NET ZERO GUIDE



Net Zero

Everything businesses need to know

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What is net zero?

Net zero means cutting carbon emissions to a small amount of residual emissions that can be absorbed and durably stored by nature and other carbon dioxide removal measures, leaving zero in the atmosphere.

These emissions can come from both direct and indirect sources, measured across Scope 1, Scope 2, and Scope 3 categories according to the Greenhouse Gas Protocol. For many, terms like net zero have been diluted due to greenwashing tactics, lack of understanding and credible action. However, with concrete evidence reinforcing the risks of climate change every year, public perception is changing.



The business case for sustainability has never been stronger. In this guide, we outline why taking steps towards net zero can lead to a whole host of environmentally and financially positive outcomes. At the heart of it all is the exciting role senior leadership can play in instigating truly transformative change and future growth.

How is net zero relevant today?

Embracing net zero brings a multitude of benefits, fostering innovation, improving operational efficiencies, and increasing stakeholder trust, ultimately enhancing long-term competitiveness and resilience in an ever-evolving global landscape.

In today's world, the fight against climate change has become a top priority, and achieving net zero emissions has taken centre stage.

With the planet experiencing the harsh impacts of a changing climate — rising temperatures, supply chain disruption and environmental damage, reaching net zero isn't just an idealistic goal anymore; it's a must-do.



The critical role of senior leadership

It's hard to overestimate the role that senior leadership has in achieving net zero. As stewards of strategic vision and decision making, senior leaders hold the power to drive change within organisations.

Their commitment to sustainability, coupled with the authority to allocate resources and set ambitious targets is important in driving the transition to net zero. By championing initiatives, setting clear goals, and integrating sustainability into core business strategies, senior leaders can inspire and mobilise the entire company. Without full commitment, ambitious vision and incisive communication, it's difficult to see a business transforming its policies and creating a genuine culture of sustainability.



Executives	Employees
72%	50%
Say they have the right management practices in place to deliver on sustainability.	Say they are encouraged to think about customers and other stakeholders in decision making.
69%	34%
Track and monitor progress against sustainability goals.	Rate these sustainability goals as "realistic."
68%	21%
Say they have developed a "robust" sustainability plan.	Say their employer's commitment goes beyond the "superficial."

Accenture | Perception is reality

Executive and employee consensus gap

Analysis reveals that while leadership teams are broadly convinced that they are on track to operate more sustainably, employees an important stakeholder group as key change-makers in organizations tend to disagree.

Debunking the big net zero myths

In the next section, we break down some of the biggest myths holding businesses back and reveal why credible climate action is not just possible, it's profitable.

1 Achieving net zero is too costly and requires sacrificing growth

Cutting carbon opens the doors towards growth and innovation, allowing an organisation to streamline its operations and enhance the productivity of its employees. For many businesses, these widespread, comprehensive net zero plans search for efficiencies in both carbon cutting and financial terms.

2 Carbon offsetting can completely replace emission reductions

Carbon offsetting is not a substitute for emissions reductions. The primary focus for businesses is to minimise and prevent emissions in the first place. Offsetting projects won't deliver the radical change that is needed to tackle climate change and substantially lower emissions.

> "Reaching net zero emissions requires a whole economy transition that represents the greatest commercial opportunity of our time."
>
> **Mark Carney**
> U.N. Special Envoy for Climate Action and Finance

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3 Only large organisations can make a difference in achieving net zero

Businesses of all sizes play a crucial role in the journey toward a net zero future. While larger corporations may have more extensive resources and broader reach, smaller organisations have an equal role to play.

SMEs represent 99% of all UK limited companies and contribute more than 50% of the revenue in our economy. Therefore, the impact that SMEs can have is huge through both their own direct impact but also the way that they can inspire other organisations and industries to get started on their own net zero journey. The interconnected nature of supply chains means that the actions of smaller organisations can influence larger ones, prompting a domino effect in driving sustainability initiatives.

4 We have until 2050 to achieve net zero so there is plenty of time

We won't pretend that achieving net zero happens overnight. It's important to acknowledge that the journey toward net zero requires ambitious and strategic effort. It involves planning, investment in sustainable practices, and a transformation of various industries. In fact, the 2050 net zero goal is already too little too late for many scientists.

For businesses, the consideration of the 2050 target date can be a double-edged sword. On one hand, it may seem too distant to prioritise, leading to a potential delay in planning for net zero. However, the challenge is both monumental and imminent, emphasising the need for proactivity. Waiting until the last minute might result in missing the opportunity to tackle the challenge effectively and turn it into a competitive advantage. Setting realistic and ambitious near-term and long-term net zero targets provides companies with a structured approach to progress on their decarbonisation journey.

This not only breaks down the seemingly overwhelming task but also ensures that businesses do not underestimate the time and resources required for a successful transition.

5 Sustainability initiatives are not relevant to customers

This one couldn't be further from the truth. With public perception radically shifting over the past decade, all trends point to climate issues skyrocketing in the list of customer priorities when choosing organisations.

In the B2B sphere, the growing demand for emission disclosure mandates means bigger organisations, tackling significant Scope 3 emissions, must collaborate with suppliers to establish net zero commitments. Many are adopting ambitious net zero targets, especially in reducing emissions throughout their supply chain. To meet these commitments, companies are urging suppliers, especially SMEs, to deliver goods or services with lower associated emissions, aligning with their sustainability goals. Larger organisations are already cutting ties with suppliers over sustainability concerns, highlighting the increasing impact of environmental considerations on business relationships.



"We are the first generation to feel the effect of climate change and the last generation who can do something about it."

Barack Obama
Former US President

Why net zero?

Ethical and moral integrity will always be at the heart of sustainable policy, but too many organisations entirely underestimate the business case for embracing sustainable practices.

1 The legal imperative

The legal imperative serves as a significant motivation for businesses to embrace sustainability. With the UK government's commitment to achieving net zero by 2050, businesses are increasingly compelled to align their strategies with these ambitious goals.

Understandably, regulations in the UK and elsewhere are increasing. Companies face increasing carbon-related regulations, such as the Streamlined Energy and Carbon Reporting (SECR), Corporate Sustainability Reporting Directive (CSRD), and the Energy Savings Opportunity Scheme (ESOS). These legislations mandate that certain businesses report their energy use, greenhouse gas emissions, and outline sustainability measures.

Beyond fines, non-compliance could tarnish a company's reputation and hinder its competitiveness in the market.

2 The moral imperative

Beyond profitability, companies bear a responsibility to operate as sustainably as possible and with an awareness of their impact on the environment and society.

As the effects of climate change become increasingly apparent, the urgency to mitigate these impacts intensifies. The world needs to reach net zero by around 2050 if it is to meet the Paris Agreement Target of limiting global warming to 1.5°C.

With the UK government's commitment to achieving net zero by 2050, businesses are increasingly compelled to align their strategies with these ambitious goals.



By implementing sustainable action plans and transparently communicating progress, you elevate your brand's value and deepen connections with environmentally conscious customers.

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3 Commercial risk and opportunity

The future's changing and those that don't change with it are sure to be left behind. The question is will you lead or be led? Embracing net zero can improve a variety of aspects:

- Amplified reputation and brand value
- Improved risk mitigation
- Cost savings and access to capital and grants
- Increased market demand
- Innovation opportunities
- Supply chain resilience
- Enhanced stakeholder and investor relations

Transitioning to net zero not only positions your organisation as a sustainability leader but also strengthens customer retention. By implementing sustainable action plans and transparently communicating progress, you elevate your brand's value and deepen connections with environmentally conscious customers.

Plus, more companies now prioritise sustainability in supplier selection, integrating these factors into procurement policies and requests-for-proposals.

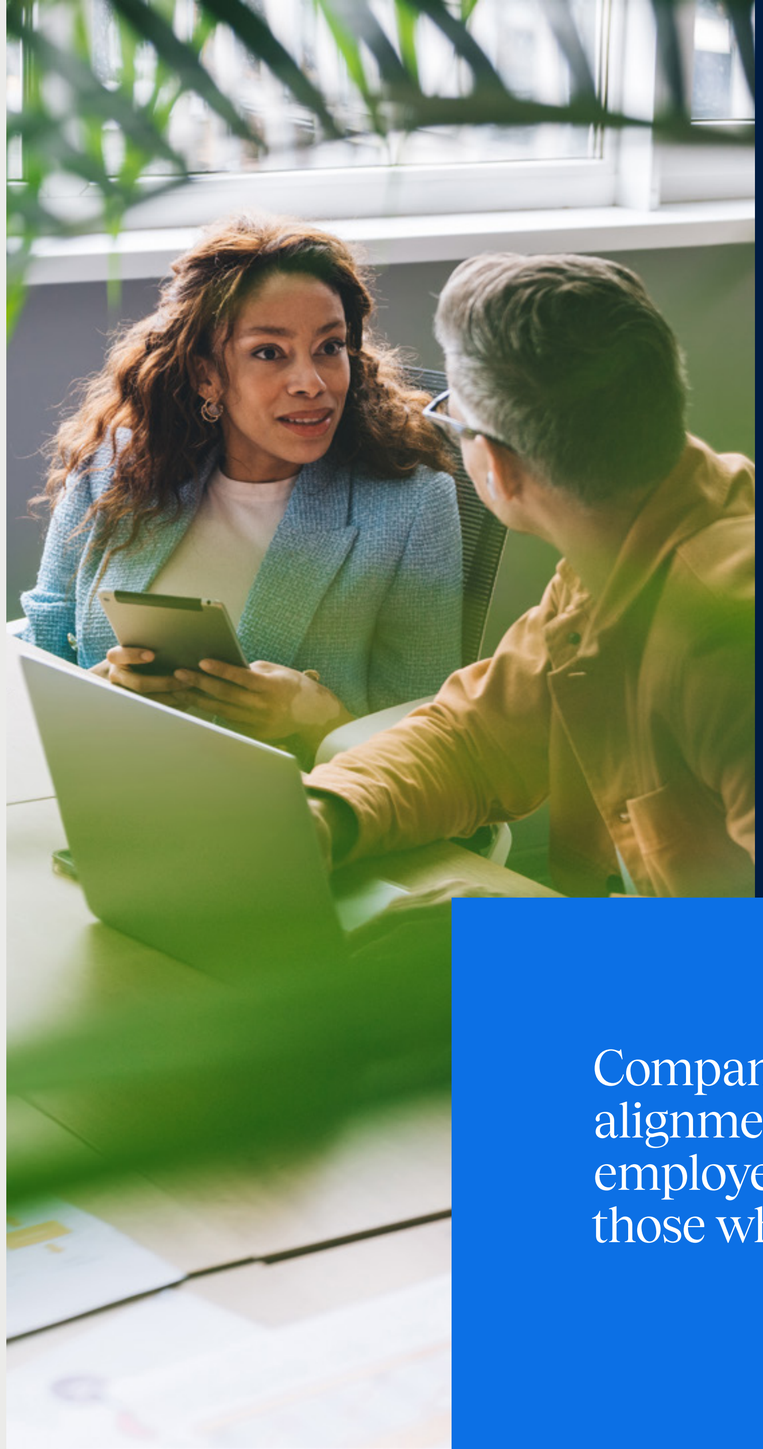
For example, Tesco's commitment to achieving net zero emissions by 2050 required suppliers to disclose emissions and set net zero ambitions with sciencebased targets by 2023. As sustainable practices become more prevalent, companies failing to align risk exclusion from major companies' supply chains, regardless of their size or industry.

4 Attracting and retaining talent

Attracting the best talent is part and parcel of the successful running of a business. Losing talent to competitors and failing to retain vital employees is tough to take. Research released by KPMG has found that 20% of UK office workers would turn down a job if environmental, social and governance (ESG) factors were deemed lacking.

Sustainable policy helps staff know that they're working for an organisation that prioritises environmental and social issues. Companies with greater positive alignment between executives and employees are financially outperforming those where alignment is weakest by 13%.

It's clear that the next working generation prioritises environmental issues over any other. If your organisation values are not aligned with employees, current and future staff may start to look elsewhere.



20%

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The future of sustainability

Examples of the positive impact of sustainability on business performance: Don’t just take our word for it. Here are a few case studies that display the benefits of sustainability in all kinds of sectors.

Increased profitability Hillier Nurseries

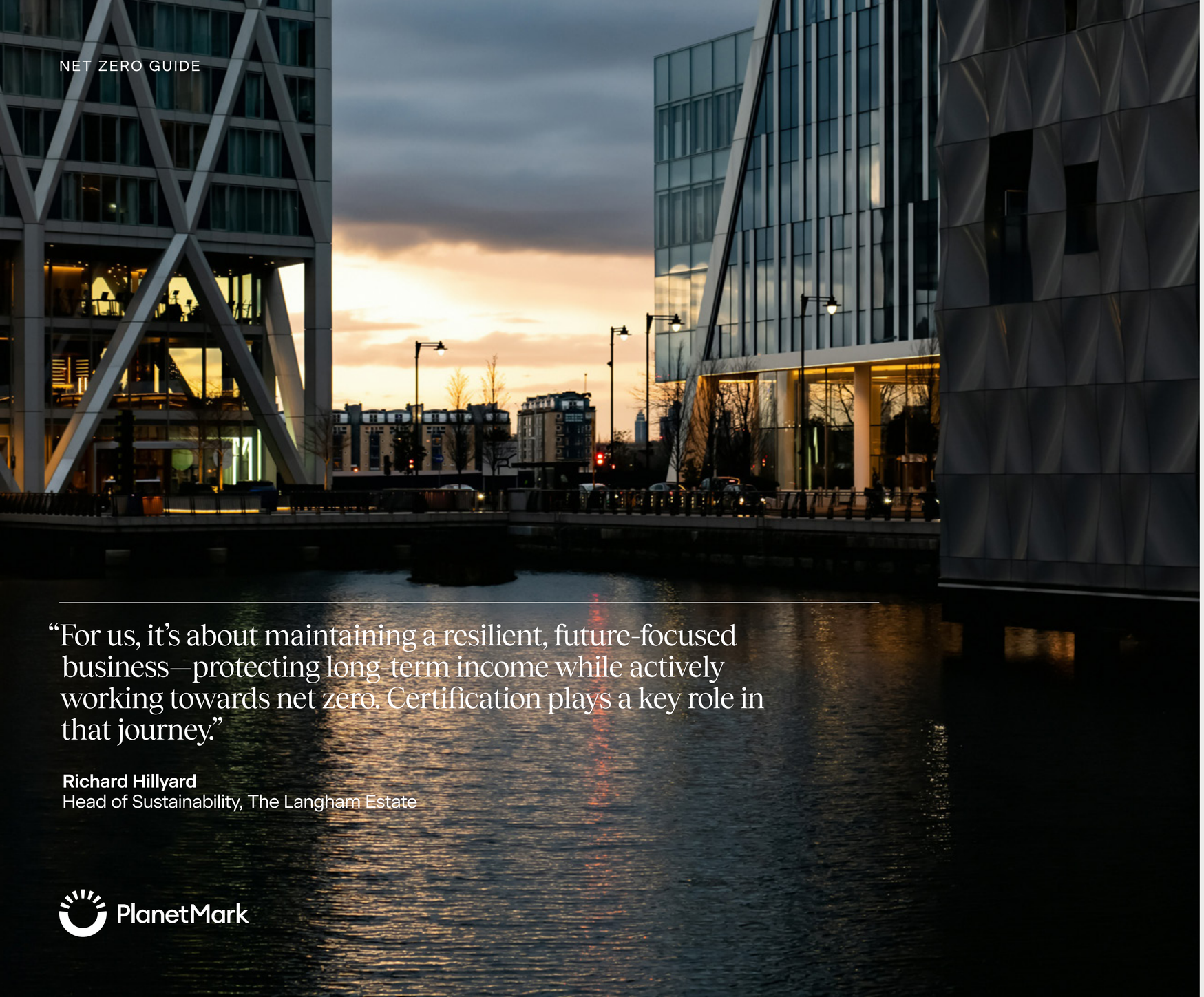
Certified since 2019, Hillier Nurseries are taking the best first steps towards net zero and have ramped up their decarbonisation efforts through employee engagement, water conservation initiatives and community collaborations.

The ability to use Planet Mark branding on all Hillier Nurseries Ltd's internal and external communications has helped them to transparently communicate their sustainability credentials and commitments with confidence.



When you get that golden combination of good business sense, plus it reduces your carbon emissions, then you're really onto a winner.

George Hillier
CEO, Hillier Nurseries



“For us, it’s about maintaining a resilient, future-focused business—protecting long-term income while actively working towards net zero. Certification plays a key role in that journey.”

Richard Hillyard
Head of Sustainability, The Langham Estate

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From Fitzrovia to the future **The Langham Estate**

Covering 11.3 iconic acres of Fitzrovia in the beating heart of London’s West End, The Langham Estate isn’t just managing commercial property, it’s shaping a legacy. Known for its commitment to excellence, The Langham Estate has now added a chapter to its story: it has become the first organisation to achieve Planet Mark Certified - Net Zero Committed.

For The Langham Estate, becoming Planet Mark Certified has delivered more than just progress on their sustainability journey. In a highly competitive market like Fitzrovia, certification acts as a signal of quality and credibility, reassuring tenants that sustainability is embedded in the way the Estate is managed.

Certification has helped position The Langham Estate not only as an organisation that recognises the importance of sustainability, but as a trusted and forward-thinking commercial landlord.

How does an organisation achieve net zero?

In line with the Science Based Targets initiative (SBTi) Corporate Net Zero Standard, an organisation can be considered net zero once it has reduced emissions across all three scopes by at least 90% of the baseline.

The guideline suggests that businesses should set net zero targets that align with the aim of keeping global warming within a 1.5°C limit. It also emphasises the importance of setting near-term targets to make significant reductions in emissions over the next 5-10 years. The standard allows for the offsetting of unavoidable residual emissions, which should not exceed 10% of the total, using certified carbon removal offsets at the net zero target year.

What does net zero mean for businesses?

Individual organisations are effectively accounted for in the carbon targets of the countries in which they operate, therefore, all UK businesses should be working towards their own decarbonisation targets in line with achieving net zero by 2050.

The Science Based Targets initiative defines net zero target setting for businesses as: “(a) reducing scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways and (b) neutralizing any residual emissions at the net zero target date — and any GHG emissions released into the atmosphere thereafter”.

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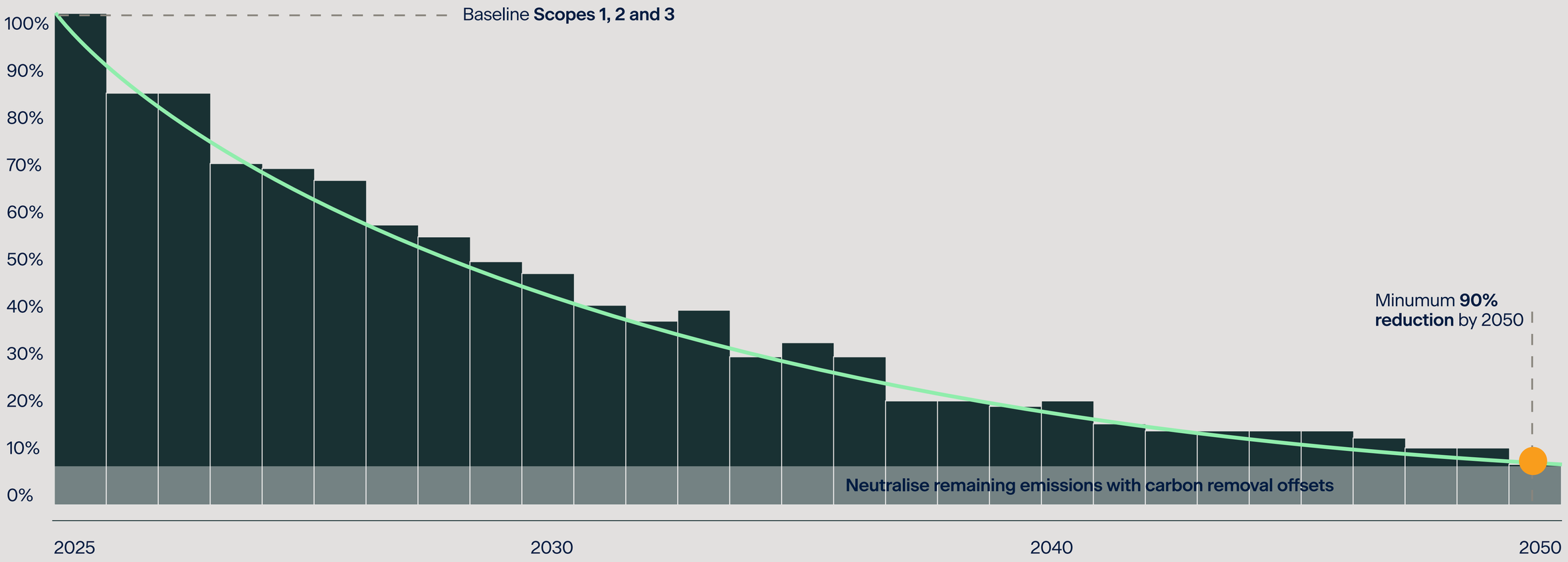
The path to net zero



What are the scopes of emissions?

As with many other sustainability projects, a key aspect of success in achieving net zero can be boiled down to the collection of accurate, authentic and transparent data. Without a clear idea of an organisation's emissions, it's impossible to develop and execute an effective net zero transition plan.

To do this, all carbon emissions associated with an organisation's activities in Scope 1, 2 and 3 must be gathered. The categorisation of emissions into this scope structure allows businesses to create a manageable approach to collecting vital data.

Scope 1
The emissions from sources that a company creates directly (e.g., from burning fuel in gas boilers and in company owned vehicles).

Scope 2
The emissions a company creates indirectly, associated with the production of energy it purchases (e.g., electricity).

Scope 3
The emissions that are not produced by the company itself, but by those within the company's value chain (e.g., procurement of goods and services). Scope 3 is split into 15 categories. Scope 3 emissions are the toughest category to gather data in and they can also total up to 90% of an organisation's carbon footprint. It's crucial that businesses fully understand the extent of their Scope 3 emissions as it paints a clearer picture of an organisation's carbon footprint.



What are the Scopes of emissions?

SCOPE 1

- Stationary fuels
- Company vehicles
- Natural gas
- Fugitive emissions

SCOPE 2

- Electricity
- Heat and steam
- Cooling

SCOPE 3 UPSTREAM

- 1. Purchased goods and services
- 2. Capital goods
- 3. Fuel and energy related activities
- 4. Transportation and distribution
- 5. Waste generated in operations
- 6. Business travel
- 7. Employee commuting
- 8. Leased assets

SCOPE 3 DOWNSTREAM

- 9. Transportation and distribution
- 10. Processing of sold products
- 11. Use of sold products
- 12. End of life treatment of sold products
- 13. Leased assets
- 14. Franchises
- 15. Investments

Overcoming bumps on the road to net zero

The road to net zero isn't always smooth. Anticipating obstacles is part of developing an actionable plan, especially here at Planet Mark. Here are some ways to overcome common challenges.

1 Data, measurement and a lack of expertise

You can't manage what you don't measure. Investing in robust data collection should be a top priority, as is the development of a streamlined reporting process. Always make sustainability and data collection a companywide mission. This can create a deep sense of responsibility and ownership that can drive individuals to go above and beyond in their work to achieve company targets. Work with experts to ensure accurate measurement and verification.

Third-party certifications, such as Planet Mark, allow for high levels of data accuracy and measurement. They bring in the knowledge and rigorous evaluation processes, organisations can require, making it easier to navigate the challenges of sustainability and make informed decisions on their journey to achieving net zero emissions.

2 The financial constraints and assessing ROI

While there may be investments required to achieve net zero, it's important to adopt a forward-looking perspective and recognise the long-term benefits. Implementing a phased approach, prioritising cost-effective emission reductions first, can be invaluable allowing for a more gradual and financially manageable transition.

By streamlining processes and adopting sustainable practices, this can often lead to cost savings. The money saved from these operational e ciencies can then be redirected into sustainability budgets, creating a cyclical and self-sustaining process for advancing net zero goals. There are also the undeniable commercial opportunities that net zero brings, which will become ever more prevalent. Grants and tax incentives that support sustainability initiatives should always be considered.

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Investing in training and education is a fantastic way to increase awareness about your net zero journey.

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3 Lack of awareness and education

We won't pretend that everybody fully comprehends the scale of the climate crisis. In fact, misinformation and confusion around the subject have already held back the world's response to it. Investing in training and education is a fantastic way to increase awareness about your net zero journey. " Investing in training and education is a fantastic way to increase awareness about your net zero journey.

It's also important to create systems and processes that facilitate employees to integrate sustainability into every business decision. Many sustainability initiatives require specialised knowledge and expertise, such as engaging with suppliers on sustainable sourcing and carbon reduction options. Providing carbon literacy training or sustainability engagement workshops for your team can ensure everyone understands the impact of your contributions to the environment and society, as well as acquire the knowledge and skills to lower their personal and work carbon footprint.

4 Engaging supply chains

This is one of the more practical problems that businesses face on the path to net zero. When incorporating Scope 3 emissions into measurements, supply chains can be challenging. However, by identifying and understanding the various suppliers in your value chain, your business can effectively prioritise your engagement efforts and develop targeted strategies for emission reductions.

Develop a sustainability procurement policy, providing incentives for sustainable practices and collaborating with suppliers to help identify issues and implement improvements.

It's important to define a clear process to track supplier climate performance at least annually, leveraging both disclosures requested from suppliers and publicly reported indicators. This provides insights into how targeted initiatives are impacting wider supply chain climate targets.

Governance and reporting progress

Effective governance, transparency and annual reporting to stakeholders is important to net zero and upholds the credibility of an organisation to its stakeholders. Companies risk damaging their reputation and undermining positive progress on sustainability initiatives without honest and authentic communication and reporting.

Annual reporting serves as an important tool, offering an overview of an organisation's environmental impact, progress towards emission reduction targets, and the strategies in place to achieve a net zero future. It also demonstrates a commitment to continual improvement while enabling stakeholders to evaluate and support these efforts.



Importance of annual measurement

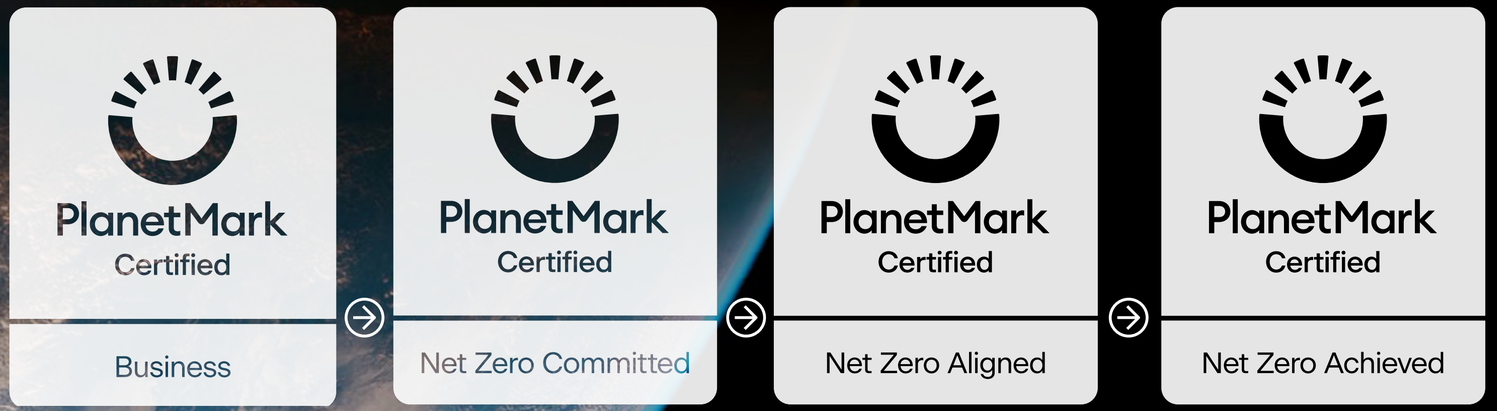
By substantiating claims with carbon footprint data in annual measurement reports, organisations can effectively demonstrate their genuine commitment to sustainability, thereby avoiding greenwashing and building credibility on the journey to net zero.

How we can help

At Planet Mark, we believe that understanding and measuring climate impact is the key to driving meaningful progress. By staying ahead of evolving trends, businesses can not only meet evolving regulations but also build long-term value while leaving a lasting positive impact on the planet.

2025 is the year for businesses to embrace bold, forward-thinking sustainability strategies. With Planet Mark's trusted tools and the world-leading Net Zero Certification Programme, officially recognised by the United Nations Framework Convention on Climate Change (UNFCCC), your organisation can confidently tackle challenges and achieve its sustainability goals.

NET ZERO CERTIFICATION PROGRAMME



Curious about how the Net Zero Certification Programme can transform your business?

LEARN MORE

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