## Research on the Economic Benefits of Enterprise Carbon Management Strategy

#### Yao Chunlu

Utah State University, Logan, United States 15305623340@163.com

**Keywords:** Enterprise Carbon Management; Economic Benefits; Cost-Effectiveness; Market Competitiveness; Optimization Path

Abstract: With the increasingly severe global climate change issue, the economic benefits of enterprise carbon management strategies have become an essential issue in the new era. This paper mainly focuses on the theoretical basis of enterprise carbon management strategies, global practices, case studies, economic benefit analysis, and optimization paths for in-depth exploration. Firstly, the relationship between carbon emissions and climate change was analysed, and the scope of enterprise carbon management strategies was defined. Subsequently, practical analysis and inspiration were provided through carbon management strategy cases of excellent international enterprises. Then, the paper focuses on exploring the correlation between carbon management strategies and enterprises' cost-effectiveness and market competitiveness, revealing the impact of carbon management strategies on the economic benefits of enterprises. Finally, an optimization path for enterprise carbon management strategies based on cost-benefit analysis and market competitiveness enhancement was proposed. Research has shown that optimizing carbon management strategies helps enterprises reduce costs and enhance market competitiveness. It is a crucial way to achieve sustainable development and address the challenges of climate change. Therefore, enterprises should strengthen their carbon management strategies to achieve high-quality development and meet the expected standards of society and the environment.

#### 1. Introduction

Enterprise carbon management strategy is an essential component of modern enterprise management and a key measure for enterprises to fulfill social responsibility and respond to climate change. [1] It can be divided into essential and non-basic carbon management, comprising carbon reduction and compensation. Enterprises also commission third-party monitoring and reporting of carbon emissions to achieve carbon neutrality. Since the Paris Agreement, carbon management has become a global consensus, and carbon efficiency has become an important indicator to judge the environmental performance of enterprises. Unlike traditional ecological management, modern enterprise carbon management emphasizes innovation, systematicity, and sustainability. Therefore, carbon management strategies have been proposed, and green and low-carbon provide new directions for enterprise management.

The theoretical basis of enterprise carbon management strategy originates from environmental science, which focuses on the relationship between carbon emissions and climate change.[2] Its concept embodies sustainable development and is also an enterprise transformation and upgrading tool. From the perspective of management structure, enterprises pursue low-carbon and efficient production processes and achieve modernization through a combination of technological innovation and management optimization. However, it is only at the theoretical level. Till now, many enterprises have embarked on a unique path of green development. The comprehensive promotion of enterprise carbon management strategies not only rewrites the enterprise management model and reflects enterprise social responsibility but also rewrites the market competitiveness pattern and positively impacts global environmental governance. So, when discussing enterprise carbon management strategies, one must have an international perspective and strategic framework. Therefore, this paper proposes an optimization path proposition for enterprise carbon management strategies.

DOI: 10.25236/icamfss.2024.003

In short, enterprise carbon management strategies are the essential conditions and guarantees for achieving green and low-carbon transformation. From a global practice perspective, progress has been made in enterprise carbon management, but there are also shortcomings. The enterprise has not yet fully identified a practical path for carbon management strategies and is still striving to progress. Therefore, the enterprise's carbon management strategies still need to be optimized, which is conducive to enhancing its competitiveness and is a critical way to promote global environmental governance. Based on the above background analysis, this paper proposes an optimization path to effectively address the implementation risks of carbon management strategies through cost-benefit analysis and market competitiveness enhancement, which has profound theoretical and practical significance.

## 2. The Theoretical Basis of Carbon Management Strategy

## 2.1 The Relationship between Carbon Emissions and Climate Change

The relationship between carbon emissions and climate change is the core of the theoretical foundation of carbon management strategies.[3] Carbon emissions, especially carbon dioxide emissions, are widely recognized as contributing to global climate change. With the acceleration of industrialization and economic development, the extensive use of fossil fuels has led to a rapid increase in the concentration of greenhouse gases such as carbon dioxide in the Earth's atmosphere. The cumulative effects of these greenhouse gases have led to the so-called "greenhouse effect," which has caused changes in the global climate system.

The impact of climate change is extensive and far-reaching, including an increase in extreme weather events, rising sea levels, and ecosystem imbalances. These changes pose a severe threat to human society and the natural environment. Therefore, understanding and effectively managing carbon emissions has become a critical challenge facing contemporary society.

The theoretical foundation of carbon management strategies is based on a scientific understanding of these complex relationships. It involves multiple disciplines, including climate science, environmental economics, ecology, and public policy. Through these interdisciplinary studies, we can better understand the relationship between carbon emissions and climate change and provide a scientific basis for developing effective carbon management strategies.

#### 2.2 Definition and Category of Enterprise Carbon Management Strategies

Enterprise carbon management strategy refers to a series of measures and plans taken by enterprises to reduce their negative impact on climate change. The core goal of these strategies is to achieve sustainable development of enterprises by reducing greenhouse gas emissions, especially carbon dioxide emissions. [4] The enterprise carbon management strategy covers direct measures to reduce carbon emissions and includes carbon footprint assessment, carbon offsetting, and the application of carbon capture and storage technologies.

Regarding scope, enterprise carbon management strategies can be divided into internal and external categories. Internal strategies mainly focus on reducing carbon emissions in enterprise operations and daily activities, such as improving energy efficiency, using renewable energy, optimizing supply chain management, etc. External strategies involve interactions between enterprises and the outside world, such as investing in carbon offsetting projects, participating in carbon emission trading markets, and collaborating with governments and non-governmental organizations.

In addition, enterprise carbon management strategies are closely related to enterprise social responsibility and brand image. With the increasing attention of consumers and investors to environmental issues, the carbon management performance of enterprises has become an essential indicator for evaluating their social responsibility and sustainability capabilities. Therefore, effective carbon management strategies can help businesses reduce environmental risks and enhance their market competitiveness and brand value.

## 3. Global Practice and Case Study of Enterprise Carbon Management Strategies

## 3.1 Carbon Management Strategy Cases of International Excellent Enterprises

The concept of enterprise carbon management strategy developed in parallel with the development of international enterprises is imbued with the idea of sustainable development, highlighting the strategic orientation of environmental protection and reflecting the strategic strategies of enterprise social responsibility since globalization. However, it is still challenging to obtain a unified consensus when we attempt to construct the definition and essence of enterprise carbon management strategies using specific environmental standards.

Enterprise carbon management strategy is an essential standard of enterprise social responsibility and a practical expression of environmental protection. The enterprise carbon management strategy and sustainable development discuss different definitions of enterprise social responsibility from the perspective of environmental protection and other aspects. [5] Some scholars believe that enterprise carbon management strategies are based on the degree of environmental protection or sustainable development. It is precisely because enterprise carbon management strategies are more strategically significant and belong to the science of enterprise social responsibility for environmental protection purposes. The development history of enterprise carbon management strategies can even be traced back to the early stages of globalization, with its principal activities including carbon footprint calculation and implementation of emission reduction measures. The concepts of enterprise carbon management strategy and sustainable development are closely related to the strategic planning of enterprise social responsibility. Through international cooperation and technological innovation, enterprise carbon management strategies have become an essential responsibility of global enterprises. The theory of enterprise carbon management strategies in the era of globalization mainly contributes to promoting environmental protection and sustainable development. Therefore, the enterprise carbon management strategy concept initially focused on measuring enterprise social responsibility based on ecological protection standard attributes.

#### 3.2 Case Analysis and Inspiration

From the perspective of enterprise carbon management strategies, environmental challenges have long constrained the sustainable development capabilities of enterprises. Since the 21st century, enterprise carbon management strategies integrating environmental protection and enterprise strategy have reshaped enterprise social responsibility through technological innovation. However, traditional management models' drawbacks still constrain enterprises' green development. Due to market pressure and the influence of policies, enterprise carbon management strategies still need to be improved. Under the premise of sustainable development, enterprise carbon management strategies are seen as a direct way to enhance competitiveness. [6] However, the practical role of strategies focused on reducing carbon emissions in enhancing enterprise competitiveness remains to be debated.

Meanwhile, enterprises' carbon management strategies lack widespread acceptance due to implementation difficulties. Therefore, enterprise carbon management strategies do not always seem to achieve the goal of enhancing enterprise competitiveness. It is evident that enterprise carbon management strategies are not only a technical challenge but also face market and policy challenges.

From the case analysis, we can draw inspiration from the fact that the successful implementation of enterprise carbon management strategies requires careful consideration of technological innovation, market mechanisms, and policy support. Successful cases indicate that companies need to reduce carbon emissions through innovative technologies while utilizing market mechanisms and policy support to enhance the feasibility and effectiveness of their carbon management strategies. Companies can learn how to balance environmental protection with business interests and achieve sustainable development through these cases.

### 4. Economic Benefit Analysis of Enterprise Carbon Management Strategies

### 4.1 Relationship between Carbon Management Strategies and Cost-effectiveness of Enterprises

Compared with traditional enterprise management, enterprise carbon management strategies emphasize the relationship between environmental protection and economic benefits more, and they have obvious characteristics of sustainable development. Although some scholars question that carbon management strategies may not have a direct relationship with enterprise economic benefits, most scholars advocate that enterprise carbon management strategies can provide a rational evaluation of a company's economic benefits. The classic models of carbon management strategies, including elements such as carbon emission reduction and energy efficiency improvement, have since become typical tools for enterprise carbon management, thus developing the concept of carbon asset management. These scholars believe that enterprise carbon management strategies have economic benefits and are a "win-win" strategy. Only when companies effectively implement carbon management strategies can they achieve the dual goals of environmental protection and economic benefits. As a result, enterprise carbon management strategies have become an essential means of improving economic efficiency. The relationship between carbon management strategies and enterprise cost-effectiveness is shown in Figure 1.

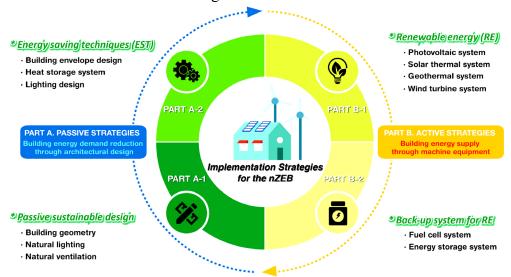


Figure 1 Relationship between carbon management strategies and cost-effectiveness of enterprises

In practice, enterprises reduce carbon emissions, lower operating costs, and improve resource utilization efficiency by adopting energy-saving and emission-reduction technologies and optimizing resource utilization. In addition, with the global emphasis on sustainable development, enterprise carbon management strategies can also help enhance brand value and market competitiveness and attract more environmentally conscious consumers and investors. Therefore, a close and positive correlation exists between enterprise carbon management strategies and cost-effectiveness.

# 4.2 The Correlation between Carbon Management Strategies and Enterprise Market Competitiveness

From the perspective of enterprise strategy, carbon management strategies are the fundamental link to enhance the competitiveness of enterprises and the core embodiment of their sustainable development capabilities. [7] Therefore, enterprises prioritize carbon reduction as their main generation logic. The carbon management strategy of enterprises is the main driving force for enhancing their market competitiveness and is also the main body of enterprise strategic planning. Currently, enterprises strengthen carbon management and control from the perspective of environmental protection in three main forms: technological innovation. It is necessary to clarify the carbon reduction of green technologies between product development and market promotion. The second is the formulation of standards. Establishing carbon emission and energy efficiency standards

and publicly disclosing these standards to the market and investors can achieve standardized control of carbon management. The third is internal process optimization. In recent years, many leading enterprises have used carbon management strategies to enhance brand value and market competitiveness. However, compared to the ideal state, the market competitiveness of current enterprise carbon management strategies still needs to be further improved.

By implementing effective carbon management strategies, enterprises can reduce operating costs, improve resource efficiency, and enhance brand image and market recognition. These factors work together to strengthen their competitive position in the market. In addition, as consumers and investors increasingly pay attention to environmental issues, enterprise carbon management strategies have become essential in attracting these stakeholders. Therefore, the correlation between enterprise carbon management strategies and market competitiveness is becoming increasingly close, becoming an indispensable part of enterprise strategic planning.

### 5. Optimization Path for Enterprise Carbon Management Strategy

#### 5.1 Optimization of Management Strategies Based on Cost-benefit Analysis

Developing enterprise carbon management strategies aims to build mechanisms and optimize systems to provide carbon management solutions that meet expected standards and strive to improve cost-effectiveness. Although carbon management strategies are not an entirely new topic, they systematically combine various elements such as environmental protection, cost control, and market competitiveness, outlining a multidimensional path for enterprise carbon management, expanding its technical connotation, and endowing enterprise carbon management strategies with value significance in combination with cost control, market competitiveness, and sustainable development. The carbon management strategy of enterprises has been successfully explored in cost control, energy efficiency improvement, market competitiveness, and other aspects, providing experience and reference for strategy optimization. However, compared with the requirements of theoretical construction and mechanism design and the current requirements of enterprise development, the development path of enterprise carbon management strategies still needs to be further optimized, and more importantly, it needs to be closely aligned with cost-effectiveness at a deeper level to meet the needs of sustainable development of enterprises.[8]

Through cost-benefit analysis, companies can identify and optimize strategies that reduce carbon emissions while saving costs. It includes investing in green technologies, improving energy efficiency, and optimizing supply chain management. The optimization path also involves policy adaptability and market dynamics, ensuring that carbon management strategies can respond to policy changes while seizing market opportunities and enhancing the long-term competitiveness of enterprises.

#### 5.2 Management Strategy Optimization Based on Market Competitiveness Enhancement

The fundamental difference in enterprise carbon management strategies lies in the attributes of market competitiveness. The standards and guidelines for enterprise carbon management are aimed at enhancing market competitiveness, and their development is mainly reflected in cost control and brand value enhancement. In the carbon management framework, accurate market positioning, product differentiation, green brand image, and continuous innovation are the core values and highest principles for enhancing market competitiveness. Currently, the diversity of types of carbon management strategies and the differences in the implementation effectiveness of enterprises have led to a diversified trend of enhancing market competitiveness. However, due to the imperfect strategy implementation, the enterprise's carbon management lacks a mechanism for continuous optimization. Therefore, it creates a "weakness" in enhancing market competitiveness, affecting enterprises' long-term sustainable development.

To optimize carbon management strategies based on enhancing market competitiveness, enterprises need to pay attention to several key points: First, enterprises should reduce carbon emissions and improve resource efficiency through continuous technological innovation and process improvement; Second, they need to enhance the green brand image of the enterprise and attract

consumers with strong environmental awareness by effective marketing strategies; Finally, they should enhance the leadership position of enterprises in the field of carbon management strategic partnerships and industry collaboration. Through these measures, enterprises can improve their market competitiveness and make substantial progress on sustainable development.

#### 6. Conclusion

The research on the economic benefits of enterprise carbon management strategies has become an essential topic in the new era. This study mainly focuses on the theoretical basis of enterprise carbon management strategies, global practices, case studies, economic benefit analysis, and optimization paths for in-depth exploration. The article first analyzes the relationship between carbon emissions and climate change and defines the scope of enterprise carbon management strategies. Subsequently, practical analysis and inspiration were provided through carbon management strategy cases of excellent international enterprises. Then, the article focuses on exploring the correlation between carbon management strategies and enterprises' cost-effectiveness and market competitiveness, revealing the impact of carbon management strategies on the economic benefits of enterprises. Finally, an optimization path for enterprise carbon management strategies based on cost-benefit analysis and market competitiveness enhancement was proposed. Research has shown that optimizing carbon management strategies helps businesses reduce costs and enhance market competitiveness. It is a crucial way to achieve sustainable development and address the challenges of climate change. Therefore, enterprises should strengthen their carbon management strategies to achieve high-quality development and meet the expected standards of society and the environment.

#### References

- [1] Khan S A R, Yu Z, Umar M. How environmental awareness and corporate social responsibility practices benefit the enterprise? An empirical study in the context of emerging economy[J]. Management of Environmental Quality: An International Journal, 2021, 32(5): 863-885.
- [2] Jin B. Research on performance evaluation of green supply chain of automobile enterprises under the background of carbon peak and carbon neutralization[J]. Energy reports, 2021, 7: 594-604.
- [3] Tang Y, Zhu J, Ma W, et al. A study on the impact of institutional pressure on carbon information disclosure: The mediating effect of enterprise peer influence[J]. International Journal of Environmental Research and Public Health, 2022, 19(7): 4174.
- [4] Ahmed Ali K, Ahmad M I, Yusup Y. Issues, impacts, and mitigations of carbon dioxide emissions in the building sector[J]. Sustainability, 2020, 12(18): 7427.
- [5] Khattak S I, Ahmad M, ul Haq Z, et al. On the goals of sustainable production and the conditions of environmental sustainability: Does cyclical innovation in green and sustainable technologies determine carbon dioxide emissions in G-7 economies[J]. Sustainable Production and Consumption, 2022, 29: 406-420.
- [6] Evdokimova Y V, Egorova E N, Evdokimova A A, et al. Ensuring the development of production in the conditions of transition to sustainable development[J].IOP Publishing Ltd, 2022.DOI:10.1088/1755-1315/1045/1/012057.
- [7] Robaina M, Madaleno M. The relationship between emissions reduction and financial performance: Are Portuguese companies in a sustainable development path?[J]. Corporate Social Responsibility and Environmental Management, 2020, 27(3): 1213-1226.
- [8] Kuzior A, Postrzednik-Lotko K A, Postrzednik S. Limiting of carbon dioxide emissions through rational management of pro-ecological activities in the context of CSR assumptions[J]. Energies, 2022, 15(5): 1825.