

The evolving landscape of net zero

Discover the latest market insights and perspectives to better inform your net zero strategy.



Making your net zero journey more manageable

Setting your organisation on a pathway to net zero can seem daunting, but nonetheless essential in reducing future climate impacts. With media noise suggesting that some organisations are scaling back, how do you separate sensationalist headlines from the real-world realities? This white paper cuts through the noise to show that net zero is higher on the agenda than ever.



The **evolving landscape of net zero** paints a clear picture of the state of net zero today for organisations in the UK and beyond. It draws on the latest comprehensive PwC research as well as our own on-the-ground insights to unequivocally demonstrate that – contrary to some perceptions – more companies than ever recognise the need to plan for net zero.

As one example, the Science Based Targets initiative (SBTi) indicates over 7,000 businesses have set emissions reduction targets in accordance with climate science and these numbers continue to grow. Each is committed to building climate-conscious businesses that will ensure a better future for generations to come.



Our white paper combines research, expert insights and practical steps you can take to set you on the pathway to net zero success:

- **Myths and truths of net zero today**
- **Why Scope 3 matters most**
- **Tackling terminology traps: net zero versus carbon neutrality**
- **Top tips for net zero success**



From our experience on the ground, there's a huge demand for organisations to demonstrate progress. But once they grasp the potential benefits and improvements that can be attributed to having a net zero strategy, whilst sharing data and knowledge across the value chain, there's no slowing down net zero commitments."

Nick Drake,
Director of Net Zero, Zenergi

Myths and truths of net zero today

Switch on your TV or scan the web and you might get the impression that companies are cutting back on their net zero commitments. But this does not reflect today's reality both in the UK and globally. Our experience – as well as recent comprehensive research by PwC – demonstrates that more companies than ever are committing to net zero.

Over 7,000 businesses have set science-based targets

The media has been awash with stories of major businesses reassessing their net zero commitments in today's fast-changing political landscape. For example, Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, and Wells Fargo all left the Net Zero Banking Alliance (NZBA) in a little over a month.

Whilst such news is invariably headline-grabbing, the rationale behind such moves is likely more nuanced than first impressions indicate. In fact, this may well be the result of political pressures rather than a desire to lessen net zero commitments.

What's clear, however, is that the wider net zero evidence paints a different picture altogether.

The Science Based Targets initiative (SBTi) indicates over 7,000 businesses have set emissions reduction targets in accordance with climate science – and numbers continue to grow. In the UK, Zenergi's experience with customers across the education, FMCG, hospitality, manufacturing, and biopharma sectors, clearly shows that decarbonisation desires continue to gather pace.

Similar conclusions are also drawn in **PwC's Second Annual State of Decarbonization Report**, published in early 2025. Featuring responses from 6,895 companies, over 4,000 indicated that they had set climate commitments – a nine-fold increase from five years previously. In particular, 37% of companies indicated that they are increasing ambitions, with only 16% decelerating their goals.

Clearly, the drive to net zero remains high on the agenda.



9x

increase in companies making climate commitments over the last five years



83%

of companies report R&D investment in low-carbon products and services



80%

of companies are demonstrating moderate to leading levels of governance maturity



37%

of companies are increasing their ambitions, with only 16% decelerating their goals



6-25+%

revenue increase due to products featuring sustainability attributes



\$36^{bn}
to \$1.3^{bn}

More smaller companies are making climate commitments, demonstrated by a decrease in average company revenue (2021 vs 2024)

Source: PwC's Second Annual State of Decarbonization Report, 2025

Compliance headaches?

Regulatory compliance continues to be a significant driver for many net zero projects.

Yet in the UK alone, there are numerous bodies and legislation to consider including [SBTi](#), [ESOS](#), [SECR](#), [CSRD](#) and [CBAM](#). For many, this can feel like an administrative headache, especially with further legislative changes afoot.

To help you get to grips with the implications for your organisation, we'll take a detailed look at compliance in a white paper later this year.

Why Scope 3 matters most

Scope 1 emissions relate to decisions regarding a business's fleet or facilities. Scope 2 relates to purchased energy (often electricity), which means that all other impacts from an organisation reside in Scope 3.

Scope 3 emissions often account for more than 70% of a company's total emissions. Given the urgent need to decarbonise, there's a growing desire to focus in this area. This may present challenges for smaller businesses as larger organisations seek data – and action – across their value chain.

Is Scope 3 reporting a bridge too far?

When it comes to decarbonisation, one of the biggest challenges across different sectors is dealing with Scope 3 emissions. This is because reducing these emissions requires working closely with your suppliers, logistics and delivery partners, employees and, if necessary, having knowledge of the lifecycle of a product you may produce.

But herein lies a problem.

For the vast majority of companies, Scope 3 emissions account for more than 70% of total emissions. This means there is an increasing realisation that net zero ambitions cannot be achieved by simply transitioning your fleet to EV, or by sourcing lower carbon electricity. Net zero is achieved by understanding, then addressing your Scope 3 footprint and the various supply chains and stakeholders.

The pressure from larger players

As larger organisations increasingly seek to address Scope 3 emissions, there will be a knock-on effect. Since these occur outside of their direct control and elsewhere in the value chain, these businesses are seeking data from often smaller suppliers to accurately report their emissions.

As this demand increases, we expect it to create significant pressure for both the education sector and many mid-market businesses. Although not facing direct regulatory requirements themselves, they must now implement emissions measurement and reporting capabilities to maintain crucial business relationships with their larger clients. This could create new administrative burdens as well as exposing a lack of the expertise needed.

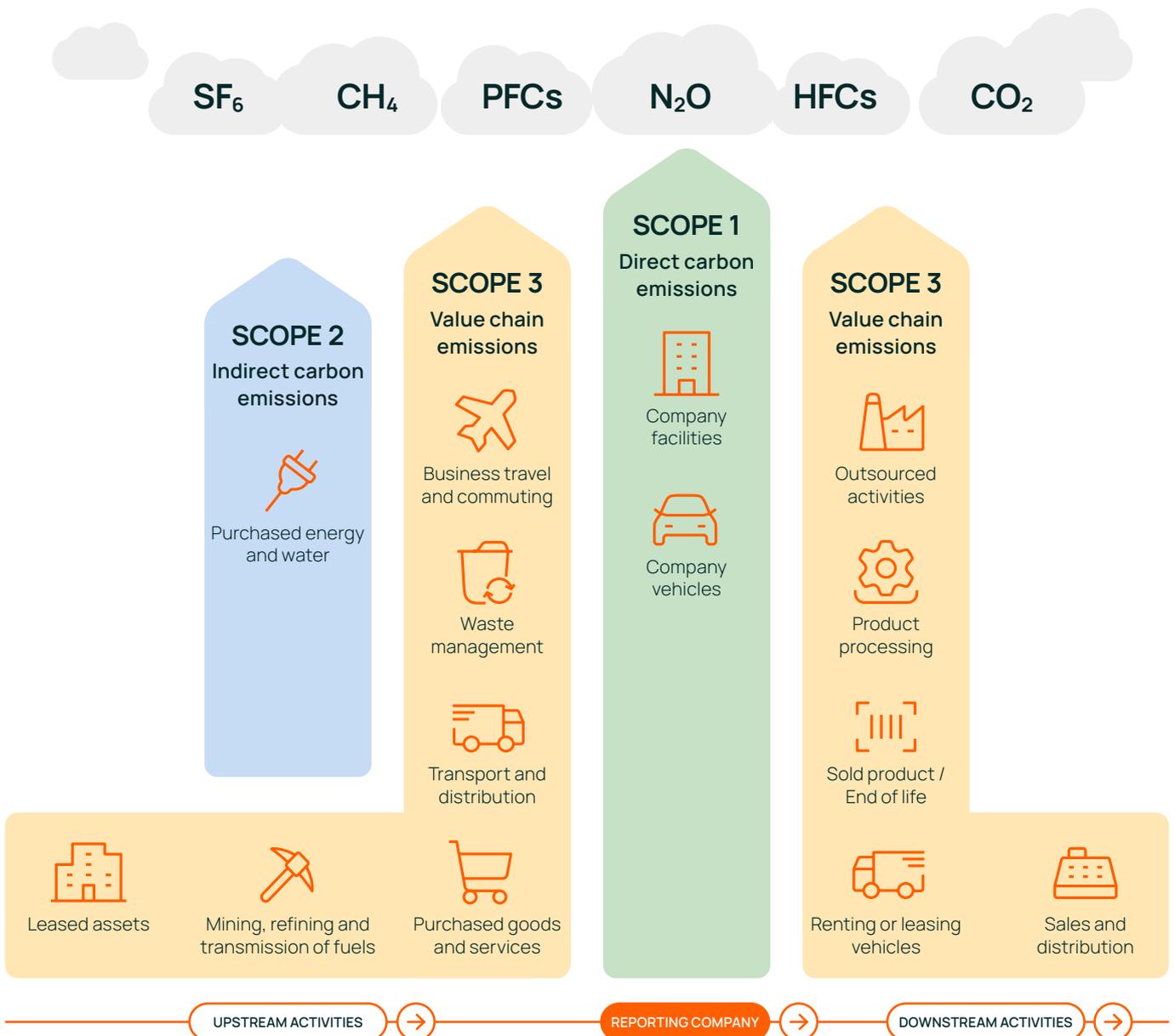
Conversely, businesses able to rise to the challenge will benefit from new opportunities. For example, being in-tune with climate-conscious consumers, staying ahead of the curve on future regulatory compliance, and by identifying and using innovative new net zero products offering significant benefits alongside lowering the carbon footprint.

For many however, the lack of expertise will be a significant stumbling block. This is where an expert partner, such as Zenergi, can prove invaluable. This will enable not just Scope 3 data collection and reporting but also allow gaps in Scope 1 and 2 reporting requirements to be identified too.

Over 70% of emissions occur upstream or downstream

The Greenhouse Gas Protocol – the most widely-used framework for calculating business carbon emissions – divides Scope 3 emissions into upstream and downstream sources. Upstream emissions come from the production of a business’s products or services, whilst downstream emissions come from their use and disposal.

The industry in which a company operates may provide clues to its likely sources of emissions hotspots, and therefore what their Scope 1, 2 and 3 footprint may look like. These hotspots should be identified as being both rich in carbon emissions, but also ripe for potential cost-reducing technologies and initiatives. For example, replacing all lighting for LED, changing fossil fuel vehicles to EV, or up-skilling and educating the workforce. All very effective measures at lowering both costs and emissions.



Tackling terminology traps

The journey to net zero will likely result in a multitude of changes and improvements. Some of these will be realised in the short term whilst others will require technological developments or additional buy-in and take longer to materialise. As increasing numbers of companies commit to decarbonisation, it's important that key terminology is understood to ensure that the journey ahead can be navigated with confidence.

A clear standard for net zero

If you've ever been left uncertain about the difference between net zero and carbon neutrality, you're not alone. In fact, until fairly recently, net zero did not have a clear meaning in different contexts.

The Science Based Targets initiative's Net Zero Standard has helped to remove these confusions, providing a clear baseline for organisations to adhere to. At Zenergi, we apply this standard to all of our net zero projects.



**Scope 1, 2 and 3 emissions:
what goes where?**



SCOPE 1 (Direct emissions):
These are emissions from sources directly controlled by your organisation, such as company-owned vehicles or on-site fuel combustion.

SCOPE 2 (Indirect emissions from energy):
These include emissions from the production of electricity, heat, or steam purchased and consumed by your organisation.

SCOPE 3 (Other indirect emissions):
These are emissions resulting from the organisation's value chain, such as employee commuting, waste disposal, and supply chain activities.



Net zero versus carbon neutrality: what's the difference?

Carbon neutrality refers to a state in which the carbon emitted by your business is balanced by an equivalent amount of carbon removed from the atmosphere. However, carbon neutrality does not require reducing emissions directly.

Net zero refers to the process of reducing Greenhouse Gas (GHG) emissions to nearly zero and balancing any remaining emissions through removal methods like carbon capture. In contrast to carbon neutrality, net zero focuses on reducing emissions as much as possible before considering offsets.

	Carbon neutrality	Net zero
Standard	ISO14068-1:2023	Net Zero Standard (Science Based Targets initiative)
Definition	Human caused GHG emission reductions or GHG removal enhancements and, if greater than zero, is then counterbalanced by offsetting.	Human-caused GHG emissions are reduced in line with the latest climate science and 1.5°C trajectory, neutralising any residual emissions.
Emissions covered	All GHG emissions (though sometimes just CO ₂) Full Scopes 1, 2 & 3 (previously Scope 3 was "encouraged")	All GHG emissions Full Scopes 1, 2 & 3
Applicable offsets	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Avoidance <input checked="" type="checkbox"/> Reduction <input checked="" type="checkbox"/> Removal 	<ul style="list-style-type: none"> <input type="checkbox"/> Avoidance <input type="checkbox"/> Reduction <input checked="" type="checkbox"/> Removal
Application of definition	Company, product or service-level	Global, national or company-level



How to create a credible net zero pledge

1. Front-loaded emissions reduction

Emissions should be brought down as much and as quickly as possible. The science says we need to halve emissions by 2030.

2. Comprehensive emissions reductions with interim targets

Net zero must be reached before 2050 and interim targets are an important way of staying on track.

3. Cautious use of removals and offsets

Carbon removals and offsets should not be used as a proxy for reducing emissions.

4. Complementary to wider sustainability goals

Net zero approaches should maximise wider sustainability benefits, such as job creation, innovation, improved biodiversity, improved efficiency and lowering spend in key areas.

Top tips for net zero success

Developing a credible net zero roadmap is not a simple undertaking, since the impact of emissions spans the entirety of an organisation and affects how it operates. However, there are many things that you can consider at the outset to give your organisation the best opportunity of success.



Consider an expert partner

Whether you need to fill gaps in Scope 1 and 2 reporting requirements or you're under pressure from partners to provide data to support Scope 3, appointing an expert partner is a wise decision.



Create a working group and steering group

Bringing together a team of internal stakeholders at the beginning is extremely beneficial. Especially when it includes those helping you to collate data and crucially those with the authority to make key decisions.



Be clear on your ambitions

Take time to understand your baseline and set realistic expectations. Choose a net zero date based upon facts: what your baseline is and what steps and resources are needed to get there.



Offsetting comes last

Remember that offsetting should always be considered as a last resort for emissions that cannot be reduced or removed in any other way.



Get your data right

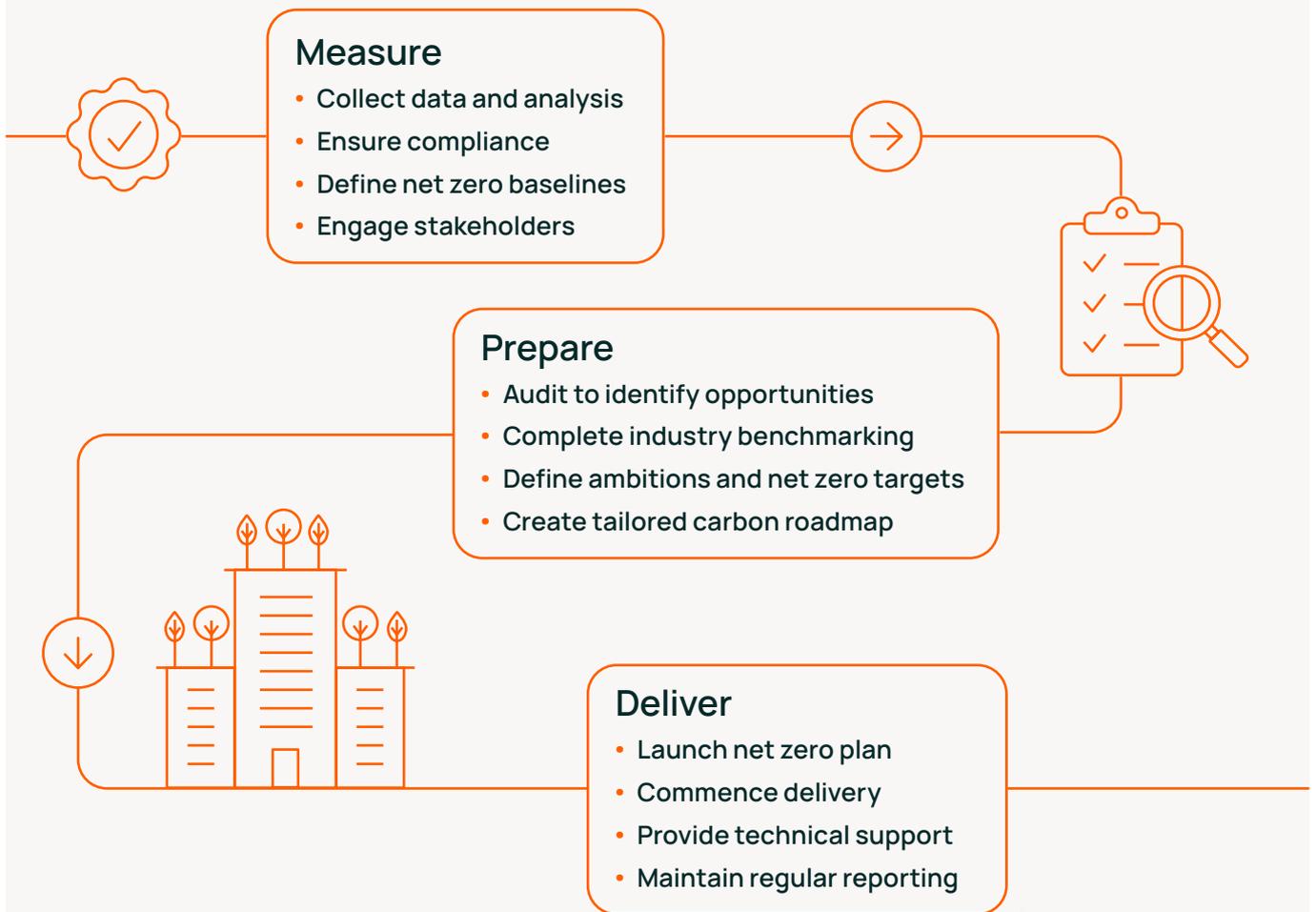
Data is the most critical element of your net zero strategy. If it's inaccurate, the final output will be too. Since data is likely to come from a variety of sources in many formats, think who to request it from and provide clear deadlines.



Ready to take the next step?

Net zero can seem daunting, so it helps to make the process as simple as possible for your organisation. This is an area where an expert partner like Zenergi can help.

We have developed a trusted three-stage framework: **Measure, Prepare and Deliver** – designed to align your people and set your business on a clear pathway to net zero success.



Get in touch with one of our net zero heroes to learn more.

zenergi.co.uk/contact



Key sources

Zenergi: Internal documentation and expert interviews

[Euronews.com: Top American banks exit net zero alliance](#)

[PwC: PwC's 2025 State of Decarbonization Report](#)

[Edie: Companies more likely to increase climate targets than roll them back](#)

[The Science Based Targets Initiative: Standards and guidance](#)

[Carbon Trust: Scope 3 emissions: Mission impossible or too important to miss](#)

[Zenergi: net zero framework](#)

[Zenergi: How to calculate Scope 1,2 and 3 emissions](#)

[Zenergi: 10 steps to net zero](#)

[Plan A: What is the difference between carbon-neutral, net-zero and climate positive?](#)

[Carbon Trust: What are Scope 3 emissions and why do they matter](#)

[Climate seed: What are Scope 3 emissions and why do they matter](#)

Powering a sustainable future



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