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in progress

ISO Net Zero Guidelines case study report

Reframing Net Zero as a Journey
2024

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Introduction

Organizations exist for many reasons, but for many, generating income is key for survival. This is, and will, become increasingly challenging in a warming world where climate change is already leading to severe negative impacts on organizations. For this reason, and many others, the economy has begun to reorient towards net zero greenhouse gas emissions: a world where “human-caused residual GHG emissions are balanced by human-led removals over a specific period and within specified boundaries,” as defined in the ISO Net Zero Guidelines. In short, pursuing and progressing towards net zero is good for businesses. In fact, BSI research finds that 73% of consumers would be prepared to pay more to companies with a real commitment to net zero.

“Net zero” and “carbon neutrality” have at times been used interchangeably, but more and more, net zero represents a greater ambition to pursue deep decarbonization across an organization’s whole value chain and is therefore a higher integrity industry goal. Achieving net zero by 2050, aligned to the international community’s goal to limit global warming to 1.5 and well below 2 degrees C,

will require that organizations successfully pursue this goal. Therefore, organizations of all sizes, sectors, and jurisdictions have increasingly been committing to net zero and developing plans to achieve it. For instance, 47% of Fortune 2000 companies have set a net zero target as of June 2023. However, according to an analysis by the Net Zero Tracker, only 4% of those targets are backed by credible plans to achieve them. The question of how to reach net zero has remained complex, and the need for greater standardization is clear.

With the launch of the ISO Net Zero Guidelines at COP27 in late 2022, the International Organization for Standards (ISO) provided a comprehensive definition of net zero and the principles for a credible strategy to achieve it. These Guidelines harmonize a previously fragmented and confusing landscape of voluntary initiatives and frameworks governing the net zero transition over the past decade. Their importance in converging and demystifying credible net zero action has been recognized in analyses such as the 2022 UN Yearbook of Global Climate Action and the 2023 IEA Breakthrough Agenda Report.



The ISO Net Zero Guidelines offer two significant contributions to facilitate the net zero transition.

First, they harmonise the diverse landscape of net zero best practices into a single resource, offering a one-stop shop for practitioners developing credible net zero strategies. By harmonizing the 33 most prevalent net zero frameworks and initiatives, the Guidelines are the only net zero guidance that has been recognised to strongly align with all 10 key recommendations in the UN High Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities Integrity Matters report.

Second, the Guidelines provide a holistic set of principles and recommendations for helping organizations plot their net zero journey, including demonstrating progress towards net zero by covering all stages of net zero action, as set out by researchers at the University of Oxford.

The existence of the Guidelines alone, however, is not enough to sufficiently scale and accelerate the transition to net zero. Voluntary initiatives and frameworks which have emerged in recent years to spur the net zero transition have lacked the resources and capacity to rigorously scrutinize or audit net zero strategies. Fortunately, however, there are opportunities on the horizon to build trust, demonstrate accountability and reduce greenwashing in net zero claims. The international standards system, as part of quality infrastructure globally, is designed to address this gap. Converting the ISO Net Zero Guidelines into the first formal international standard on net zero - a process which begins from June 2024 - will help to build trust and reduce greenwashing by providing the option of verifying and validating an organization's net zero strategy.

In the interim, organizations have been using the ISO Net Zero Guidelines to develop credible net zero strategies. **This report reflects the experiences of four such organizations, showcasing tangible changes made, their remaining challenges, and their major lessons learned.** Supported by the framework provided by the Guidelines, organizations still face enormous difficulty in aligning with net zero best practice. The experiences reflected in this report can serve as valuable lessons for organizations worldwide, all of whom must embark on their net zero journeys to avoid worsening climate catastrophe and maintain a liveable world for both businesses and humanity.

Case studies





BSI conducted case studies of the organizations listed below which included interviews with these relevant stakeholders, and with the permission of the organizations and stakeholders have included some of the findings and output of those studies and interviews in this report. This report sets out our conclusions based on industry knowledge and our opinion of the information obtained during our case studies and shares some of the insights from those studies for further reference. Any views that are not specifically attributed to a case study organization in this report represent the views of BSI only.

Organizations featured:

- 1 General Motors** – America’s largest car company; adopted the ISO Net Zero Guidelines as of mid-year 2023.
- 2 Federation Internationale de l’Automobile** – the global governing body of motorsport, based in Switzerland; adopted the ISO Net Zero Guidelines as of beginning of 2023
- 3 Climate Action for Associations** – an SME and association for trade associations to come together around taking climate action, based in the UK; adopted the ISO Net Zero Guidelines as of beginning of 2023.
- 4 Planet Mark** – a UK-based sustainability consultancy, certification, and net zero partner for businesses of all sizes and sectors, based in the UK; adopted the ISO Net Zero Guidelines as of beginning of 2023.

Part I:

Key changes made





The ISO Net Zero Guidelines are a holistic, comprehensive framework for getting organizations on their net zero journey. They contain ten guiding principles, underpinned by detailed recommendations, for high-integrity net zero planning.

In the experience of our four case study organizations undertaking this work in 2023-2024, three key areas of action stand out:

- **Setting interim targets;**
- **External affairs and policy alignment;**
- **Scope 3 emissions and value chain engagement.**

Setting interim targets

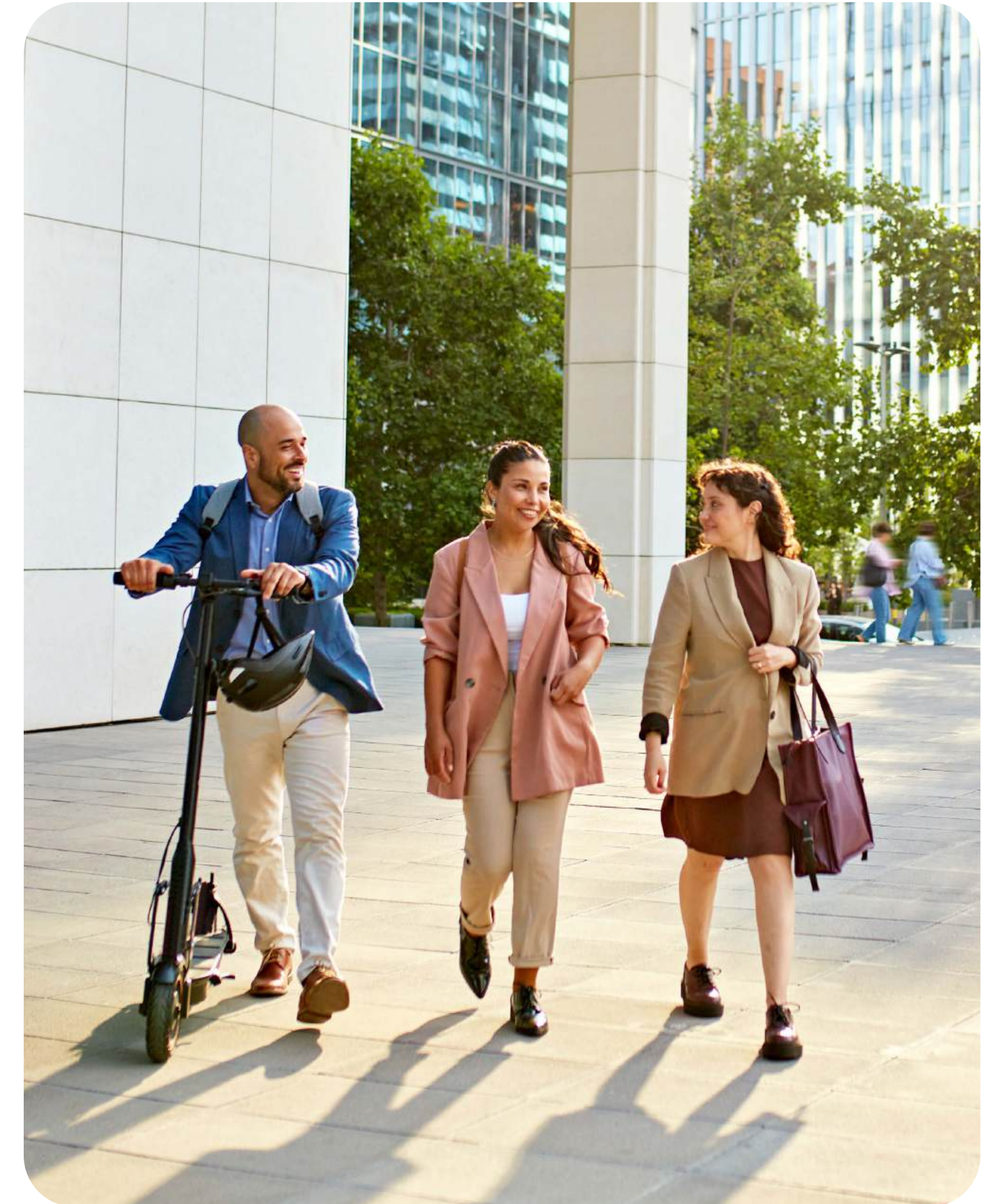
ISO Net Zero Guidelines Clause 8.2.6: Interim targets

The organization should set interim targets as milestones towards its net zero target, taking into account the specific recommendations for Scope 1, Scope 2 and Scope 3¹ and 1,5 °C aligned science based pathways.

The organization should set interim targets every 2 to 5 years on the path to achieving net zero GHG emissions.

The ISO Net Zero Guidelines state that a net zero strategy must include setting interim emissions targets at least every five years. This represents a significant change for many organizations that have net zero goals – if they have one at all – based on long term net zero targets. Setting these interim targets, rather than just a far-off net zero target year (usually 2050), provides a clearer and more rigorous roadmap for decarbonization. It helps an organization to better visualize and enact plans to achieve net zero both in the short term and long term and empowers sustainability teams to collaborate with departments across their organization to implement these plans. Interim goals also support organizations to identify where progress may be stalling and put in place corrective measures sooner.

¹ ISO Net Zero Guidelines (IWA 42: 2022)
3.2.3
Scope 1 emission
direct GHG emission greenhouse gas emission (3.2.2) from sources (3.2.7) owned or directly controlled by the organization (3.4.1)
3.2.4
Scope 2 emission
indirect GHG emission from purchased energy greenhouse gas emission (3.2.2) from the generation of purchased electricity, heat, cooling or steam consumed by the organization (3.4.1)
3.2.5
Scope 3 emission
indirect GHG emission greenhouse gas emission (3.2.2) that is a consequence of the organization's (3.4.1) activities but arises from sources (3.2.7) that are not owned or directly controlled by the organization



General Motors (GM)

Prior to General Motors' (GM) engagement with the ISO Net Zero Guidelines, GM had set near-term carbon reduction goals for 2035, and a carbon neutral goal of 2040. **The ISO Guidelines, by contrast, would require interim targets every 5 years, starting in 2030, to guide GM's decarbonization efforts.** GM recognizes that interim targets put an emphasis on decarbonization action in the near-term, with rigorous ongoing assessment and intervention. This also better aligns with the existing regulatory and planning cycles that impact Scope 3 Category 11 (Use of Sold Products) emissions in GM's industry. GM's first step towards these revised targets was to reassess its organization boundaries to help ensure that the correct GHG accounting metrics were in place. An interim target approach also enables GM to advocate for better alignment with relevant regulations in GM's major markets. GM is examining potential interim targets that will better align with the ISO Net Zero Guidelines to enhance GM's decarbonization plan.



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To be credible and respect the internationally recognized guidance, we decided to set a net zero target by 2040.

Barbara Silva

FIA Head of Sustainability

FIA

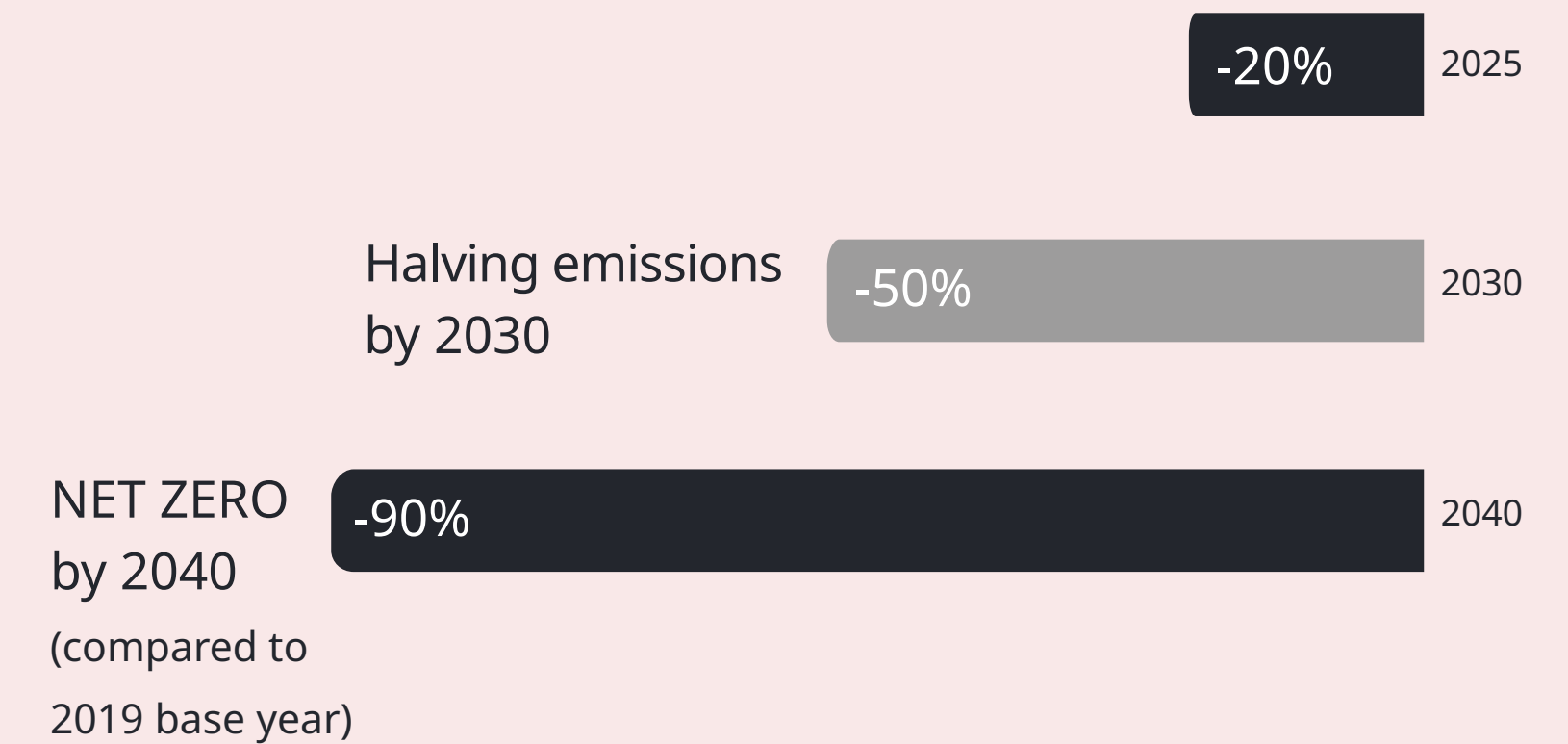
In 2020, the Federation Internationale de l'Automobile (FIA) committed to reducing scope 1, 2 and 3 emissions by 50% by 2030, with an interim target of 20% by 2025. The strategy included "investing in carbon offsets to reach carbon neutrality in the short term, but also investing in removals from 2027 to reach net zero status by 2030."

In 2023, the FIA decided to adopt the ISO Net Zero Guidelines to refine and improve this decarbonization strategy. FIA Head of Sustainability Barbara Silva said that the guidelines "finally brought a consensus on crucial terms and common roadmap on how to reach net zero".

After adopting the ISO Net Zero Guidelines, the FIA decided to upgrade their carbon neutrality target to a net zero target (for a later timeline of 2040), while remaining committed to the 50% reduction target by 2030 set out in the Guidelines. This pursuit of the higher threshold of net zero rather than carbon neutrality represents a changed perspective provided by clear and recognised definitions available

Figure 1: the FIA's net zero targets

Climate Objective: Scope 1, 2 and 3 emissions



FIA committed to comply with 1.5 degree scenario (Absolute reduction)

Climate Action for Associations (CAFA)

CAFA has a net zero target of 2030, with an interim emissions reduction target of 25% by their financial year ending 2027. As a small-to-medium enterprise (SME), CAFA's staged net zero plan and journey can be instructive to other SMEs, which account for 99% of the business population in the UK and at least 90% of businesses worldwide.

CAFA's greatest impact in contributing to the collective pursuit of net zero, however, "happens through influencing our membership", said Alison Heppenstall, CAFA's Founder and Executive Director.

Since adopting the Guidelines in late 2022, CAFA has systematically begun encouraging its 69 members to set their own net zero targets, including by making it clear that Scope 3 is a core and necessary component of an organization's emissions and net zero considerations. Through regular communication channels, events, guidance, and one-on-one consultations, CAFA engages with its members to foster understanding and awareness of the importance of setting interim targets in achieving net zero emissions. This empowers organisations to take proactive measures and make incremental progress to drive meaningful change.

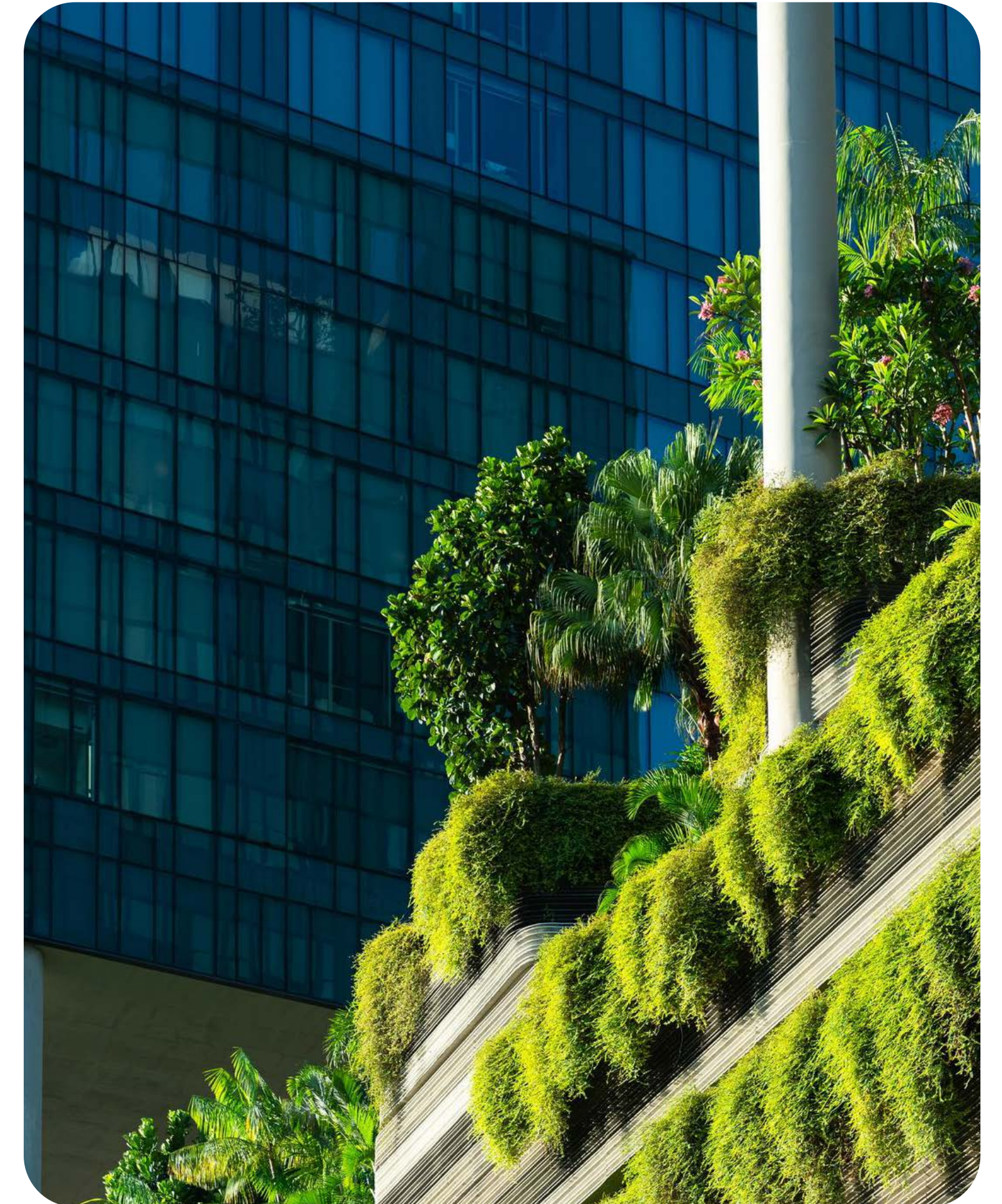
CAFA launched their CAFA Certified Net Zero Association Programme late 2023, a program "inspired in large part by the ISO Net Zero Guidelines", according to Alison Heppenstall, and has already delivered it to fifteen member Associations.

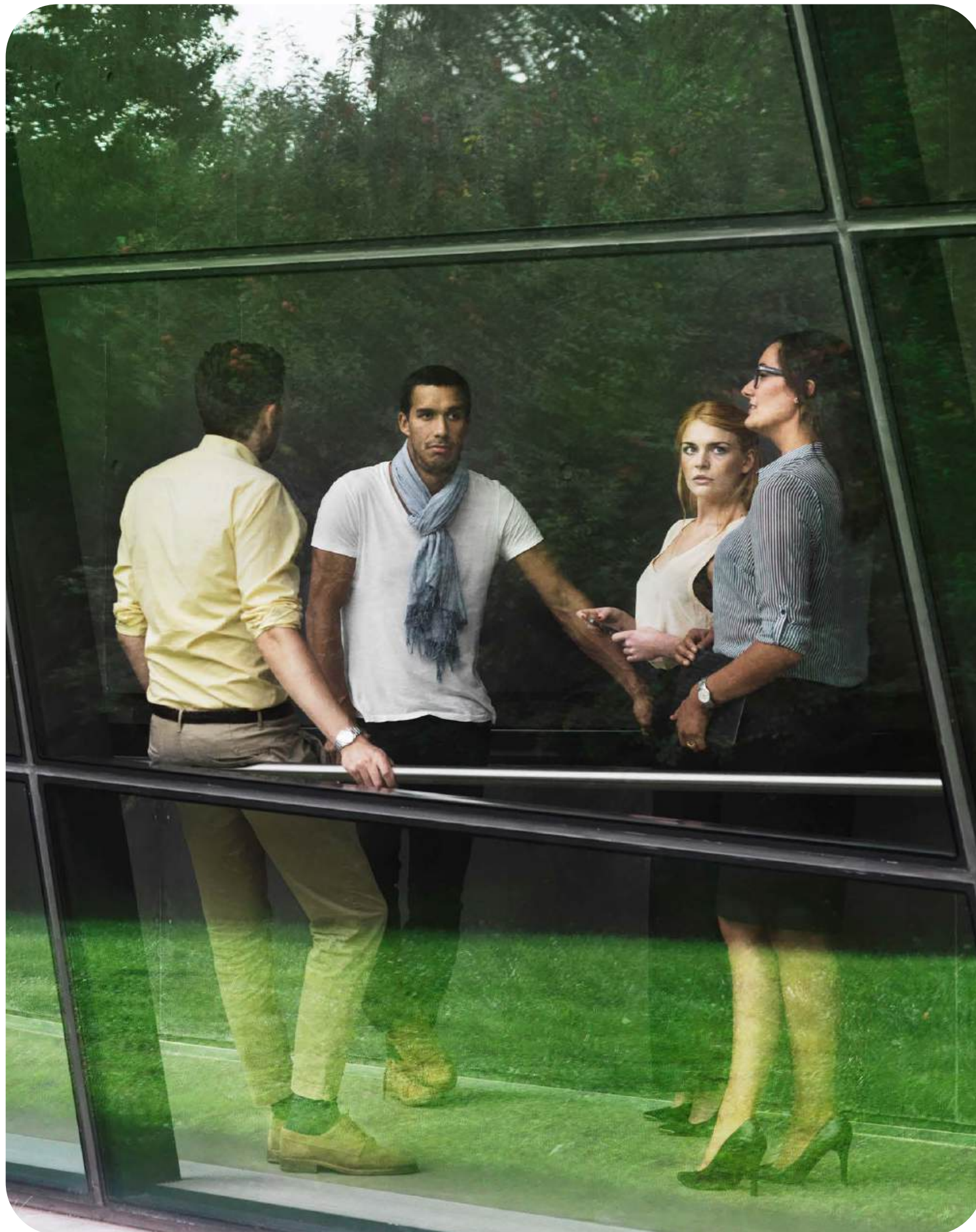
As part of this programme, associations receive support in measuring their emissions, setting their baseline, and putting implementation plans in place to reduce their emissions CAFA now instructs its members that, in order to have a credible net zero strategy, interim targets must be set.

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Alison Heppenstall
Founder and Executive Director





Planet Mark

One of ten official partners of the UN backed Race to Zero campaign, Planet Mark is committed to achieving net zero across the entire value chain by 2050 in line with UK government legislation.

The organization has been measuring its complete scope 1, 2, and 3 emissions since 2014 and was actively formulating SBTi-aligned targets at the time of acquisition in October 2023. Moving forward, their short and long-term targets will be set at group level, ensuring alignment with best practices and industry standards.

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...adopting them provides added value by lending credibility through the international standards system

Andrew Griffiths

Policy & Corporate Development Director

Similarly to CAFA, however, Planet Mark's greatest impact on the net zero transition comes from its work with businesses in carbon reduction and setting net zero targets. For example, Planet Mark's Net Zero Programme, which has so far supported fifteen member companies with target-setting workshops as part of wider net zero strategy projects, includes the setting of interim targets.

According to Andrew Griffiths, Policy & Corporate Development Director, “although Planet Mark started this work before formally adopting the Guidelines, adopting them provides added value by lending credibility through the formal international standards system.”

By uniting net zero best practice under a single framework, the Guidelines reinforce and give confidence to actors like Planet Mark who, like many companies, already recognise the importance of taking net zero action but are seeking greater clarity on what a high integrity net zero journey looks like.

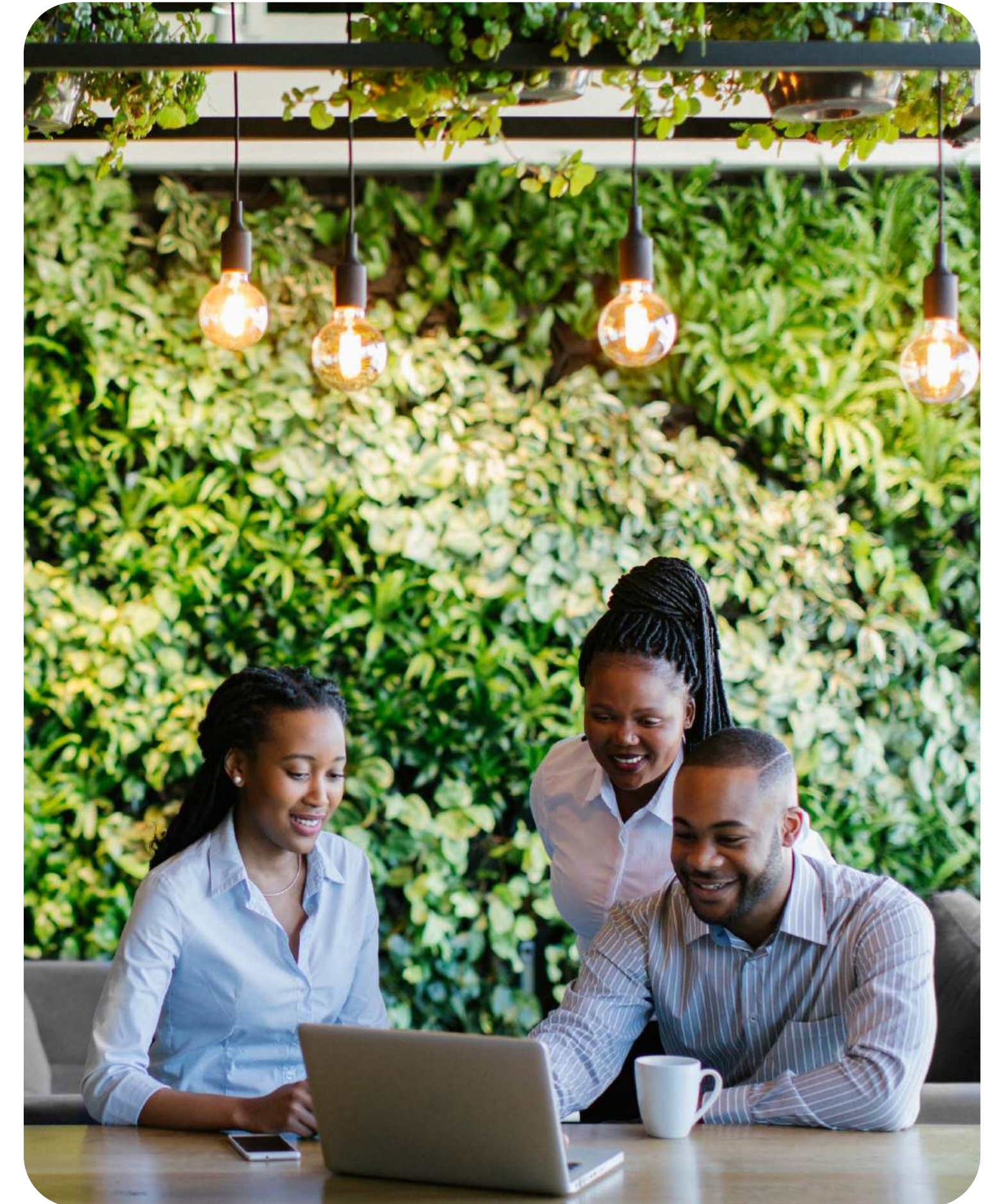
External affairs and policy alignment

ISO Net Zero Guidelines Principle 7.2: Leadership commitment

The leadership of all organizations should ensure alignment between policies and actions, including public policy and advocacy. The leadership should ensure this commitment is not undermined by conflicting targets.

The leadership of the organization should demonstrate commitment to net zero and the principles provided in Clause 5 by:

- a. providing strategic direction, oversight, support and sufficient resources to set and achieve targets;
- b. incorporating net zero targets into core governance documented information (e.g. articles of association, charters, legislation);
- c. disclosing shareholder voting records on climate-related issues, if appropriate to the organization;
- d. publicly committing to achieve targets as soon as possible through communication by the highest level of leadership;
- e. clearly defining leadership responsibilities;
- f. appointing competent members of the organization's leadership to take responsibility for actions;
- g. ensuring competent persons are appointed to relevant roles and determining the frequency of updates to leadership on climate-related issues and progress towards targets;
- h. implementing incentives for delivering net zero targets;
- i. ensuring consideration of actions needed to transition to net zero is prioritized throughout the organization;
- j. publicly and regularly communicating transition plans and progress





The role of policy influence, advocacy efforts, and external affairs has a major impact on climate action. For example, a record number of fossil fuel representatives attended the COP28 UNFCCC climate conference in Dubai and in the 2020 election cycle in the United States, oil and gas lobbyists spent well over \$250 million on lobbying and campaign contributions. External affairs efforts such as these have been shown to significantly slow down the energy transition needed to achieve net zero.

As a result, a credible net zero strategy will include alignment between an organization's net zero ambition and its external affairs efforts. This is reflected in Clause 9.1.2 'Content of mitigation plans' of the ISO Net Zero Guidelines, which recommend that an organization "advocate and support climate policy and legislation and take action to ensure it is not involved (directly or indirectly) in lobbying against climate ambition".

Today, this alignment is all too often lacking: a 2023 InfluenceMap report found that "corporate net zero or similar targets are rarely matched by support for government climate policy, with 58% of almost 300 companies from the Forbes 2,000 found to be at risk of "net zero greenwash" due to their policy engagement".

Making sure that there is consistency and awareness across an organization's divisions and functions can be critical to the implementation of a credible net zero strategy. This represents alignment that can usually only occur with a mandate from senior leadership, highlighted by the ISO Net Zero Guidelines in its dedicated clause on the critical role of leadership.

The benefit of senior leadership invested in an organization's net zero strategy was demonstrated in every single case study.

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ISO Net Zero Guidelines

General Motors (GM)

GM appointed its first Chief Sustainability Officer (CSO) well before ISO released its Net Zero Guidelines, who facilitates touchpoints with the Board of Directors a minimum of twice per year. In addition, GM's CSO reports on carbon reduction efforts to the company's Senior Leadership Team, which is ultimately responsible for the company's decarbonization goals.

After the Guidelines became available, a significant change in leadership and governance is that executive compensation is now directly tied to the performance of electric vehicles. Given that fleet electrification is a foundation of GM's decarbonization strategy, this change in executive remuneration is an important component of GM's decarbonization strategy. In addition, consistent with the Guidelines, GM's Board continues to be updated on decarbonization target progress at least twice annually.

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9.1.2 Content of mitigation plans

The organization's plans for transition to net zero should include how the organization will...

c) align executive and board compensation with meeting interim and long-term targets (e.g. 20 % of long-term compensation plans);

ISO Net Zero Guidelines



FIA

For the FIA, adoption of the Guidelines has already led to much greater coordination between their net zero strategy and advocacy. The FIA created a Sustainability and Diversity & Inclusion Department (SD&I) and hired a Director of SD&I (member of the top management team), Sara Mariani, for the first time at the end of 2023. This new department is now having conversations with other elements of the organization and with the FIA's membership. For example, the FIA has initiated regular communication between its Sustainability Team and Public Policy Team – with a commitment to move in the same direction – to support decarbonization, underpinned by their updated net zero target of 2040. According to Ms. Mariani, “We recognize that our commitment to net zero means that not only our central external lobbying strategy must align with net zero, but also that we must support our membership bodies to center net zero in their own external lobbying efforts too”.

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Sara Mariani
Director of SD&I

The FIA is the global governing body of motor sport and a federation of mobility member clubs. It has a key role to play in ‘decid[ing], man[aging], implement[ing] and/or monitor[ing] policies, requirements, legislation or guidelines’ for its Championships and Member Clubs.

The FIA is now endeavoring to facilitate every entity that it governs to credibly pursue net zero in turn. As part of this, the FIA is highlighting its commitment to net zero at important and high-profile milestone events for climate action, such as the UNFCCC Conference of the Parties (reflecting Clause 12.1 of the ISO Net Zero Guidelines). FIA Head of Sustainability Barbara Silva said: “The FIA's presence at COP28 demonstrated our commitment to sharing a global perspective on decarbonization and asserting our commitment to pursuing a just transition towards a sustainable, safe, inclusive, and accessible mobility. The FIA will continue to demonstrate that user-centric and evidence-based approach to policy making is reinforcing a just transition towards a net-zero future for road transport”.

CAFA

CAFA plays a unique role in the net zero governance ecosystem as, to their knowledge, “the only dedicated organization that supports trade associations to pursue climate action”. Adopting and implementing the Guidelines helped CAFA recognize that their role as a governance organisation requires them to actively support members to pursue pro-climate policy.

Trade Associations can play a critical role in influencing climate policy. InfluenceMap’s 2017 report ‘[Trade Associations and their Climate Policy Footprint](#)’ found that among the 50 most influential industry groups surveyed, the vast majority actively opposed climate change policy, and only six supported climate change policy, mainly from the renewable energy sectors.



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It’s imperative for us to fully engage in enabling associations to align their activities with net zero ambitions. Consequently, we’ve developed a range of resources, including a net zero action plan, policy templates, and how-to guides that focus on specific topic areas crucial to membership organisations.

Alison Heppenstall

Founder and Executive Director



As Alison Heppenstall explains it, “associations serve as the ‘sandwich’ in policy, acting as intermediaries between policymakers and industry members. They actively participate in consultations for new standards and legislation, representing the interests of their members while also advocating for pro-climate action policies. At the same time, they relay standards, legislation, and support provided by policymakers to their members, ensuring implementation and compliance within their respective industries or professions.”

As part of its CAFA Certified Net Zero Association Programme, finalised in December 2023 after adoption of the ISO Net Zero Guidelines, CAFA provides guidance and resources to help member associations understand the importance of aligning their external affairs and advocacy activities with climate commitments.

CAFA’s broader internal strategy has identified climate policy as a dedicated workstream, focusing on supporting members in aligning their lobbying activities with net zero goals and providing opportunities to educate and inform membership organisations through policy awareness raising and training.

CAFA now offers guidance for member associations to develop climate policy positions that are consistent with net zero objectives. This guidance covers various aspects of climate policy advocacy, including engaging with policymakers and communicating effectively with stakeholders.

Planet Mark

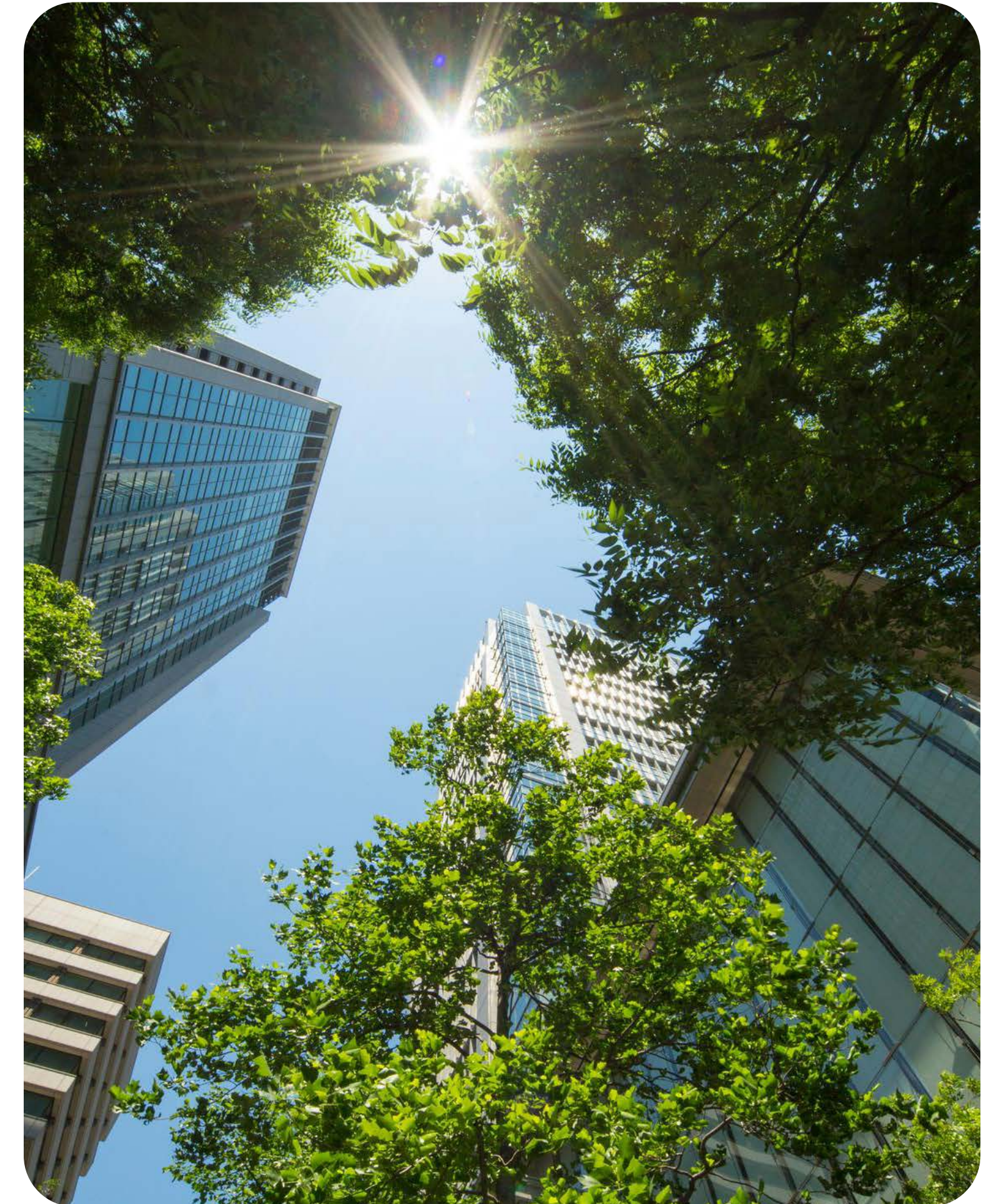
Planet Mark had been involved in policy work but did not have a formalized approach prior to adopting the ISO Net Zero Guidelines. Recognizing the need to invest more in this area, the company appointed then-Director of Community and Partnerships, Andrew Griffiths, to represent on Planet Mark in the process.

Planet Mark, represented by Griffiths, participated in the consensus-based International Workshop Agreement process as part of the cohort of 1200+ experts from more than 100 countries which produced the Guidelines in 2022. This marked Planet Mark's first major engagement in developing standards, inspiring the company to become one of the first early adopters of the Guidelines and to lean into the policy-facing elements of net zero best practice.

This has empowered the business to expand its policy engagement function in recognition of the crucial role this plays in implementing and scaling climate action.

As a result of this expansion since their adoption of the Guidelines, Planet Mark has responded to consultations put out by governments and ESG rating systems, convened roundtables in Parliament and hosted intimate sessions with government ministers and civil servants. For example, Planet Mark and Amazon's Small Business Accelerator co-convened several parliamentary roundtables to ultimately produce a whitepaper on how government can help SMEs to be more sustainable.

This reflects Planet Mark's recognition, underpinned by the adoption of the ISO Net Zero Guidelines, of the systems change that is necessary to support the global transition to net zero.



Scope 3 emissions and value chain engagement

ISO Net Zero Guidelines Clause 9.2.3: Actions to address Scope 3 and other emissions

The organization should select appropriate actions for emission reductions by improving the climate impact of products and services. Actions can include, but are not limited to:

- a. developing products and services that contribute to the emergence of alternative value chains (e.g. increase quality and decrease cost of plant-based protein);
- b. redesigning and developing products and services to reduce their life cycle emissions;
- c. promoting, supporting and facilitating the circular economy (e.g. reuse, repair, refurbishment, repurposing, recycling);
- d. requiring suppliers to commit to net zero targets, in line with the recommendations in this document;
- e. prioritizing suppliers based on their climate strategy, past performance and transparency of emission data;
- f. collaborating with other organizations and sector or industry partners to strengthen and align procurement and purchase requirements;
- g. extending collaboration with other organizations and the value chain to accelerate adoption of low carbon (non-fossil) and renewable energy and achievement of interim and long-term emissions reduction targets;
- h. investing in GHG emissions reduction and removals projects;
- i. ensuring financial investments, including assets and pension funds, are aligned with climate strategy and net zero commitments;
- j. prioritizing low-carbon mobility solutions (e.g. public transport, electric vehicles with appropriate charging infrastructure) and reducing the need for personal transportation through urban planning.

Scope 3 decarbonization is amongst the most significant challenges facing organizations committed to achieving net zero because these often represent the majority of an organization's emissions. The ISO Net Zero Guidelines include detailed criteria on how to consider and plan for reducing these Scope 3 emissions, otherwise known as indirect emissions.

For all the case studies represented in this report, influencing and engaging with suppliers has become a major organizational priority. All four have vast up and downstream value chains, the Scope 3 (indirect) emissions of which far outweigh their Scope 1 and 2 (direct) emissions.

General Motors (GM)

The automotive sector contributes massively to global greenhouse gas emissions. Passenger cars and vans cause 3.5 gigatons of CO2 annually, almost one tenth of global CO2 emissions, according to a [2023 report by Deloitte](#). For General Motors, Scope 3 emissions make up 99% of total emissions, with use of sold products (Scope 3 Category 11) representing the majority of these. This is why GM's decarbonization strategy focuses on transitioning to EVs.

For supply chain emissions (Scope 3 Category 1) prior to adopting the ISO Net Zero Guidelines, GM already had a supplier engagement strategy, which included programs such as:

- 10 times a year GM holds energy webinars focused on different topics to support supplier in energy reduction strategies (or other sustainability topics such as water)
- Once a year GM holds an energy symposium to highlight energy best practices and supplier wins

Now that GM is working to shift from pursuit of carbon neutrality to net zero and is using the ISO Net Zero Guidelines to enhance its net zero strategy, the company is developing updates to its supplier sustainability framework.

GM has rolled out several new supply chain engagement programs, including:

- As of summer 2023, GM is a member of the group "Supply Chain Renewable Energy Program" where other 'original equipment manufacturers' (OEMs) and Tier I suppliers are looking to create education and opportunities for suppliers to participate in facilitated aggregated renewable offerings (this would be done with a third-party vendor)
- During 2024, providing a renewable power purchase agreement (PPA) for suppliers in Michigan has been a priority deliverable, with a goal for an aggregated PPA/virtual PPA being operational by 2026.

Now that GM is working to shift from pursuit of carbon neutrality to net zero and is using the ISO Net Zero Guidelines to enhance its net zero strategy, the company is developing updates to its supplier sustainability framework. This reflects the recommendation within the Guidelines (Clause 8.2) of the integral role that nature and biodiversity play in a credible net zero strategy: "In addition to net zero targets, the organization should set additional, separate targets to have a neutral or positive impact on nature (e.g. a biodiversity net gain target, enhanced land regeneration)".

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ISO Net Zero Guidelines (Clause 8.2)

FIA

The FIA's impact is inextricably linked with its Championships and its 242 membership organizations. Since adopting the Guidelines, the FIA has focused on educating its network around the importance of greenhouse gas measurement and reduction, as well as the development of organizational net zero strategies, notably through the FIA Environmental Accreditation Program. According to its Head of Sustainability, Barbara Silva, "We began by asking for some key data and requirements of our championships. For example, for them to have a dedicated human and financial resource for sustainability, and to start measuring their footprint. Now we can, with confidence, go way beyond because the ISO Net Zero Guidelines offer guidance on what exact criteria we can use (as governing organization) to push for net zero."

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Barbara Silva

Head of Sustainability

The most powerful mechanism for influencing organizations under the FIA's purview is through regulation. The FIA will now use regulation to enforce alignment with its net zero ambitions, and ensure that its events and activities are carried out in line with high integrity best practice.

CAFA

The trade associations that make up CAFA's membership have members of their own. CAFA's role, now greatly enhanced after their adoption of the ISO Net Zero Guidelines, is to support its members to support their own members in pursuing net zero.

For example, CAFA has been able to restructure their resources for members and bring greater emphasis to Scope 3 work as a core aspect of credible net zero action as a result of reviewing their portfolio of resources against the ISO Net Zero Guidelines recommendations.

According to Alison Heppenstall, "we recognise that the emphasis on decarbonising value chains will only grow, and we are ideally positioned to assist Associations in providing the necessary support for their members to take action. As the remainder of the decisive decade becomes increasingly crucial for achieving net zero, we are well positioned to deliver the support needed."



Planet Mark

Planet Mark has embedded the criteria of the ISO Net Zero Guidelines into its value chain engagement programme for members and partners, embedding its recommendations when coaching clients on how to engage their own value chains. These workshops are active, such as in-person supplier engagement days, or dedicated virtual or in-person sessions with suppliers. Crucially, Planet Mark's program involves a meaningful investment from their members to engage their value chain to address their Scope 3 emissions.

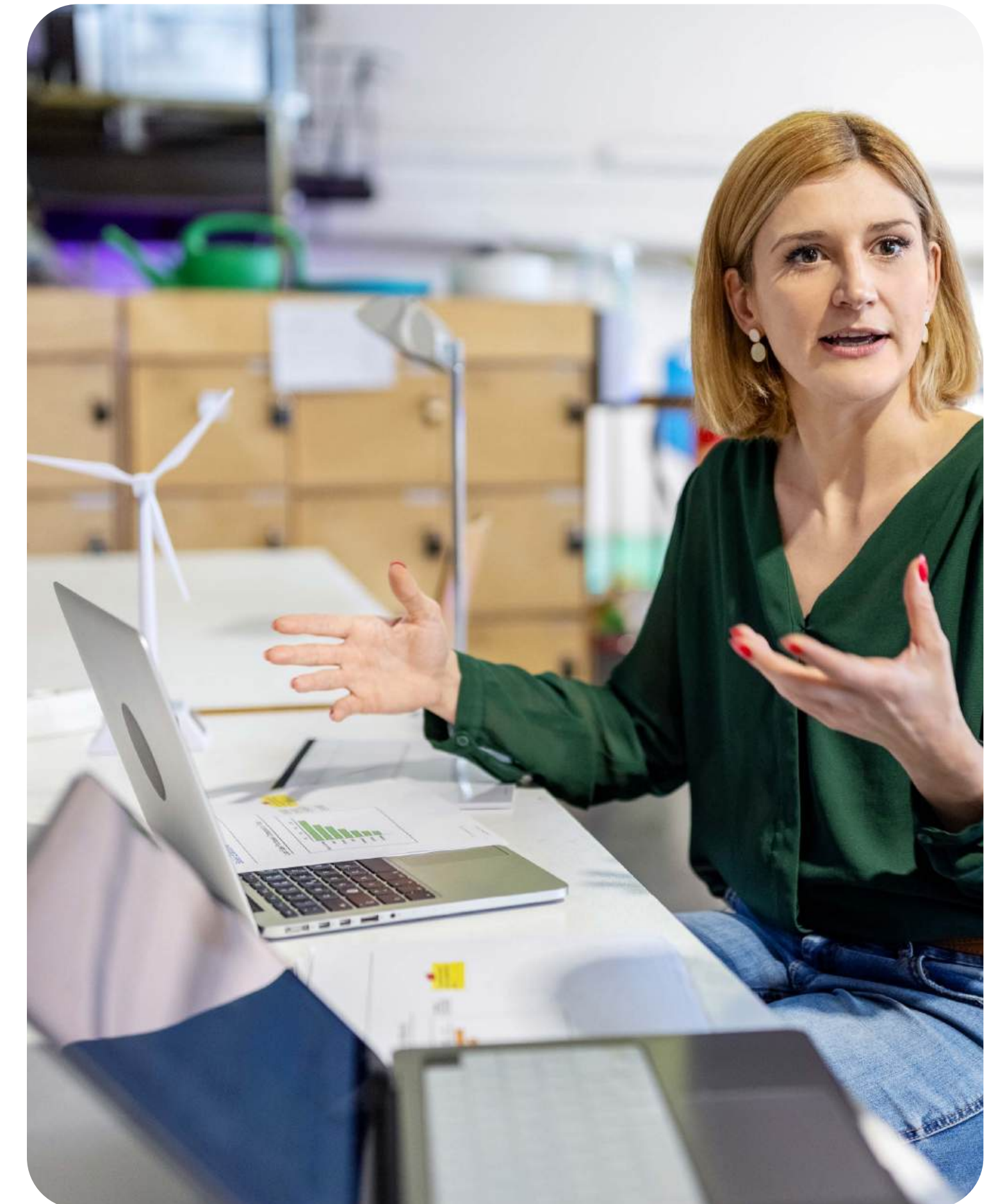
Addressing Scope 3 emissions is increasingly recognised as critical to achieving net zero emissions, and Planet Mark's experience is emblematic of a reality that organizations are reckoning with globally. Scope 3 decarbonization will be better placed to progress at the pace needed if organizations treat this as a priority and allocating resources towards addressing this. With SMEs often representing the substantial portion of an organization's value chain, organizations must also consider the role they play in facilitating a just transition to net zero. The ISO Net Zero Guidelines recommends that "to support a just transition, organizations with greater resource and greater historical responsibility should collaborate with those organizations with less capability to act" (Clause 12.2 Fair and just transition).

Organizations may ultimately feel they need to invest in their own Scope 3 targets, and accelerate a just transition by supporting smaller suppliers to accelerate their own net zero journey. Alternatively, organizations may prioritise procurement of suppliers that are already acting using their own resources.

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to support a just transition, organizations with greater resource and greater historical responsibility should collaborate with those organizations with less capability to act.

ISO Net Zero Guidelines



Part 2:

Remaining challenges



The common thread across all four organizations is the complexity of the systems change required for any organization to credibly pursue and achieve net zero. This is a further reinforcement of an overarching theme within the ISO Net Zero Guidelines, reflected in the Urgency Principle:

“Immediate and ongoing action is taken to effectively contribute to the global efforts to hold the increase in the average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1,5 °C, by organizations achieving net zero GHG emissions as soon as possible and by 2050 at the latest” (Clause 5.3).

The three most common manifestations of this systems change challenge for our case study organizations were:

1. The need to shift consumer demand
2. Justice and equity
3. Scope 3 emissions and value chain engagement

The need to shift consumer demand

An organization cannot transition to net zero in isolation; the global economy is composed of interconnected chains of supply and demand that requires organizations to rely on other parts of the system to move to enable their own transition.

GM's net zero strategy is predicated on a world that has transitioned to electrified vehicles. This reality, however, is still a long way off, and consumer demand certainly doesn't match it at this stage. General Motors is therefore grappling with the same question as many corporations across many industries: how to transition to the future net zero economy while remaining profitable and meeting consumer demand. GM's near-term target for use of sold products (Scope 3 Category 11) is not aligned with a 1.5 degree C pathway, but rather a well-below-2 degree C pathway, due to these complexities in the early EV transition phase.



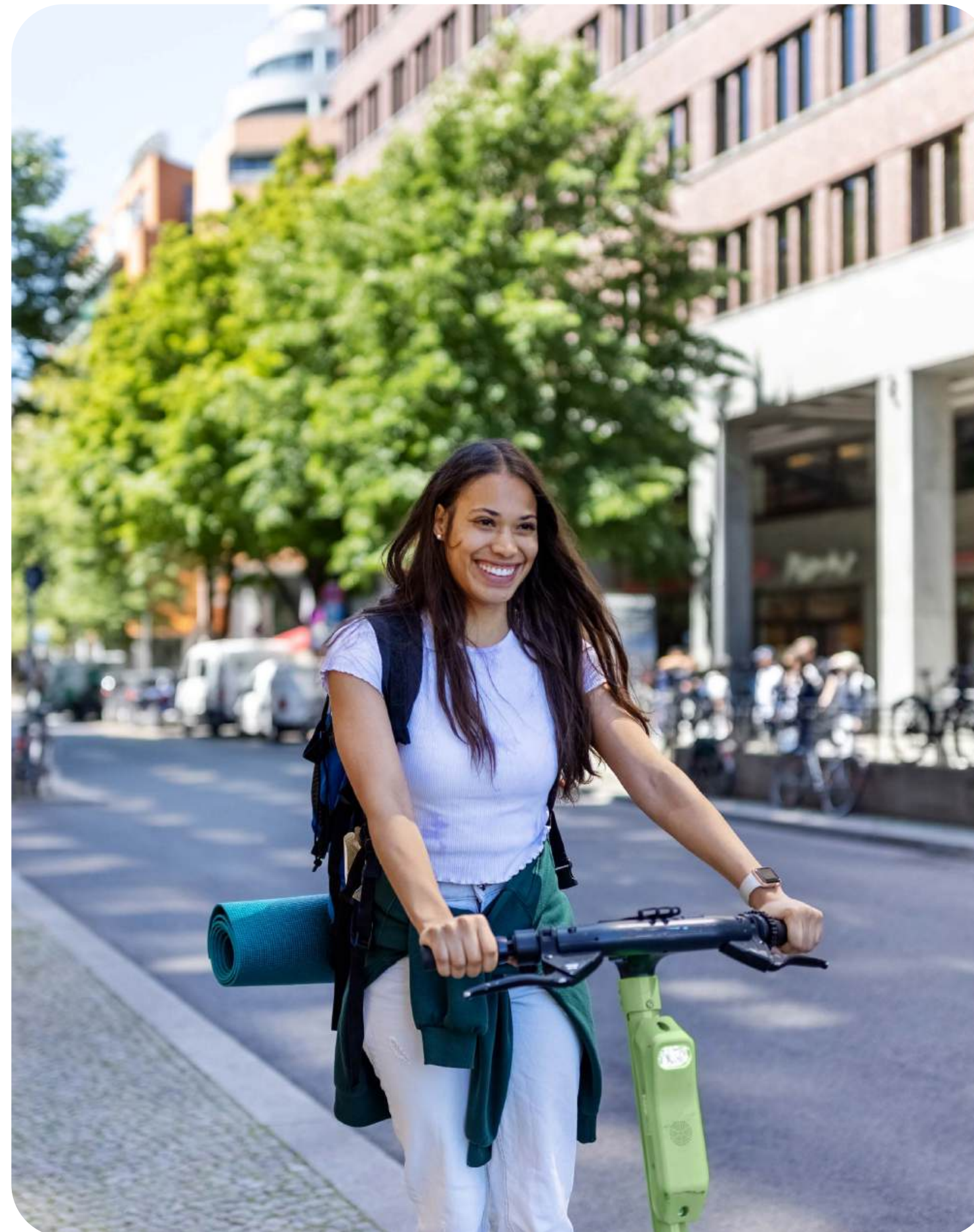
Justice and equity

Justice and equity considerations were found to be another consistent challenge in the implementation of the ISO Net Zero Guidelines. The ISO Net Zero Guidelines, a set of voluntary recommendations, do not include a methodology for understanding just transition impacts or a prescriptive set of requirements for addressing just transition considerations. In the absence of an agreed methodology, this represents a frontier of net zero action that case study organizations have been able to innovate and pilot.

The Guidelines clearly set out in Principle 5.9 Equity and Justice, “Targets and actions align with the United Nations Sustainable Development Goals (SDGs) to support equity and global transition to a net zero economy, and any subsequent UN global goals that supersede the 2030 SDGs.”

“Mitigation actions take a human-centred approach, safeguarding the rights of the most vulnerable people and communities. Activities take into account the burdens and benefits of climate change and ensure that responses, including responsibility for costs, are equitably shared (see Clause 12).”

“Mitigation actions take into account the need to preserve or enhance ecosystems and biodiversity.”



General Motors are taking action through their [Corporate Giving Program](#) and initiatives to [upskill their workforce](#). For the FIA, the use of the ISO Net Zero Guidelines has highlighted the need for further development of just transition considerations. Going forward, the FIA intends to develop a just transition policy to inform their own net zero efforts and the just transition efforts of all their membership organizations. For CAFA, this has meant increasingly talking about and encouraging just transition considerations, but the concept remains abstract for them and for their members without a clear methodology to implement.

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the ISO Net Zero Guidelines include a lot of great initial guidance on how to acknowledge justice and equity and facilitate a just transition. But we need more clarity, from standards, from the market, and from policy makers on what this actually, practically means for business.

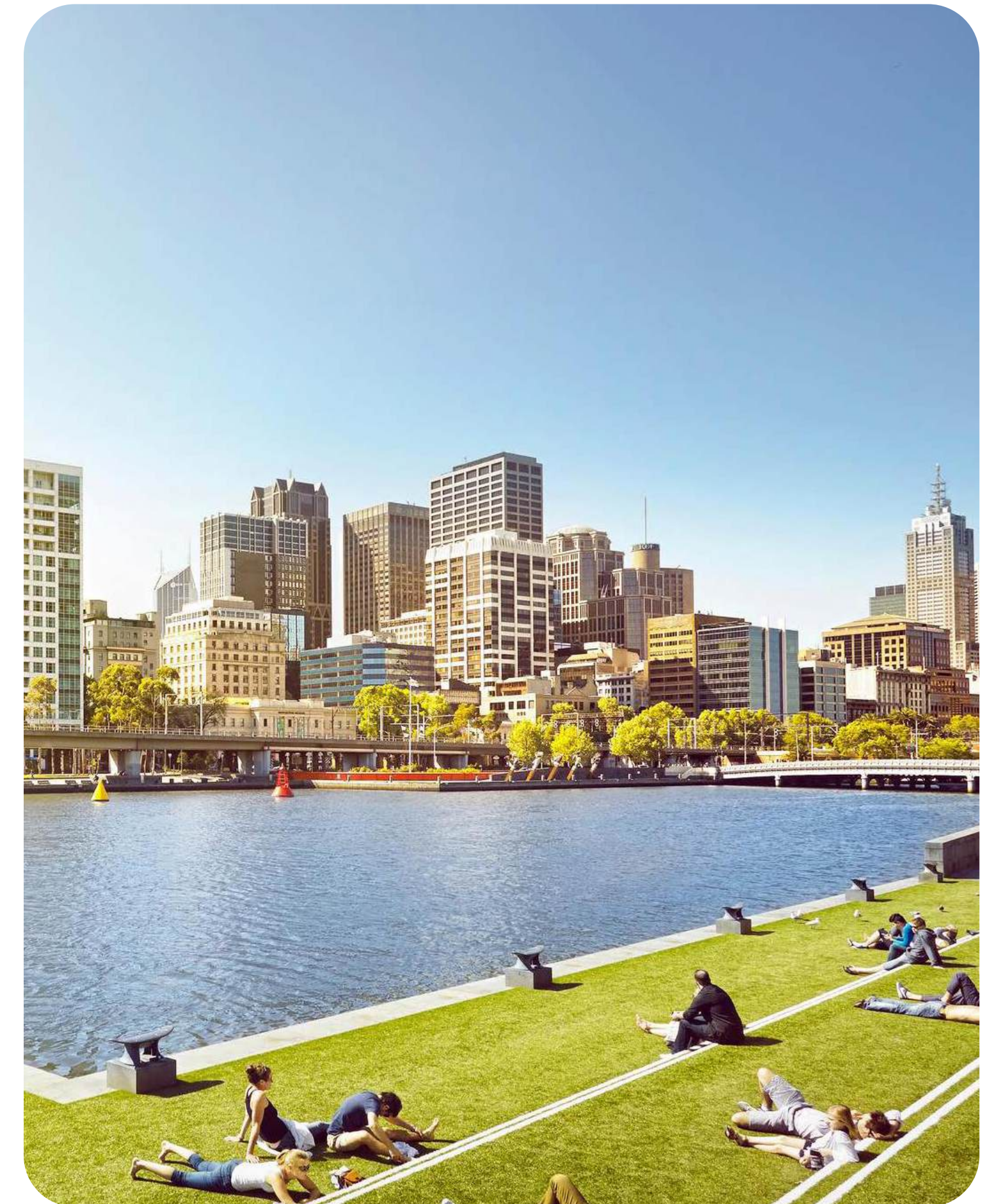
Alison Heppenstall

Founder and Executive Director

For Planet Mark, this has meant engaging members in discussions about how to ensure fair net zero target expectations are being set for suppliers based in lower income nations, but they recognize there is a clear need for greater standardization and international guidance here.

According to Andrew Griffiths, “it would be incredibly useful for clear and internationally recognized guidance on practical ways to ensure corporate action within value chains is consistent with the principles of a just transition in a scalable way. Organizations need a consistent approach to recognizing that the pathway to net zero can be different for value chain stakeholders in particular sectors and developing nations that is agreed by independent standards setters.”

All four organizations recognize there is more to do to facilitate a just transition. The guidance set out in the ISO Net Zero Guidelines represents a good starting point, but a clear methodology that outlines what considering a just transition practically means for organizations in designing a credible net zero strategy will be necessary in order to truly meet this challenge.



Scope 3 emissions and value chain engagement

As set out in this report, Scope 3 decarbonization is often the greatest challenge that organizations face in developing and implementing a credible net zero strategy.

In the case of the FIA, which has an extremely complex value chain and membership model, the journey to net zero is inextricably linked with external systems change. The FIA's largest source of emissions is from the freight and transportation required to move around their vehicles and personnel, and from the motor sports championship events they host. As a result, the FIA will always require regulatory frameworks and energy mixes in the jurisdictions they visit to align with net zero for them to credibly claim net zero as well. This challenge reinforces the importance of aligning all activity with external advocacy and positive climate lobbying.

For CAFA, the greatest challenge they face in fully aligning with the ISO Net Zero Guidelines is that it remains difficult to mobilize their membership of 69 associations to begin their own net zero journeys. That, in large part, is because credible pursuit of net zero remains a vague and abstract goal for most organizations. This is especially true for SMEs, which are most of the members of the organizations that CAFA represents.

The conversion of the ISO Net Zero Guidelines into an international standard containing verifiable requirements for net zero action offers the potential of greater clarity and trust than exists in the market today. This standard and the credibility it offers can support CAFA and other organizations to mobilise their membership.

For Planet Mark, the next step will be scaling in response to demand, as more and more of their 800+ existing members are seeking practical support through their Net Zero Programme, enhanced by the ISO Net Zero Guidelines. This is also Planet Mark's greatest opportunity for impact, given how the Guidelines elevate the role of 'governance organizations' in embedding a high integrity approach to net zero into not just their own operations, but also in the guidance they set for others to follow.

Planet Mark also argues for the need for the principles and recommendations of the Guidelines to be converted into verifiable requirements within an international standard.

As Policy and Corporate Development Director, Andrew Griffiths, commented, "How should companies ensure that net zero is fully woven into their governance structures controlling business strategy, financial budgeting, risk assessment and audit? We have separate voluntary standards providing best practice guidance for measurement, target-setting, net zero strategy planning and corporate disclosures, but there remains an opportunity to harmonise these into an end-to-end structure that allows an organisation to demonstrate that they have fully aligned with best practice governance across the board."

Part 3:

Lessons learned





Net zero action to date has consisted mostly of net zero target-setting and emissions reporting. According to BSI's recently commissioned research in fact, "Net zero pledges have proliferated in the last years, now covering 92% of global GDP. Though these net zero commitments are welcome, they must be accompanied by a robust governance system to ensure that promises translate into action". The much more difficult work of actual emissions reduction and of the internal and external cultural shift that will be required to achieve net zero has, until now, been far rarer to see. The four organizations featured in this report, therefore, have gleaned key lessons from their experience of implementing net zero strategies developed using the the ISO Net Zero Guidelines

Pursuing net zero becomes exponentially easier once you begin, and it could only become more difficult to transition the longer you wait. This is underscored by the recommendations from the ISO Net Zero Guidelines that "organization should not delay urgent mitigation actions to achieve interim or long-term targets" (Clause 9.2, Prioritization of mitigation actions).

The organizations using the Guidelines to develop their net zero strategies also consistently reflected that the most important factors for success are a mandate from senior leadership, and resources.

They all also acknowledged and remained focused on the conviction that long term, the net zero transition is beneficial for the climate and for their business.

General Motors (GM)

The business case for driving the EV and broader societal net zero transition has been especially important for GM. GM understands that an economy-wide shift to low or zero emitting products and energy is critical to achieving net zero. Setting nearer-term interim targets can better align with existing regulatory and product planning cycles, and this can provide GM with additional perspectives on its emissions-reduction journey.

In addition, the need for cross-sector collaboration has been reinforced throughout GM's ISO Net Zero Guidelines case study experience. GM recognizes that support from all industries and sectors is required to achieve net zero. GM also recognizes the need for holistic, economy-wide climate policy to support the changes required to credibly pursue net zero. This is a key reason why the ISO Net Zero Guidelines appealed to GM in the first place. As CSO Kristen Siemen has said about the transition, "We can't do it alone."

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We can't do it alone.

Kristen Siemen

Chief Sustainability Officer, General Motors

FIA

The ISO Net Zero Guidelines have changed the FIA's perspective on credible net zero action provided by clear and recognised definitions. The guidelines have helped the federation to redefine their net zero target rather than pursuing carbon neutrality and thereby creating an initial strategy that over-relied on offsets. As a result, they have set a revised target of net zero by 2040, while **still committing to a 50% reduction in emissions across all scopes by 2030.**

As Head of Sustainability Barbara Silva said: "our responsibility is **not only about reaching net zero but going beyond.** We shouldn't stop at reducing by 50% in 2030 and removing residual emissions. We need to use our reach and our **position as a governance organization to contribute towards the transition.** We have 242 member organizations across more than 140 countries. The ISO Net Zero Guidelines have shown us the importance of being mindful of regional discrepancies for every action and target we set, to ensure we offer the right support to all the organisations within our network. We cannot achieve net zero alone – it will require systems change – and our external affairs and that of our members plays a role in facilitating that change."

CAFA

In CAFA's case, their most significant reflection since adopting the ISO Net Zero Guidelines is that the confidence this guidance has lent them has been instrumental to their progress. **Being able to leverage the credibility of a stable, trusted, international institution like ISO has given them the reassurance they need to encourage and empower their membership to pursue their own net zero goals.** As Alison Heppenstall summarized, "it's easy to feel like you're doing the wrong thing since it often feels like there's no clear definition or example of what the right thing is! The form, structure, common language, and accessibility of the Guidelines has been so helpful to taking action. This process has given us an unparalleled confidence boost that has translated to our membership and enabled them to make credible progress towards net zero too."

Planet Mark

As a sustainability consultancy, certification, and net zero partner for businesses of all sizes and sectors, Planet Mark already had strong expertise in the practicalities of delivering net zero strategies within organizations.

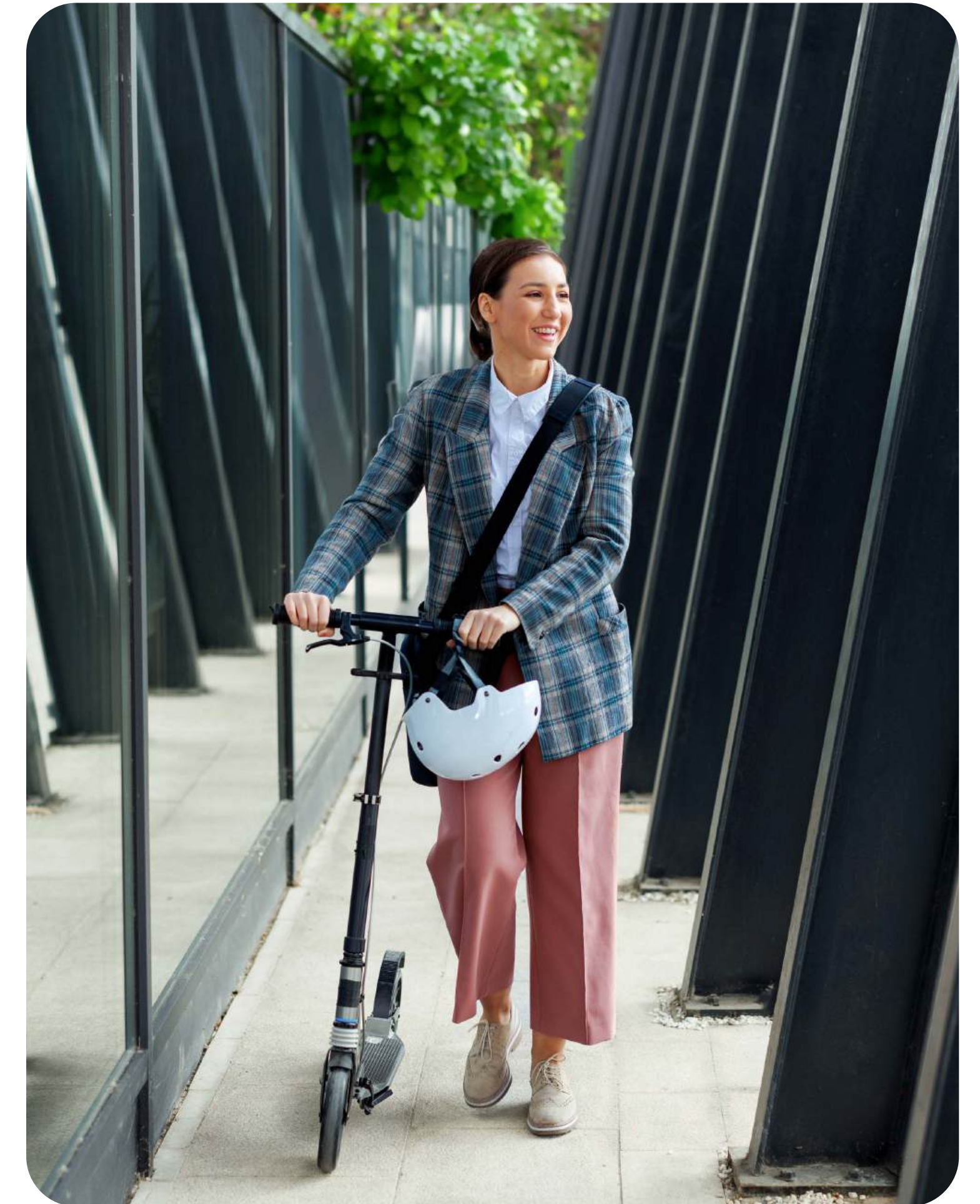
According to Andrew Griffiths, “working with the ISO Net Zero Guidelines provided a fantastic opportunity to review our practices to ensure that we were delivering these services in a consistent and auditable way, where we can prove that the guidance we provide has been fully in line with best practice.”

“As we continually move toward a more robust, evidence-based approach to net zero, ensuring adequate documentation and evidence will be critical for net zero consultancies who could eventually be audited against a set of criteria like the ISO Net Zero Guidelines.”

“This assurance component of ISO standards – something that doesn’t exist for any of the voluntary standards that currently govern the net zero landscape – is a major reason why we’ve adopted the Guidelines and look forward to them becoming a full ISO standard.”

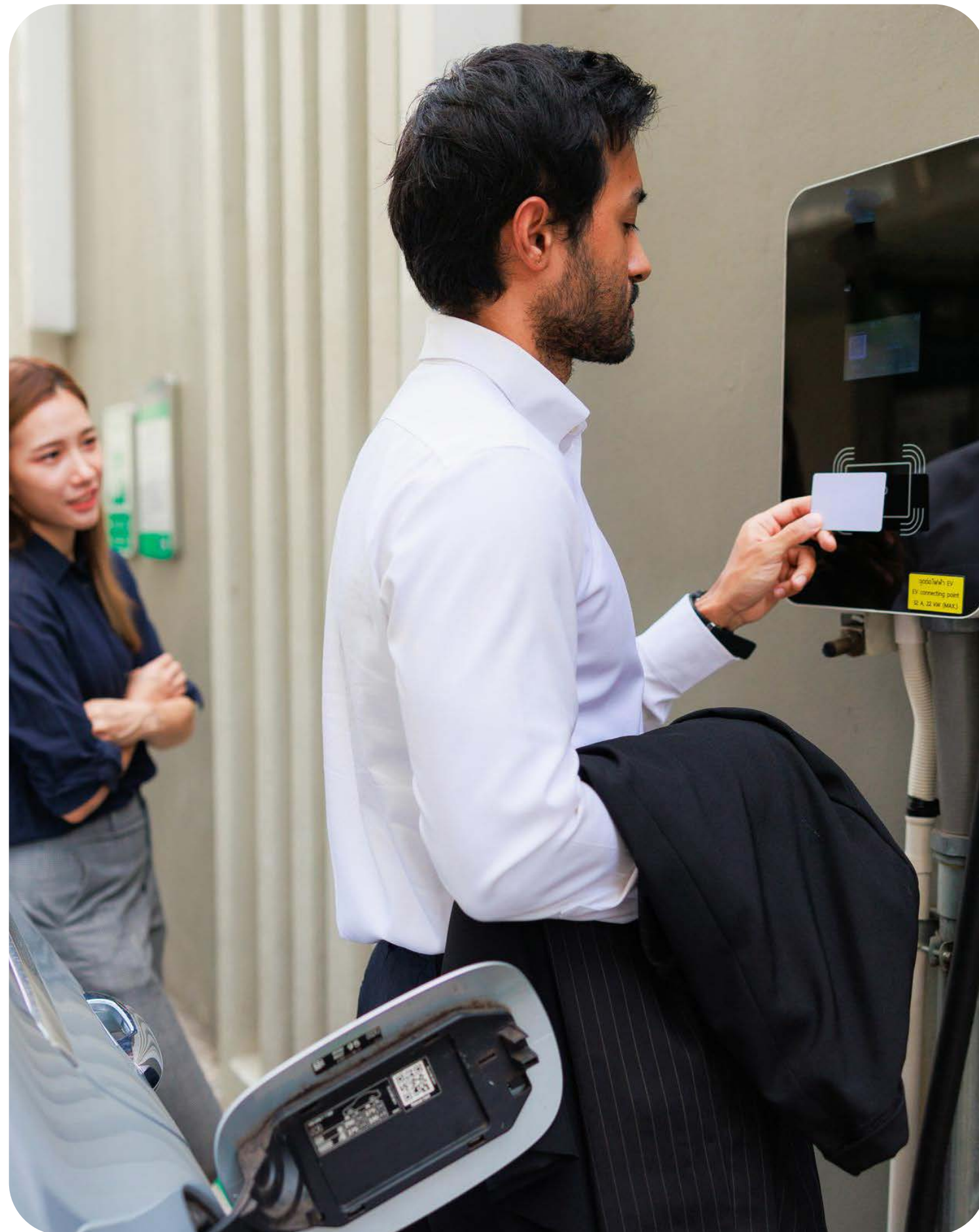
“The built-in accountability mechanism that exists within the formal standards system is unmatched, and when fully leveraged, will scale the transition more dramatically than any other force aside from mandatory regulation can. In other words, going through this process has been hugely helpful in future-proofing Planet Mark and ensuring that we can continue to be market leaders demonstrating best practice in a robust and evidence-based way.”

“The process of completing a full gap analysis of our Net Zero Program against the ISO Net Zero Guidelines has given us a clear process and approach to documentation for future developments and gap analysis against other standards. The way that the consultation process and resulting Guidelines were structured made it much easier for us to develop this approach. Now that we’re confident in our own net zero strategy, we’re in a position to support our growing community of 800+ member companies to create their own credible, holistic, high integrity net zero strategies aligned with the ISO Net Zero Guidelines. The potential for impact and emissions reductions that this will lead to is enormous.”



Conclusion





This report presents the experiences of four organizations of varying sectors and sizes grappling with transitioning to net zero. Despite the real obstacles and practical challenges inherent in the transition, all four have used the [ISO Net Zero Guidelines](#) to make key changes to their net zero strategies in alignment with recognized high integrity criteria. The Guidelines, a comprehensive and high-integrity framework for net zero action, are freely available to download, and are already being used by organizations around the world.

The clear net zero guidance provided in a single framework has given the organizations featured in this report greater confidence to develop net zero strategies and plan for the long term. Their experience of adopting the Guidelines has led to greater clarity on what net zero action means for an organization and has helped unlock key decisions and tangible changes at the highest levels of leadership.

From June 2024, BSI is convening an international process through ISO's Climate Change Management Committee to convert the ISO Net Zero Guidelines into the first international standard on net zero for organizations. Using the basis of this international standard, the ISO Net Zero Guidelines, to develop a credible net zero strategy now can therefore support an organization to de-risk its approach to net zero action, avoid delaying urgent steps that must be taken now and prepare for the future net zero economy.

International standards can play a crucial role in scaling and accelerating the transition to net zero. The opportunity to take advantage of the innovative, future net zero economy is huge. The ISO Net Zero Guidelines are a tool for doing just that and can help any organization of any size, sector, and jurisdiction to reframe net zero as the journey it is and help accelerate progress towards a sustainable world.




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The built-in accountability mechanism that exists within the formal standards system is unmatched, and when fully leveraged, will scale the transition more dramatically than any other force aside from mandatory regulation.

Andrew Griffiths

Director of Policy and Corporate Development
at Planet Mark



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