Corporate Sustainability: Unlocking the Potential of Carbon Offsets to Help Businesses Reach Carbon Neutrality

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BACKGROUND

Increasingly, consumers are putting greater pressure on companies to reduce their carbon emissions and promote sustainable business. By participating in a carbon offset program, companies can offset their remaining environmental footprint and reach carbon neutrality. Yet, as the voluntary carbon market is still relatively new:

**1.** There is a lack of information available regarding program selection criteria.

**2.** There is no standardized process for how to foster voluntary participation.

RESEARCH QUESTION

What information and motivations are necessary to foster voluntary participation in a carbon offset program?

INTERNSHIP

This summer I interned with Puget Sound Beverage (PSB) as an environmental consultant. During my internship, I sought to better understand the benefits and applicability of various carbon offset programs to recommend the most suitable projects for PSB.

METHODS

**No. 1 – Literature Review**
Researched available carbon offset programs & identified key program criteria and certification standards.

**No. 2 – Data Analysis**
Created a comprehensive data base of 17 highly-ranked offset programs & conducted an analysis comparing program criteria.

**No. 3 – Client Interviews**
Conducted in-depth interviews with PSB clients, to recognize preferences & interests among offset projects.

RESULTS

Based on the case study results of my internship with Puget Sound Beverage (PSB) and a literature review, I developed a preliminary framework that outlines the recommended process for companies to select and utilize a carbon offset program (See fig. 1).

**Preliminary Framework:**

1. **Step 1 – Achieve Complete Understanding of Available Offset Programs**
   - Key Takeaways:
     - Allows companies to distinguish between various offset criteria, protocols, certification standards and overall programs
     - Ensures verifiability and credibility of offset programs

2. **Step 2 – Identify Business Goals & Values**
   - Key Takeaways:
     - Allows a company to narrow down the choice of programs to those that meet specific company needs
     - This provides a clear sense of what needs to be achieved and ensures long term buy-in and maximum impact

3. **Step 3 – Identify Client Interests & Preferences**
   - Key Takeaways:
     - Improves chances of participation by providing program options that match customer interests
     - Decreases company costs related to carbon neutrality and increases community participation in environmental initiatives

Figure 1. Preliminary and standardizing framework used to guide decision-making as businesses select an offset program

**KEY INTERVIEW RESULTS**

Interview respondents emphasized that costs and other fiscal considerations are the most important factor in offset program selection and overall participation. The greatest interest was indicated for offset programs that have local, third-party verified projects in the PNW focused on energy efficiency or forestry.

Co-benefits, positive outcomes from a carbon offset project besides the actual emission reductions, are often the deciding factor between offset projects themselves.

**SIGNIFICANCE**

Participation in an offset program allows companies to increase their corporate sustainability, while also providing many external environmental and social benefits such as:

**Figure 3.** Most significant benefits of corporate participation in a carbon offset program (Adapted from Climate Action Reserve, 2021)

**Additional Advantages to Participation:**
- Improves public perception by demonstrating sustainable action in the community
- Strengthens customer relationships & incentivizes new ones
- Helps companies gain a better understanding of their supply chain and recognize areas of their company that could be more efficient or less wasteful

**Potential Implications:**
- Carbon offsets have great potential, but can also be misused by corporations that do not want to lower their internal carbon emitting processes or production
- Offsets should only be utilized after all other sustainable actions have been taken to decrease a company's footprint

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