

METHODOLOGY OVERVIEW

Likelihood to Buy

A machine-learning score estimating how likely companies are to engage with the voluntary carbon market

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Overview

AlliedOffsets' Likelihood to Buy (LTB) estimates how likely a company is to engage with the voluntary carbon market. It combines a company's past market activity, its climate commitments and obligations, and its company characteristics in a predictive model of buyer behavior. Each company receives a probability and a band from Very Low to Very High, with explanations showing which factors drive its score.

Data Sources

Source type	How it is used
Public company data	Publicly available information on the world's largest companies, including sector, headquarters, size and financial performance.
Corporate climate disclosures	Reported emissions, net-zero and removal targets, intended use of carbon credits, internal carbon pricing and energy use.
Climate initiatives	Public records from initiatives such as the Science Based Targets initiative, B Corp certification and Greenhouse Gas Protocol membership.
AlliedOffsets market data	AlliedOffsets' records of companies' past carbon credit activity.

Our Approach

1	Define the company universe The model covers a large universe of major companies worldwide, linked to AlliedOffsets' records of past carbon market activity.
2	Build company profiles Each company is described by its characteristics, climate commitments, regulatory obligations and abatement challenges.
3	Train a predictive model A machine-learning model learns how these characteristics relate to past buying behavior, using balanced training data and only the most informative features.

4	Score and band companies Each company receives a probability, which is grouped into one of five likelihood bands.
5	Explain and review Explainability techniques show which factors push each company's score up or down. Analysts review segments where history alone may not reflect future demand, such as sectors facing new compliance obligations.

Key Principles

Behavior-based	Scores learn from how comparable companies have actually engaged with the market.
Explainable	Every score comes with the factors that most influence it.
Context-aware	Expert review accounts for regulatory drivers that historical data may not yet capture.

Quality Assurance

- The model is retrained periodically as new disclosures and market activity become available.
- Segments that are under-represented in historical data are reviewed by analysts.

Interpreting the Results

- A score is a probability of engagement, not a forecast of purchase volumes or timing.
- Score explanations show which factors are associated with a prediction, not what causes a company to buy.

Limitations

- Buying intent that has not been publicly disclosed cannot be detected.
- Sectors and regions with little past market activity may be under-scored by the model alone.
- Scores are refreshed periodically and may lag a company's latest disclosures.
- Companies outside the covered universe are not scored.

WHAT YOU GET

For each covered company, a likelihood probability and a band (Very Low, Low, Medium, High or Very High), with explanations of the factors behind the score, available on the AlliedOffsets platform.