

Offsets vs Real Reductions

If a company says it will become “carbon neutral” next year only by buying carbon offsets, it sounds good on paper, but the reality is more complicated. Offsets basically allow a company to pay someone else to reduce or absorb emissions on its behalf. This can help in the short term, but it does not solve the company’s own pollution problem.

There are a few benefits to using offsets. They are quick to buy and usually cheaper than changing the company’s operations. Offsets also support projects like planting trees, protecting forests or installing renewable energy in developing areas. These projects can create real social and environmental benefits while the company figures out how to reduce its own emissions.

But there are clear risks. The biggest issue is that not all offsets are reliable. Some projects claim to remove or avoid emissions, but the results may be exaggerated or temporary. For example, if a company pays for a forest to be planted and that forest later burns down, those emission reductions disappear. Another risk is **greenwashing**- a company may look sustainable without actually changing anything inside its business. This can harm trust with customers, investors and even employees.

Relying only on offsets can also make the company lazy. If paying for credits is easier than upgrading factories, improving energy efficiency or changing supply chains, then real progress gets delayed. In the long run, this becomes a disadvantage. As climate rules become stricter and carbon prices rise, companies that haven’t reduced their own emissions will face higher costs and more pressure.

Looking ahead, offsets should only be a small part of a bigger climate strategy. Real, direct reductions like switching to clean energy, improving processes, cutting waste and redesigning products—are what actually lower a company’s footprint. Offsets should be used only for the small share of emissions that cannot be eliminated right now.

To summarise, buying offsets can help temporarily, but it is not a substitute for genuine action. A responsible and future-ready company will focus on reducing emissions at the source and use offsets only to cover what is left.

