

## How Businesses Can Lead the Way to Net Zero

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### Abstract

To reach net zero, a business must balance the amount of greenhouse gas (GHG) it releases with the amount it removes from the atmosphere. For every metric ton of pollution, it emits, it must find a way to remove the equivalent amount within a given time frame, even from an outside source. How can companies achieve this ambitious goal? Businesses must offset their GHG emissions to adhere to the Paris agreement. All companies should at least halve their emissions by 2030. Companies may be exposed to catastrophic weather events if global temperatures increase more than 2.7 degrees Fahrenheit by then. Those failing to comply will likely face supply chain instability and financial penalties. This paper examines how businesses are achieving the coveted net-zero status.

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## **Background to the Study**

### **Measuring Pollution Levels**

A business can only set environmental goals by understanding how much pollution it emits. Companies must quantitatively define how many metric tons of greenhouse gases they release into the atmosphere. To do so, they must first measure the amount of Scope 1 emissions they produce. This category includes direct GHG output from sources like company vehicles or furnaces. Next, businesses must examine indirect or Scope 2 emissions caused by paying for steam, electricity, heating or cooling. Finally, they must calculate the extent of their indirect Scope 3 emissions from value chains. Companies can use a carbon calculator spreadsheet or another standard formula to define how much pollution they produce.

### **Creating Targets**

After calculating how much pollution they are responsible for, businesses must outline their near-term targets for reaching net-zero emissions. Companies can use the Net-Zero Standard from the Science Based Targets initiative (SBTi) for guidance. Near-term goals deal with halving emissions by 2030, while long-term targets aim for at least 90 percent emission reductions by 2050.

### **Reducing Output**

This is the hard part. A crucial component of reaching net-zero is to lower emissions in the first place. Otherwise, businesses will spend considerable amounts of money trying to offset their outputs. Companies can start with pollution prevention (P2) sustainability practices, which reduce contamination at the source. P2 sustainability includes reducing package waste, water consumption and energy usage. Businesses can reuse their packaging, install low-flow water fixtures, use smart HVAC systems that sense building occupancy levels and more. Other P2 practices include using sustainable shipping materials and going solar.

### **Offsetting Emissions**

It is nearly impossible for businesses not to create any emissions. In fact, industrialization adds over six billion tons of carbon dioxide to the atmosphere annually. Therefore, companies are responsible for cleaning up an equal amount of pollution from the atmosphere. They usually do this by investing in another organization that promotes conservation, renewable energy or sustainable living. Companies often look through a portfolio of carbon offset projects and choose one that aligns with their values. Projects include building solar farms, planting trees, supplying developing regions with clean water or restoring damaged ecological areas. In some cases, businesses engage in greenwashing. This is the practice of funding high-profile humanitarian or conservation efforts to distract from continual pollution. Companies must commit to a project that offsets their emissions.

### **Setting Future Goals**

Organizations should always strive to be one percent better than they were the year prior. Companies that achieve net-zero status shouldn't stop there, they should try to become climate-positive, removing more emissions than they produce. Continually setting goals is good for the environment and a business's public image. Consumers increasingly demand eco-

friendly products and services, holding companies accountable for their effect on the planet. Organizations that demonstrate ongoing growth and commitment to bettering themselves will likely attract more customers in the long run.

### **Conclusion**

Reaching net-zero status is a lofty goal, but it is crucial for mitigating the effects of climate change. Businesses should start working toward net-zero emissions now to have a chance of meeting their goals by 2030. Those that remain stuck in the past will face larger problems down the road.

### **Reference**

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