



**NET ZERO &
EMISSIONS
REDUCTION
GUIDE**



WHAT IS NET ZERO?

Net Zero refers to the cutting of greenhouse gases (GHGs) emitted into the atmosphere while ensuring that any residual emissions produced by a business's operations are absorbed through carbon sequestration, leaving a Net Zero amount of GHGs in the atmosphere.

The goal of achieving Net Zero is to reduce GHG emissions to as close to zero as possible, with any remaining emissions being offset through actions that remove or reduce emissions elsewhere, such as carbon sinks, carbon capture technologies, or other methods.

Achieving Net Zero is imperative to limiting global warming to 1.5°C above pre-industrial levels, as outlined in the [Paris Agreement](#). GHG emissions must also peak before 2025 and decline 43% by 2030.

The term '**Carbon Neutral**' is often used interchangeably with Net Zero, although it generally includes a wider definition of offsetting residual emissions, including emissions avoidance activities, and doesn't prescribe a specific reduction trajectory.


There are two stages to achieving Net Zero:

1. Reduction

This is the most important and best method for a business to reduce its impact on the earth's climate. Actions which contribute to emissions reduction include switching to renewable energy, improving energy efficiency, transforming internal processes across all aspects of the business to ensure that sustainability and emissions are taken into account, using low-emission modes of transport, and investing in carbon insetting (the ring-fencing of funds for investment into making all areas of your business as modern, energy efficient, and low-impact as possible).

2. Offsetting

After reducing emissions to the lowest level possible, businesses aiming for Net Zero need to compensate for any residual emissions by investing in projects which aim to absorb or remove carbon from the atmosphere. This could include reforestation, afforestation, or carbon capture and storage (CCS) technologies.

 **While a valuable tool for reducing emissions, carbon offsets have limitations. They do not directly address a company's own emissions and can be criticised for merely shifting the problem elsewhere. Additionally, the quality and effectiveness of offsets can vary.**




EMISSIONS REDUCTION PLANNING

Review your baseline emissions

An emissions baseline year is a specific year chosen as a reference point for measuring changes in greenhouse gas emissions. It provides a historical benchmark against which future emissions can be compared to assess progress in reducing emissions. The baseline year serves as the cornerstone of your emissions reduction strategy. Start by conducting a thorough analysis of your emissions data:

- **Scope 1 emissions:** These are direct emissions from sources owned or controlled by your organisation, such as company vehicles or on-site fuel use.
- **Scope 2 emissions:** These refer to indirect emissions from the energy you purchase, including electricity and heating.
- **Scope 3 emissions:** These include indirect emissions from across your value chain, such as those from suppliers, product usage, and waste. Scope 3 emissions often represent the largest portion of total emissions.

Breaking down your baseline data into key emission sources and categories will enable you to identify the areas that contribute the most to your GHG emissions. This knowledge will guide you in prioritising reduction efforts.

 **For additional information on scope emissions, a FuturePlus Guide breaking down scopes 1, 2, and 3 can be found [here](#).**

Set clear, year-on-year reduction targets

Using your baseline, establish specific, time-bound targets for reducing emissions across Scopes 1, 2, and 3. These targets should be:

- **Ambitious yet realistic** - taking into account your available resources and potential technological developments.
- **Science-based** - aligning with the global goal of limiting temperature rise to 1.5°C, as per the Paris Agreement.

Emissions reduction target setting can be complex and we recommend seeking expert advice before setting your targets. Our **PlusCarbon** team is here to help! Contact us at: info@future-plus.co.uk.



Create a detailed action plan

Develop a step-by-step plan that outlines the specific actions needed to meet your emissions reduction goals each year. The plan should include:

- Specifying the **key actions** for each year, such as installing renewable energy systems, upgrading equipment, or reducing emissions in your supply chain.
- Establishing **deadlines** for completing each initiative.
- Assigning tasks to individuals or departments to **ensure accountability**. We recommend creating 'green teams' within your organisation to share the load.
- Allocating the necessary **resources**, including capital investments for energy efficiency upgrades or renewable energy projects.

Tackle scope 3 emissions gradually

Addressing Scope 3 emissions can be challenging due to factors outside your direct control, but it's crucial to develop a strategy that gradually incorporates them. Key steps include:

- **Engaging your supply chain:** Collaborate with suppliers to reduce their emissions, set joint reduction targets, and encourage sustainable sourcing.
- **Product lifecycle management:** Redesign products to minimise emissions throughout their lifecycle, and promote recycling and sustainability among customers.
- **Transportation and logistics:** Optimise delivery routes, consolidate shipments, and work with logistics partners to reduce emissions.

Independent verification and refinement

Independent verification plays a crucial role in ensuring the integrity and credibility of emissions reduction claims. By having an external party assess your emissions data and reduction efforts, it provides a level of assurance that the reported reductions are accurate and align with established methodologies.

Regular review and refinement of the emissions reduction strategy based on performance data and emerging best practices help organisations to identify gaps and opportunities and adapt to changing circumstances.



CONSIDERATIONS FOR LARGER BUSINESSES

For businesses that must comply with international standards and reporting frameworks, additional measures will be required.

TCFD (Task Force on Climate-related Financial Disclosures)

In some regions, large companies are encouraged or required to disclose climate-related risks and opportunities. This ensures that businesses are addressing how climate change may impact operations in the short, medium, and long term. The four key areas for disclosure are Governance, Strategy, Risk Management, and Metrics and Targets.

SECR (Streamlined Energy and Carbon Reporting)

In the UK, large companies must comply with SECR regulations, which mandate annual reporting of energy use, carbon emissions, and energy efficiency actions. SECR covers Scope 1 and 2 emissions, and, where relevant, Scope 3 emissions.

ISO 14001: Environmental Management Systems

For large organisations, implementing ISO 14001 can provide a structured framework for managing environmental responsibilities, including reducing emissions.

Carbon Pricing and Emissions Trading Schemes (ETS)

If your business operates in a region with an emissions trading scheme (such as the EU Emissions Trading Scheme), carbon pricing will need to be integrated into your emissions reduction plans. This approach assigns a price to carbon emissions, creating financial incentives for reduction.

Green Financing and Carbon Insetting

Consider using ring-fenced funds, green bonds or sustainability-linked loans to finance projects that contribute to your Net Zero goals. These financing options can help align your emissions reduction targets with capital investment and oftentimes produce far more positive impact than even the best carbon offsetting measures.

NEED MORE HELP?

For more information and support, please feel free to contact us at: info@future-plus.co.uk.

