



THE UNIVERSITY OF
SYDNEY

Carbon Offset Integrity Principles

Towards net zero

The University of Sydney

Carbon Offset Integrity Principles

Purpose

The University of Sydney has an ambition to **achieve net zero Scope 1 and 2 emissions by 2030**.

As of 2024, we have already reduced these emissions by over 90%, driven by initiatives such as renewable electricity procurement, energy efficiency upgrades, and targeted decarbonisation projects.

Some emissions, however, remain difficult or currently unfeasible to eliminate, such as those from livestock and specialist gas infrastructure. To address these residual emissions, the University may use carbon offsets as a temporary measure while continuing to pursue direct emissions reductions wherever possible.

Given growing scrutiny of offsets, we have developed these Carbon Offset Integrity Principles in collaboration with academic and professional staff to ensure any offsets used are high-integrity, ethically sound, and aligned with our values.

They will guide procurement and project decisions across the University and ensure offsets are:

- Used only where necessary,
- Transparent and accountable, and
- Delivering measurable, lasting climate and environmental benefits.

These principles will guide the evaluation, selection, and ongoing management of offset-related activities across the institution, while reaffirming our commitment to continual decarbonisation and the eventual phase-out of offset dependence over time.

Principles

1 *Offsets should complement, not replace emissions reduction*
Direct emissions reduction comes first, with offsets only for unavoidable emissions

2 *Prioritise University-led projects, where possible*
Developing projects led by the University to support greater transparency, accountability and long-term stewardship

3 *Integrate offsets with research and education*
Creating opportunities for students and researchers to engage in real-world climate and nature solutions

4 *Seek to maximise co-benefits*
Enhancing biodiversity, water security and resilience while integrating Indigenous knowledges and practices

5 *Promote strong governance and transparency*
Clear selection criteria, independent oversight and public reporting to maintain integrity

6 *Respect human rights and uphold ethical responsibility*
Ensuring Free, Prior and Informed Consent (FPIC), fair benefit-sharing and responsible land use

7 *Not all offsets are created equal*
Avoiding weak methodologies that lack additionality, permanence or credible verification

8 *Consider long-term viability*
Projects must be financially sustainable, insurable and deliver lasting climate impact

Guiding principles

These principles are intended to shape how we assess, prioritise, and integrate carbon offset projects to achieve the University's net zero goals. They reflect our commitment to responsible climate action, academic leadership, and ethical engagement with communities and landscapes.

1. Offsets should complement, not replace emissions reduction

We acknowledge that the University's operations contribute to global emissions and that we have a role to play in reducing our environmental impact. Addressing this footprint supports broader national and international climate goals. We are committed to the reduction and eventual elimination of direct emissions wherever possible, and offsets are considered only for residual emissions that are currently unavoidable, including those constrained by technological limitations, operational demands, or financial feasibility. Over time, we aim to reduce our reliance on offsets as we accelerate direct decarbonisation.

2. Where possible, prioritise University-led projects

We will explore opportunities to develop, or support offset projects that align closely with our institutional values. This may include University-led initiatives such as reforestation, ecological restoration, or partnerships that embed sustainability into local landscapes and communities. Such projects offer greater transparency, accountability, and potential for long-term stewardship. They also enable integration across our teaching, research, and engagement priorities, providing unique opportunities for cross-disciplinary learning, collaboration with community and Indigenous partners, and the generation of place-based climate solutions.

3. Integrate offsets with research and education

Offset initiatives should, where feasible, serve as platforms for learning, innovation, and real-world impact. We aim to create meaningful and ongoing opportunities for students and researchers to engage with climate and nature-based solutions through offset project design, data collection, impact evaluation, and long-term monitoring.

This includes embedding offset projects into curriculum, enabling interdisciplinary research partnerships, supporting fieldwork and case studies, and using them as practical case examples in sustainability education. Such integration supports the development of applied skills, fosters critical analysis of climate solutions, and enhances the University's contribution to both knowledge generation and climate leadership.

4. Seek to maximise co-benefits

We will prioritise offset projects that deliver additional social and/or environmental value, including biodiversity enhancement, improved water security, strengthened community resilience, and expanded environmental education. Rather than aiming to achieve every co-benefit in every project, we will assess opportunities on a case-by-case basis and support those that offer the potential for meaningful, concentrated impact in one or more key areas. This approach recognises that depth of impact can be more valuable than breadth, and that different projects may serve different strategic or place-based outcomes.

Projects should, where appropriate, engage with and incorporate local community and Indigenous knowledges to strengthen reciprocity and deliver shared environmental and social outcomes. This includes respecting Indigenous cultural authority and ensuring culturally responsive and inclusive approaches. Our approach will be guided by the University's *One Sydney, Many People Strategy* and *Indigenous Cultural and Intellectual Property Protocols*, supporting meaningful engagement and collaboration with Indigenous peoples and communities throughout project development and implementation.

5. Promote strong governance and transparency

We aim to apply clear and consistent criteria in the selection, procurement, and ongoing review of carbon offsets. Independent oversight and regular public reporting (at least annually) will be encouraged to ensure ongoing transparency, enable accountability, and maintain trust with internal and external stakeholders. We will prioritise offset providers and frameworks that demonstrate not only robust initial verification, but also strong mechanisms for long-term monitoring, regular performance assessment, and transparent updates over the life of the project.

In line with this, our current prioritisation of Australian Carbon Credit Units (ACCUs) reflects a preference for offsets backed by a rigorous regulatory framework. The ACCU scheme includes clear eligibility criteria, approved methodologies, and independent auditing requirements, offering a higher level of assurance around integrity and compliance. We will continue to evaluate this approach as the offset landscape evolves.

6. Respect human rights and uphold ethical responsibility

All offset activities must respect and uphold human rights and Indigenous land rights at every stage of the project lifecycle. At a minimum, they must meet the standard of Free, Prior, and Informed Consent (FPIC), and avoid adverse human rights impacts, particularly where Indigenous or local communities are involved. FPIC should not be treated as a one-off requirement or transaction, but as an ongoing, meaningful engagement process that recognises cultural protocols and governance.

Projects must actively avoid any risk of harm, adverse human rights impacts, exploitation, or displacement, and should demonstrate how they are protecting and enhancing the wellbeing of affected communities. We will also avoid projects where land tenure is unclear, contested, or lacks legitimate community representation.

Our current focus on purchasing Australian Carbon Credit Units (ACCUs) reflects a precautionary approach to reducing human rights risks. The ACCU scheme offers clearer land tenure frameworks, formalised consent processes, and established grievance mechanisms that provide greater confidence in the ethical safeguards of accredited projects. Ethical responsibility is a non-negotiable foundation of integrity in offsetting, and we will not support any projects that violate these principles.

7. Not all offsets are created equal

We will critically assess carbon credit options and aim to avoid those underpinned by weak or contested methodologies, particularly those lacking additionality, permanence, or credible third-party verification. This includes, for example, credits based on avoided deforestation where baseline assumptions are highly uncertain, or those with inflated sequestration claims and limited transparency around measurement and verification.

We do not support the use of avoided emissions or renewable energy projects to offset direct (Scope 1) emissions. These types of credits typically rely on hypothetical baselines or displaced emissions, which do not represent permanent removals or reductions in atmospheric carbon and may not provide the environmental integrity required for hard-to-abate sources. Instead, we will favour offset standards and registries that are science-based, transparent, and internationally recognised, and that demonstrate continuous improvement in response to emerging evidence, regulatory updates (such as the Independent Review of ACCUs), and best practice.

8. Consider long-term viability

In assessing potential offset projects, we will look for indicators of long-term climate impact, financial stability, and capacity for ongoing monitoring and adaptive management. Projects that demonstrate forward planning, contingency measures, and the ability to respond to ecological or regulatory changes will be viewed favourably. While we may not always control project design, we will favour options that show strong governance frameworks for permanence, proactive risk management, and clear stewardship responsibilities throughout the project lifecycle. We will also consider the broader environmental and institutional context to assess the likelihood of long-term success and integrity.

Glossary

Term	Definition
ACCUs (Australian Carbon Credit Units)	Units issued by the Clean Energy Regulator under the Australian Carbon Credit Unit Scheme, representing one tonne of carbon dioxide equivalent (tCO ₂ -e) emissions reduced or removed through eligible projects.
Additionality	A principle ensuring that emissions reductions or removals are additional to what would have occurred without the carbon offset project. This means the project delivers real, measurable climate benefits beyond a business-as-usual scenario.
Avoided emissions	Emissions that are estimated to have been prevented from occurring compared with a hypothetical baseline scenario, such as through avoided deforestation or renewable energy projects.
Carbon offset	A measurable and verifiable emissions reduction or removal used to compensate for emissions occurring elsewhere, typically quantified as one tonne of carbon dioxide equivalent (tCO ₂ -e).
Durable carbon removal	The process of removing carbon dioxide from the atmosphere and securely storing it in geological, terrestrial, or ocean reservoirs, or in products, with the aim of ensuring long-term storage and preventing its return to the atmosphere.
Free, Prior, and Informed Consent (FPIC)	A collective right of Indigenous peoples to give or withhold consent to projects or activities that may affect their lands, territories, resources, or rights. Consent should be free from coercion, sought prior to the commencement or approval of activities, and based on sufficient, accessible, and culturally appropriate information.
Net zero	Scope 1 and market-based Scope 2 emissions are reduced as far as practicable, with any residual emissions neutralised through the use of high-quality carbon credits, defined in accordance with the Science Based Targets initiative (SBTi) definition of net zero.
Permanence	The length of time that carbon remains sequestered. High-integrity offsets require a high degree of permanence and contingency planning to address the risk of carbon being released back into the atmosphere.
Scope 1 emissions	Direct greenhouse gas emissions from sources that are owned or controlled by an organisation, defined in accordance with the GHG Protocol Corporate Accounting and Reporting Standard .
Sequestration	The process of capturing and storing atmospheric carbon dioxide in a carbon pool, such as forests, soils, or geological formations, to mitigate or defer climate change.
Verification	The independent assessment of a carbon offset project's emissions reductions or removals to ensure they are real, additional, and accurately measured. Verification is often conducted by accredited third-party organisations.

Disclaimer

As part of our current approach, the University will only purchase Australian Carbon Credit Units (ACCUs). This ensures alignment with domestic regulatory frameworks, greater transparency, and increased capacity for engagement with project providers and partners. We will continue to review this position over time in response to evolving opportunities, standards, and strategic objectives.

These Carbon Offset Integrity Principles guide the University's decision-making as we pursue the use of high-integrity carbon offsets. They are not all-or-nothing requirements but reflect the standard we aim to uphold wherever possible. Some principles may not be fully met in every project, especially where the University is not the project owner.

However, certain baseline expectations are non-negotiable, including the need to avoid harm, ensure informed consent, and uphold ethical integrity. Due diligence should be undertaken on all potential offset projects and offset projects that violate these fundamental values will not be considered. These principles will continue to evolve in response to emerging science, stakeholder feedback, and best practice in offset governance.

Contributors

The Carbon Offset Integrity Principles were developed by a cross-functional working group convened by the Sustainability team, with input and consultation from the Office of the Deputy Vice-Chancellor, Indigenous Strategy & Services.

The group brought together professional and academic staff from across the University with expertise in sustainability, climate policy, law, political economy, science, human rights, and environmental governance. This collaborative process ensured the principles reflect a diversity of perspectives and align with the University's values, research strengths, and operational commitments.

Working Group Members

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