



# Voluntary Emission Reductions

Voluntary emission reduction actions allow you to take advantage of voluntary efforts to reduce greenhouse gas emissions by following certain regulations and standards.

This will guarantee the quality of your reductions and ensure that they are generated as credible, tradable and recognisable greenhouse gas offsets or credits. DNV will act as your verifier to help ensure that you achieve your reduction objectives.

## What is a voluntary emission reduction?

Voluntary emission reductions are reductions that are not mandated by any law or regulation, but originate from an organisation's desire to take active part in climate change mitigation efforts. This may enable the organisation to be recognised as a proactive advocate for new technologies and approaches in this area.

## What are the benefits?

The voluntary carbon market is now growing because companies, government bodies, non-governmental organisations, and others that are often not subject to binding greenhouse gas regulations wish to:

- Make a quantifiable contribution to reduce emissions.
- Increase response options and flexibility of carbon management.
- Enhance public relations.
- Generate goodwill by entering the carbon market.
- Cement strategic interest in specific offset projects.

- Manage corporate social responsibility commitments.
- Become carbon neutral and/or sell carbon neutral products and services.

Voluntary Carbon Units are providing companies and institutions with a solution to accelerate the shift towards a low-carbon economy. This is done by channelling funds through voluntary offset programs to low-carbon technologies that directly reduce greenhouse gas emissions from the production and consumption of energy and from industrial processes.

## Regulations and standards

The compliance market has evolved around a set of rules and regulations that define issuance, validity and use of emission allowances and offsets. Principally, they relate to the criteria set forth for the Kyoto Protocol's flexible mechanisms and the European Directive on Emissions Trading (EU ETS). However, no similar framework has existed for voluntary emission reduction actions.

In response to this, the Voluntary Carbon Standard (VCS) is established to provide a credible and simple set of criteria that provides integrity to the voluntary carbon market. Specifically, the Voluntary Carbon Standard ensures that all voluntary emission reductions meet

specific criteria and are independently verified, creating Voluntary Carbon Units.

#### **How we can help you**

The Voluntary Carbon Standard aims to maintain a balance between environmental rigour and ease and cost of use. This is reflected in the VCS criteria.

In particular, the Standard seeks to ensure that emission reductions are:

- **Real:** All emission reductions must be proven to have genuinely taken place to qualify as Voluntary Carbon Units.
- **Measurable:** All emission reductions that are proposed for verification as Voluntary Carbon Units must use recognised methodologies and techniques for quantification.
- **Permanent:** In order to offset emissions released elsewhere, it is essential that any VCU represent permanent emission reductions and are not likely to be reversed.
- **Additional:** A key factor in the validity of a project based emission reduction is that it should be additional, i.e. result in a lower emission level than would otherwise be the case.
- **Independently verified:** All emission reductions proposed for certification as Voluntary Carbon Units must be verified by an approved independent third party verifier such as DNV.

#### **Verification**

The verification is a result-oriented process to determine the emission reductions achieved by your project.

It verifies continued compliance with the criteria defined under the Kyoto Protocol. The verification includes:

- Review of monitoring results and data collection systems linked to emission reductions.
- Review of established practices and the accuracy of data collected, as well as monitoring equipment.
- Review of the management system supporting the reported emission reductions.

#### **Voluntary corporate inventory verification**

A Greenhouse Gas Inventory Verification by an independent party like DNV is the first step in controlling your emissions profile. A greenhouse gas inventory provides an overview of the amount of greenhouse gases emitted to the atmosphere over a specific period of time. When your company's inventory is established, you may move on to verification according to the Voluntary Carbon Standard.

#### **Our expertise**

Our climate change specialists have a broad greenhouse gas verification and certification expertise combined with specific industry knowledge. As a leading independent greenhouse gas verifier operating globally, we believe in a partnership approach that benefits you and your organisation.