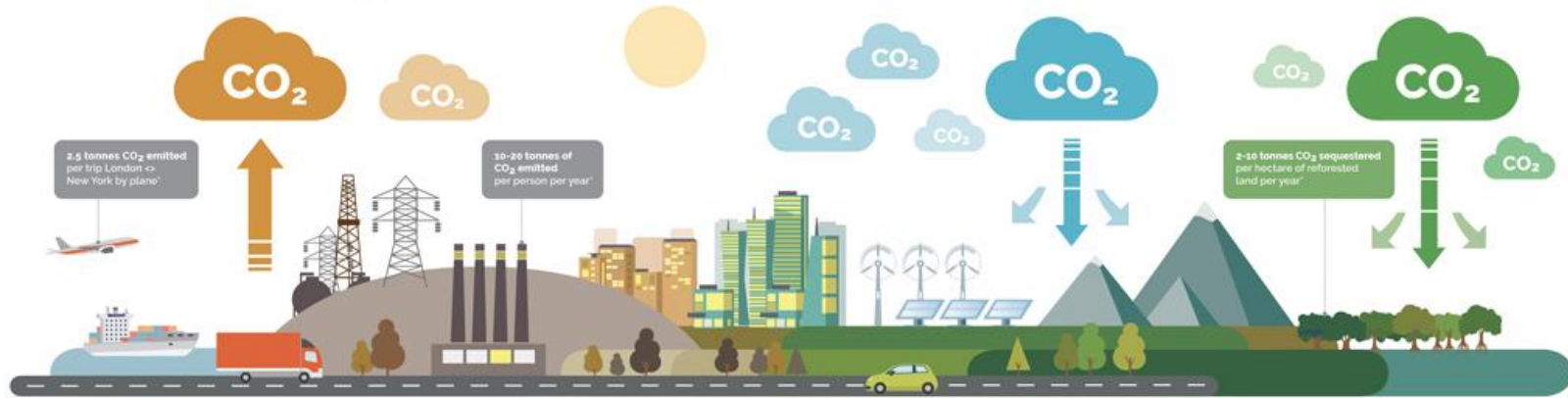


ANNEX

Why Carbon Credits?

A carbon credit is a certificate that represents a reduction of one metric ton of CO₂ emission. Carbon credits play a critical role in a holistic climate mitigation strategy and enable corporates to compensate and increasingly neutralise emissions on the path towards net zero.



01

CO₂ is emitted into the atmosphere due to human activities such as industrial output, transportation, power generation and travel.

Companies, as one of the main sources of emissions, need to reduce their emissions by taking steps to measure, report and eliminate them

Some residual emissions are unavoidable since it may not be feasible for companies to reduce their carbon footprint entirely in the short-run

02

Companies purchase high-quality carbon credits via exchanges and marketplaces such as Climate Impact X (CIX)

CIX ensures carbon credits are generated from projects aligned with leading global standards (i.e. real, measurable, verified, additional, permanent and free from leakage, double claims, etc.) and achieve significant co-benefits

Companies compensate by retiring carbon credits equivalent to the emissions which they have not yet eliminated, supporting the transition to a zero-carbon future

03

Proceeds from the sale of carbon credits fund climate mitigation actions including projects such as reforestation, wetland restoration and renewable electricity generation (e.g. solar, wind)

These projects also create additional benefits for local communities and biodiversity (e.g. livelihoods, protection of endangered species)

*Emissions estimates based on Gold Standard averages for select developed nations. Sequestration estimates based on UN Food and Agriculture Organisation research

Find out more at climateimpactx.com