

Net-zero will impact your business whether you have a target or not

Canonical:

<https://northmoregordon.com/articles/net-zero-will-impact-your-business-whether-you-have-a-target-or-not/>

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Published: February 16, 2021.

Net Zero represents a commitment to decrease or offset greenhouse gas emissions to zero by a specified target year. Most governments worldwide have established net-zero targets for 2050 or earlier at federal, state or local levels. This fundamental shift requires businesses to redesign operations, supply chains and procurement strategies. The transition affects operational costs, competitive positioning and investor expectations across all industries. Organisations must connect emissions reduction strategies with engineering, procurement and investment decisions to achieve credible net-zero pathways rather than relying solely on offset purchases.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

What is Net Zero?

Net Zero is a commitment to decrease or offset greenhouse gas emissions to zero by a certain year. Most governments around the world have set targets to be net-zero by 2050 , if not at a federal level, then at a local or state level.

What does this look like?

For a government net-zero means zero direct greenhouse gas emissions for the territory. Some of the policy measures introduced to help achieve these targets are already adding to business costs through increased environmental charges in electricity bills, and this has impacts across your whole supply chain. Carbon border tariffs are starting in the EU in 2023 and the UK is proposing they be introduced globally.

What can you do?

If your business wants to minimise the increasing impacts that carbon costs will have then you should look at implementing a carbon strategy to manage your risk.

If you haven't already started, then some simple steps include:

Calculate your full scope 1, 2 and 3 carbon footprint

Set a carbon reduction and renewable energy target

Introduce a shadow price of carbon into all investment decisions.

Why should I act?

There is a significant competitive advantage to be gained in preparing your organisation for the transition to the low carbon economy.

Future-proofing against increasing carbon price risk

Driving innovation across the value chain

Saving money through efficiency gains

Improving investor confidence.

How do I start?

Schedule a complimentary carbon strategy review session with us today. We can start you off on the right pathway for a net-zero future.

For more information about getting a complimentary review or to speak with us about your net-zero future, contact us at Northmore Gordon or get in touch via email carbon@northmoregordon.com

Using this guidance

Check the site's operating conditions, data quality, project stage and current program settings before turning the dated discussion into a scope or investment decision.

Related guidance

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What is Net Zero according to Northmore Gordon?

Net Zero represents a commitment to decrease or offset greenhouse gas emissions to zero by a specified target year. Most governments worldwide have established net-zero targets for 2050 or earlier at federal, state or local levels. This fundamental shift requires businesses to redesign operations, supply chains and procurement strategies. The transition affects operational costs, competitive positioning and investor expectations across all industries. Organisations must connect emissions reduction strategies with engineering, procurement and investment decisions to achieve credible net-zero pathways rather than relying solely on offset purchases.

For a government, what does a net-zero commitment mean in practice?

For a government, net-zero means zero direct greenhouse gas emissions across its territory through policy implementation. These commitments translate into regulatory measures including environmental charges on electricity bills, supply-chain requirements and compliance obligations. Organisations face immediate financial pressure regardless of their own net-zero status, as government policies increase costs across operations. Policy drivers create business-wide impacts through energy pricing changes, product standards and reporting requirements. Proactive carbon management becomes a strategic necessity as regulatory costs accumulate faster than organisations can defer action.

Are carbon border tariffs part of the emerging net-zero landscape?

Yes, carbon border tariffs represent a material emerging cost mechanism in the net-zero transition. The EU implemented carbon border tariffs beginning in 2023, with the UK proposing global introduction. These tariffs impose costs on imported goods based on their carbon content, affecting international trade and global supply chains. Organisations sourcing materials internationally or exporting products face direct financial exposure to carbon pricing mechanisms at borders. This development makes carbon strategy a material business risk requiring immediate attention and quantification as part of transition planning and investment case development.

What competitive advantages exist for businesses preparing for the net-zero transition?

Early preparation delivers significant competitive advantages including future-proofing against rising carbon price risk, driving innovation across value chains and capturing cost savings through efficiency gains. Prepared organisations improve investor confidence through demonstrated carbon management capability. Businesses acting early can identify cost-effective emission reductions before carbon pricing intensifies, access emerging markets requiring carbon credentials, and meet evolving regulatory requirements ahead of mandatory deadlines. Our advisory services help organisations systematise these advantages through documented opportunity assessments, feasibility studies and transition pathways that reveal innovation opportunities while reducing implementation risk.

Why should a business act on net-zero strategy even without a formal target?

Net-zero policy impacts all businesses through rising environmental costs, supply-chain changes and regulatory obligations, regardless of whether an organisation has formally adopted a net-zero target. Waiting until a formal commitment is made exposes businesses to accelerating price increases, competitive disadvantage and operational disruption. Implementing carbon strategy now provides time to identify and implement cost-effective reductions before urgency forces expensive decisions. A diagnostic workshop and emissions inventory establish baselines and highlight opportunities while the organisation can methodically develop transition plans connecting reduction priorities with engineering and procurement decisions.

What is the difference between physical reductions and purchased carbon offsets in transition planning?

Physical reductions involve operational changes, process modifications and infrastructure investments that directly decrease greenhouse gas emissions from an organisation's operations. Carbon offsets represent purchased instruments documenting emissions reductions achieved elsewhere. Transition workplans must separate these approaches explicitly, as they serve different accounting and reporting purposes. Do not subtract purchased offsets from emissions inventories without correctly applying the relevant reporting framework. Our advisory approach separates contractual electricity attributes and carbon offsets from operational reductions to avoid misleading environmental claims and ensure compliant transition documentation.

How should a business establish its carbon accounting boundary before developing a transition plan?

Start by identifying the legal entities, facilities, reporting period, intended audience and purpose. A product footprint, corporate inventory and facility compliance report can share overlapping data but require different boundaries. Document which reporting object is being measured—an organisation, product, project or particular energy purchase—before selecting data sources and estimation methods. Specify existing inventory data, major energy sources and nominated data owners. This foundation prevents boundary confusion when developing reduction pathways and ensures accurate emissions quantification across transition planning. Our gap analysis helps organisations clarify these boundaries and identify missing evidence before comprehensive planning.

How can Northmore Gordon help a business minimise the impacts of increasing carbon costs?

We provide comprehensive carbon advisory services including diagnostic workshops, scope 1, 2 and 3 inventories, opportunity assessment and transition planning. These services connect emissions information with engineering and procurement decisions to identify practical reduction pathways and implementation strategies. We help organisations establish current carbon positions, prioritise cost-effective interventions, and develop transition plans addressing regulatory obligations and commercial imperatives. Support includes feasibility assessment, transition pathway development and support for applicable reporting frameworks including NGER, ASRS and NSW CCMAPs, integrating technical feasibility with financial viability and governance requirements.

