UK Net Zero Business Census 2024

Results and Recommendations

UK BUSINESS CLIMATE HUB

IN PARTNERSHIP WITH

PlanetMark
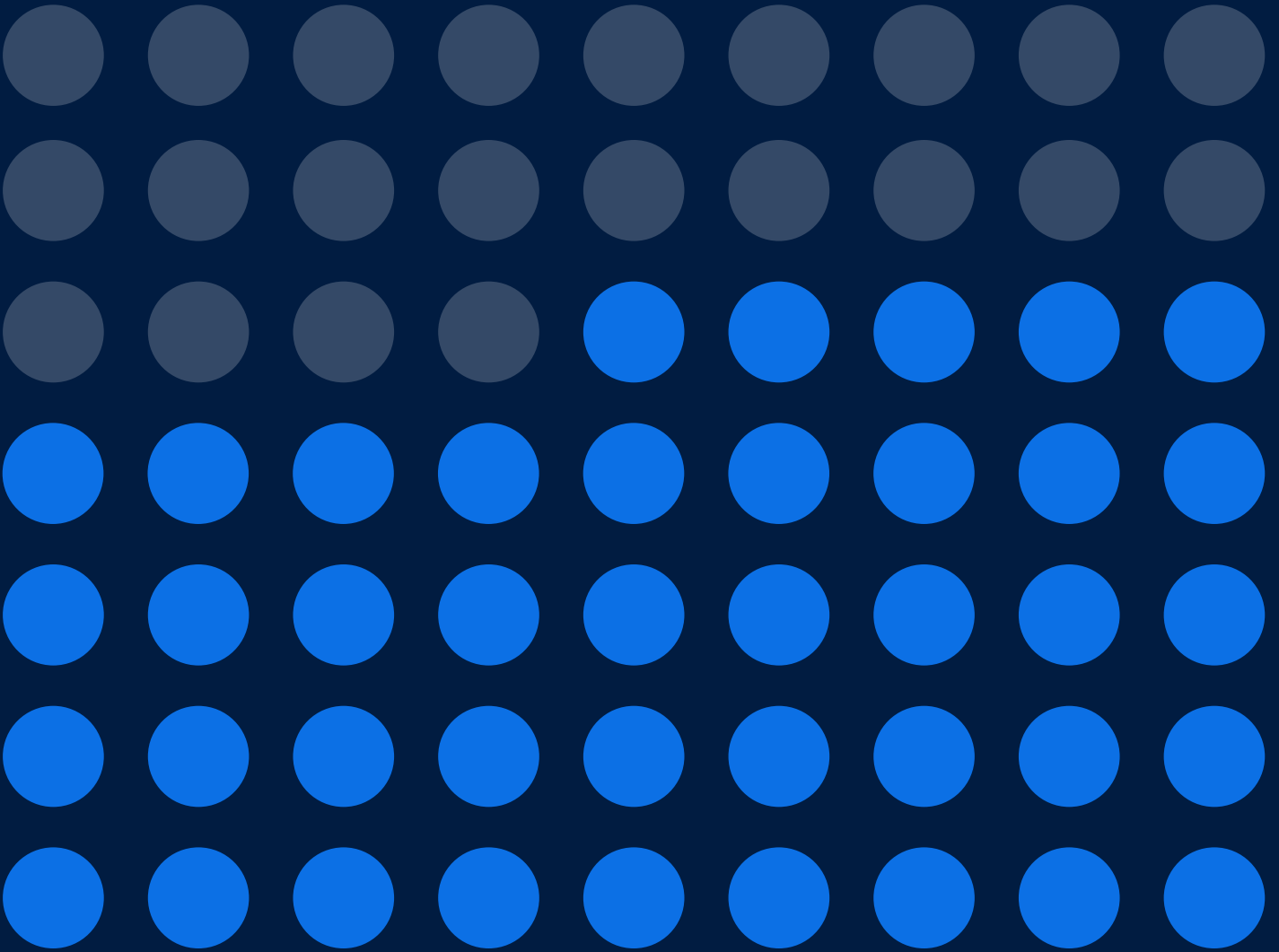
Contents

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Foreword

The transition to clean power and a zero carbon future is both an environmental imperative and an economic opportunity. SMEs are well-placed to capture the economic benefits of the low carbon revolution, through developing solutions needed across the economy and accessing new markets globally. But we need to help make taking decarbonisation action straightforward and accessible.

Broadway has worked with the whole business and finance community including through leading trade associations and with the Government to create www.businessclimatehub.uk, the UK's 'one-stop-shop' for authoritative, free to access advice for business on energy efficiency and decarbonisation. Business Climate Hub is at the heart of the joined-up support framework for SMEs that we and our partners want to create.

To make these frameworks effective we need to work constantly to understand the SME perspective, and how it is evolving.

That's why Broadway is proud to be working with Planet Mark to create the Net Zero Census. The Census is not the first business survey on net zero, but it is the first to be done at this scale, with such a wide range of partners, and to be able to monitor trends annually. This first set of results is already shedding new light on issues such as net zero supply chain requirements, and my thanks go to the Planet Mark team for their hard work in delivering the survey.

Ed Lockhart
Convener
Broadway Initiative

We are incredibly grateful to all who took part in the inaugural UK Net Zero Business Census, both the respondents and the Census Partners alike. It has demonstrated a clear commitment to cross-industry collaboration and demonstrates that net zero is something which all sectors must work toward together.

With 73% of respondents saying net zero is a priority for their business strategy within the next 12 months, UK organisations have made their intent clear. The findings also send a clear message that targeted support and a stable policy environment is critical for them to implement effective net zero strategies. We see this reflected in Planet Mark's 800+ Member organisations who we support with measuring and reducing carbon emissions on an annual basis. The new Labour government has a unique opportunity to create the right policy environment to support organisations, and the economy more broadly, on our net zero journey.

We are committed to working closely with UK Business Climate Hub, industry leaders and government to ensure that these insights lead to meaningful action ensuring net zero is accessible to every business, helping them to take the first steps in measuring and reducing their carbon emissions on our collective journey to net zero.

Andrew Griffiths
Director of Policy
& Corporate Development
Planet Mark

Census Delivery Leads

UK Business Climate Hub

UK Business Climate Hub is the nation's net zero portal for small and medium sized enterprises (SMEs), which condenses carbon-cutting advice into one easy to use website. Through the website, businesses can access financing and support, guidance on steps to reduce emissions, and sector-specific plans for reaching net zero. The UK Business Climate Hub is a shared endeavour, developed with the Department for Energy Security and Net Zero (DESNZ), the international SME Climate Hub and the UK's main business organisations, energy networks, high street banks, other leading businesses and professional bodies. The coalition is managed by the Broadway Initiative.

For more information, please visit:
www.businessclimatehub.uk

Planet Mark

Planet Mark is an internationally recognised carbon reduction and net zero specialist, with over ten years of experience. It is committed to helping organisations of all sizes find solutions to reduce carbon emissions, secure net zero targets and generate long term business value. On average, 99% of certified organisations succeeded in reducing their carbon emissions annually during Planet Mark's first decade of operation. Operating at the centre of climate tech, advisory and legislation, they bring together the best of people, technology and nature with a unified model that helps their 800+ members achieve tangible business results that stand for meaningful climate action.

For more information, please visit:
www.planetmark.com

Broadway Initiative

Broadway Initiative is the coalition of major trade associations working with business, government and ENGOs to power the collaboration necessary to achieve the UK's net zero and environmental goals.

For more information, please visit:
www.broadwayinitiative.org.uk

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Acknowledgements and Census Partners

First of all, our thanks go to all the thousands of organisations who invested the time to complete the census and contribute to the findings of this report. We would also like to thank Cint for their support with data gathering, and Carolina Connor for her support in our analysis, literature review and write-up.

The UK Net Zero Business Census came together as the collaborative effort led by UK Business Climate Hub, in partnership with Planet Mark and 50+ business associations, media outlets and corporates aiming to offer dedicated support to UK organisations of all sizes and sectors on their journey to net zero.

This alliance coming together to support a single campaign sends a clear message that net zero is a critical issue for UK industry, and is something that must be tackled collectively across and within every sector.

We are incredibly grateful for the support of all Census Partners who played a critical role in the success of this initiative.

The perspectives and recommendations expressed in this report do not necessarily reflect the views of individual partners and have been primarily produced by the core census delivery partners — Planet Mark and Broadway Initiative.

All Census Partners

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Executive Summary

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Objective

The objective of the UK Net Zero Census was to assess the current net zero measures and initiatives being implemented by UK organisations, providing a benchmark for industry progress.

This report aims to aid decarbonisation efforts by identifying critical challenges and areas where additional support is required to accelerate the transition towards net zero.

Overview

As we navigate the critical path towards a more sustainable future, we recognise the pivotal role that UK organisations play in driving positive change.

This report sheds light on the commitments, challenges and opportunities faced by organisations of all sizes and industries, each at various stages of their net zero journey.

With a total sample of 2,005 organisations, our findings reveal that while significant strides have been made, substantial challenges persist, particularly for Small and Medium Enterprises (SMEs). Larger organisations demonstrate higher levels of engagement and resource allocation towards net zero initiatives, whereas smaller organisations often struggle with financial and informational barriers.

The report provides actionable insights for businesses, policymakers and investors to accelerate the transition to a more sustainable, low carbon economy.

What is net zero?

The [2008 Climate Change Act was amended in 2019,](#) setting a legal target for the UK to reach net zero greenhouse gas emissions by 2050.

The accepted way for an organisation to achieve net zero status is to set and achieve a science-based emissions target. These typically involve an absolute emissions reduction of at least 90%, alongside accredited carbon removals to offset the balance.

In practice, to reach net zero at a national level, most organisations in the economy will need to be reducing their emissions in line with science based targets, in part through formal processes as well as wider decarbonisation action across the economy.

What are scope 1, 2 and 3 emissions?

These are the main categories of greenhouse gas emissions set out within the GHG Protocol that occur within the entire value chain of an organisation.

1

Scope 1 Emissions

Direct emissions, usually from burning something, like oil and gas heating systems, or petrol and diesel vehicle fleet.

2

Scope 2 Emissions

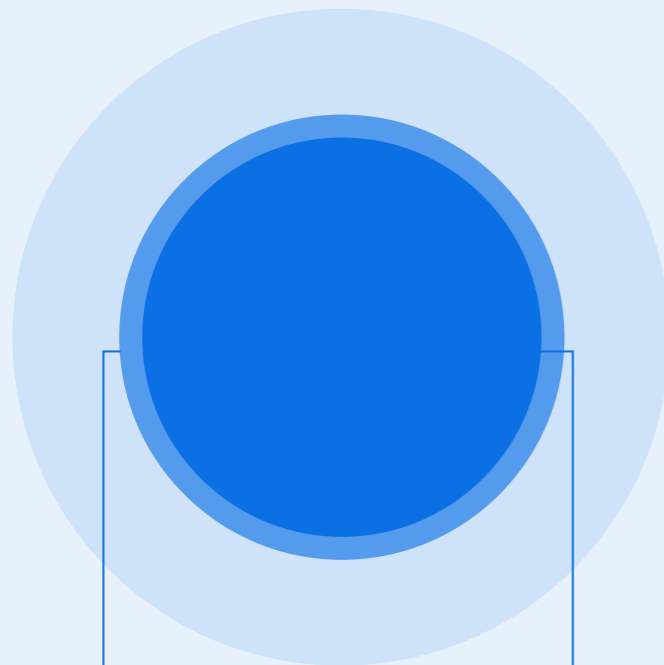Indirect emissions from energy use, usually your electricity bill.

3

Scope 3 Emissions

Indirect emissions from 15 categories of value chain sources, including upstream sources like purchase of products and services, business travel and commuting, and downstream sources like use of sold products and financed emissions.

Customer requests for carbon data

46%

of organisations
report receiving
requests for carbon
data from customers
or tender applications

including
37% of
SMEs

Key results

High engagement but varied progress

Responses show significant engagement with net zero activities, as evidenced by 46% of organisations reporting receiving requests for carbon data from customers and tender applications. This external pressure for transparency signifies a growing demand for accountability in organisations of all sizes, with larger organisations cascading requirements down through their supply chain — often onto SMEs who fall outside the scope of regulatory compliance like SECR. Despite this push, only 33% of organisations have currently measured a full baseline carbon footprint, including all scope 1, 2 and 3 emissions, indicating a gap between engagement and comprehensive action.

Financial barriers

Costs emerge as a major obstacle to achieving net zero, impacting organisations across the spectrum. Both SMEs and larger enterprises cite financial constraints as a significant barrier, with 59% of respondents from each group highlighting it as a major challenge. This underscores the need for tailored financial support mechanisms to facilitate progress towards decarbonisation.

Support and collaboration

In response to these financial barriers, our research recognises the existence of support mechanisms, such as government grants and funding. Despite this, only 25% of organisations reported to have accessed these resources. This low utilisation rate points to a critical gap in the uptake of available support, suggesting that many businesses may not be fully aware, or able, to navigate these opportunities. Campaigns to raise awareness of these resources can help to bridge this gap, enabling more businesses to leverage the support needed to achieve their net zero targets.

Key opportunities

Enhanced support for SMEs

There is a significant opportunity to bridge the gap for smaller organisations by providing tailored financial and proficiency support. Such initiatives would empower SMEs to contribute more effectively to national net zero targets, ensuring their active participation in broader sustainability efforts. In 2023, the combined turnover of all private sector businesses in the UK was £4.48 trillion, up from £4.16 trillion the previous year (Statista, 3 July 2024). Notably, SMEs contributed significantly to this with employment figures at 16.7 million (61% of the total) and turnover estimated at £2.4 trillion (53%) (UK Government, October 2023)

The role of large organisations

Larger organisations can play a pivotal role by leading through example and supporting the expansion of capabilities throughout their supply chain. They have the capacity to offer mentorship and resources, strengthening the overall net zero effort, but also ensuring a more cohesive and unified movement towards sustainability across different business sizes. Collaboration with other industry stakeholders to develop sector-specific decarbonisation plans and templates that help solve key industry challenges is also an incredibly useful activity for large organisations to proactively participate in.

Regulatory certainty

Establishing clear and consistent policies is crucial for providing organisations with a tailored and stable framework to plan and implement their net zero strategies. Regulatory certainty can make it easier for companies to commit to long-term sustainability goals and integrate them into their core operations. This stability will encourage more organisations to take definitive actions, attract talent and investment and become increasingly resilient. Alignment with key international markets, particularly the EU, will be important to facilitate seamless trade.

UK BUSINESS CLIMATE HUB

Empowering UK SMEs to Achieve Net Zero Goals

The UK Business Climate Hub is the nation's net zero portal for SMEs, which condenses carbon-cutting advice into one easy to use website.

Access financing and support, guidance on steps to reduce emissions, and sector-specific plans for reaching net zero.

DISCOVER MORE TODAY

3

Recommendations

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Overview

Opportunities to advance industry progress on net zero emerge from the census data for policy makers, industry bodies, researchers and for organisations themselves. Delivery of these recommendations can foster a supportive environment, improving access to resources and encouraging collaboration, ultimately empowering organisations of all sizes to effectively contribute to the UK's net zero goals.

3.1 Recommendations for policy makers

①

Address high costs through targeted financial incentives and schemes

Explore cost-effective ways to alleviate high costs, the most common moderate to significant barrier (59%) reported for net zero initiatives. This might include improving the take up of existing grant schemes and initiatives such as the introduction of "Help to Green" vouchers — as suggested by FSB and UK Finance, which can offer tailored support to SMEs to kickstart their carbon reduction projects.

②

Improve regulatory certainty

Establish clear, long-term regulatory timelines and policies to provide stability and confidence for investment in net zero initiatives, addressing policy uncertainty, a barrier identified by 50% of respondents as a moderate to significant hindrance. This should be aligned with key international markets, particularly the EU, to facilitate low-friction trade.

③

Facilitate training and capacity building

Work with industry associations and others to improve access to training and expertise to help organisations understanding of net zero requirements and build internal expertise. Explore ways to support dedicated sustainability roles given their importance in ensuring organisational readiness and commitment, aligning net zero strategies across the company.

④

Enhance access to trusted information sources

Strengthen publicity and consider sector-specific campaigns to leverage government-backed resources like the UK Business Climate Hub and expand the use of its comprehensive content and tools, to address the 46% of organisations citing a lack of trusted information sources as a prominent barrier.

⑤

Enhance access to wider financing

Over half of respondents (52%) highlighted the lack of available finance as a moderate to significant barrier. Introducing government-backed low-interest loans and grants, particularly for energy efficiency measures and emissions tracking technologies, could alleviate this issue.

⑥

Recognise SMEs are indirectly in-scope for carbon emissions disclosure policy

37% of SMEs have received a request from a customer or tender application in the last 12 months to supply carbon emissions data. This is clear evidence that disclosure requirements emerging in policy (e.g. SECR, TCFD, IFRS S1 & S2) are cascading down through supply chains to affect SMEs. It is therefore critical to establish clear expectations, boundaries and protections in policy specifically for SMEs, ensuring they are equipped and supported to meet the demands placed upon them.

3.2 Best practices for organisations and industry bodies

1

Accelerate carbon footprint measurement

Promote the urgency in which organisations need to measure full baseline carbon footprint (Scopes 1, 2 and 3). With 52% of participating organisations having already established at least a partial baseline, and a further 29% planning to do so within the next 12 months, it is critical for setting accurate reduction targets and tracking progress.

2

Develop comprehensive carbon reduction plans

Organisations of all sizes and industries must be encouraged to establish clear, actionable plans to reduce carbon emissions, including measurable milestones and timelines.

3

Use trusted information sources

Leverage platforms like the UK Business Climate Hub Website (accessed by 30% of participants) and the Race to Zero Campaign (accessed by 18%) to gain access to best practices across sectors and foster collaboration.

**4**

Invest in education and training

Advance educational support to enhance staff understanding of net zero goals through regular training and development programs, leveraging the critical role of sustainability professionals highlighted in the findings. This is likely to also enhance staff engagement.

5

Invest in renewable energy and efficiency measures

Encourage adoption of renewable energy solutions and implement energy efficiency measures, the most common action that had already been taken by 59% of organisations.

6

Leverage industry associations and sector decarbonisation initiatives

Only 14% of respondents indicated they have accessed industry or trade association guidance on net zero. Encouraging membership and active participation in these associations can facilitate knowledge sharing on best practice, collaboration on shared challenges and foster a collective approach to achieving net zero, particularly in driving sectoral decarbonisation initiatives.

Baseline carbon footprinting by organisations

52%

have at least a partial baseline carbon footprint
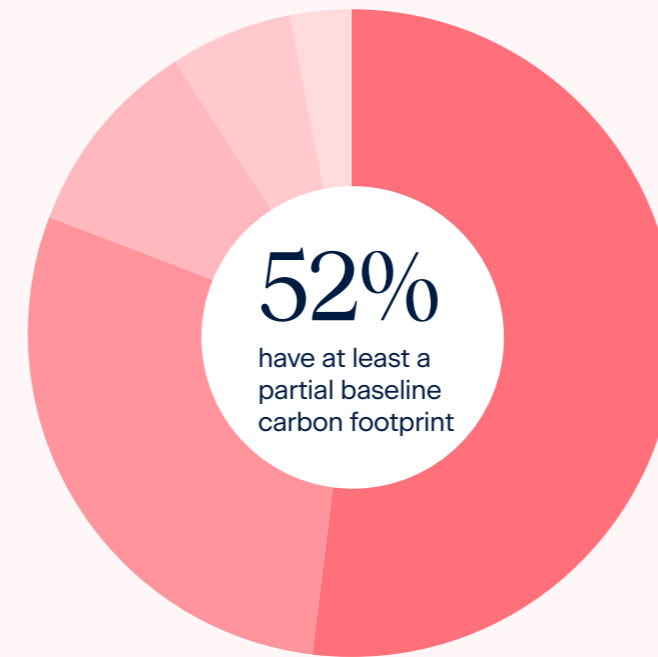
KEY

●	Have done	52%
●	Plan to within 12 months	29%
●	Plan to within 5 years	10%
●	Have no current plans to do this	6%
●	Not applicable for our organisation	3%

3.3 Future research and actions needed to reach net zero

Analysis of sector-specific challenges

Conduct periodic, detailed studies on the unique challenges faced by different sectors, providing tailored solutions and support to address these barriers effectively. UK Business Climate Hub (UKBCH) and the UK Net Zero Council (NZC) have active workstreams supporting this effort, with more information available here.

Impact assessment of policy measures

Evaluate the effectiveness of current policies and incentives on industry progress towards net zero, making data-driven adjustments to enhance their impact. The UK Net Zero Council has begun the process of assessing policy barriers to net zero across all major sectors of the economy, and the UKBCH and NZC are making efforts to support this, particularly through the UK Net Zero Business Census initiative to provide further insight.

Focus on SMEs and microenterprises

Prioritise and support further research on the specific needs for micro, small and medium enterprises, who often lack the resources (time, finance and expertise) to start their net zero journey.

Net zero researchers should collaborate and combine datasets

Foster collaboration and coordination among bodies conducting annual research on organisations' net zero efforts, as this can streamline and strengthen data sets and outcomes. For example, BSI's annual Net Zero Barometer research and annual surveys circulated by media outlets like edie could find ways to collaborate and combine datasets.

4

The UK Net Zero Context

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Overview

The UK's commitment to net zero greenhouse gas emissions by 2050 is enshrined in law through a 2019 amendment to the Climate Change Act of 2008, marking a significant milestone in the nation's climate policy.

This ambitious target aims to eliminate net greenhouse gas emissions, ensuring that the volume of emissions produced is balanced by the amount removed from the atmosphere.
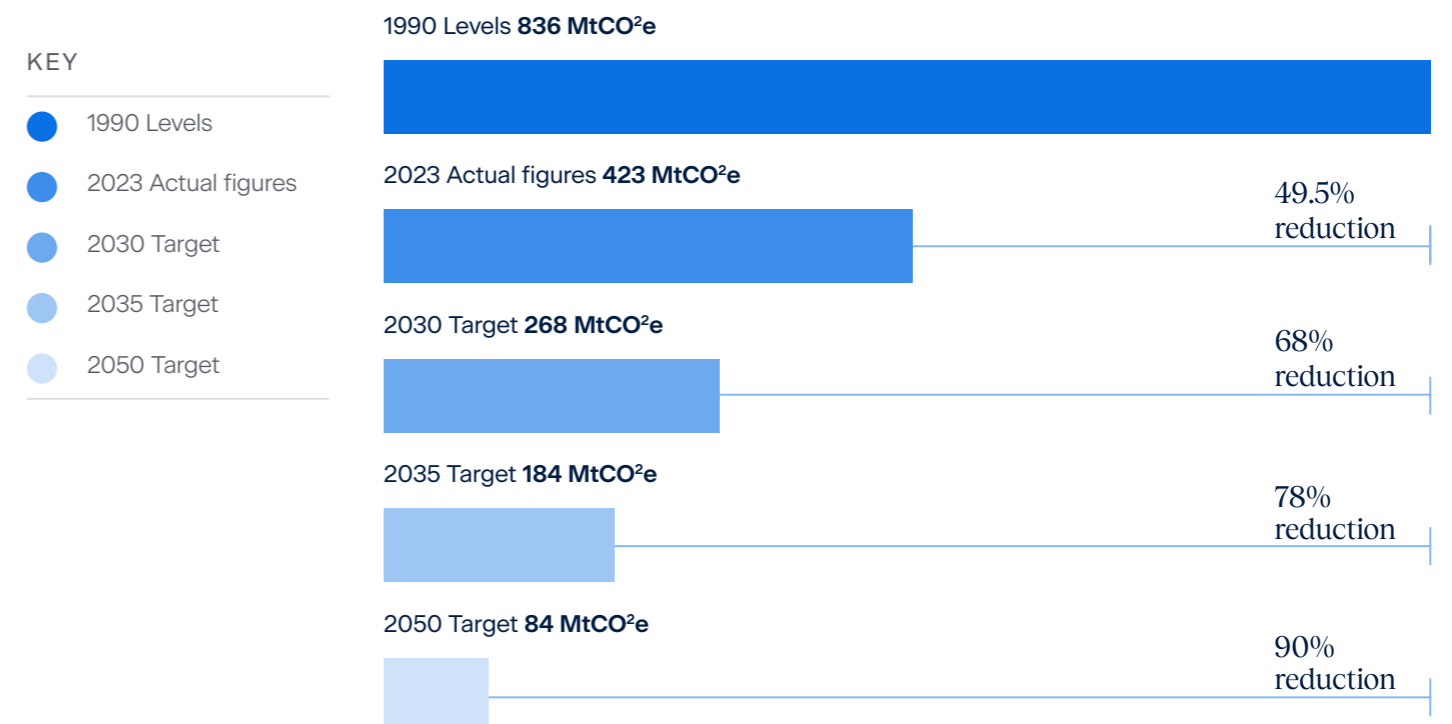
Key interim targets have also been established to ensure steady progress.

These critical and ambitious goals have galvanised both national policy and industry strategies, resulting in substantial progress in reducing emissions so far, with latest figures showing emissions have been cut by 49.5% between 1990 and 2023.

But there is still much work to be done. The Climate Change Committee (CCC), acting as independent advisors to the UK government, have highlighted that while the rate of emissions reduction in 2023 showed an increase, it still falls short of the sustained and accelerated action needed across all sectors to meet future targets. The report warns that without broader action, particularly in surface transport, fuel supply, agriculture and land use, the UK risks not achieving its net zero goals.

Sectors like energy, manufacturing and transport have seen notable progress. According to the CCC Progress Report 2024, the energy sector has significantly reduced its reliance on coal, and more than half of the emissions reductions over the first three carbon budgets (since the start of the Climate Change Act in 2008) were attributed to the phase out of coal and the ramp-up of renewable electricity generation. Additionally, major manufacturing firms have invested heavily in energy-efficient technologies and practices. Despite these efforts, substantial challenges remain for decarbonising industry.

UK territorial emissions percentage decarbonisation targets (Source: UK Sixth Carbon Budget)

KEY

- 1990 Levels
- 2023 Actual figures
- 2030 Target
- 2035 Target
- 2050 Target

1990 Levels **836 MtCO$_2$e**

2023 Actual figures **423 MtCO$_2$e**　　49.5% reduction

2030 Target **268 MtCO$_2$e**　　68% reduction

2035 Target **184 MtCO$_2$e**　　78% reduction

2050 Target **84 MtCO$_2$e**　　90% reduction

Progress on decarbonising the UK energy grid

The energy sector plays a crucial enabling role for decarbonisation of industry as a whole. In aid of this, the country has achieved substantial increases in renewable energy capacity, and according to the UK Government, in the first quarter of 2023, renewables generated a record 48% of our electricity, up from 7% in 2010.

According to the National Grid by the end of 2023, low and zero carbon sources had outperformed traditional fossil fuel generation by providing 51% of the electricity used during the previous 12 month period, compared to 32% produced from gas and 1% from coal stations.

Main renewable energy source contributions to UK electricity generation in 2023

29.4%
contributed by wind power

4.9%
contributed by solar power

5%
contributed by biomass energy

1.8%
contributed by hydropower including tidal

Ben Gray
Clean Energy
Sourcing Manager
Planet Mark

"Procuring clean, renewable energy is often one of the most effective early steps that organisations of all sizes can take to reduce their carbon emissions. If bought wisely, they can often save money in the process too.

The ongoing efforts to decarbonise the UK energy network and expand renewable generation and grid capacity are critical, as this acts as a powerful enabler for businesses on their net zero journeys. We look forward to seeing how new government initiatives like Great British Energy will help to achieve the UK's goal of 100% clean electricity by 2030."
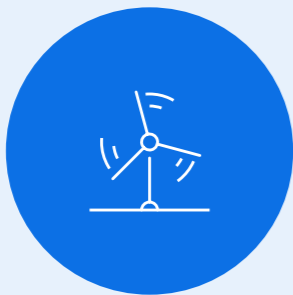
Sector-specific target examples

To continue progressing towards these national goals, specific targets have been proposed for various sectors, recognising the unique challenges and opportunities within each of them:

Energy:

- Leveraging the newly formed Great British Energy to deliver a fully decarbonised electricity system by 2030.

- Aligning Great British Nuclear with Great British Energy to provide energy security and clean power for the future

100%

clean energy by 2030

20GW+

of new offshore wind capacity by 2030

Buildings:

- As many homes [in England and Wales] as possible to achieve EPC band C by 2035

- Under the Future Homes Standard, from 2025 an average semi-detached home will have 75% lower emissions than under 2013 standards and heat pumps will become "the primary heating technology"

- Standards to guide the built environment are rapidly emerging, with a UK Net Zero Carbon Buildings Standard due for final launch in Q3 2024, and the Future Homes Hub are developing a Net Zero Roadmap for home building setting out the steps to reduce emissions, in support of the Future Homes Standard.

2035

Phase-out of new gas boilers replacing with low-carbon alternatives such as heat pumps

EPC

Homes in target EPC Band C by 2035
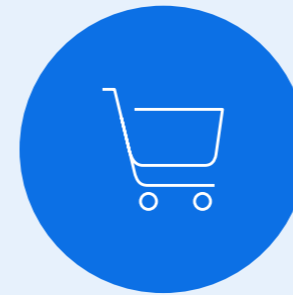
2040

Net zero by 2040 target by British Retail Consortium (BRC)

$2/3$

emissions reduction by 2035

90%

emissions reduction by 2050

80%

New cars sold in Great Britain set to be zero emission by 2030

70%

New vans sold in Great Britain set to be zero emission by 2030

Retail:

- The BRC Climate Action Roadmap sets targets for the UK retail industry to work with its suppliers, partners and governments to tackle the climate emergency

- Near term targets for reductions in electricity use (scope 2) by 2030, and for fuel, gas and refrigerant use (scope 1) by 2035

Industry:

- Transforming industrial processes

- Decarbonise industrial processes through switching to low-carbon fuels and driving innovations in carbon capture, utilisation, and storage (CCUS)

- Increase resource efficiency and strive towards a circular economy model

Transport:

- Path to Net Zero Emission Vehicles by 2035

- 80% of new cars and 70% of new vans sold in Great Britain set to be zero emission by 2030, increasing to 100% by 2035

- Though not fully confirmed by the time this report was finalised, the new Labour government look likely to honour their election pledge to reestablish the 2030 deadline for sales of new petrol and diesel cars, reversing the previous government's decision to push this deadline back to 2035. (Labour Automotive Strategy, 2023)

5

About the Census

5.1 Methodology

Launched in May 2024, the census was delivered by the UK Business Climate Hub in partnership with Planet Mark and other leading business associations, corporates and media outlets.

With a sample size of 2,005 responses, this Census is the largest known national survey of UK industry progress on net zero, with other surveys in our literature review typically sampling ~1,000 organisations (e.g. BSI Net Zero Barometer), or being focused on very specific organisations sizes / sectors.

Census question set

Respondents completed ten multiple-choice questions alongside information about their organisations, enabling segmentation by company size, industry and region. We encourage others delivering surveys on net zero in organisations to align with our question set for comparability.

The full question set can be accessed here.

Census question themes:

1   Confidence in understanding of what net zero means for their organisation

2   Which actions organisations are taking

3   What net zero targets have been set

4   Whether customers or tenders have required carbon footprint information

5   Prioritisation of net zero and wider sustainability goals

6   Levels of stakeholder engagement

7   Perceived benefits to the organisation of net zero action

8   Barriers to progressing with net zero

9   Government, industry and financial support already being accessed

10 Further support needed from government

Sources of respondents

There were two sources of respondents to the survey, direct responses via the census website and responses from a random sample of organisations gathered by the polling company, Cint. Direct responses were encouraged through a comprehensive marketing campaign across Census Partner communications channels including social media, email newsletters, press releases and out-of-home advertising on Clear Channel media screens.

Validation against other sources

We compared this survey data with other datasets and reports contained within nationwide net zero statistics and industry reports. This allowed us to identify shared trends and comparable results gathered through other initiatives.

2,005 viable responses

The census gathered 6,763 responses in total, with 4,758 being screened out, predominately due to submissions from respondents deemed too junior or in an inappropriate role for representing the size/type of organisation (4,675), or duplicate responses from within the same organisation (83). In cases of duplicate responses, preference was given to respondents in the most suitable role based on seniority and/or proximity to sustainability information. Where duplicate respondents operated in a similar capacity, the earliest submission was selected.

Group categories

For reporting purposes, organisations have been categorised according to size in terms of number of employees recorded, and where appropriate their annual turnover.

5.2 Demographics

The following pages provide a snapshot of the diverse range of industry sectors, regions, organisation sizes and respondent job roles represented in the census.

Wide ranging participation

We saw a diverse range of sectors participate in the Census, with the largest being IT and communications at 15%, and the lowest being mining and extractives, which saw only 1 participant (0.05%).

Industry sectors

14.5%	IT/ communications
12.1%	Manufacturing
9.7%	Construction
7.8%	Finance/ insurance
7.6%	Education
7.3%	Retail / whole sale
5.9%	Other
5.4%	Health/ social care
5.3%	Professional/ scientific/ technical activities
5.1%	Business administration/ support services
3.8%	Accommodation and food service activities (hospitality and tourism)
3.3%	Transport/ logistics/ storage
3.1%	Arts/ entertainment/ recreation
2.1%	Real estate
1.9%	Public sector/ defence
1.9%	Utilities/ energy/ water supply/ sewage
1.6%	Third sector/ charities/ non-profits
1.3%	Agriculture/ forestry/ fishing
0.05%	Mining/ extractives

Regional participation from across the UK

Region was determined through the reported UK Head Office Postcode supplied by respondents. Many respondents are likely to operate or have locations in multiple regions, which is not represented in this data.

5%
Scotland
104

1%
Northern Ireland
29

3%
North East
61

10%
North West
209

8%
Yorkshire and Humber
160

6%
East Midlands
129

9%
West Midlands
171

6%
East of England
129

2%
Wales
44

27%
London
539

7%
South West
133

13%
South East
254

2%
Unknown region
43
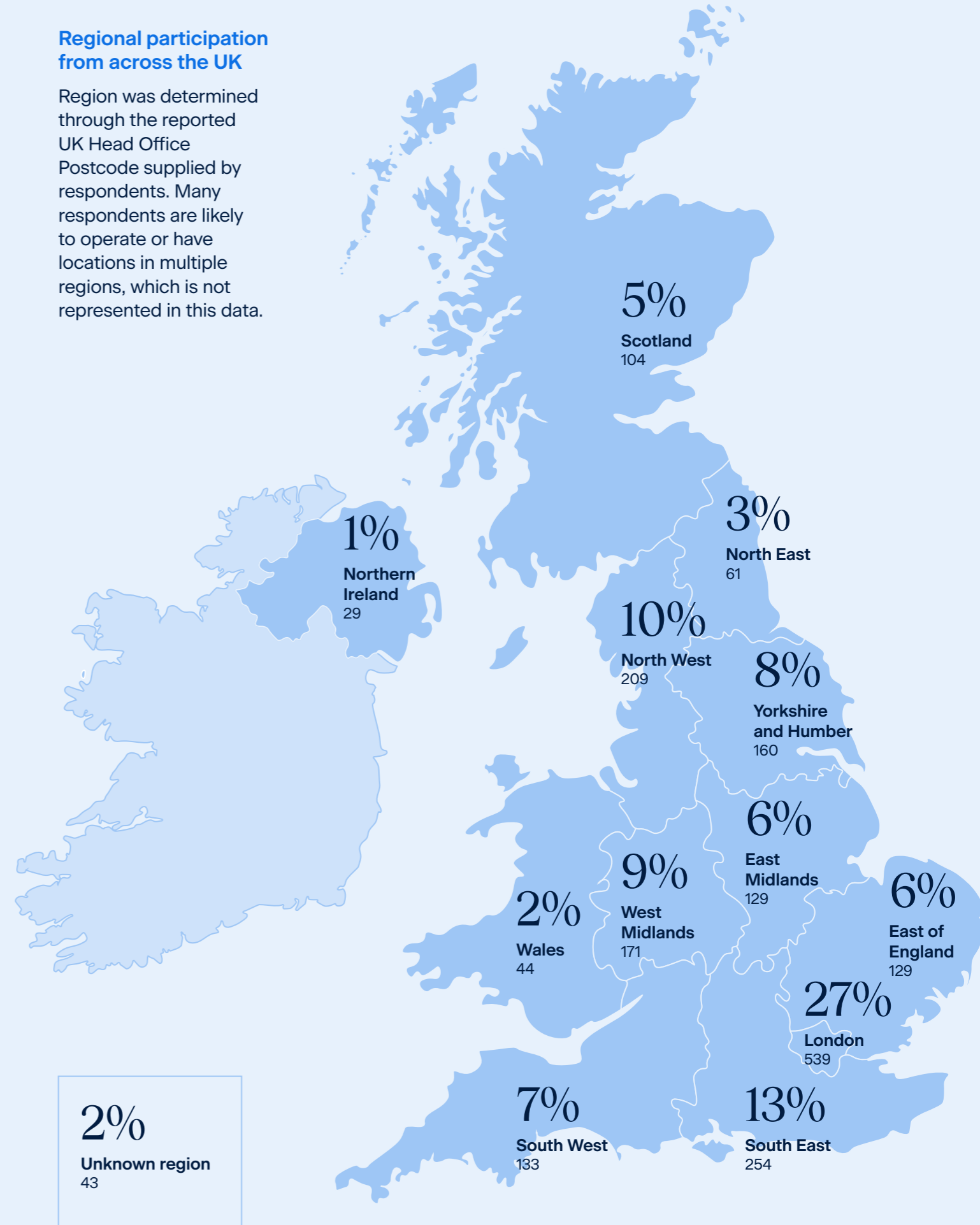
Organisation size (by employees and turnover)

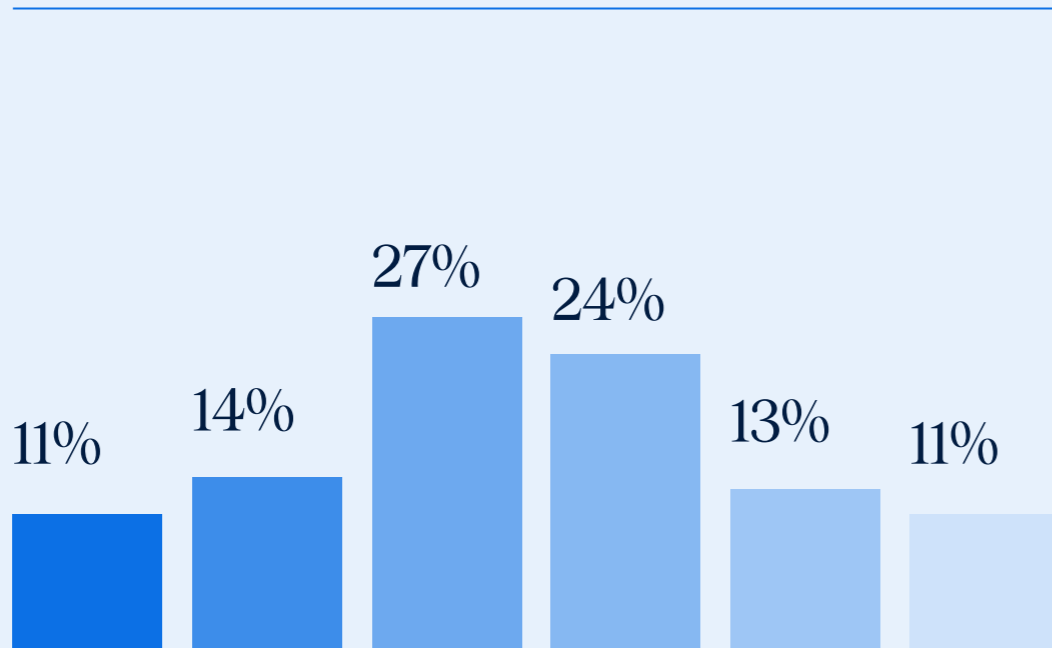Small and Medium Enterprises (SMEs) represent the largest demographic in the sample, with 62% of respondents having <250 employees. Whilst this survey did see 24% of respondents coming from micro (10%) and small (14%) organisations, we recognise that this demographic represents the majority of registered companies in the UK and future research should seek to engage with this group even more.

KEY

- **Microbusinesses** Less than 10 employees
- **Small company** 10 – 49 employees
- **Medium company** 50 – 249 employee
- **Large company** 250 – 999 employees
- **Very large** 1,000 – 4,999 employees
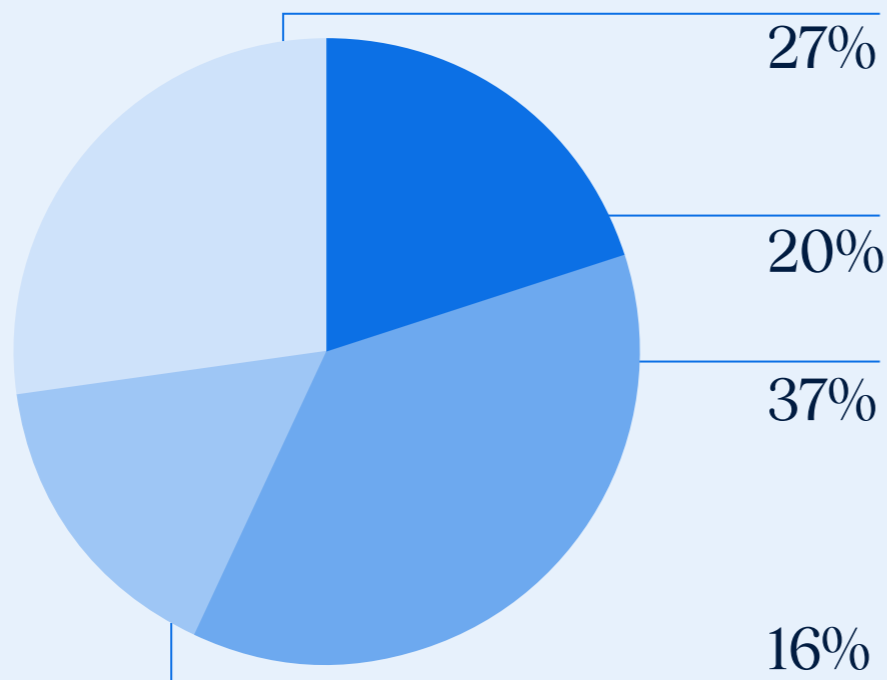- **Extremely large** over 5,000 employees

KEY

- Less than £1m
- £1m – £9,999,999
- £10m – £49,999,999
- £50m+

Size by full time equivalent (FTE) employees

11%   14%   27%   24%   13%   11%
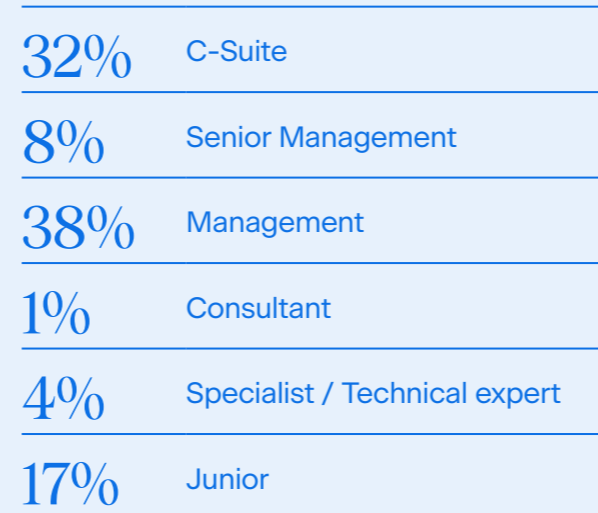
Size by turnover

27%   20%   37%   16%

Responses by sustainability professionals

This was determined by identifying job titles of respondents containing clear references to sustainability, ESG, or Corporate Social Responsibility (CSR). The vast majority of responses were from employees with no reference to sustainability in their job title. This is promising, as it demonstrates the Census has engaged non-sustainability specialists, particularly given that many SME organisations will not have a dedicated person or team for sustainability. Large organisations with 250+ employees were nearly twice as likely to have a sustainability professional responding compared to an SME.

10% Sustainability role

90% Non-sustainability role
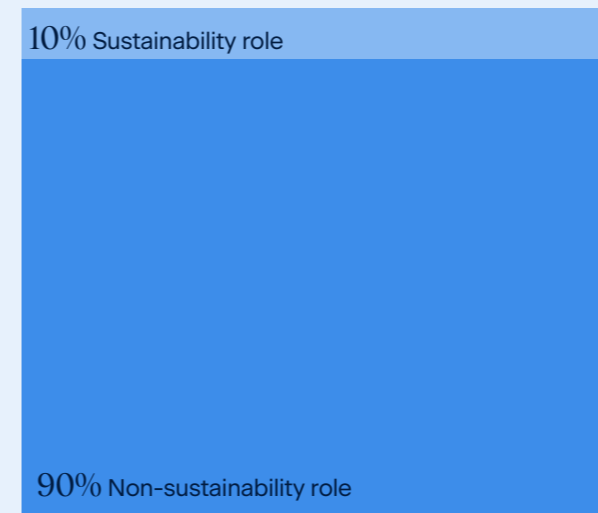
Role seniority of respondent

Seniority was determined by the job title of the person submitting the response to the census.

32%	C-Suite
8%	Senior Management
38%	Management
1%	Consultant
4%	Specialist / Technical expert
17%	Junior

5.3 Data limitations

It is important to acknowledge the limitations of this dataset of 2,005 responses, as there are 5.6 million businesses in the UK, with a long tail of SMEs and microbusinesses in particular.

Especially within direct responses, it is safe to assume that organisations with a greater awareness or interest in net zero would be disproportionately more likely to choose to voluntarily participate in the survey. This assumption is supported by the data, for example with 78% of direct respondents having measured at least a partial baseline carbon footprint versus 45% of responses gathered from the Cint panel, combining together to be 52% of our total sample.

Whilst we partially mitigated voluntary response bias through working with a polling company, the results should be understood within the context and cannot be assumed to be fully representative of all UK organisations, industries or regions. That said, with a sample of this size there are many useful and tangible insights to be drawn, particularly in identifying where organisations are experiencing opportunities and barriers to net zero, and the support that they need to progress further.

6
Key Findings

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Overview

This section highlights seven key findings emerging from the data that are essential to note.

Net Zero priority

73%

say net zero is medium priority or higher

KEY
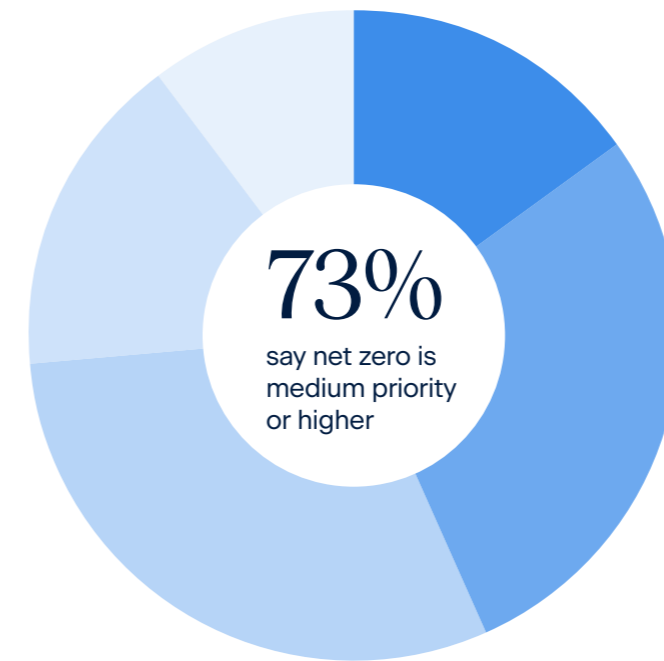
●	Very high priority	15%
●	High Priority	28%
●	Medium Priority	30%
●	Low Priority	16%
●	Very Low Priority	10%

1

Net zero is a strategic priority:

73% of respondents say net zero is a medium (30%), high (28%) or very high priority (15%) for their business strategy within the next 12 months.

Meanwhile, 80% are also prioritising wider sustainability goals. These efforts are deemed to benefit organisations, with 90% anticipating a positive impact on public perception and reputation, 88% expecting a benefit to gaining new customers, and 85% foreseeing benefits in meeting regulatory compliance.

2

Carbon reduction plans are working:

57% of respondents have developed a plan to reduce carbon emissions, whilst 39% report having already achieved measurable reductions.

A further 24% of organisations intend to develop carbon reduction plans within the next 12 months and 34% intend to achieve measurable reductions in their carbon footprint during the same period.

3

Organisations are increasingly measuring their emissions:

52% of organisations report measuring at least a partial baseline carbon footprint, while 29%, plan to do so within the next 12 months.

33% of respondents indicate that they have measured a full baseline carbon footprint including all scopes 1, 2 and 3. A minority of 5% of respondents report having no plans to measure their carbon footprint.

4

Ambitious net zero targets are being set within the next decade:

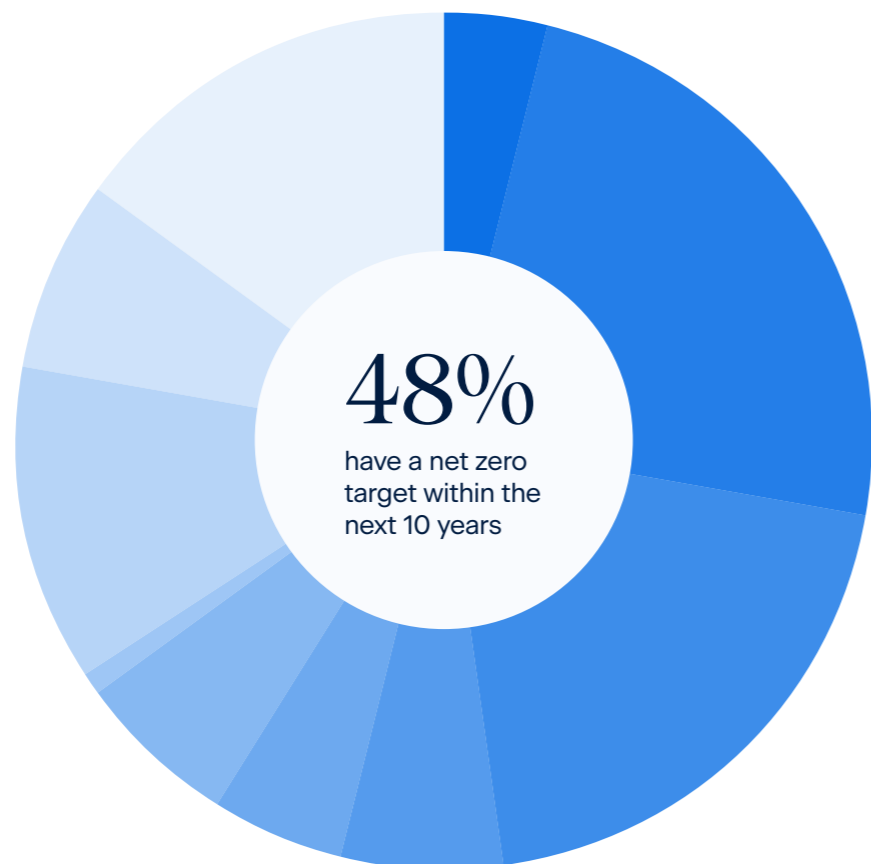48% of respondents have set net zero target dates before 2035, with 28% intending to achieve net zero before 2030. Though there are some signs in the data that particularly non-sustainability professionals may not fully grasp the implications of net zero, leading to setting unrealistic targets. See Key Finding #7 and Section 6 for a deeper look at this trend.

5

Requirements to measure/report carbon data are cascading through supply chains:

46% of respondents reported receiving customer or tender applications that required carbon footprint data in the last 12 months. This included 37% of SME respondents who fall outside of regulatory requirements like SECR to report carbon emissions, demonstrating that requirements to measure carbon emissions are cascading down through supply chains to affect SMEs.

6

Barriers to progressing on net zero are varied:

High cost was the most common barrier cited by respondents, with 59% saying it was a moderate or significant barrier.

Other key barriers included regulatory uncertainty (50%), and a lack of trusted information sources (46%). Further insights highlight the need for tailored support and clear government policies to help organisations of all sizes advance their net zero commitments.

For example, SMEs were more likely than large organisations to report lack of time, expertise, regulatory certainty and not knowing where to start as 'moderate' or 'significant' barriers to progressing with net zero.

Conversely, large organisations were more likely than SMEs to struggle with outdated infrastructure.

Both SMEs and large organisations were almost equally likely to report high costs, availability of finance and lack of trusted information sources as a barrier.

7

Education is essential and sustainability professionals have a role to play:

Organisations with a dedicated sustainability professional were 17% more likely to have set a net zero target, and to have realistic timelines for achieving these goals.

Notably, 5% of respondents in a non-sustainability role indicated that their organisation's net zero target was 2024 or earlier, and 31% that they would achieve net zero by 2029. On the other hand, zero sustainability professionals listed a <2024 target and only 2% had targets aiming to achieve net zero by 2029, which suggests that they better understand the scale and complexity of the challenge. This underscores the critical role of sustainability professionals and highlights the need for comprehensive organisation-wide education on what achieving net zero entails.

17%

Organisations with a dedicated sustainability professional are 17% more likely to have set a net zero target

KEY

2024 or earlier	4%	
2025 – 2029	24%	
2030-2034	20%	
2035-2039	6%	
2040-2044	5%	
2045-2050	6%	
After 2050	1%	
Will set a target within 12 months	12%	
Will set a target within 5 years	7%	
No plans to set a target	15%	

Net Zero targets

48% have a net zero target within the next 10 years

7

Net Zero Action, Prioritisation and Stakeholder Engagement by Organisations

↘

Overview

This section provides a detailed breakdown of the results to questions that indicated tangible steps and the levels of priority for organisations taking action on net zero.

7.1 Confidence in understanding net zero among organisations

87% of respondents are confident in their understanding of the implications net zero had for their organisation, rising to 94% in respondents who had a sustainability-specific job role. Only a small fraction express uncertainty (10%) and only 3% feel unconfident or indicated not to know. Given responses to other questions on measurement, targets and action, it is possible that we are seeing overconfidence or misunderstanding about what net zero entails in these confidence figures, highlighting the importance of net zero education.

KEY

- ● Highly confident
- ● Confident
- ● Neither confident nor Confident
- ○ Unconfident
- ○ Don't know

Respondent's confidence in understanding net zero implications (%)

40%   46%   11%   3%   0%
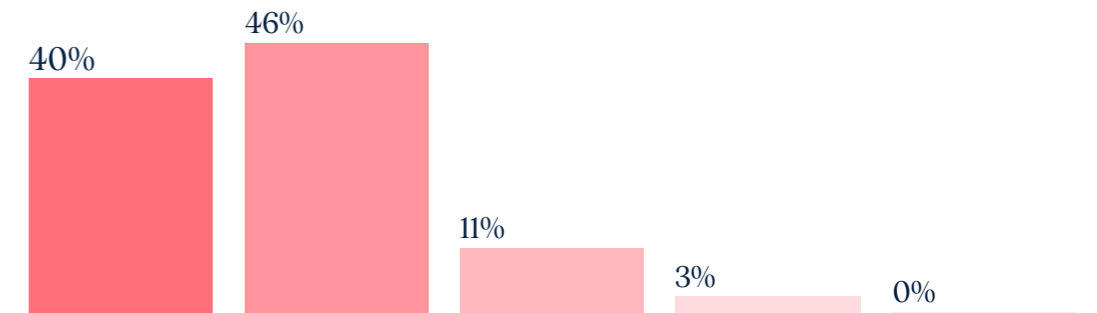
> "In the talks and workshops Planet Mark do at conferences and industry events, we regularly find that people remain confused about what net zero means for their business, often mixing it up with other terms like carbon neutral. Clarity, consistency and education are essential to help all organisations get to grips with the reality of net zero for their industry so that they can progress meaningfully and credibly towards it."

Andrew Griffiths
Director of Policy & Corporate Development, Planet Mark

7.2 Prioritisation of net zero and broader sustainability goals in business strategies

Responses indicate most organisations are placing considerable priority on embedding net zero and sustainability initiatives into their business strategies. **73% of organisations report working towards achieving net zero is a medium (30%), high (28%) or very high (15%) priority for their business strategy in the next 12 months.** Meanwhile, 80% say the same for wider sustainability goals. This demonstrates that while net zero is a key priority for many, organisations are also keenly aware of broader sustainability issues, like waste management and social impact.

KEY

- ● Very high priority
- ● High priority
- ● Medium priority
- ○ Low priority
- ○ Very low priority

Prioritisation of net zero and sustainability in the next 12 months

Working towards achieving net zero **(%)**

| 15 | 28 | 30 | 16 | 10 |
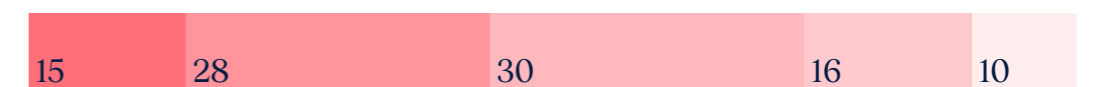
Working towards achieving wider sustainability goals **(%)**

| 20 | 33 | 27 | 13 | 7 |

7.3 Stakeholder engagement levels in net zero initiatives

The level of perceived engagement amongst stakeholders is varied. **Leadership teams exhibit the highest engagement, with 46% of respondents reporting high engagement and 25% medium engagement, showing strong top-down support for net zero initiatives.** Employee engagement is perceived somewhat lower, with only 28% highly engaged and 37% with medium levels of engagement.

Customers are perceived to be slightly more engaged compared to suppliers (26% versus 23% rated as highly engaged respectively), but with similar levels showing some level of engagement, with 86% reporting, at least low, medium or high engagement for both groups overall.

Shareholder perceived engagement is more evenly spread, with 30% of respondents reporting them as highly engaged and 27% medium, versus 30% reporting no or low engagement, reflecting varying degrees of market response to net zero initiatives.

However, it is worth noting that large organisations with 250+ employees report greater engagement from shareholders, rising to 63% reporting medium to high engagement in total.

Participants perceived their financiers to have the lowest level of engagement with them on net zero, with only **23% of participants rating financiers as having high engagement, and 14% reporting no engagement at all.** This further underlines the challenges organisations report in securing suitable funding to develop projects that facilitate their net zero transition.

The disparity in engagement levels among stakeholders suggests that whilst leadership appears committed to net zero goals, more effort is required to galvanise other crucial groups, particularly with financiers and suppliers.
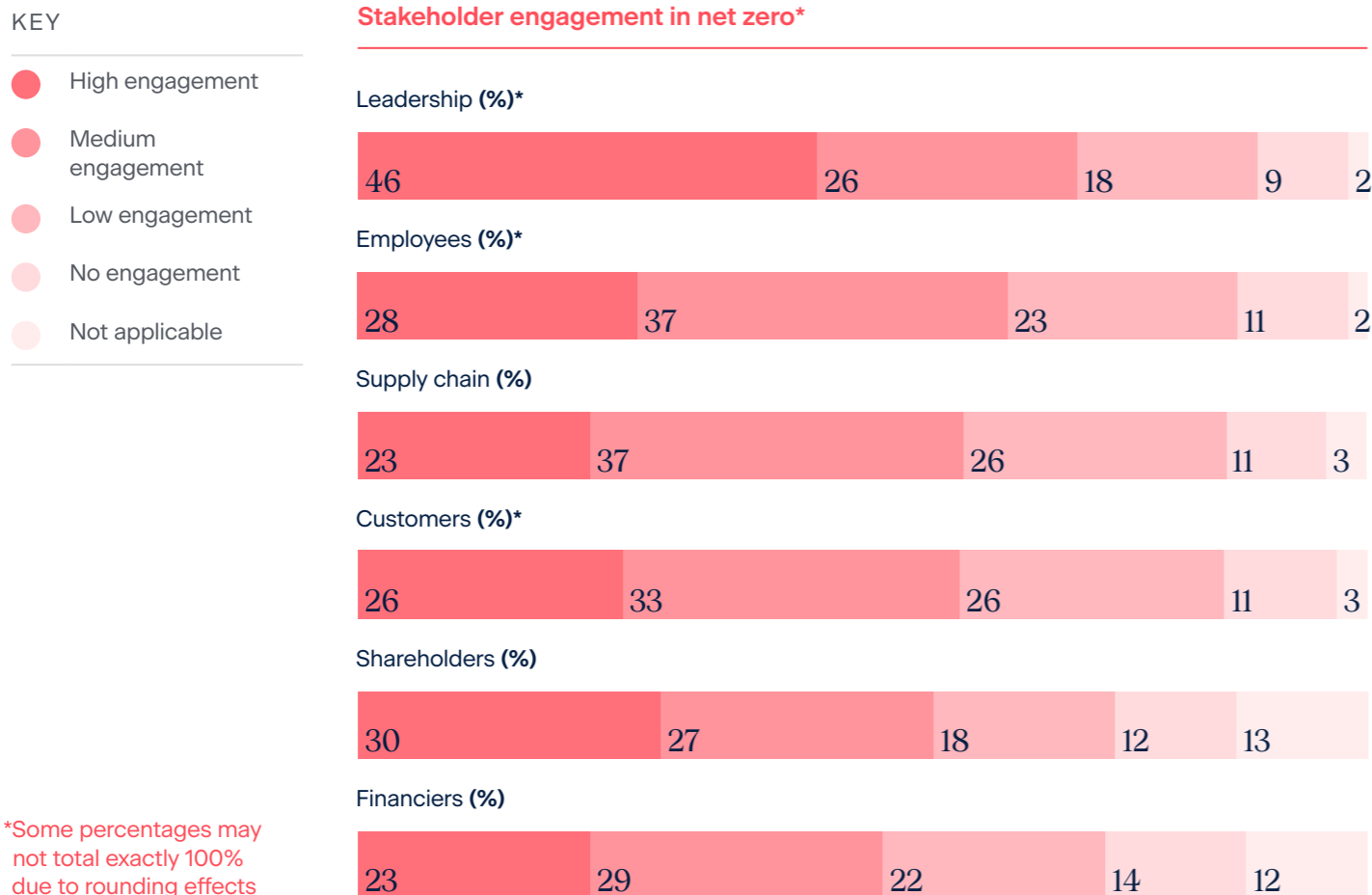
7.4 Customer requirements for carbon footprint disclosure in the last 12 months

In the last 12 months, 46% of respondents reported receiving requests for carbon data from customers or tender applications. This means nearly half of surveyed organisations are facing external pressure to disclose carbon emissions, suggesting a significant trend towards increased transparency and accountability.

Notably, this figure includes 37% of SME respondents, who are typically exempt from regulatory requirements like SECR, suggesting that the demand for carbon emissions reporting is cascading down through supply chains to affect smaller organisations.

In the last 12 months, have any customers or tender applications required you to report carbon footprint data?

Certain sectors are particularly likely to have received requests for carbon data, including:

Percentage who have received requests for carbon data per sector

64%	IT/ communication
54%	Transport/ logistics/ storage
51%	Construction
51%	Manufacturing
50%	Utilities
49%	Professional/ scientific
49%	Finance/ insurance

KEY

- High engagement
- Medium engagement
- Low engagement
- No engagement
- Not applicable

Stakeholder engagement in net zero*

Leadership (%)*

46	26	18	9	2

Employees (%)*

28	37	23	11	2

Supply chain (%)

23	37	26	11	3

Customers (%)*

26	33	26	11	3

Shareholders (%)

30	27	18	12	13

Financiers (%)

23	29	22	14	12

*Some percentages may not total exactly 100% due to rounding effects

KEY

- Yes
- No
- Don't know

Large organisations

36%
9%
55%

SME respondents

6%
57%
37%

Reported net zero target year

4%
By 2024
(2024 or earlier)

24%
Within 5 years
(2025–2029)

20%
5–10 years
(2030–2034)

17%
10–25 years
(2035–2050)

1%
Beyond 2050
(2050+)
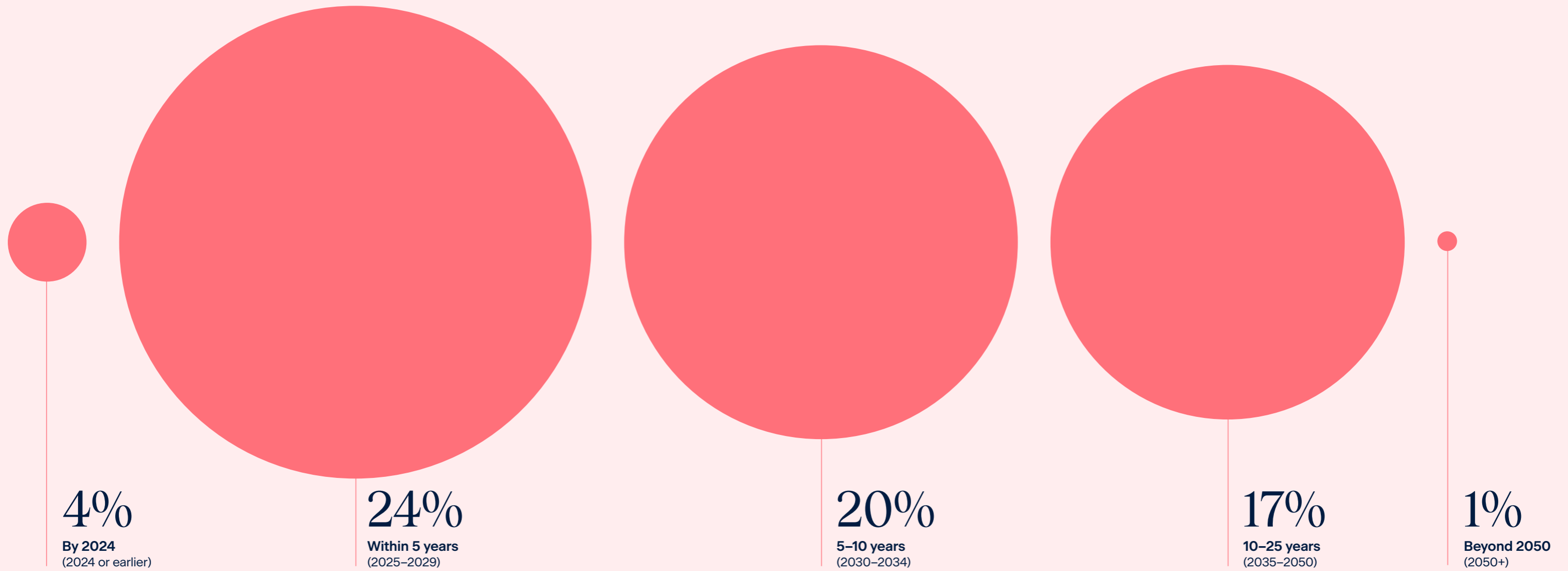
7.5 Net zero target setting

The data on net zero targets demonstrates that organisations are acknowledging the urgency of climate action, with 66% of organisations having set some form of net zero target. The majority of these are within the next decade, with 24% of companies aiming for 2025-2029 and 20% for 2030-2034. Only a small fraction (4%) have set net zero targets for 2024 or earlier, though all of these were respondents without sustainability in their job titles, potentially suggesting a misunderstanding in what achieving net zero realistically entails for an organisation.

Notably, 34% have yet to set net zero targets at all, however, 12% of these intend to do so within the next 12 months and 7% within the next 5 years.

These figures are markedly higher than might be expected given the number of organisations who have publicly shared and recognised net zero targets through initiatives like SBTi (5,769 globally) and Race to Zero (~11,000 globally).

This suggests that although organisations may not be publishing net zero targets formally, they are still setting internal targets to guide strategy and decarbonisation actions.

34% of respondents currently have no net zero target, including:

12%
plan to set targets
within 12 months

7%
plan to set targets
within 5 years

15%
have no plans
to set a target

7.6 Actions being taken by organisations

The census reveals varied progress across organisations in their journey towards net zero.

Over half of respondents (57%) have already developed a plan to reduce carbon emissions, with an additional 24% planning to do so within the next 12 months. Measuring at least a partial baseline carbon footprint is another significant step. When combining those who uniquely reported measuring a partial or full baseline footprint, we found that 52% of companies have undertaken some form of measurement, and 29% plan to within the next 12 months. However, **fewer companies (33%) have measured a full baseline carbon footprint** (Scopes 1, 2 & 3), though 36% intend to in the coming year.

Interestingly, 10% of respondents claim to have developed a plan to reduce carbon emissions without having measured a partial baseline carbon footprint, which suggests that actions are being taken even when the impacts are not necessarily being measured.

The most common action was energy efficiency measures, which have been implemented by 59% of respondents, showing a strong commitment to addressing operational emissions. Switching to renewable energy contracts is also a popular action, with 47% having already made the switch. Waste management and reduction efforts are being taken by 53% of organisations, underlining the appreciation of wider sustainable practices. A lower proportion of organisations report embarking on initiatives that reduce the carbon emissions from their core products (38%), suggesting this is a more challenging area.

Despite these efforts, significant gaps remain. Only 31% of organisations have installed on-site renewable energy and only 38% of organisations who report having fleet vehicles have begun switching to electric or hydrogen. These areas present opportunities for further progress and investment.

KEY

- ● Have done   57%
- ● Plan to within 12 months   24%
- ● Plan to within 5 years   11%
- ● No current plans   5%
- ○ Not applicable   2%

Developing a plan to reduce carbon emissions

57%

have already developed a plan to reduce carbon emissions
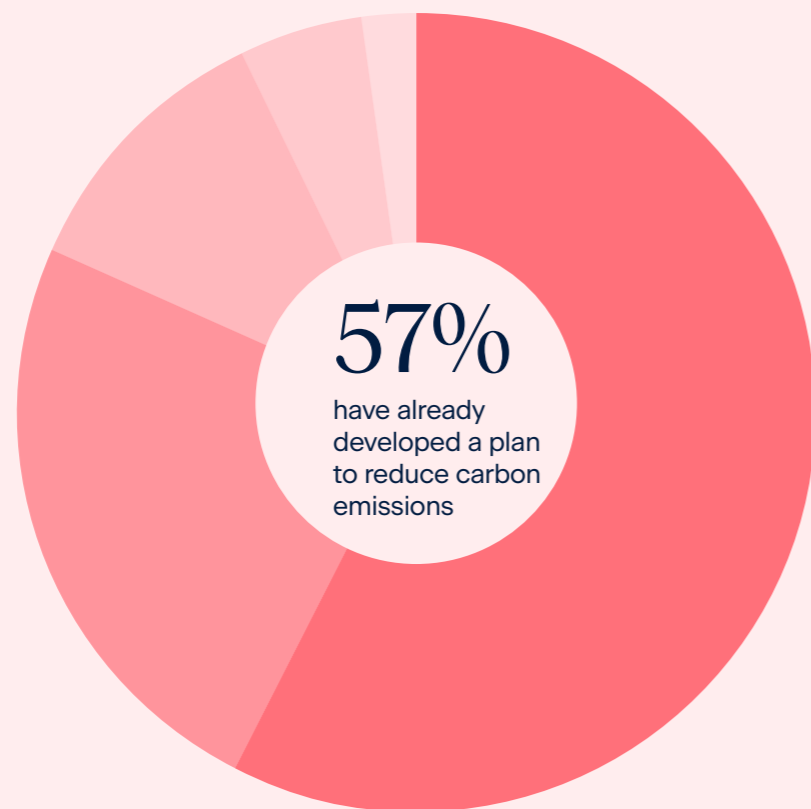
KEY

- ● Have done
- ● Not done but plan to within 12 months
- ● Not done but plan to within 5 years
- ● Have no current plans to do this
- ○ Not applicable for our organisation

Carbon emissions measurements, plans and reductions*

Achieve measurable reductions in our carbon footprint (%)*

| 39 | 34 | 18 | 7 | 3 |

Develop a plan to reduce carbon emissions (%)*

| 57 | 24 | 11 | 5 | 2 |

Measure our full baseline carbon footprint (Scope 1, 2 and 3) (%)

| 33 | 36 | 19 | 8 | 4 |

Measure a partial baseline carbon footprint (%)

| 45 | 32 | 12 | 7 | 4 |
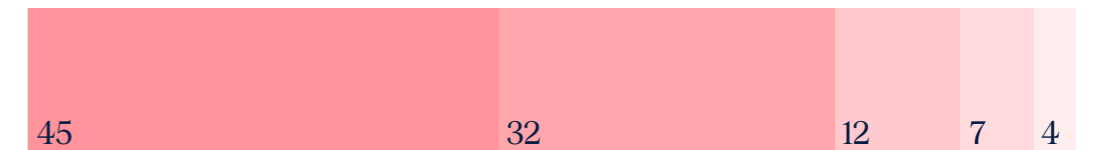
Actions to reduce carbon emissions

Implement energy efficiency measures (%)

| 59 | 24 | 10 | 4 | 3 |

Implement waste management and reduction (%)

| 53 | 27 | 11 | 5 | 4 |

Switch to renewable energy supply contract (%)

| 46 | 28 | 16 | 6 | 4 |

Actively choosing low carbon suppliers (%)

| 38 | 33 | 17 | 8 | 4 |

Reduce carbon emissions of our core products (%)

| 38 | 30 | 16 | 7 | 10 |

Begin switching our fleet to electric / hydrogen vehicles (%)

| 33 | 26 | 20 | 8 | 13 |

Install on-site renewable energy (%)

| 31 | 29 | 22 | 9 | 9 |

*Some percentages may not total exactly 100% due to rounding effect

Chris Sims
Managing Director —
Small and Medium Business
BT

"It's extremely positive to see that many businesses in the IT and communications sector are showing climate leadership by already measuring their carbon emissions and taking direct action to reduce emissions too. But the report shows that there needs to be more collaboration to support SME's, who often lack sustainability expertise and resources. I encourage our sector and others to work together to continue this positive momentum."

Hannah Gilbert
Director, Sustainability
British Business Bank

"We welcome this report which highlights that for the majority of businesses net zero is a strategic priority. Within 12 months, 80% of organisations expect to have a plan for tangible action to reduce carbons emissions with nearly 40% already having reduced their footprint. While the report highlights that financial constraints are a barrier to action, it also shines a light on nuances of smaller businesses and the importance of mechanisms tailored to their needs."

Brigitte Amoruso
Senior Energy & Climate
Change Policy Specialist
Make UK

"While it's heartening to see a majority of companies considering net zero as a priority and already engaged on their path to net zero, this census confirms that manufacturers cannot do it all on their own, whether small or corporate. For the net zero growth opportunity to be maximised a conducive business environment is needed with long-term stability and coherence across the board. From Government providing policy certainty, trusted information sources, good tax incentives and investment in infrastructure, to better engagement from financiers with innovative products to facilitate investment. It is time to get a long-term overarching industry strategy integrating net zero across the line for all to benefit."

Actions being taken in key sectors

Taking a few of the best-represented sectors from the data, we have outlined some sector-specific insights on actions being taken within particular industries.

The current state of net zero actions varies significantly across sectors, with substantial progress in some areas and notable gaps in others.

For instance, regulatory measures in sectors such as energy and transport have accelerated progress towards net zero, driving significant advancements in reducing emissions. Conversely, sectors like business services and retail face challenges related to premises ownership, limiting their autonomy and the scope of actions they can implement.

This disparity underscores the need for tailored strategies and support to address sector-specific challenges and promote consistent progress across all industries.

IT and Communications

The IT & Communications sector was the best represented sector (15%) in the census data. **68% of IT & Communications participants report having developed a plan to reduce carbon emissions and a further 23% intend to do so within the next 12 months.** 44% have measured partial baseline carbon footprint, but only 35% have completed a full baseline carbon footprint (Scopes 1, 2 & 3).

41% report measurable reductions in their carbon footprint, and 58% have implemented energy efficiency measures, with 26% planning to do so in the next 12 months. 48% have implemented waste management and reduction initiatives and 44% say they are actively choosing lower carbon suppliers.

68%
have developed a plan to
reduce carbon emissions

23%
intend to do so within
the next 12 months

Manufacturing

Significant strides have been made towards decarbonisation, despite the complex challenges affecting the multiple sectors within this industry. According to MAKE UK, the momentum generated from COP26 saw 72% of manufacturers recognising net zero as a business priority, with many perceiving it as a cost burden. Fast forward to 2024, and MAKE UK reports an overwhelming 92% of manufacturers understanding the UK's transition to net zero as a business priority.

Within the census, we segmented the manufacturing sector into chemicals, consumer goods, food and drink, heavy industry and others. Their combined contributions amount to 12% of all responses, of which **60% have already developed plans to reduce carbon emissions, with an added 24% planning to do so within the next 12 months**. While 51% have measured a partial baseline carbon footprint, only 35% have measured their full baseline (Scopes 1, 2 and 3), however 37% plan to complete full baseline measurements within the next year, and 43% have reported reductions in emissions within the last 12 months.
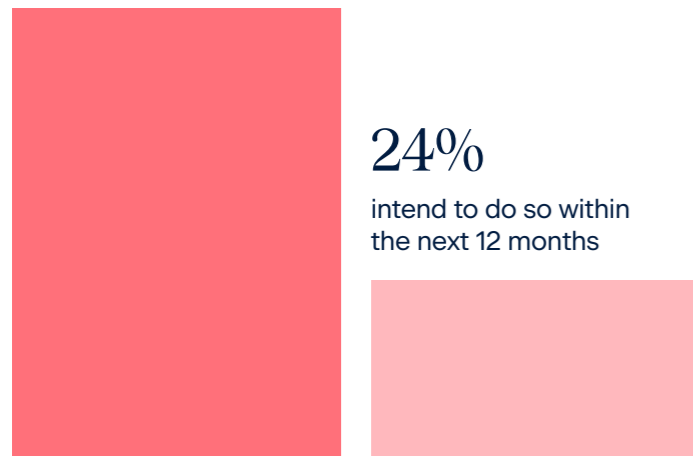
Construction

The Construction Leadership Council's (CLC) 7th Performance Assessment (November 2023) highlights progress from the sector's efforts, including advances towards eliminating diesel from worksites. However, the report also finds areas needing improvement, such as the pace of training for heat pump installers, crucial for enhancing the energy efficiency of buildings.

The census insights from this sector, which represents 10% of organisations participating, show significant engagement, with **59% reporting to have developed a plan to reduce carbon emissions** and a further 24% intending to do so within the next 12 months. 40% of respondents in this industry report measurable reductions in their carbon footprint and 60% have implemented waste management and reduction initiatives. A further 42% are actively choosing lower carbon suppliers.
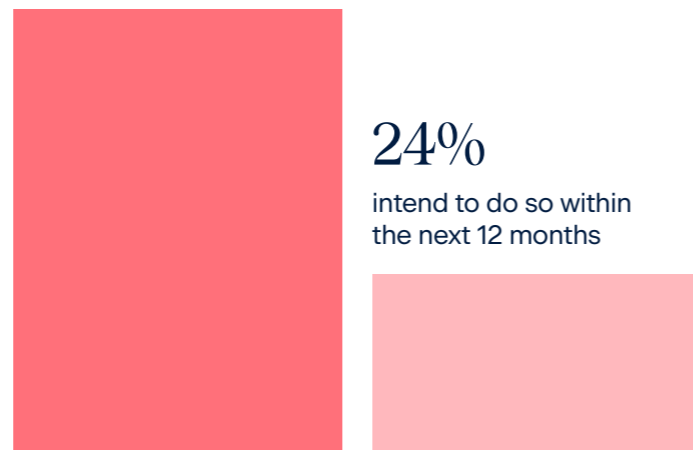
Financial

A considerable number of financial institutions have set up robust climate strategies, integrating sustainability into their core operations. This includes investments in green finance, development of sustainable financial products and alignment with global frameworks like IFRS standards (previously TCFD). Despite this progress, the sector faces challenges including low levels of consistency in climate-related data and the need to transition from improved reporting to the implementation of these commitments and ensuring they are having the impact needed to finance the transition to net zero.

Accounting for 8% of respondents, this sector is highly engaged. 52% report having an emissions reduction plan and another 29% plan one within 12 months. Only 40% have measured a partial baseline carbon footprint, 26% have measured a full baseline (Scope 1,2 and 3), and a promising 44% plan to measure their full baseline within the next year, highlighting an area of significant upcoming activity.
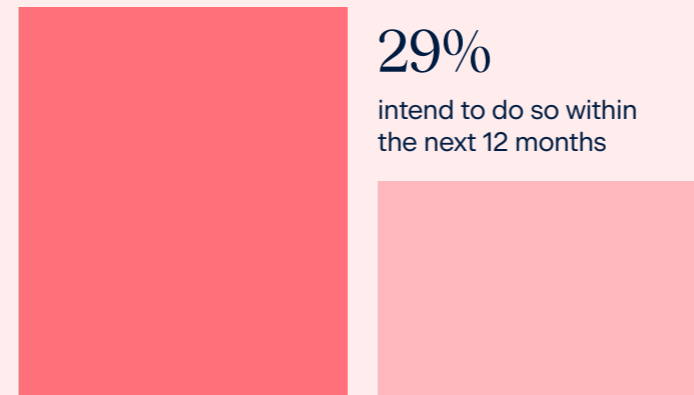
Transport, logistics and storage

Surface transport remains the highest emitting sector in the UK, contributing 23% of UK GHG emissions in 2022. Progress is being made, with over 40,000 public EV charging points across the UK as of 2023, and electric vehicles (EVs) made up 16.6% of new car sales. Although investments in EV infrastructure and incentives are underway, there is an urgent call for accelerating investment, particularly in light of the government's commitment to phasing out the sale of new petrol and diesel cars by 2035.

The sector of Transport, logistics & storage represents 3% of companies who responded to the census. Of these, **63% have developed a plan to reduce carbon emissions and a further 19% intend to do so within the next 12 months.** 45% of respondents in this industry report to having achieved measurable reductions in their carbon footprint and 42% are actively choosing lower carbon suppliers.

60%
have developed a plan to reduce carbon emissions

24%
intend to do so within the next 12 months

59%
have developed a plan to reduce carbon emissions

24%
intend to do so within the next 12 months

52%
have developed a plan to reduce carbon emissions

29%
intend to do so within the next 12 months

63%
have developed a plan to reduce carbon emissions

19%
intend to do so within the next 12 months

8

Benefits of Net Zero

↘

Overview

Respondents to the census were able to identify a wide range of benefits from pursuing net zero initiatives. Contributing to addressing climate change ranked top, with 46% of participants finding it a significant benefit, followed very closely by the enhancement of organisational reputation and public opinion (45%).

Other key benefits include demonstrating industry leadership (42%), regulatory compliance (41%) and competitive advantage (38%).

New customer acquisition and customer retention are reported as significant by 37% and 36% of respondents respectively, highlighting the market opportunities associated with net zero efforts. **Cost savings and business/process efficiencies are also important, with 29% of respondents identifying these as substantial benefits.**

Additionally, attracting investment and finance is seen as a significant benefit by 31% of respondents, underlining the financial incentives that working towards net zero can offer.

However, the perceived value of net zero initiatives across different industry segments indicates some nuances between smaller and larger organisations. **In particular, only 20% of micro and small businesses expected cost savings to be a 'Significant Benefit', compared to 43% of organisations with 250+ employees.** This highlights the challenges smaller organisations face in realising cost savings from net zero initiatives, particularly when they are already running quite lean operations.

These varying levels of perceived benefits from net zero initiatives across different organisation sizes underlines the need for tailored approaches and support mechanisms to suit different types and sizes of organisation.

By understanding these differences, industry bodies and policy makers can create more effective frameworks, and financiers can identify opportunities to support accelerating the transition to a sustainable economy, ultimately enabling organisations to better plan and execute their net zero journeys.

Interestingly, there is an approximately +.33 positive correlation between the strength of a respondent's perception on the benefits to taking action on net zero, and the level of engagement that they report from leadership, employees, suppliers and customers. However, there is a much lower positive correlation (+.21) between their perception of benefits and whether or not they have taken action on net zero. This suggests that perceiving benefits to net zero action can help increase engagement of key stakeholders, but doesn't necessarily significantly increase the likelihood of action.
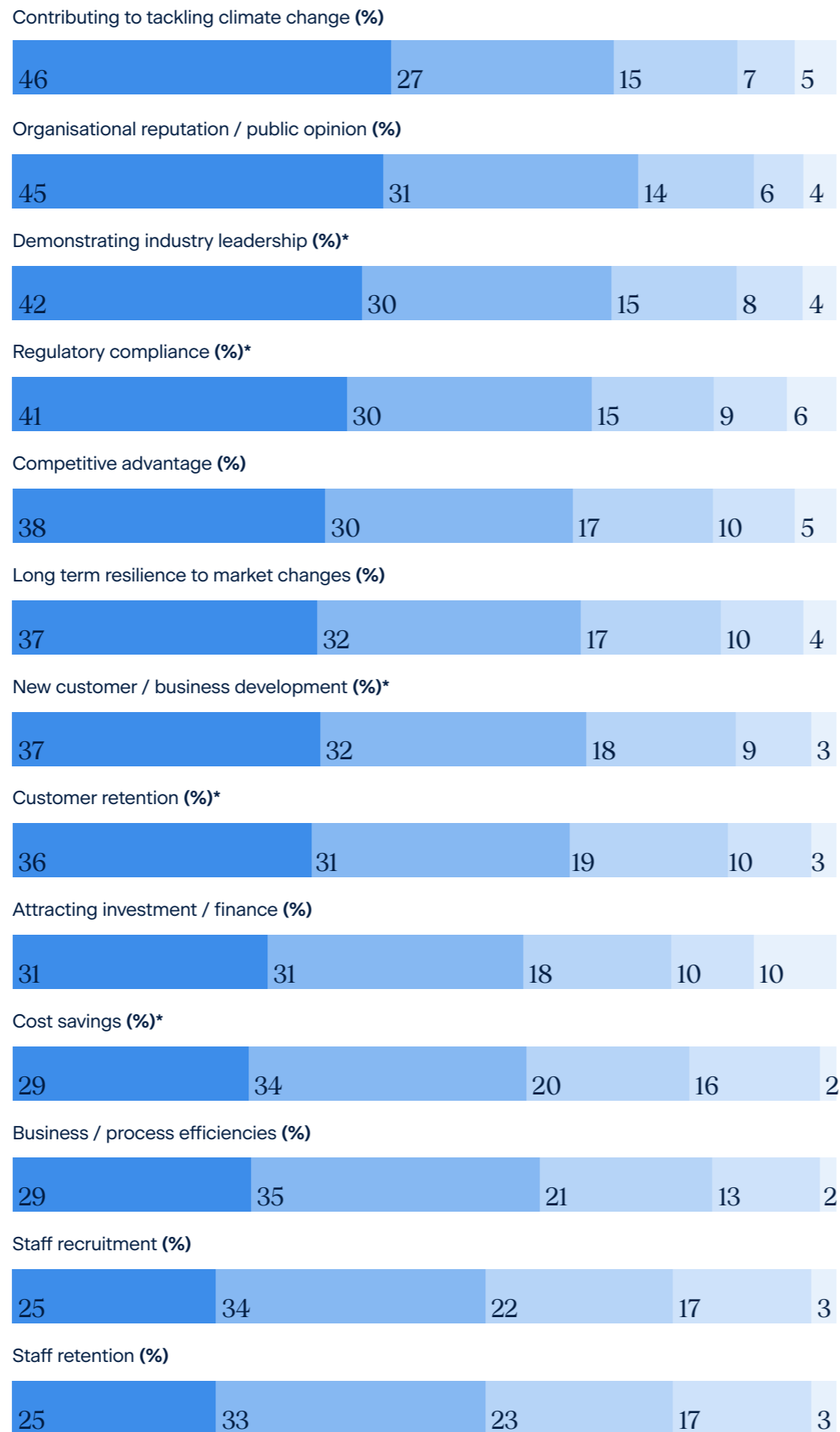
90%

of respondents expect net zero action to improve their organisations' reputation

KEY

- 🔵 Significant benefit
- 🔵 Moderate benefit
- 🔵 Minor benefit
- 🔵 No benefit
- 🔵 Not applicable

Benefits of Net Zero*

Contributing to tackling climate change (%)

46	27	15	7	5

Organisational reputation / public opinion (%)

45	31	14	6	4

Demonstrating industry leadership (%)*

42	30	15	8	4

Regulatory compliance (%)*

41	30	15	9	6

Competitive advantage (%)

38	30	17	10	5

Long term resilience to market changes (%)

37	32	17	10	4

New customer / business development (%)*

37	32	18	9	3

Customer retention (%)*

36	31	19	10	3

Attracting investment / finance (%)

31	31	18	10	10

Cost savings (%)*

29	34	20	16	2

Business / process efficiencies (%)

29	35	21	13	2

Staff recruitment (%)

25	34	22	17	3

Staff retention (%)

25	33	23	17	3

*Some percentages may not total exactly 100% due to rounding effects

> "Retailers share the industry ambition for net zero by 2040. While the path is complex, retail's scale and reach present a unique opportunity to drive growth and resilience in an increasingly sustainability-focused market. Achieving net zero can deliver cost savings such as through energy efficiency but barriers exist. Upfront costs, supply chain complexity, and regulatory uncertainty present challenges. Balancing short-term financial pressures with long-term environmental commitments requires careful planning and strategic investment. Collaboration with suppliers, embracing renewable energy, and a supportive policy environment are all key in retailers' journey to net zero."

Helen Dickinson
Chief Executive
British Retail Consortium

> "The transition to net zero provides an opportunity to future proof your business and get ahead of the game/ competition. Growing your customer base, boosting efficiency, and attracting finance and investment are critical to your long-term success — taking action to cut carbon emissions helps to unlock these benefits and boost your prospects."

Sarah Mukherjee
CEO
IEMA

9

Current Barriers and Challenges

Overview

Our respondents identified several barriers in their progress to achieving net zero, with high costs being the most significant. **59% of organisations across all sizes and sectors cite high costs as a significant or moderate barrier.** Availability of finance is also a barrier, with 52% of respondents identifying it as a significant or moderate barrier. Lack of time (52%) and outdated infrastructure (53%) are also notable barriers.

50% of respondents cite policy uncertainty as a barrier, emphasising the role of clear regulatory guidelines in facilitating net zero initiatives, whilst **50% of organisations struggle with a lack of expertise and 29% with knowing where to start.**
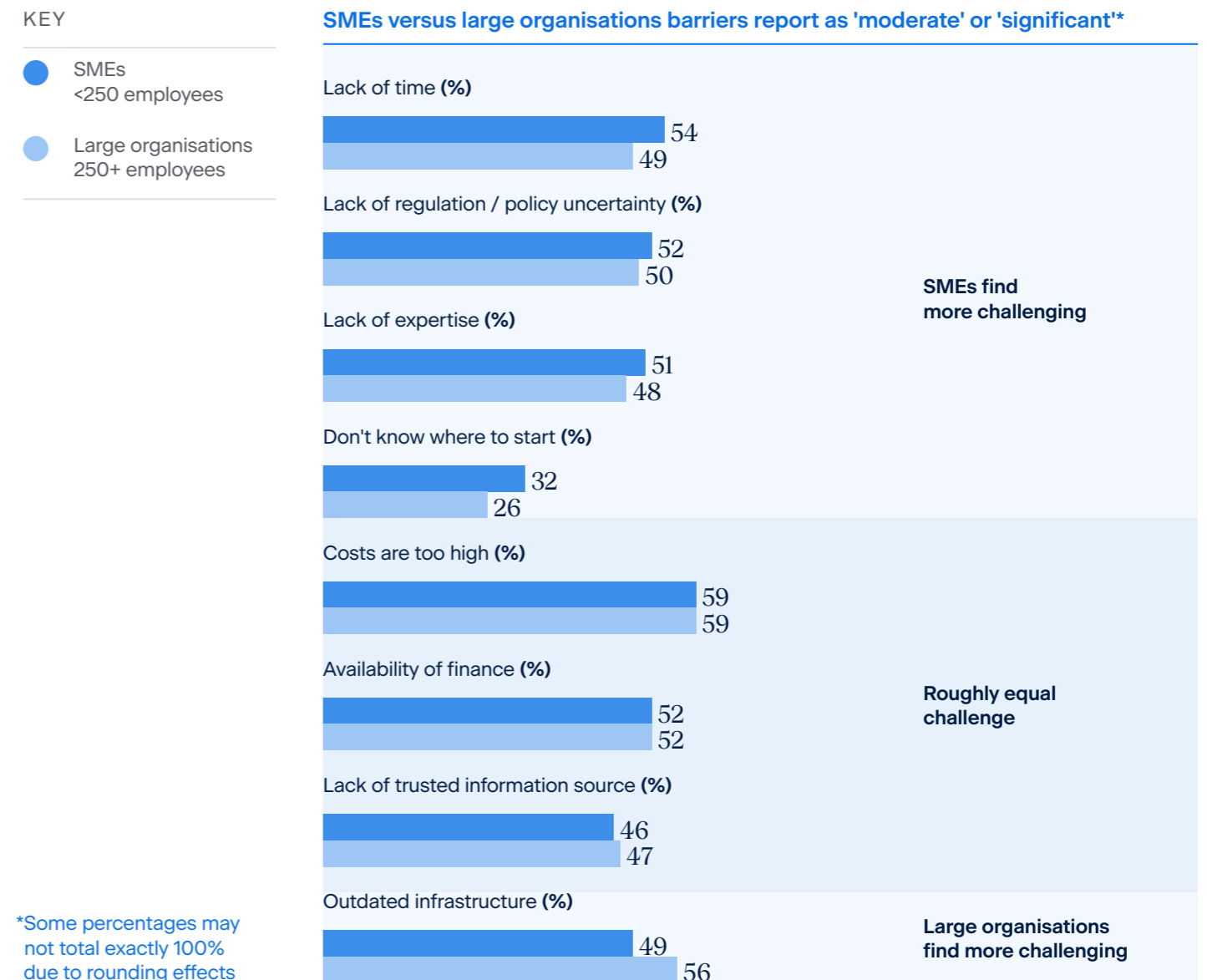
Combined, the prevalence of these barriers suggests that organisations require more practical support and resources, coupled with targeted education and stable regulatory environments to foster confidence and capability in pursuing net zero goals.

Interestingly, when looking at correlations between variables, there is very little correlation between respondents strength of perceiving barriers to achieving net zero and their likelihood of taking action (+.02), or perception of net zero benefits (+.08) and key stakeholder engagement (+.06).

This suggests that although barriers are widely recognised and experienced, they are not necessarily the predictive factor getting in the way of taking action.

There is some variation in which barriers are most commonly affecting SMEs versus large organisations, as can be seen in the chart below.

KEY

● SMEs
<250 employees

● Large organisations
250+ employees

SMEs versus large organisations barriers report as 'moderate' or 'significant'*

Lack of time **(%)**
54
49

Lack of regulation / policy uncertainty **(%)**
52
50

Lack of expertise **(%)**
51
48

SMEs find more challenging

Don't know where to start **(%)**
32
26

Costs are too high **(%)**
59
59

Availability of finance **(%)**
52
52

Roughly equal challenge

Lack of trusted information source **(%)**
46
47

Outdated infrastructure **(%)**
49
56

Large organisations find more challenging

*Some percentages may not total exactly 100% due to rounding effects

KEY

- ● Significant barrier
- ● Moderate barrier
- ● Minor barrier
- ● Not a barrier
- ● Not applicable

Barriers to Net Zero*

Costs are too high (%)

| 23 | 36 | 24 | 14 | 3 |

Outdated infrastructure (%)

| 20 | 33 | 25 | 17 | 5 |

Availability of finance (%)*

| 20 | 32 | 23 | 19 | 6 |

Lack of time (%)*

| 19 | 33 | 27 | 17 | 3 |

Lack of regulation/ policy uncertainty (%)*

| 19 | 31 | 27 | 18 | 4 |

Lack of expertise (%)

| 17 | 33 | 29 | 17 | 4 |

Lack of trusted information sources (%)

| 15 | 31 | 29 | 21 | 4 |

Don't know where to start (%)*

| 10 | 19 | 26 | 38 | 6 |
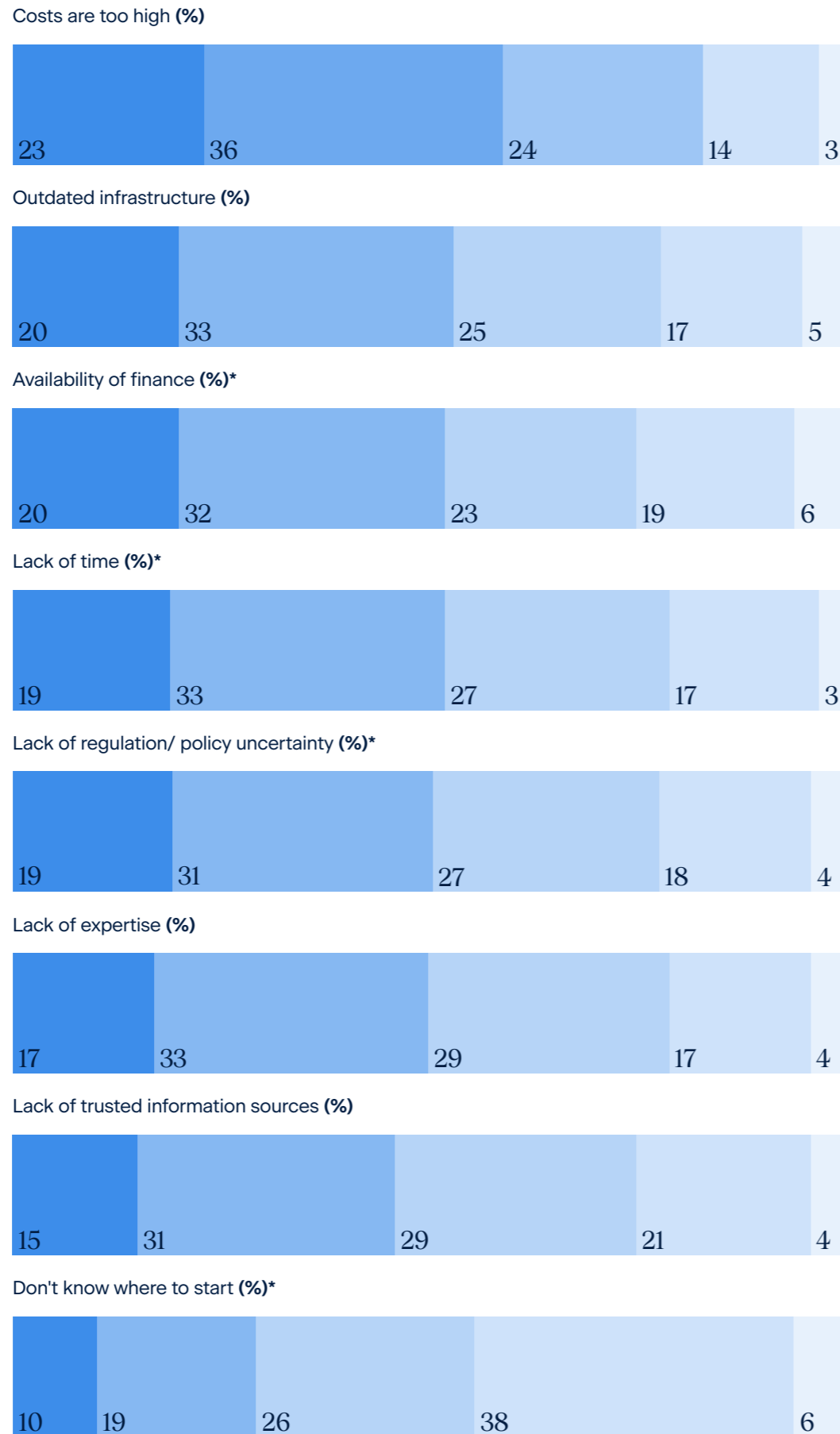
*Some percentages may not total exactly 100% due to rounding effects

Martin Baxter
Deputy CEO
IEMA

"Taking action on net-zero doesn't need to be expensive. Unlocking the potential of existing employees provides a platform for businesses to implement low-cost or no-cost opportunities to reduce carbon emissions, cut costs and boost employee recruitment and retention.

However, demand for green skills globally is outpacing the growth in green talent. A recent IEMA survey found less than 10% of working age people in the UK say they have access to green skills training through their employer.

Successful employers are investing in green upskilling across their workforce - much like the way digital skills spread across businesses over previous decades — weaving green competences throughout the business."

Alex Hall-Chen
Principal Policy Advisor
for Sustainability
IoD

"Business is on board with the necessity of the transition to net zero. However, in line with the Net Zero Census findings, our own research shows there are significant barriers to business decarbonisation. Government action to support businesses, particularly SMEs, to overcome these barriers efficiently and effectively is key to achieving the UK's net zero commitments."

10

Support from Government, Industry Bodies and Financiers

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Overview

The data reveals a varied uptake of different forms of government, industry and financial support among organisations working towards net zero goals, and also where organisations report needing more support.

Types of support already accessed by organisations

%	Type
31%	Education and training
30%	UK Business Climate Hub website
26%	Government-backed services and support
25%	Grants and fundings
18%	Race to Zero campaign
14%	Trade association guidance
12%	Tax credit(s)
11%	Loan
1%	Others
29%	None (government / industry / financial)

10.1 Support currently being accessed by organisations

The form of government or industry body support currently most accessed by respondents is Education and Training, with 31% of organisations having tapped into educational resources, highlighting the importance of building proficiency and skills to achieve net zero goals. **This was closely followed by 30% of respondents who reported accessing the UK Business Climate Hub Website for support and resources to guide their net zero journeys.**

Other forms of support include Government-backed Services & Support, accessed by 26% or respondents; Grants & Funding, with 25% of organisations having reached out for this resource. The Race to Zero Campaign has been engaged by 18% of respondents, indicating some awareness and participation in this global initiative.

Only 14% of organisations indicated having accessed Trade Association Guidance, suggesting a potential underutilisation of industry-specific assistance.

Loans and Tax Credits are among the least accessed (11% and 12% respectively),suggesting barriers and/or a lack of awareness in how to use these financial mechanisms to support net zero efforts.

Most significantly, a sizeable 29% of respondents had not accessed any form of government, industry or financial support, indicating a substantial proportion of organisations may either be unaware of available support or find it inaccessible.

10.2 Government support needed by organisations

Generally speaking, organisations have a strong appetite for more support on net zero from government across the board, with **92% of organisations indicating that at least one type of improved support from government would be helpful.**

The most popular form of support requested was "Enhanced Tax Incentives" with 41% stating this would be "very helpful". This was closely followed by "Greater Certainty in Policy & Regulation" with 40%, providing a clear mandate from industry for the new UK government to set and commit to a long-term net zero industry strategy and stick to it.

Another interesting indirect finding from the census was that more than 50% of respondents opted-in for the optional census prize draw to receive one of thirty free 30-minute 'Carbon Clinics' from a Planet Mark expert to get their key questions on net zero and carbon measurement answered, or one of ten free IEMA Transform Magazine subscriptions. This further indicates a strong appetite for accessing support and expert advice within industry.

92%

of organisations indicating that at least one type of improved support from government would be helpful
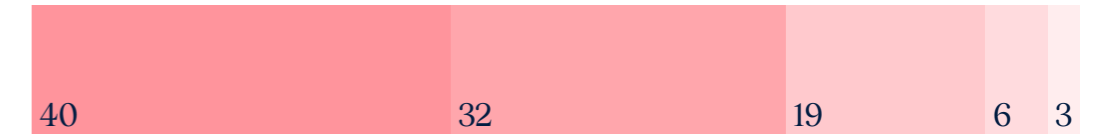
KEY

- 🔴 Very helpful
- 🔴 Helpful
- 🔴 Somewhat helpful
- 🔴 Not helpful
- ⚪ Not applicable

Government support needed by organisations*

Enhanced tax incentives (%)

41	31	19	6	4

Greater certainty in policy and regulation (%)

40	32	19	6	3

Clearer roadmap for carbon emissions disclosure and reduction requirements (%)

39	33	20	6	2

Standardised and simple ways to gather and share carbon data (%)

38	32	21	5	4

Improved infrastructure (%)

38	33	20	6	3

Government-backed services and support (%)*

37	34	19	6	4

Better access to grants and funding (%)*

37	28	25	8	3

Education and training (%)

35	35	21	6	3

Stronger enforcement of standards (%)

33	33	23	7	4

*Some percentages may not total exactly 100% due to rounding effects

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Conclusion

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The UK Net Zero Business Census has revealed crucial insights into the current state of net zero progress in UK industry. With 2,005 organisations participating, the census is one of the largest national research initiatives ever undertaken to benchmark industry-wide progress on net zero.

By participating, organisations have made a conscious decision to engage on the topic of net zero and contribute to a benchmark that can help to guide other organisations to understand the opportunities, benefits and barriers they will experience on their journey.

The data shows that organisations of all sectors, sizes and UK regions are at widely varying stages of taking net zero action, but critically that the vast majority are united in prioritising, planning and actioning meaningful steps to decarbonise in the near-term, with 73% indicating that net zero is at least a medium priority or higher for their business strategy in the next 12 months. The leadership being shown by many UK organisations can deservedly inspire others, fostering a sense

of shared responsibility and accelerating collective progress by turning ambitions into tangible action. Moreover, the results provided clear outcomes for policy makers, financiers and industry bodies to improve support for organisations, enabling accelerations of their progress toward net zero and helping to shape the policy environment that will propel UK industry towards net zero by 2050.

Moving forwards, we intend to conduct the UK Net Zero Business Census every year, providing an annual drumbeat that monitors industry progress over time, the impact of improvements in policy, the uptake of support mechanisms, and guides government strategy for net zero industry.

Together, we can support UK industry to weave sustainability into their everyday practices, gaining net zero benefits, enhancing organisational resilience, driving environmental benefits and tackling the climate crisis to ensure a just and effective transition to a net zero economy.

73%
of respondents said working towards achieving net zero was a medium or higher priority for their business strategy in the next twelve months

65%
have committed to net zero by 2050

48%
have already set net zero targets to be achieved within the next 10 years

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Additional Reading and Resources

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Overview

Given that some of the most significant barriers reported by organisations are a lack of trusted information sources and not knowing where to start, we have compiled a useful list of wider reading and resources that come from reputable sources which organisations may find useful.

General net zero guides and actions for organisations	Author	Description
7 Steps to Sustainability for SMEs	UK Business Climate Hub	7 steps to get started with sustainability
Get Started with Energy Efficiency	UK Business Climate Hub	Energy efficiency action ideas
Actions by Theme	UK Business Climate Hub	Detailed plans on how to reduce carbon emissions by themes
Actions by Sector	UK Business Climate Hub	Detailed plans on how to reduce carbon emissions by sector
Free tools for carbon measurement, plans and training	UK Business Climate Hub	Free tools for SMEs to get started
Net zero: Everything businesses need to know	Planet Mark	Net zero guidance for business
Anti-Greenwashing Guide	Planet Mark	Avoid greenwashing risks
Scope 3 Emissions Guide	Planet Mark	Everything businesses need to know about Scope 3 emissions
Setting up a Green Team Guide	Planet Mark	How to set up a sustainability champions green team in your business
Free Net Zero Events & Webinars	Planet Mark	On-demand and live webinars / events on a wide array of net zero topics
Join the UN-Backed Race to Zero	UN High Level Climate Champions	The worlds largest coalition of organisations taking action to halve emissions by 2030
SME Climate Hub (worldwide)	SME Climate Hub	Free, globally-relevant tools and resources for SMEs
Find finance and support	**Author**	**Description**
UK Finance and Support Opportunities	UK Business Climate Hub	National and regional support schemes and networks
Free or Highly Subsidised Sustainability Training	UK Business Climate Hub	Available events, training and courses, including Green Skills Bootcamps, Climate Fit and more!

Sector based guides	Author	Description
Actions for 18+ Specific Sectors	UK Business Climate Hub	Detailed plans on how to reduce carbon emissions by sector
Sector-wide Net Zero Plans	Broadway Initiative, Summer 2021	Discussion document sharing emerging sector plans for net zero
Industrial Decarbonisation Strategy	UK Government, BEIS & DESNZ, April 2021	A comprehensive strategy outlining the UK's ambition for decarbonising industry
Manufacturing Sector Net Zero Roadmap Report 2023	MAKE UK, December 2023	A Roadmap developed to guide the manufacturing sector towards net zero
My Net Zero Guide	MAKE UK, February 2024	Easy-to-follow steps to take manufacturers through the complexities of Scope 1, 2 and 3 emissions and advise on what they can do to reduce emissions across all scopes
Financial Services - From commitment to action in net zero	Climate Policy Initiative & City of London Corporation, June 2024	Report evaluating UK financial services' strengths and weaknesses on the path to net zero and their implications for future climate action
Unlocking the SME Net Zero Transition	UK Finance, May 2024	SME Net Zero transition guidance
Tech Sector: techUK role of telecomms and net zero	TechUK, March 2024	TechUK Members feed into DSIT on role of telecomms and net zero
Retail Climate Action Roadmap	British Retail Consortium, November 2020	Net zero roadmap for the retail industry
Hospitality Net Zero Roadmap	UK Hospitality, November 2021	Net zero roadmap for the hospitalty industry
Food and Drink Transition to Net Zero	Food and Drink Federation, November 2021	Net zero roadmap for the food and drink sector

Case studies of action	Author	Description
SME Case Studies of Action	UK Business Climate Hub	Examples of SME action
Case Studies from Various Sectors	Planet Mark	Including examples from manufacturing, waste management, construction and retail

Case studies of action	Author	Description
Carbon Copy – Local Action by Communities & Business	Carbon Copy	Tangible and replicable actions from local communities and businesses across the UK
Construction Leadership Council Case Studies	Construction Leadership Council	A list of case studies highlighting existing initiatives from the construction sector
25th Automotive Sustainability Report	SSMT, July 2024	Details the halving of CO2 emissions per vehicle produced since 1999

Other useful research	Author	Description
Progress in Reducing Emissions	Climate Change Committee, July 2024	Comprehensive overview of the current state of UK emissions reductions & critical policy recommendations for government
At a Crossroads: Pathways to a Net Zero Future	Mission Zero Coalition, June 2024	Public Policy Projects coalition report on state of UK emissions, guidelines and insights for industry
Recommendations for Supporting SMEs on the Road to Net Zero	Planet Mark & Amazon	Whitepaper research on support SMEs on road to net zero
Small Business, Green Growth	SBB/BT/Oxford Brookes Business School, May 2024	Call to action for policymakers, industry leaders and stakeholders to prioritise sustainability and facilitate support to small businesses in their journey
Small Business Advice on Net Zero	FSB/Broadway Initiative, November 2021	Recognises progres salready made by small businesses and identifies policy makers role in enabling the net zero transition for the sector
Global SMEs Climate Survey	SME Climate Hub, April 2024	Global survey of 288 SMEs in 44 countries
Financial Sector 2023 Progress Report	Glasgow Financial Alliance for Net Zero, December 2023	2023 Progess by the GFANZ Network
Net Zero Business Transformation	University of Cambridge Institute for Sustainability Leadership (CISL), 2022	A framework for accelerating change in an era of turbulence and complexity
BSI Net Zero Barometer 2024	BSI, May 2024	Fourth annual survey of 1,000+ UK organisations

All Census Partners