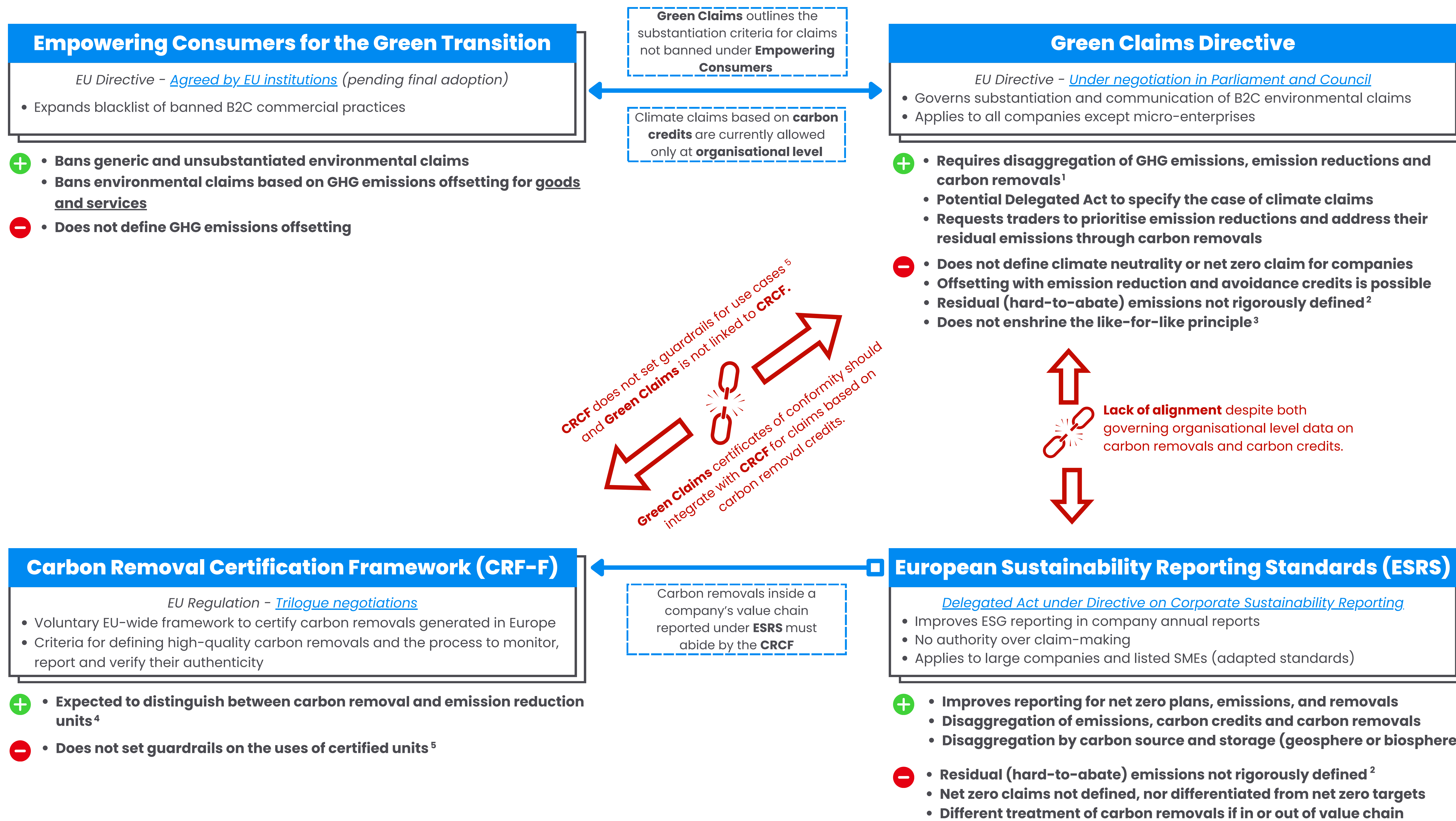


Climate claims: what's the latest in EU policy?

December 2023



¹ Claimants would have to disclose the share of total emissions addressed through offsetting and specify whether these come from emissions reductions or carbon removals (see Recital 21, Art. 3.1h and Art. 5.6f in the proposal).

² There should be a binding requirement stating that companies can only compensate for, or balance, their residual (hard-to-abate) emissions in order to combat mitigation deterrence.

³ The "like-for-like" principle is an approach that matches the nature and timescale of carbon emissions with corresponding removal techniques. In practice, short carbon cycle emissions, such as those from land-use changes, could be effectively offset by biosphere-based carbon removal methods, such as reforestation. In contrast, long-lived emissions, such as those from burning fossil fuels must be addressed through geological storage.

⁴ Both Parliament and Council have established a distinction between different types of certified units so that emissions reductions are not mistaken for carbon removals.

⁵ The Parliament requests that the use of certificates should be regulated under the CRCF. In the case of voluntary compensation claims, the Parliament asks undertakings to follow the rules set under Empowering Consumers with further details to follow in a Delegated Act. The Council does not cover use cases in their position.