Carbon Insetting: A Sustainable Pathway for Forest-Risk Commodity Traders?

Introduction

Unlike carbon offsetting which faces criticism for being implemented in remote, poorly regulated areas, enabling companies to obscure their true impact, **carbon insetting** reduces emissions within a company's supply chain, closely tied to the land and livelihoods of supplying farmers.

Key Questions:

- Which carbon insetting initiatives are commonly used by companies?
- How does carbon insetting contribute to the SDGs, particularly non-carbon related goals?

Materials & Methods

Analysis of **sustainability reports** (2022/2023) from multinational commodity traders and processors in the soy and cattle industries operating in Argentina's **Gran Chaco** and Brazil's **Cerrado** and **Amazon,** triangulated with **practical development** and **scientific literature**.

Mongabay (2018), online: https://news.mongabay.com/2018/05/new-film-shines-light-on-cattle-industry-link-to-amazon-deforestation/

Discussion on SDG Contributions from Carbon Insetting

Conflictive: Is Carbon Insetting repeating the flaws of carbon offsetting? Issues include limited oversight and prioritizing forests for carbon capture while neglecting other ecosystem services like biodiversity and community needs

Synergetic: MNEs' direct involvement in sourcing landscapes can enhance the visibility, transparency, and accountability of corporate carbon initiatives. The proximity of carbon insetting to corporate operations could shift dynamics between MNEs and local communities. By engaging directly with core sourcing regions, MNEs interact with farming communities integral to their supply chains, raising the stakes for the corporations involved.

Results

Traceability: Focuses on carbon sequestration by preventing deforestation through monitoring and managing farm size and expansion. Tools include **satellite imagery**, **geo-referenced data**, and **blockchain** (SDGs 12.6, 12.8, 12.a).

Regenerative Agriculture: Environmentally friendly farming techniques reduce greenhouse gas emissions. Examples: **direct seeding, cover crops**, and **integrated crop-livestock-forestry systems** (SDG 12.6, SDG 13.2).

Reforestation & Restoration: Increases forest cover, contributing to **broader sustainability** by restoring degraded ecosystems (SDG 6.6, SDG 15.1), **habitat preservation** (SDG 15.5), and **environmental education** (SDG 4.7, SDG 13.3). Examples: preventing siltation, protecting riparian forests, tracking mammal species, and working with local schools.

Union of Concerned Scientists (2015), online: https://www.ucsusa.org/resources/soybeans

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