

The background of the top section is a composite image. The top left shows a field of wind turbines at sunset. The bottom right shows a low-angle view of modern skyscrapers reaching towards a cloudy sky with an airplane flying in the distance.

# “The Sheet”

PRACTICAL TACTICS FOR  
NORTH STAR SUSTAINABILITY

## UNDERSTANDING CARBON OFFSETS

[Net Zero Tracker reported](#) in November 2023 that more than 1,000 companies from within the Forbes Global 2000 have set a net zero target, increasing by more than 40% from June 2022 to October 2023. “Going net zero” means reducing greenhouse gas emissions significantly, and balancing remaining emissions with removal processes that, in essence, balance a company’s emissions portfolio resulting in a net zero carbon footprint. In short, pure reduction cannot get you to net zero. Your company will always produce emissions. Key in any emissions reduction strategy are carbon offsets or credits, which fund projects that compensate for your company’s emissions annually.

**While carbon offsets can be incredibly complex, there are essentially two types of offsets on the market:**

### Remove

Remove is exactly as it sounds. In the simplest example, a building that currently runs on traditional grid electricity installs solar panels and now runs on renewable energy. A newly planted tree grows and absorbs carbon emissions from the atmosphere. Experts in emissions reduction and offset argue regularly about which projects in removal are good, bad, or indifferent, and activities like mass tree planting can be construed as greenwashing in some cases. No matter the quality, these are the kinds of projects you’ll find in a removal strategy carbon offset project.

### Avoid & Prevent

Avoid and prevent projects are significantly more technical in nature. They bring to mind the old crisis communication adage, “No one is rewarded for the things that didn’t happen.” In essence, avoid and prevent projects pursue rewards for the prevention of emissions. The proof points on these projects are significantly more difficult to achieve than with simpler removal. The simplest example of emissions avoidance offset projects are in conservation and protection – ensuring acres of forests or grasslands that might otherwise be developed are maintained and protected.

# VEERLESS CRITERIA FOR OFFSET SELECTION

For our clients, we recommend a four-pronged approach the choosing carbon offset investments that align with your company's core business objectives and values. Those criteria include:

## Comprehension

More important than anything else is your understanding of the offset project. Can you (and your leadership team, preferably) explain it well and understand its impact in a few short sentences? Many have seen commercials with the tag line "Carbon Capture, Let's Deliver" from Exxon. Does the average American understand what that means? Unlikely. When you purchase an offset, it must pass (for lack of a better term) the bullshit test. When you tell your stakeholders about your investment, will it garner head nods or eye rolls? Comprehension is the first step to leadership in carbon offsets.

## Goals & Gates

Starting an offset project and selling those offsets is easy, anyone can do it. What is much more difficult is setting measurable goals and providing transparent accountability on those goals to third parties. The role of well-respected carbon offset certifications cannot be overstated. Look for offsets with clear goals, third-party validation from an independent certification organization. There are countless certification organizations globally, but only a handful whose reputations are widely recognized. Those include Gold Standard, Verra, Climate Impact Partners, and ACR.

"CO2 is the exhaling breath of our civilization. Changing that pattern requires a scope, a scale, a speed of change that is beyond what we have done in the past."

-Al Gore

## Location

Veerless recommends choosing offsets that align with your company's geographical footprint. It's a natural instinct to save the rain forests, but those projects often come with the strongest skepticism from stakeholders. Can you see the project in person? Could you go there and meet the leaders who are doing the work on the ground? There are certifiable projects to remove and avoid carbon in every U.S. state and every country around the globe. Go there, find them, invest in them. These projects may cost more per metric ton, but will pay dividends in the peace of mind and anti-greenwashing nature of knowing you have a clear link to the outcomes of the project.

## Fiduciary Responsibility

For any carbon offset projects, it's imperative you understand who is ultimately receiving the money invested in offsets. It's easy to think about the carbon emissions myopically and forget these are financial investments. Treat them like a financial portfolio. Someone is being paid to either do (or not do) something. Who are those organizations and individuals? Do you trust them? Is their role in the individual project clear? Also consider whether your funding is necessary for the project to move forward. Investing in projects where your dollars are transformational has a stronger connection to the work you do and the emissions you offset.