

# Net zero for your business

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## Mayor's Business Climate Challenge

### Definition

As defined by the [United Nations](#), “*net zero means we are not adding new emissions to the atmosphere. Emissions will continue, but will be balanced by absorbing an equivalent amount from the atmosphere*”.

### Net zero London

The Mayor of London has set a target for London to be net zero by 2030 (scopes 1 and 2 only and reduction by 78%, according to the Mayor's preferred pathway). Businesses voluntarily taking part in the Business Climate Challenge are reducing emissions from their buildings, helping the city reach its target.

### A net zero building

The [UK Green Building Council](#) defines a net zero building as '*highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset*'.

### A net zero business

Businesses emit carbon across their supply chain, customers, investments, pensions and travel.

The [Science Based Targets Initiative](#) define net zero as reducing scope 1, 2 and 3 emissions to zero, or to a residual level that is consistent with reaching net zero emissions at the global or sector level in eligible 1.5°C aligned pathways, while neutralising any extra emissions.

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### Benefits for your business

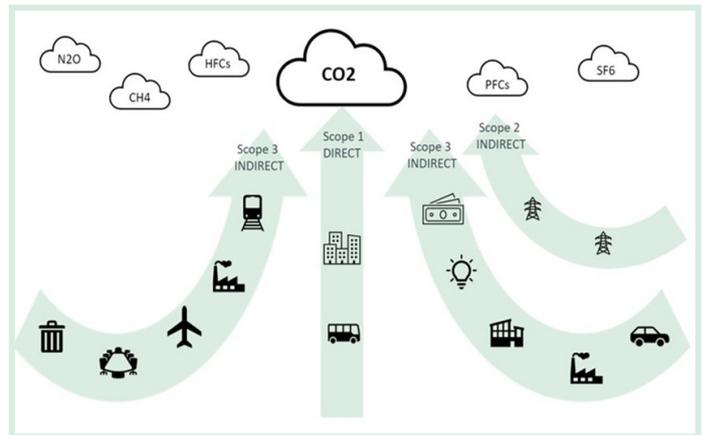
- Meet employee, customer and investor expectations
- Reduce costs
- Reduce risks from future legislation

## How does my business produce carbon?

**Scope 1:** direct emissions from the controlled assets (e.g. gas boilers) and owned vehicles (e.g. diesel engines).

**Scope 2:** indirect emissions from the consumption of electricity or heat generated elsewhere (e.g. coal power stations supplied to the property).

**Scope 3:** all other emissions that the company has no direct ownership or control over (e.g. purchased materials and services for a supplier).



## Carbon neutral

This means offsetting, rather than taking action to reduce emissions at source.

## Net zero vs carbon neutral

The fundamental difference is that to operate a net zero business, the organisation must first minimise their carbon emissions as much as possible. In contrast, organisations can become carbon neutral with less effort by purchasing offsets. Carbon neutral is not as impactful as net zero, but a possible intermediate step.

## Create a plan for your business

- Use the BCC audit and recommendation report to create a plan to reduce emissions.
- Incorporate net zero into long-term business planning and capital investments to ensure carbon reduction.
- Discover best practices within your network and industry to see what you can adopt.
- Keep looking for ideas; solutions are still being developed.

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# Simple steps to reach net zero emissions

## 1. Set Targets: Ambition

- Make a commitment (e.g. sign up to the [#RaceToZero](#) SME Climate Commitment alongside thousands of businesses to reach net zero by 2050).
- Set your carbon footprint using data to understand your current emissions. This will be your 'baseline' starting point from which you will reduce your emissions. There are many free calculators for SMEs to use.
- Share your intention to reach net zero with you staff, suppliers and customers. It can open up a dialogue and encourage new ideas to get you there faster.

## 2. Measure

- Measure your carbon emissions (at least annually).
- Use data to improve on your baseline and reduce your emissions (e.g. identify potential efficiencies).
- Use data to engage and share progress with your stakeholders.

## 3. Take action

- Appoint someone on your board and senior management group to lead and take responsibility for net zero.
- Build net zero responsibilities into roles and company procedures.
- Communicate your net zero ambition to employees, stakeholders, suppliers and encourage them to act, support and share ideas.

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## 4. Offsetting

Remaining emissions should be compensated and an equivalent amount removed from the atmosphere. This can be done through the purchase of good quality offsets that can verify that carbon has been removed from the atmosphere.