

# Carbon neutral vs net zero.

What's the difference?



# Why is it so important?

As the UK and global community ramp up ambition towards net zero – key to achieving our goal of limiting global warming to **less than 1.5°C** above pre-industrial levels – it's critical to understand the terminology and what **your business** should be striving for.



# What does it mean for my business?

Transitioning to net zero will be a fundamental pillar of political and business leadership in future. Given that small and medium-sized enterprises account for **99.9%** of the business population in the UK, SMEs have an **vital role to play.**





# The main differences

## **Carbon** neutral

VS

## net zero **carbon**

Carbon neutrality relates to the balance between emitting carbon and absorbing carbon from the atmosphere in **carbon sinks**. Carbon neutral is often seen as a pathway to net zero.

Net zero carbon emissions is the balance between the **total GHG emissions** released and the total amount of GHG emissions removed from the atmosphere **annually**.

# Measurement

## **Carbon neutral** VS **net zero carbon**

While both carbon neutral and net zero requires a company to measure **Scope 1 and 2 emissions**, when Scope 3 emissions account for more than **40%** of a company's footprint, net zero requires these emissions to be **incorporated within targets**. Scope 3 measurement is encouraged when a business becomes carbon neutral but it is not mandatory.

# Reduction and offsetting

## Carbon neutral

VS

## net zero carbon

To be carbon neutral, a **reduction plan** is required for Scope 1 and 2 but not required for Scope 3. Carbon neutral requires buying offsets equivalent to the total carbon footprint.

Companies must make a minimum 90% reduction across all three scopes in comparison to the baseline. Carbon removal offsets can be used to balance residual emissions by a **maximum of 10%.**

At Planet Mark, we have been helping organisations **radically reduce carbon emissions since 2013**, pre- regulation and pre- legislation. We will help you create a **trajectory to net zero** and provide the support needed to dissect the data, track progress and engage your employees in the journey. Join us today.

