

CARBON NEUTRAL—SIMPLIFIED

A growing number of cities, states, provinces and businesses across North America are setting net-zero and carbon-neutral goals to address the mounting threat of climate change. One reason for this is that carbon-neutrality is a key element of the Paris Climate Agreement, which says that to keep global average temperatures from rising less than 2 degrees C, emissions and carbon removals/sinks need to achieve net-zero in this century.

Achieving net-zero emissions or carbon-neutrality can seem like a daunting task. Do you set your goals based on Scope 1 and 2 emissions, or do you include Scope 3? While Scope 3 is inherently more complicated, many stakeholders (including investors) are increasingly looking at whether large companies are addressing their Scope 3 emissions as an indicator of ambition and sincerity of commitment. After your goal is set, what do you do next? How do you embed these goals into your short and long-term strategies to better position your organization to take advantage of the benefits to your brand as well as potential capital and energy cost reductions?

STEPS TO SUSTAINABILITY

Naturally, the first place to look is internal. Energy efficiency investments, renewable energy contracts (for wind, solar and renewable gas) or an internal carbon price can engage employees and reduce emissions. Another tool is to invest in high-quality carbon offsets for emissions that cannot be immediately or directly reduced, but how does one navigate the myriad available options? High-quality offsets are as effective at addressing carbon emissions as an internal reduction—plus many carry the added benefit of helping achieve various sustainable development goals like improved biodiversity and habitat protection. Another plus for offsets is that they can be done immediately as you consider more long-term capital stock turnover. Another avenue to help achieve organizational environmental goals is to examine the supply chain. Often, helping your supply chain can help you as well. Reducing carbon in your supply chain can help your suppliers be more resilient and efficient. Helping them reduce their carbon also reduces your scope 3 emissions—directly helping you. Going through the process of quantifying and managing emission reductions in the supply chain – can create value for everyone.

Organizations doing their part to meet the net-zero goal of the Paris Agreement are sending an important signal about their brand to their peers and their customers. We are excited to see the momentum behind this trend. Don't worry, however, if the task seems daunting. Our job is to make the daunting manageable and your goals achievable. Bluesource is experienced in helping companies establish environmental targets and set goals that allow them to achieve those targets.

SDGs are often an added benefit of achieving organizational environmental targets.

