

Carbon neutrality verification: a proactive step towards climate actions

(ISO 14068-1:2023)



Businesses worldwide have joined the race to achieve Net Zero. With the goal to limit global warming to 1.5°C, public and private enterprises are already adopting policies that help them significantly reduce their greenhouse gas (GHG) emissions and lower their carbon footprint.

True carbon neutrality has now become an accepted best practice for many in the journey towards meeting Net Zero. An indispensable component of any robust sustainability strategy looking to Net Zero as an end goal.

What is carbon neutrality?

Carbon neutrality means that any CO₂(e) released into the atmosphere from a company's activities is balanced by an equivalent amount being removed¹. Once organizations have made GHG reductions, they can then offset any remaining emissions by purchasing high quality carbon credits.

As a growing number of organizations seeking integrity and compliance with Australian and New Zealand regulations (e.g. Safeguard Mechanism, Climate Disclosures), can benefit from, it's critical that a trusted, globally recognized verification process exists to substantiate these claims and empower organizations to be credible climate action leaders.

¹ What is the difference between carbon-neutral, net zero and climate positive?, Plan A, <https://plana.earth/academy/what-is-difference-between-carbon-neutral-net-zero-climate-positive>, June 2023

Inspiring trust by eradicating greenwashing claims

Greenwashing instances by global banks and financial service companies increased by 70% between 2022-2023².

Stakeholders, whether they are consumers, regulators, shareholders, or employees, expect organizations to commit to and deliver on their sustainability claims³. Consumers particularly care about this, with one in four being prepared to pay more for sustainable products⁴.

To meet these expectations, organizations are proactively communicating their ESG credentials with the world. But research shows that not all companies do prove their ESG claims⁵. This practice of greenwashing can lead to brand distrust, loss of revenue and even regulatory non-compliance.

On a larger scale, it stalls our global commitment to reduce global warming.

The rapidly expanding regulatory landscape requires many international businesses to manage their operations according to different governmental frameworks and objectives, having implications on ESG reporting. In turn, this position is increasingly required to be disclosed in annual reporting to which the same risk of greenwashing applies, unless adequate and independent assurance is applied to an entity's ESG disclosures.



77%

of people are influenced by a company's environmental record when deciding where to buy from⁶.



2 20+ shocking greenwashing statistics, Zippia, <https://www.zippia.com/advice/greenwashing-statistics/>, November 2023

3 Consumers care about sustainability – and back it up with their wallets, McKinsey, <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets>, February 2023

4 What consumers care about when it comes to sustainability, Deloitte, <https://www2.deloitte.com/uk/en/pages/consumer-business/articles/sustainable-consumer-what-consumers-care-about.html>, July 2023

5 20+ shocking greenwashing statistics, Zippia, <https://www.zippia.com/advice/greenwashing-statistics/>, November 2023

6 35 facts every sustainable business owner should know, Akepa, <https://thesustainableagency.com/blog/sustainability-facts-and-statistics-for-business-owners/>, April 2023

Beyond compliance: The value of carbon neutrality verification

Enhance reputation

Showcasing your commitment to carbon neutrality help you validate your sustainability credentials to stakeholders.

Inspire trust

Verification provides you with the transparency, credibility and trust needed to effectively market your brand and strengthen customer loyalty.

Boost revenue

Attract a growing number of environmentally conscious buyers in existing and newly created markets by offering products and services with proven and verified credentials.

Contribute towards progress

Drive consequential climate policy and harmonize leading carbon neutrality solutions to accelerate your industry's progress.

Drive continuous improvement

Independent verification can help you improve in quantifying greenhouse gas emissions by enhancing accuracy, minimizing uncertainties, and bolstering transparency across the board.

Reduce risk

Verification helps identify and address any gaps or inaccuracies in your carbon accounting, reducing the risk of errors and potential non-compliance.

76%

of companies report on CSR as a way to reduce brand reputation risk⁷.



Strengthening confidence in carbon neutrality with ISO 14068-1



Built from the principles set out in the specification for the demonstration of carbon neutrality (PAS 2060), the new carbon neutrality framework (ISO 14068-1) empowers organizations of all kinds to implement a rigorous quality process that helps them meet verifiable carbon neutral requirements.

In recent years, there have been many claims of carbon neutrality that are unsubstantiated or supported only by purchasing dubious or unknown quality carbon credits, with a consequent risk of greenwashing.

By following ISO 14068-1 coupled with independent verification, you will be able to demonstrate that a claim of carbon neutrality is underpinned by real action to reduce GHG emissions, rather than a reliance on or purchasing of more carbon credits.

ISO 14068-1 adherence also contributes to the UN Sustainable Development Goals, specifically:

- **Goal 11** on sustainable cities and communities
- **Goal 12** on responsible consumption and production
- **Goal 13** on climate action

The UN is calling for organizations to accelerate their efforts to achieve goal 12⁸. The private sector, including industries like manufacturing, transportation and FMCG, will need to significantly improve reporting on activities that contribute to the SDGs and implement policies that support the shift to sustainable practices. Independent verification plays a powerful role in this as it can help organizations prove their commitment to these important goals.

What does your organization gain from carbon neutrality verification?

Bringing structure and transparency to sustainability claims and reporting is critical to accelerating your journey to net zero. With a trusted partner to support your carbon neutrality efforts, your organization is better positioned to take meaningful action and achieve lasting success.

Carbon neutrality verification

Our independent verification provides assurance on carbon neutrality claims, and that the requirements of ISO 14068-1 have been followed. Having external verification to ensure the standard is implemented correctly will improve the likelihood these benefits are achieved.

Benefits of following the requirements of the standard

- Prioritizes effective carbon neutrality action
- Builds a clear GHG emissions reduction pathway
- Assigns clear responsibilities for sustainability plan
- Reduction targets are based on science and aligned with the Paris Agreement
- Focuses on GHG emission reductions before any offsetting
- Avoids reliance on costly carbon credits
- Improved data handling and accounting
- Robust insight to inform accurate reduction targets



Benefits of independent verification

- Boosts consumer confidence against greenwashing
- Strengthens trustworthiness of your carbon neutrality claims
- Demonstrates sincere, long-term commitment to net zero
- Encourages buy-in from carbon-conscious industry peers

Accelerate your net zero journey

Our capabilities around carbon management span multiple industries and are backed by world-leading expertise and cutting-edge technologies. Our carbon management solutions are integrated and harmonized with global frameworks such as the UN's Sustainable Development Goals and the Paris Agreement as far as possible.

BSI Kitemark™ for Carbon Neutrality

Reassure consumers and organizations that your products have been verified to international standards for carbon neutrality.

Managing Greenhouse Gas (GHG) Emissions (ISO 14064-1)

Quantify and report your organization's Scopes 1, 2 and 3 for greater accuracy and reliability, helping you attend your compliance obligations with AASB S2 and NZ C1 disclosures.

Carbon Footprint of Products (ISO 14067)

Demonstrate accurate quantification and reporting of the carbon footprint of a product (CFP) you attend your compliance obligations with AASB S2 and NZ C1 disclosures.

Carbon management in infrastructure (PAS 2080)

Achieve independent certification that demonstrates that your built environment projects, including retrofits, are sustainably managed through standardized collaboration across the whole value chain.





Energy management system (ISO 50001)

Drive down energy use and thereby cut emissions and associated costs with a robust management system approach. ISO 50005 provides a phased approach for implementation.

Implementing your carbon footprint management plan (PAS 2060:2014) training course

This 4-hour course will help you develop your delivery strategy, projects, and tools to meet your carbon footprint management plan commitments.

Energy management (ISO 50001) training courses

Learn from our expert tutors from the Implementation of the requirements of the standard to auditing management. Learn flexibly through in-person, online, on-demand eLearning or blended training.

GHG Emissions of a City (PAS 2070)

Effectively assess GHG emissions produced by urban populations with methodologies designed to produce actionable insight for city leaders.

Making a commitment to carbon neutrality training course (PAS 2060:2014)

This online course is designed to help sustainability professionals dig deeper into carbon footprint management and identify the necessary steps to become carbon neutral.

Demonstrating Carbon Neutrality (PAS 2060:2014) training course

Designed for all industries, this two-day course will help you learn the stages your organization can take to become carbon neutral.




Driving impactful carbon neutrality solutions

We shape and embed best practice so that your organization can become future ready. We have not only committed to achieving net zero by 2030, but BSI is instrumental in the [‘Our 2050 World’](#) collaboration as its convener, that brings the International Organization for Standardization (ISO), the UN Race to Zero campaign and the UNFCCC Global Innovation Hub together to enable and mainstream the transition to net zero through standards. [The London Declaration](#), led by BSI, working with the ISO, is a commitment to ensure global standards will support climate action and advance international initiatives to achieve global climate goals.

We are equipped to transform your net zero journey through access to unrivalled expertise.

How to make credible carbon neutral claims

Discover more about how Carbon Neutrality verification can benefit your organization.




Speak to us about reducing your organization's environmental impact

Whether you are starting your carbon neutral journey, want to enhance your current strategy, or are an environmental leader, we're ready to accelerate your progress.

**For more information, or to get in contact
with one of our experts, visit bsigroup.com**



BSI Group
New Zealand
0800 583 965
[bsigroup.com /en-NZ/](https://bsigroup.com/en-NZ/)

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