanence and accurate measurement of carbon sequestration. The GHG Protocol team is currently working on new GHG accounting guidance for land based removals and this is due to be published in 2022.

Many removal types (including those that do not have the same permanence challenges) are more nascent, and are not yet supported by offset (and/or verification) protocols and/or are not yet available at scale leading to high prices per ton.

A May 2021 report from Ceres has good information on verification, credible climate mitigation, and credits for natural solutions.

Removals offsets face some of the same challenges as emissions avoidance offsets—the
BACKGROUND

market for which is well established. Examples include additionality. Removals also face some specific challenges such as permanence. While this guidance focuses on removals, some of it is also applicable for companies looking for guidance on purchasing emissions avoidance offsets.

This is an exciting yet complicated time for companies looking to engage in carbon removals. As this is a relatively new field, many questions remain about the relative pros and cons of different removals types, and prices/availability vary substantially. While there are several different routes a company can take to advance a carbon removal strategy, there is a relatively small body of experience on which to rely when considering the best route to take.

On the one hand there is the desire to engage quickly and meaningfully, while on the other, there may be hesitation to engage until there is greater certainty and further development on important topics such as measurement of carbon sequestration, robust verification standards and permanence.

While this guidance does not claim to solve all these challenges, it does aim to provide helpful information to companies who are early in their carbon removals journey, including tips on how to think through specific goals and intentions for their engagement, information on the different types of removals, and a suggested framework for prioritizing investments in carbon removals. We have also provided links to useful reference materials.
BEST PRACTICES

Reduce your emissions in line with climate science before or in parallel to engaging in carbon removals

Investments in carbon removals should not be viewed or used as an alternative to reducing emissions across your value chain (scopes 1, 2 and 3). Set science based reduction targets and prioritize actions to achieve these. (Review this WWF paper)

Determine why you are investing in removals

There are a number of reasons for adopting carbon removal as part of your sustainability activities. The most common examples include:

- Your company plans to reach net zero emissions, and you want to include carbon removal investments as part of your strategy.
- Your company wants to go beyond the net zero criteria and use carbon removal to take responsibility for your legacy emissions and/or achieve carbon negative status.
- Removals Market Development: Your company wants to invest in emerging climate technologies that have the potential for outsized impact on climate change. Investing today will help drive these technologies down the cost curve, helping to make carbon removal more accessible and scalable.
- Your sustainability strategy includes broader social impact goals, where you might direct a portion of your philanthropic / community funding towards projects that both remove carbon and yield other positive environmental and social benefits to a specific community. There are several types of carbon removal options, which allow you to choose investments based on your priorities and impact goals. Once you are clear on your objectives, carefully consider which criteria will be most important in informing your selection of removals technologies and projects in order that you can realize your desired objectives.

Determine a financing mechanism that supports your strategy

In general, emissions removal offsets can be more expensive than avoidance offsets, so determining how to finance these investments is key. A good place to start might be to commit a minimum % of your offset budget for removals, and create a finance plan for incremental removal increases each year to your net-zero target year (or 2050 at the latest). Examples of financing mechanisms include an internal carbon price/fund, philanthropic investments and sustainable debt financing.

Be transparent

The first corporate movers in this space have already set the tone regarding transparency of their investments. As this is an emerging component of corporate climate strategies, transparency will play an important role in knowledge sharing, building credible strategies and holding each other accountable for making meaningful investments.
Start sooner rather than later, while also reducing your emissions as quickly as possible

There is a need for investment now to drive new market development and scale removal technologies to help meet our global net zero goals. Another key issue is that demand will quickly outstrip supply for both natural and technological removals in the coming decade, so there is a need for early investment to quickly scale this market. SBTi is considering a requirement that companies start phasing in carbon removals no later than 10 or 15 years following submission of the Net Zero target to SBTi.

Collaborate with others inside and beyond your value chain

Speak to others, including those who are more advanced on their journey, to broaden your knowledge and keep up to date with this rapidly evolving field. Collaboration with industry peers, customers, suppliers and subject matter experts may offer opportunities to identify new solutions, work together on joint projects and leverage collective influence within your industry and beyond. The Business Council on Climate Change can help with this! We plan to launch a Carbon Removal Buyers Forum in Fall 2021 to support organizations in collaborating on removal strategies.

VISIT THE ONLINE TOOL FOR MORE INFORMATION
The Best Practices section of our online tool includes SBTi Draft Guidance and examples from Microsoft and Stripe.
ADDITIONAL INFORMATION

Please visit our online toolkit for a deep dive into the following topics below:

You can download the toolkit and begin to develop your own project criteria and removal investment strategy. We will be making regular updates to the online toolkit as the removals market evolves.

**TYPES OF REMOVALS**
An overview of removal project types and associated benefits, challenges and cost per ton.

**REMOVAL PROJECT CRITERIA**
Key criteria to help you evaluate specific projects and identify potential tradeoffs and unintended harms which can help guide your procurement strategy.

**CORPORATE ANNOUNCEMENTS AND RESOURCES**
A curated list of major corporate announcements related to carbon removal investments and strategies. Includes corporate resources, playbooks and publications.

**REMOVALS RESOURCES**
A curated list of carbon removal resources, frameworks, tools and articles. Includes additional articles related to the offset market that shed light on key issues in the removals space.

[ONLINE TOOLKIT](#)