

Overview of Guidelines for Information Provision of Carbon Offsetting Activities for Establishing Credibility

(Ver. 1, 30 Oct 2008)

These *Guidelines* follow *the Guidelines for Carbon Offsetting in Japan* issued in February of 2008 by MOEJ. They aim to promote an accurate understanding of carbon offsetting and further offsetting initiatives by ensuring transparency and fostering reliability in carbon offsetting procedures. This is done by establishing what information should be considered and/or specified when businesses and others carry out different types of offsetting activities.

Information providers

Offsetting the use of products and services

Companies, NPOs/NGOs, offset providers, and others who engage in in-shop or mail order (internet) product or service sales



→ See Chapter 3 for details

Offsetting meetings and events

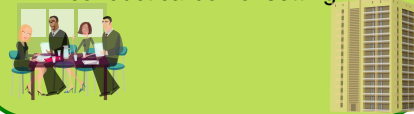
Hosts and others involved in meetings and events



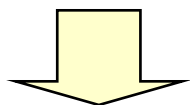
→ See Chapter 4 for details

Offsetting personal activities

Businesses, municipal governments, and similar organizations that conduct carbon offsetting



→ See Chapter 5 for details



In addition to general contract laws, other laws exist pertaining to display and sales formats (applies to both mail order (internet) and in-shop sales). Be sure to register appropriately according to this legislation.

Laws related to carbon offsetting

→ See Chapter 2 for details

Misleading or exaggerated claims made when selling carbon offset products or services may be prohibited under the Act against Unjustifiable Premiums and Misleading Representations, the Act on Specified Commercial Transactions, the Consumer Contract Act or under industry laws relevant to the specific type of product or service being offered.

Items to be recorded during reporting, sale, and post-sales activities (excerpt)

- What is carbon offsetting?
- What substances are to be offset? (target, scope)
- How much GHG emissions to be offset? (calculated volume, calculation methods)
- What kind of credits is used in the offsetting process? (types of credit)
- When can offsetting be carried out? (credits provision methods)
- Where and how is carbon reduced? (countries where projects are carried out, types of businesses, etc.)
- How much does offsetting cost? (sales price, whether costs are borne by consumers, etc.)

Examples of information provision

□What substances are to be offset? (target, scope)

□What is carbon offsetting?

□How much GHG emissions is to be offset? (calculation methods etc.)

Carbon offsetting is to become aware of your GHG emissions, and partially or entirely to offset (compensate) the unavoidable GHG emissions with carbon credits.

→See Chapters 3-5 and 2(1) for other examples

Offsetting is carried out for the approximately XX kg of CO₂ emissions which are produced per person through bus travel between Tokyo and Nasu (roundtrip XX km). GHG emission figures were calculated based on *the Guidelines for Calculation of GHG Emissions of Activities to be Offset* provided by the Japan Carbon Offset Forum (J-COF).

→See Chapters 3-5 and 2(2) for other registration examples

□What kind of credits is used in the offsetting process? (types of credit)

□When can offsetting be carried out? (credits provision methods)

□Where and how is carbon reduced? (countries where projects are carried out, types of businesses, etc.)

Kyoto credits (CER) already issued and generated by providing electricity to rural South Africa were used in offsetting. The credits have already been transferred to a cancellation account held by the Japanese government (credits cannot be reused once they have been invalidated). Check www.0402.com for project information on invalidating credits for customer offsetting and management status.

→See Chapters 3-5 and 2(3) for other registration examples

□How much does offsetting cost? (sales price, whether costs are borne by consumers, etc.)

Ten percent of product sales are used to obtain Kyoto CER credits. The total sale price is applied towards obtaining credit until the end of the fiscal year. Sales volume is regularly posted on the internet (via link), and details are outlined in the environmental report at the end of the fiscal year.

→See Chapters 3-5 and 2(4) for other registration examples

Documents for certifying Carbon Offsetting:



→See Chapter 3.3 for cautions regarding the certification documents

Caution against inappropriate terminology:



Do not refer to reduction efforts as “carbon neutral”, “CO₂ zeroing”, or related terms unless referring emissions reduction efforts..

→See Chapter 3 pg. 26

Reference sites and guidelines

Carbon offsetting guidelines

◆Guidelines for Carbon Offsetting in Japan

http://www.env.go.jp/earth/ondanka/mechanism/carbon_offset/guideline/guideline080207.pdf

◆Guidelines for Information Provision of Carbon Offsetting Activities for Establishing Credibility (Ver. 1.0)

http://www.env.go.jp/press/file_view.php?serial=12336&hou_id=10347

◆Guidelines for Calculation of GHG Emissions of Activities to be Offset (Ver. 1.1)

<http://www.j-cof.org/document/GHGsguideline-ver.1.pdf>

Information on carbon offsetting:

◆Ministry of the Environment, Japan website on carbon offsetting:

http://www.env.go.jp/earth/ondanka/mechanism/carbon_offset.html

◆Japan Carbon Offset Forum (J-COF) <http://www.j-cof.org>

◆Third-party certification of carbon offset, labeling: <http://www.4cj.org/label.html>

◆Information Disclosure Scheme for Offset Providers: <http://www.4cj.org/provider.html>

◆Offsetting Credit (J-VER) Scheme: <http://www.4cj.org/jver.html>