

## Why business must lead on decarbonisation efforts

2 years ago



*Kam Singh, Executive Director - ESG, [EMCOR UK](#), explores the carbon targets in the UK and explains why businesses should be leading the way to meet the deadlines, as well as the importance of robust reporting.*

In 2023, the previous [UK Conservative Government set a series of targets](#) to help it achieve net zero greenhouse gas emissions by 2050. These include:

- Generating 100% “clean” electricity by 2035 through rapid expansion of wind, solar, and nuclear power.
- Making 80% of new car sales “zero emission” vehicles by 2030.
- Capturing and storing between 20-30 million tonnes of CO2 annually by 2030 through carbon capture and storage technology.

As an interim target on the road to net zero, it wants to reduce emissions by 68% by 2030 compared to 1990 levels. However, the [Climate Change Committee](#) has reported that due to the lack of urgency, it is unlikely that this deadline will be met. Though the Labour government has its own [ambitious clean energy goals](#), there is still significant pressure on businesses to lead the way in decarbonisation and clean energy solutions.

Businesses have an essential role in helping the UK become net zero by 2050. However, they face the pressure to align with mandated regulation and choose the right voluntary standards, when navigating the complexities in setting their energy and carbon strategies towards 2030/40/50 net zero goals.

This is against a backdrop of a volatile energy market, an uncertain economy, and a demand for more sustainable practices from multiple stakeholders, including customers, employees, shareholders and the

media.

Businesses must also be mindful about how they go about achieving and reporting on their targets. Faced with these various pressures, there may be a temptation to embellish on ESG reporting. Greenwashing can be a damaging practice and it's much better to be honest and transparent. Robust reporting methods are key to this.

With all this to contend with, how can businesses reduce carbon in a meaningful way?

#### Carbon offsetting vs decarbonisation

Carbon offsetting has been popular for many years now – [Carbon Brief](#) states that two-thirds of the world's biggest companies with net zero targets have decided to use carbon offsets to help reach their climate goal. However, many carbon offset projects used by large businesses have been [found to have fundamental failings](#).

Regardless of the viability and reputation of carbon offsetting programmes, the focus should be on reducing carbon emissions from the source itself.

Decarbonisation focuses on reducing emissions by enhancing energy efficiency and transitioning away from fossil fuels. In FM, that can include optimising or replacing existing assets, transition in electric fleets, and safely installing new equipment and technologies that consume less energy and facilitate the removal of gas and oil consuming plant.

Businesses all have their own net zero deadlines, many of which are just five years away. Regardless of where they are in the net zero journey, organisations should prioritise decarbonisation which focuses on reducing emissions at the source where possible, rather than carbon offsetting.

Converting to renewable energy will immediately reduce emissions. Purchase Power Agreements are one option to facilitate the transition without significant upfront costs, as they support either onsite installation of renewable systems or access to offsite renewable energy production.

Energy price risk management is another important strategy to identify optimal energy contracts and protect yourself against future market volatility. Working with an energy procurement specialist will pay for itself with the expertise that you will have access to.

#### Reporting is critical

It is essential to adopt transparent reporting mechanisms to maintain credibility and avoid greenwashing. Use standardised reporting frameworks such as the Global Reporting Initiative or the Sustainability Accounting Standards Board to increase transparency between companies and stakeholders.

If you have an annual ESG or carbon report, it will be so much more credible if you can back up your claims with data. A lot of the technology is already in place to support with data collection. Building Management Systems and smart metres are examples of digitalisation that provides valuable data.

Just as important as the data collection is the ability to analyse and act on it. With the ability to analyse patterns and performance, you can build a comprehensive foundation for an effective energy and carbon programme management.

## Summary

The urgency with which we must address carbon emissions is increasing, but so too are the technologies and methods available to reach net zero. Wherever you are on your journey, there are achievable short, medium and long term goals to decarbonise your estate. Net zero doesn't have to be at odds with cost savings, so there's no excuse to delay your decarbonisation plans.