

## Policy on Carbon Credits

### What is a carbon credit?

A carbon credit (or offset) is a reduction of one metric tonne of greenhouse gas emissions made in order to compensate (or offset) for a tonne of emissions generated elsewhere. These reductions are in the form of projects to reduce emissions through greater efficiency, generating lower carbon energy or protecting and replanting forest. Buying and retiring a carbon credit means there will be one less tonne of greenhouse gases in the atmosphere.

By choosing to offset our residual (or unavoidable) emissions by purchasing carbon credits, we believe we are choosing the fastest and most effective way to make an impact on emissions globally.

### How do we ensure that we only buy good quality carbon credits?

There are a wide range of carbon credit projects around the world and it was very important, as M&S made its selection, to ensure the projects we support meet a high standard of quality assurance. All the projects we support meet the standards set by global independent experts in approving the way a project is set up and run.

We are supporters of the [UN Climate Neutral Now](#) initiative. With this in mind, our policy is to purchase a minimum of 10% of our carbon credits through the [UN Clean Development Mechanism](#), with the remainder coming from 'high quality' voluntary offsets. We define 'high quality' as either [Gold Standard](#) or [Verified Carbon Standard \(VSC\)](#) credits.

Carbon credits were originally intended as an option for developed countries to invest in greenhouse gas reduction projects in developing countries. However, as not all developed countries signed-up to international targets, a 'grey area' of offsetting activities in developed countries such as the USA has emerged. We don't buy offsets from developed countries such as the USA and we will avoid certain types of projects where the wider social benefits are disputed, for example, large scale hydro and landfill gas. To ensure we are supporting the ongoing development of new additional projects, that could not have happened without the sales of carbon credits, we specify projects that are relatively new and none of the credits were generated before 2008.

In addition, many carbon offset projects provide additional benefits to the communities in which they are based. As well as employment opportunities for local people to work at the project, some projects are actually run by local communities and they receive the funds from selling carbon credits directly. Many projects make investments in local

community infrastructure such as schools, access to clean water, health care and road building, and support training and development for local people in order to ensure they benefit from the project's activities.

To deliver wider community and biodiversity benefits, and in combination with verified emissions reductions, we will also support projects that meet [Climate, Community and Biodiversity Standards \(CCB Standards\)](#).

Buying carbon credits allows M&S to have an even greater impact on global greenhouse gas emissions beyond what we're doing to make reductions in our own operations.

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