



More climate protection through compensation

The concept of TheCompensators * e.V.

TheCompensators*, is an organisation founded in 2006, which purchases and deletes allowances from the EU Emissions Trading Scheme (EU ETS). Climate-conscious consumers can offset their emissions as members or donors and simultaneously send a political message for a better climate policy.

1 Our vision, our mission and our values

The vision of TheCompensators * is one of a CO₂-free society that prevents dangerous climate change.

The mission of TheCompensators * is to draw attention to climate change and increase awareness of the role greenhouse gases such as CO₂ have in our atmosphere. We pursue this mission in three ways:

- We provide a platform that allows individual people to compensate for their emissions. For us this is an important addition to an emissions-conscious lifestyle.
- We are working on a better general understanding of the European Emissions Trading System (EU ETS), to allow an informed debate on the subject.
- We fight for changes in the EU ETS to achieve real CO₂ emissions reductions.

The work of TheCompensators * is guided by five core **values**:

- Independence
- Sustainability
- Transparency
- Empowerment
- Perseverance

2 Why it is useful to compensate

TheCompensators* are convinced that man-made climate change must be urgently addressed. Therefore it is necessary to reduce harmful emissions as soon as possible. To achieve this goal, we believe that each individual citizen, as well as each business, must contribute to the cause.

The problem is that a rapid reduction of emissions is not always possible: Although a climate-friendly lifestyle is possible, such a change can not solely reduce emissions to permanently sustainable level of emissions for people in the developed world.

Here is where compensation comes into play as a possible solution as, for the short and medium term, it complements the long term goal which is to limit emissions to a climate-friendly level. Therefore, the logic is to offset as many emissions as possible, as quickly as possible, to limit their climate impact. The instrument of compensating thus does not replace the reduction of emissions, but works alongside it.

In the public eye, compensation has been criticised and considered an "indulgence". This is partly because compensation payments are offered primarily to environmentally damaging behaviour (for example, air travel). Compensation is not a way to buy oneself out of a particularly harmful activity.

Instead, compensation should be separated from concrete activities. It's about our life in a developed country to be completely compensated! Through this action we contribute to the fight against climate change and also to our age-old responsibility of fairness with other parts of the world.

3 Emissions Trading

3.1 Why emissions trading is the right instrument

The European Emissions Trading Scheme (ETS) is a cornerstone in the strategy of the European Union in the fight against climate change. It defines the maximum level of CO₂ emissions in particular business sectors and sets the goals and strategies as to how the EU is to meet its climate change goals. Through this system, the objectives of climate policy can be effectively implemented and the necessary CO₂ reductions can be achieved cost-effectively.



Each company involved in the ETS - including power plants, heavy type industries and airlines - are given a certain number of allowances named European Allowances (EUAs). The company may produce emissions equal to their number of EUAs. If the business produces fewer emissions (for example, by investing in new, climate-friendly technology), it can sell its purchased EUAs to other businesses and thus gain additional revenue.

The aim of emissions trading is to reward climate-friendly companies while environmentally harmful companies receive financial burdens. The maximum limit on emissions is lowered year after year, so that the harmful emissions in the EU are continuously reduced.

3.2 TheCompensators* and the ETS

Although the EU Emissions Trading Scheme could be improved in many ways, it is a great system with a concrete approach to fight against climate change. TheCompensators* use the ETS by giving access to the ETS to every individual and thus allowing compensation within the system.

In this way, we withdraw and delete ETS pollution rights. If a large number of emissions rights are deleted, it can increase the price of emissions allowances - and firms investing in climate-friendly technologies would be rewarded even more. At the same time the deletion of emissions allowances is a great opportunity to symbolically and practically improve the trading scheme.

An improved EU ETS would also serve as an important example for all other countries participating in the Kyoto Protocol or in the process of crafting their own carbon markets.

4 The approach of TheCompensators *

4.1 Simple compensation for all!

TheCompensators* serve as a platform for environmentally and climate-conscious consumers and companies that want to offset their emissions. Our goal is to give each individual a quick and easy way to compensate.

TheCompensators* own an account for the EU ETS. Through our account, the organisation can buy emissions allowances and irrevocably delete them with the help of donations and membership fees. Allowances are thus withdrawn of the ETS and are no longer available to companies with excessive emissions.

This also has another effect: more emissions are included in the ETS. Without any lengthy political actions, TheCompensators* and their supporters can be a strong influence in the European Emissions Trading Scheme.

4.2 How TheCompensators* pursue better emissions trading

The compensation and deletion of pollution rights by consumers and businesses make a strong political statement. Each tonne of CO₂ that is deleted serves as a statement for more climate protection and for improved emissions trading.

For this purpose, we also show background information on emissions trading and the EU ETS in particular. This is done primarily through our website, which will be expanded into a portal of compensation and emissions trading. This includes regular reporting on the latest developments in both subjects. In addition, we attend and participate in events on the issue of climate change in order to make compensating and emissions trading known to spread our idea and message.

5 What makes TheCompensators* different from others

There are a large number of ways one can compensate, that is clear. However, what differentiates TheCompensators* from other providers is the approach: Most compensation offers are made through the so-called CDM projects, where theoretical CO₂ production is reduced elsewhere instead of one's own country.

Those who compensate under the ETS, however, reduce (as opposed to alternative compensation offers) European emissions in real terms - because industries have access to fewer emissions rights. We



therefore, pursue the approach of reducing the emissions of our own homeland - rather than implement difficult to validate projects in developing and emerging countries.

However, this is not to say that we reject the use of CDM projects. They can also be of benefit, if they are managed properly and are certified under strict rules such as the Gold Standard.

6 Who TheCompensators* address

TheCompensators* primarily address and work alongside with people who are conscious of the environment and of climate issues and therefore, have a strong awareness of the problems and solutions. We aim primarily on milieus that want to spread the idea of compensation to our society. We also want to appeal to leaders from environmental and consumer groups, which can make the idea of compensating further known.

7 How TheCompensators* work

7.1 Personnel

The core team of TheCompensators* consists of currently eight active members that work voluntarily. There are no full-time employees. All stakeholders have several years of project experience in the academic and corporate sector. All have extensive knowledge on climate change and green technologies. Some also work with these topics on a day to day basis.

Since TheCompensators* do not work at an office and since many of us travel a lot, for our internal communication, we depend heavily on the new types of communication media. In addition to our local meetings, we regularly host online video conferences to discuss the progress of our work and current issues concerning the organisation.

The interaction with our supporters will in most cases take place directly through the website or through social media such as Facebook, Twitter and Google+.

The aim of TheCompensators* is still to build an infrastructure for the organisation. Essential would be to have an office that can serve as headquarters for member coordination and to act as a contact point for supporters and partners.

7.2 Financing

The work of TheCompensators* is funded entirely through donations and membership fees. Costs are small, e.g. for banking fees and the internet website. Additional costs are not incurred because of the extensive voluntary involvement of the active members.

Also in the future the structure of the organisation should remain simple and revenues will continue to be used primarily for deleting emissions rights. Nevertheless, an objective for TheCompensators* is to attract other resources, which will help to establish an office and to serve as payments for at least one full-time employee. TheCompensators* will endeavour the possibility of project financing that could allow the establishment of an office and an employment position. Moreover TheCompensators* are set out to gain new companies as members that offset their emissions through TheCompensators* and support the work of the association.

A tax accountant reviews annually our finances, a financial report and our tax return. The Berlin tax office has acknowledged the work of our organisation as charitable.