

How to communicate the quality of your chosen carbon credits

Guidance for sustainability
leaders on use of the
BeZero Carbon Rating



BeZero

How to use this guide

When your company has procured and retired carbon credits, communicating this contribution towards climate action on your website's **sustainability page** or **annual ESG report** can be valuable. Demonstrating this impact to your investors, regulators, industry peers, employees and customers using **BeZero Carbon Ratings** helps substantiate reduction claims, and mitigate reputational risk.

This guide will help you communicate credible impact to your stakeholders using ratings. Alongside complementary frameworks such as the [VCM Claims Code of Practice](#) and the [ICVCM's Core Carbon Principles](#), BeZero's independent ratings can help you:

- **Evidence** your climate claims based on a deep, analyst-led assessment of key drivers of carbon efficacy such as additionality, carbon accounting, and permanence.
- **Defend** your claims by highlighting the scientific, carbon, and financial market expertise that goes into BeZero's assessments.
- **Qualify** your claims as a likelihood rather than a guarantee.
- **Mitigate** reputational risk by leveraging the role of third-party ratings in your due diligence.
- **Avoid** claims around 'carbon neutrality' which are often treated with scepticism.

The guide provides recommendations on terminology to use when describing the BeZero Carbon Rating of your chosen carbon credits in your climate-related communications. It also includes links to images such as BeZero's letter ratings and rating scales. Please read the guidance carefully and contact commercial@bezerocarbon.com if you have any questions. The team would be happy to review your content before publishing.

About BeZero Carbon

When describing BeZero, we recommend using some or all of the following wording:

BeZero Carbon is a global carbon ratings agency. Its independent ratings, risk tools and datasets equip world-leading organisations with the knowledge and confidence to make better climate decisions. Its aim is to scale climate impact through carbon markets.

With a multidisciplinary team made up of climate scientists, geospatial experts, data scientists, financial analysts and policy specialists, and global partnerships with local experts and world-leading research institutions, their products help market participants make risk-informed decisions on carbon projects of any type, at any stage of development, in any market. BeZero's analytical frameworks are deeply sector nuanced and bring to the fore their extensive experience in rating 700+ projects across dozens of nature and tech-based sectors.

For more information, please visit www.bezerocarbon.com

About the BeZero Carbon Rating and rating scale

The BeZero Carbon Rating represents BeZero's current opinion on the likelihood a given credit achieves a tonne of CO₂e avoided or removed, with 'AAA' representing the highest likelihood, and 'D' representing the lowest. BeZero's public ratings are hosted on our website's [listings page](#).

BeZero Carbon ex post Rating

When describing the BeZero Carbon ex post Rating, which applies to live projects that have already issued credits, we recommend using the following wording:

A BeZero Carbon Rating represents BeZero's opinion on the likelihood of a carbon credit achieving a tonne of CO₂e avoided or removed.

The BeZero Carbon Rating is assigned on an eight-point scale ranging from 'AAA', representing the highest likelihood, to 'D', the lowest likelihood.

You may use the associated ex post rating scale image if helpful (see '[Image files](#)' section below).

BeZero Carbon ex ante Rating

When describing the BeZero Carbon ex ante Rating, which applies to early-stage projects that have yet to issue credits, we recommend using the following wording:

A BeZero Carbon ex ante Rating represents BeZero's opinion on the likelihood of a pre-issuance carbon credit achieving a tonne of CO₂e avoided or removed. Project execution risk is assessed at the project level, and applied as a standalone risk factor.

The BeZero Carbon ex ante Rating is assigned on an eight-point scale ranging from 'AAA.pre', representing the highest likelihood, to 'D.pre', the lowest likelihood.

You may use the associated ex ante rating scale image if helpful (see '[Image files](#)' section below).

Communicating the rating of your chosen carbon credits

You are welcome to mention the BeZero Carbon Rating of your chosen carbon credits in relevant climate-related collateral and literature (e.g. presentations, ESG reports, etc).

For example, major corporates such as [UBS](#), [McKinsey](#), [Salesforce](#) and [ARUP](#) reference the use of BeZero's ratings in their carbon credit selection criteria in their sustainability reports:



Illustrative example of how to describe BeZero-rated credits in your annual sustainability report:

As part of our decarbonisation strategy, we have purchased and retired high-quality carbon credits to address our residual emissions. The [PROJECT NAME] project we chose for this purpose had a BeZero Carbon Rating of [LETTER RATING] as of [DD/MM/YYYY]. This rating represents BeZero Carbon's current opinion of a [VERY HIGH / HIGH...etc] likelihood of credits issued by the project to avoid/remove one tonne of CO₂e. For the live rating, please click [here](#).

BeZero Carbon is a global carbon ratings agency. With a multidisciplinary team made up of climate scientists, geospatial experts, data scientists, financial analysts and policy specialists, and global partnerships with local experts and world-leading research institutions, their ratings help market participants make risk-informed decisions on carbon projects. As the market's most widely adopted independent risk metric, the BeZero Carbon Rating is an essential input in our due diligence process, ensuring our commitment to high-quality carbon credit purchases.

Note that for BeZero Carbon ex ante Ratings, these are referred to as **[letter rating].pre with [level] of execution risk**. For example: 'A.pre with moderate execution risk'.

The 'pre' is to denote that the rating has been assigned before the project has started issuing credits. The capital letter rating should always be communicated **alongside** the project's level of execution risk. We recommend using the following wording:

[Project name] has been assigned a BeZero Carbon ex ante Rating of [letter rating].pre with [level] of project execution risk as of DD/MM/YYYY.

Given that BeZero's ratings are live and monitored, and subject to change if new material information arises, we ask you to make clear the latest date at which the rating was valid and provide a link to the BeZero website, which always displays the [latest public ratings](#).

We recommend you regularly update your marketing collateral to reflect the latest date at which the rating was valid. It is your responsibility to keep this information up to date, as an out-of-date rating risks misleading your stakeholders.

Example:

[Project name] was assigned a BeZero Carbon Rating of [letter rating] on [DD/MM/YYYY]. For the live rating, please click [here](#).

BeZero's credentials and market adoption

If appropriate, you are also welcome to include the following information which highlights BeZero's credentials, and the adoption of BeZero Carbon Ratings in the market:

BeZero's credentials:

- BeZero Carbon's 80+ [analytical team](#) includes published climate scientists, geospatial experts, data scientists, financial analysts and policy specialists
- BeZero's methodologies, sector frameworks and post-issuance ratings are always [public](#)
- As a fully [independent](#) carbon ratings agency, BeZero has no conflicts of interest, does not trade or develop carbon projects, and does not make buyer-seller referrals

Adoption of BeZero's ratings in the market:

- Data from commodities price reporting agency Fastmarkets shows that BeZero ratings are [driving price and demand](#)
- Over 40 carbon marketplaces and exchanges host the [BeZero Carbon Rating](#)
- More than 8,000 users subscribe to BeZero's ratings hosted on its public [platform](#)
- Over 180 clients trust BeZero's expert analysis, including Fortune 500 companies

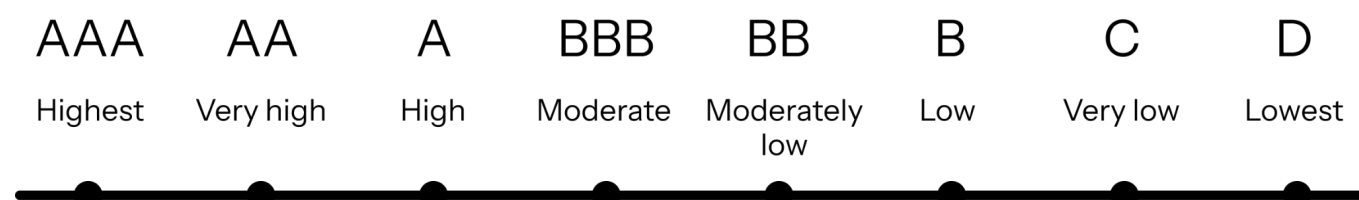
Image files

You may download PNG and SVG files of the following images by following the link [here](#).

BeZero Carbon Rating logo:



BeZero Carbon ex post Rating scale:



BeZero Carbon ex post Rating - individual letter ratings:

 BeZero Carbon Rating

AAA

 BeZero Carbon Rating

AA

 BeZero Carbon Rating

A

 BeZero Carbon Rating

BBB

 BeZero Carbon Rating

BB

 BeZero Carbon Rating

B

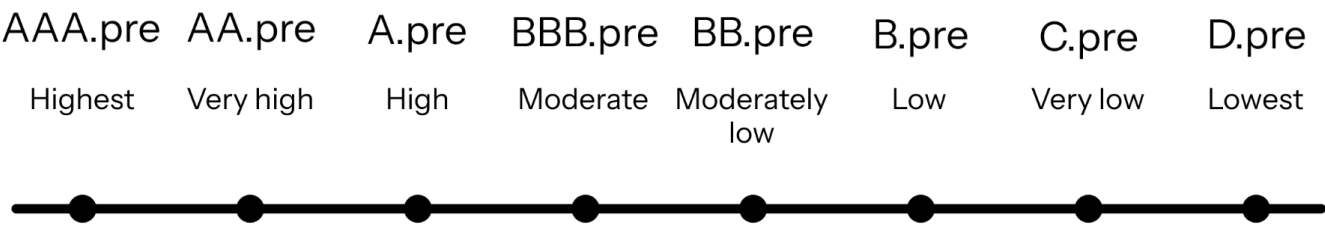
 BeZero Carbon Rating

C

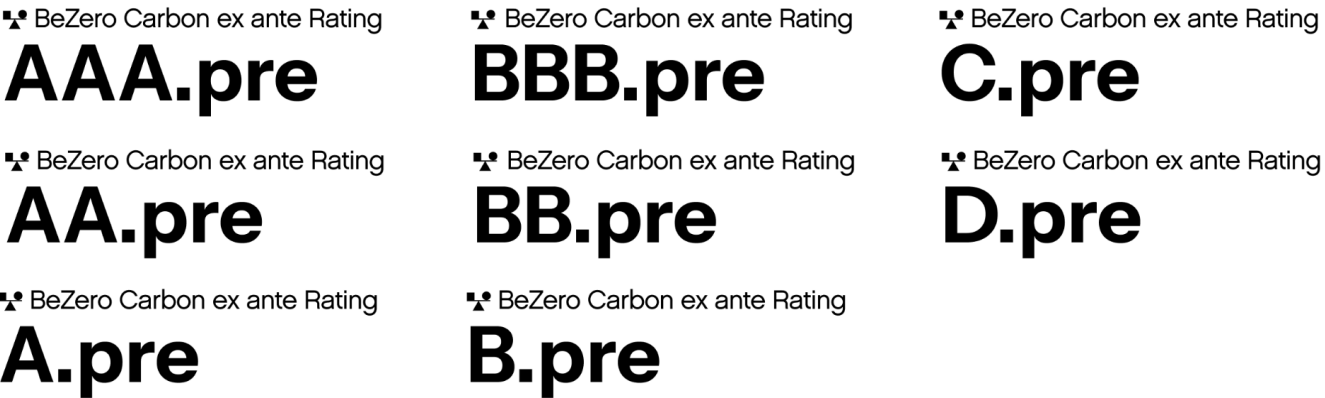
 BeZero Carbon Rating

D

BeZero Carbon ex ante Rating scale:



BeZero Carbon ex ante Rating - individual letter ratings:



Making risk-adjusted claims

If you would like to increase the credibility of your climate claims, you can make use of discount factors for each notch on the BeZero Carbon Rating scale. This approach makes use of the concept of *risk-adjusted* tonnes of CO₂e.

A risk-adjusted tonne of CO₂e is a unit of account that can be used to make credible claims when buying and retiring carbon credits. It is based on a discount rate which provides a quantitative indication of how many credits a buyer should purchase and retire in order to make a given tonne-based claim – see Figure 1.

Figure 1: BeZero Carbon Rating discount factor and implied over-purchasing factor

Rating	AAA	AA	A	BBB	BB	B	C	D
Discount factor on 1t per credit	5%	10%	20%	30%	50%	70%	90%	99%
Over-purchasing factor (per 1t)	1.05	1.11	1.25	1.43	2.00	3.33	10.00	99.99

*Note these discount factors are derived using a combination of data available through the BeZero Carbon Rating and our analytical view on the appropriate discount factor to attach to the qualitative element of the assessment underlying the BeZero Carbon Rating.

Learn more in our whitepaper [Making credible claims](#), or our accompanying [explainer blog](#).

Other useful resources

Your stakeholders may wish to learn more about BeZero's ratings and methodologies: they can be found on our [Resources page](#). Explainer blogs about the role of carbon credits and carbon ratings may be found on our [Insights page](#).

BeZero offers a number of [products](#) that may be of interest to sustainability leaders, including:

- Independent project analysis through **analyst-led ratings and assessments**. Learn more [here](#).
- The AI-enabled **BeZero Carbon Markets platform**, where users can access detailed analysis for more than 600 carbon projects, and speed up project due diligence. Learn more [here](#).
- **Pre-rating Scorecard**, an interactive, self-serve risk assessment tool to help identify project risk early, shortlist opportunities, and accelerate internal decision making ahead of a formal rating. Learn more [here](#).
- Integration of BeZero's **data solutions** to help you perform in-house analysis via bespoke project data streams. Learn more [here](#).

For any questions about BeZero's products, contact commercial@bezerocarbon.com.

Disclaimer

The BeZero Carbon Rating of voluntary carbon credits represents BeZero Carbon's current opinion on the likelihood that carbon credits issued by a project achieve a tonne of CO₂e avoided or removed. The BeZero Carbon Rating and other information made publicly available or available through the BeZero Carbon Markets platform ("Content") is made available for information purposes only. The Content and in particular the BeZero Carbon Rating sets out BeZero Carbon's opinion on a particular carbon credit or project based on publicly available information as at the date expressed and BeZero Carbon shall have no liability to anyone in respect of the Content, opinion and BeZero Carbon Rating. The Content is made available for information purposes only and you should not construe such Content as legal, tax, financial or investment advice. The Content is a statement of opinion as at the date expressed and does not constitute a solicitation, recommendation or endorsement by BeZero Carbon or any third party to invest, buy, hold or sell a carbon credit. The Content is not a statement of fact and should not be relied upon in isolation. The Content is one of many inputs used by stakeholders to understand the overall quality of any given carbon credit. BeZero Carbon shall have no liability to you for any decisions you make in respect of the Content. If you have any questions about BeZero Carbon, the BeZero Carbon Rating, the BeZero Carbon Rating methodology, qualifying criteria, rating process, any element of Content, the BeZero Carbon Markets platform or otherwise please contact us at: commercial@bezerocarbon.com