



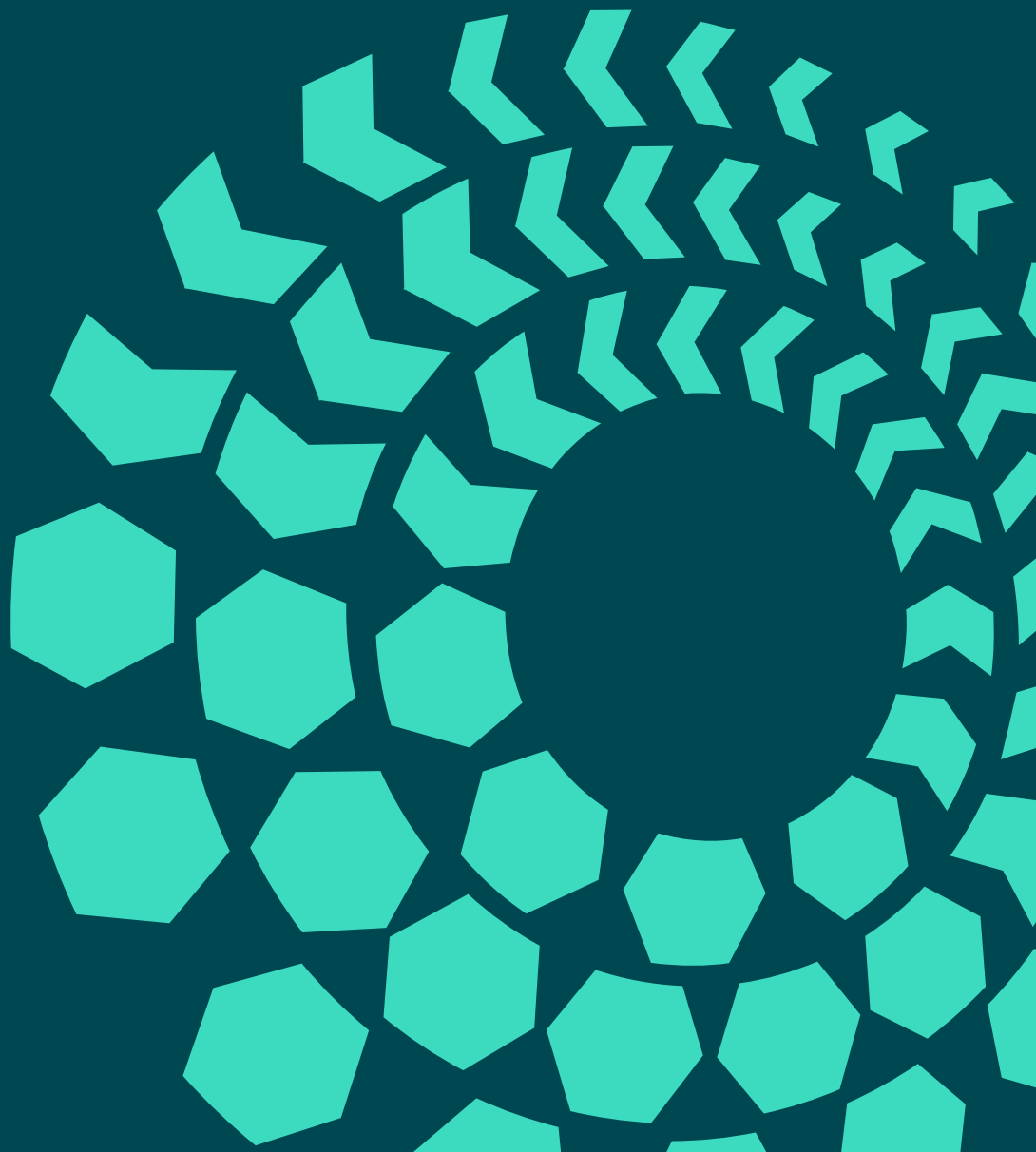
ISEP

Institute of Sustainability &
Environmental Professionals

NET ZERO IN THE ACCREDITED CONFORMITY ASSESSMENT SECTOR: REPORT WITH RECOMMENDATIONS FOR ACTION

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October 2025



PUBLICATION DETAILS

This report was produced by ISEP at the request of the United Kingdom Accreditation Service. Both organisations collaborated in the surveys that provide the basis for the report's findings.

Date: October 2025

ABOUT ISEP

The Institute of Sustainability and Environmental Professionals (ISEP) – formerly known as IEMA – is the global membership body for anyone wanting sustainable change that delivers across government, business and society.

ISEP members set the global benchmark in sustainability and environmental leadership, knowledge, skills and practice. We empower members with cutting-edge evidence and insights, enable them with world-class training and guidance, and ensure excellence with globally recognised professional standards.

We harness the collective expertise and experience of our 20,000+ global membership to influence government policy, legislation, regulations and standards, encourage best-practice within business, and inspire change across society.

ISEP members are global changemakers, transforming the world today for a sustainable future.

ABOUT UKAS

UKAS is appointed as the UK's National Accreditation Body by the Accreditation Regulations 2009 and operates under a memorandum of understanding with UK government. It is the only body recognised by government for the accreditation, against international standards, of organisations providing calibration, testing, certification, inspection, verification, validation and medical diagnostic services.

UKAS is a private company limited by guarantee. In accordance with UK law and government policy, accreditation must be operated in the public interest by a single not-for-profit national accreditation body as a public authority activity¹.

UKAS is a world-leading innovator in accreditation services. Our accreditation activities and development projects range from physiological diagnostic services, forensics and biobanking to nuclear new build, energy management systems and building information modelling. UKAS also responds to the challenges and opportunities from new data and digitally driven industries, working with government and agency partners.

UKAS is an integral part of the UK's National Quality Infrastructure. The assurance and confidence provided by UKAS, the British Standards Institution and the National Physical Laboratory as the core components of the UK's National Quality Infrastructure constitute a high-quality framework for measurement, standards, testing, certification and accreditation services. This has been instrumental in underpinning the productivity and competitiveness of British business and the innovative development of products and services in the UK and beyond.

UKAS is an influential member of the International Accreditation Forum (IAF) and the International Laboratory Accreditation Cooperation (ILAC).

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/949132/conformity-assessment-and-accreditation-policy-in-the-uk.pdf

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EXECUTIVE SUMMARY

Background

This report sets out the findings of a study commissioned by UKAS and undertaken by ISEP into the conformity assessment sector's response to the climate crisis. It includes surveys of conformity assessment bodies (CABs) and accreditation bodies (ABs), and, for comparative purposes, a review of net zero approaches, progress and challenges in other comparable sectors.

Net zero landscape

There is a wide range of tools and methodologies that are available for organisations to use in their efforts to address climate change. This report reviews how these initiatives provide frameworks for greenhouse gas (GHG) quantification, setting net zero transition targets and pathways, offsetting and counterbalancing, disclosure, validation and verification, and wider action.

CAB and AB surveys

All UKAS accredited CABs (over 2,500) were invited to participate in the survey, and 99 responses were received. Owing to this relatively low response rate the findings from the survey should be treated with caution. However, certain trends were identified: larger organisations tended to have made stronger commitments to reaching net zero and typically claimed a greater understanding of GHG quantification and net zero concepts.

Overall, a relatively small proportion of CABs reported knowledge and use of climate change standards, with almost 85% not using any and almost 75% unaware of any. Typically, larger organisations had greater awareness. CABs reported the following as being the greatest challenges: obtaining data for Scope 3 (indirect) emissions, lack of internal capacity (time), lack of external (i.e., government or other institution) funding for low carbon initiatives, lack of guidance specific to the sector and challenges in identifying practical long-term (>10 years) emissions reduction options.

The AB survey responses (only 2) demonstrated that those organisations were taking some action to calculate and tackle emissions, and cited similar

challenges. Follow-up interviews with representatives of these two ABs provided useful feedback, including that ABs are encouraging the use of a mix of site and remote methods of accreditation assessment, but that there is some resistance to this from CABs staff and customers, many of whom favour site-based assessment.

Approaches and progress in other sectors

The UK Net Zero Business Census 2024 provides useful insights into cross-sector approaches to addressing the climate crisis. The findings, in terms of types of action being taken and the challenges faced, were broadly similar. However, the overall level of engagement and action reported by respondents to that study's survey was greater than that reported by the CABs. These contrasting responses may be due to differences in the drivers in other sectors with more direct emissions and organisation size, and the different question sets.

Three commitments-based initiatives relevant to the sector were reviewed: Pledge to Net Zero (environmental sector), Professional Service Providers in a Net Zero Future and Legal Charter 1.5. These are aimed at encouraging organisations to make commitments to working towards net zero (by 2050 at the latest), and to develop their own strategies for achieving this. Pledge to Net Zero encourages the use of specific quantification approaches, but the others do not mandate specific standards. The latter two emphasise the importance of 'served' or 'advised' emissions of the customer organisations for which the professional services organisations are working.

Analysis and conclusions

Within the accredited CAB sector, larger organisations typically have greater understanding of the issues, demonstrate more commitment and are taking more action. Although identifying apparent differences in the degree of climate action being taken in the conformity assessment sector and across other sectors, this study has shown that organisations across all sectors are facing similar challenges. Organisations are planning further action, and there is an expectation that pressure to do so, including legislative, is likely to increase in the future.

Organisations recognise various benefits from taking action, including contributing to tackling climate change, but also business benefits such as enhanced reputation, customer retention and competitive advantage, demonstrating leadership and enhanced compliance, resilience and efficiency.

Although there is general recognition of the need to focus on GHG quantification and reducing an organisation's emissions in line with achieving net zero, the professional services sector initiatives also emphasise the importance of addressing customer emissions (serviced or advised emissions).

Summary of barriers to action facing CABs:

- Low levels of use or knowledge of climate change standards, for reporting and taking action;
- Difficulties in obtaining data for Scope 3, lack of internal capacity (time);
- Lack of external (i.e., government or other institution) funding for low carbon initiatives;
- Lack of guidance specific to the sector; and
- Challenges in identifying practical long-term (>10 years) emissions reduction options.

Recommendations

Based on the report findings, and taking into account areas where UKAS is well placed to initiate, work collaboratively towards and/or support coherent climate action, UKAS should consider the following activities:

- Reflect on the opportunity for UKAS to demonstrate leadership in light of the needs of the accredited conformity assessment sector in addressing climate change.
- Advocate for appropriate action – by government, IAF, ILAC and European co-operation for Accreditation (EA), CABs and sector membership bodies, and collaborate with these organisations to identify, devise and roll out relevant initiatives, campaigns and projects.
- Seek to convene its customer CABs, national and international partners and CAB representative bodies

to consider, and enable, the collective development of a climate action plan and communication strategy for the sector. Such a collaboratively developed action plan and strategy should:

- encourage the sharing of best practice, e.g., through communication campaigns, case study development and dissemination;
- identify opportunities to establish collaborative networks and/or working groups to promote climate change action within the sector.
- Consider opportunities to support the extension of the sector's ongoing engagement with government, financial services regulators and other stakeholders (aimed at alignment of sustainability assurance approaches) to include net zero/climate reporting requirements/guidance for the accredited conformity assessment sector (for example, by advocating for the inclusion of net zero/climate action guidance and requirements in professional competencies frameworks applicable to CABs).
- Consider joining Race to Zero or one of the associated professional services sector initiatives (potentially as part of a wider conformity assessment sector initiative), and recommend that CABs take similar action. A further option would be for UKAS to convene interested parties to consider and lead the development of a roadmap for the conformity assessment sector, potentially as a partner of the UN Race to Zero.
- Convene sector partners and CAB membership organisations to consider and manage the development of sector-specific guidance on tackling climate change. In the absence of sector-specific guidance, UKAS should look to: (i) disseminate this study and encourage the use of the generic sources of guidance referenced in it; and (ii) promote the initiatives being considered by the ABs included in this study.

In addition to these recommendations to UKAS, the accredited conformity assessment sector membership and governance organisations should consider further research into opportunities and challenges within the sector, to better understand the issues facing specific conformity assessment service categories and types

and sizes of CABs. UKAS should encourage and support any such initiative, building on this report.

1. BACKGROUND TO THE PROJECT

As the UK's National Accreditation Body responsible for assessing the competence of conformity assessment bodies across sectors and topics, and offering accreditation services to support the credibility and integrity of established and evolving policies and markets, UKAS recognises the need for action to tackle climate change and the challenges, and the opportunities, that this poses for the independent assurance sector. Accordingly, UKAS partnered with ISEP, the global professional body for the environment and sustainability, to provide initial guidance and recommendations to help inform UKAS's work to enable further, collaborative climate action in the sector.

The first phase of the project was a survey of both CABs – UKAS customers, and a selection of ABs, supplemented by interviews with a small number of AB participants. The survey explored the progress being made in the conformity assessment sector and the challenges facing its organisations.

A review of the net zero landscape was undertaken, exploring the sources of guidelines, standards, protocols and schemes available for organisations working to quantify their emissions and intending to commit to and plan to achieve net zero. This document takes account of the needs of organisations in the conformity assessment sector, based on the survey responses, and provides high-level recommendations to help in selecting suitable approaches to developing and implementing their net zero strategies.

2. NET ZERO LANDSCAPE

Overview

Greenhouse gas quantification and net zero transition planning and action is supported by a wide range of standards, schemes and initiatives for organisations, many of them applicable globally. This report section provides an overview of approaches in the following categories [selected based on a review of other studies]:

- Approaches to net zero – including standards or protocols that provide guidance on an overall approach to understanding the concept and working towards net zero and those that set out more specific and auditable requirements;
- GHG quantification methodologies – for the quantification of organisational emissions;
- Net zero transition planning approaches: targets, timelines and pathways;
- Offsetting and counterbalancing methods – addressing both the purchase of credits and taking independent action;
- Disclosure, validation and verification mechanisms – for emissions reduction, environmental/carbon data and claims and carbon credits trading; and
- Wider action – going beyond the organisation's own net zero efforts and/or considering broader sustainability priorities and support for net zero action outside the organisation's own value chain.

In addition, a glossary of typical terminology and concepts used in GHG quantification and action toward net zero is provided in Appendix A.

Approaches to net zero

There is a wide range of initiatives, tools and approaches that organisations can utilise to help them work towards net zero, addressing some or all of the following:

- Making a commitment;
- GHG quantification/assessments;
- Achieving carbon neutrality (as an option on the pathway to net zero);

- Working towards net zero itself:
 - Setting targets (i.e., date for net zero and interim targets);
 - Establishing a pathway (the reduction curve, based on the targets);
 - Developing a plan (of actions to achieve the targets);
 - Reducing emissions (taking the planned actions);
- Reporting, disclosure and claims; and
- Validation and verification of emission data and claims.

Some initiatives, for example the UNFCCC Race to Zero (see Appendix B – Further Sources), promote a model comprising steps such as:

- **Pledge** – pledge to reach net zero emissions no later than 2050 and to contribute to halving emissions by 2030;
- **Plan** – publicly disclose a transition plan, including actions by 2030;
- **Proceed** – take action to achieve net zero, consistent with your targets, and contributing to sector breakthroughs;
- **Publish** – report publicly progress on your targets and actions, feeding into the UNFCCC global action portal; and
- **Persuade** – align policy and engagement, including with membership associations, with halving emissions by 2030 and net zero by 2050.

Race to Zero is open to individual organisations to join, or 'partners', such as sector bodies, which can develop aligned programmes for their members to join.

A detailed study, published in 2024 by Oxford Net Zero², examined resources that addressed at least one of the following:

1. Prepare – preparing for net zero
2. Quantify – quantifying GHG emissions
3. Target – setting GHG emissions reduction targets
4. Planning – planning GHG emissions reductions

² Becker et al., [2024] Governing net zero: assessing convergence and gaps in the voluntary standards and guidelines landscape. Oxford Net Zero.

5. Counterbalance – counterbalancing residual emissions by removals
6. Impact – contributing to positive impacts through net zero transitions
7. Report – reporting on GHG emissions

It concluded that many of the various ‘net zero governance resources for non-state entities’ (i.e., standards, methodologies, guidelines, schemes) are converging, in the following key areas:

- Recommending 2050 science-based targets;
- Setting interim targets;
- Addressing Scope 3 emissions (see Appendix A – Glossary of Terminology and Concepts) [quantification and target-setting];
- Separately accounting for offsets/credits and emissions reductions;
- Aligning executive remuneration with net zero performance;
- Aligning advocacy with the Paris Agreement (see Appendix B – Further Sources);
- Shifting products and services towards low-carbon alternatives;
- Taking account of the imperative for a just transition.

However, there is a lack of genuine agreement regarding:

- How to achieve a ‘just transition’, taking account of recognised principles such as common but differentiated responsibilities (CBDR) and the implications for net zero target dates;
- Timescales for interim targets;
- Allowing different sector pathways;
- The percentage of residual emissions at net zero;
- The use of carbon credits from removals and claims of carbon neutrality as part of the pathway to net zero;
- Allowing less than full coverage of Scope 3 emissions (potentially different levels of inclusion for quantification and target setting); and

- Approaches to quantification.

Standards and schemes for GHG quantification and the net zero transition that are in widespread use include³:

- [Race to Zero](#), summarised above;
- The GHG Protocol, a suite of standards for organisational, product, project and value chain quantification, of which the following are particularly relevant to this study:
 - [Corporate Standard](#);
 - [Corporate Value Chain \(Scope 3\) Standard](#).
- SBTi (Science Based Targets Initiative), a comprehensive scheme for developing a net zero transition programme, including validation and verification;
- ISO GHG standards, an extensive suite of standards for GHG quantification, validation and verification, plus other addressing carbon neutrality and net zero:
 - [ISO 14064-1:2018](#) Greenhouse gases Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals;
 - [ISO 14064-3:2019](#) Greenhouse gases Part 3: Specification with guidance for the verification and validation of greenhouse gas statements
 - [IWA 42:2022](#) Net zero Guidelines: Accelerating the transition to net zero (note: this is free to download). See also ISO 14060, below;
 - [ISO 14068-1: 2023](#) Climate change management – Transition to net zero Part 1: Carbon neutrality;
 - ISO 14060 Net zero aligned organizations (under development). Not yet available to access. Expected to be published in early 2026;
 - [BSI Flex 3030 v2.0:2024-12](#) – Net zero transition plans for small and medium enterprises provides accessible guidance for smaller organisations.

An overview of selected approaches is provided in section 5.

³ These are generally free to download, other than the majority of ISO standards, that are only available in full for a fee. However, a sample or preview can be accessed free of charge.

GHG quantification

Quantifying GHG emissions and removals has been supported by a number well-known standards for over 20 years. The GHG Protocol Corporate Accounting and Reporting Standard was published in 2001, and has become widely recognised and utilised by governments and companies globally, and has provided the quantification mechanism for other climate change initiatives. The GHG Protocol has also developed a range of supporting standards for product emissions quantification and emissions reduction or removals project quantification. These standards introduced much of the quantification terminology widely adopted today.

The International Organization for Standardization (ISO) has published similar standards, and enables alongside them a standardised process for validating and verifying emissions reduction plans and inventories. The ISO approach can be utilised alongside the guidance in the GHG Protocol.

In addition, there are other voluntary schemes for climate-related disclosures, such as the CDP (Carbon Disclosure Project) and IFRS S2 Climate-related Disclosures standard, developed by the International Sustainability Standards Board (ISSB), which specify or recommend the use of the GHG Protocol as the basis for quantifying and reporting on climate-related risks. Many governments and stock exchanges also refer to the GHG Protocol for organisational-level disclosure.

Key concepts in the GHG Protocol accounting standards address:

- Establishing organisational boundaries for quantification;
- Identifying sources of emissions (and sinks, if relevant), including life cycle emissions;
- Quantification mechanisms; and
- Quality assurance.

Although the GHG Protocol methods provide detailed requirements for GHG data collection, many other net zero standards and (reporting) schemes have alternative rules for inclusions and exclusions of data.

Net zero transition: targets, timelines and pathways

There is broad agreement that organisations should aim to work towards the Paris Agreement goal of taking action to limit global temperature increase to no more than 1.5°C above pre-industrial levels, and to achieve this by 2050.

This requires emissions to be reduced to a level where they are counterbalanced by removals from the atmosphere. In order to align with this goal, organisations should:

- Commit to net zero;
- Set their targets;
- Develop a transition pathway;
- Plan actions to achieve net zero; and
- Monitor and report progress.

The many schemes and standards available to organisations to follow have differing levels of detail and requirements, with varying approaches, among others, to:

- The extent to which organisations should quantify and take action on Scope 3 (indirect) emissions, ranging from none to all, with some schemes specifying the various categories to be included and others allowing organisations to use a screening approach;
- Frequency of interim targets;
- The extent to which emissions must be reduced before the residual emissions can be counterbalanced by removals; and
- The need to consider wider impacts of mitigation measures, for example on biodiversity (e.g., by sourcing biofuels) or on social issues, including the Paris Agreement concepts of a fair and just transition.

Offsetting and counterbalancing

There is almost universal recognition that carbon credits from emissions reduction projects should only be used to offset an organisation's emissions as the basis for claiming carbon neutrality. Only carbon credits

from removals from the atmosphere should be used as the basis for achieving net zero.

Some schemes allow or encourage the use of emissions reductions credits as an interim measure on the way to net zero, as it can be argued that purchasing these credits provides the finance for emissions reductions projects, particularly in the developing world, that otherwise would be unaffordable. These actions help to work towards net zero on a global scale and support the Paris Agreement aim of providing funding to developing countries.

There are also very different approaches to the robustness of external validation and verification. Accredited third party conformity assessment (i.e., accredited validation and verification) is recognised as providing greater confidence in plans and achievements.

Disclosure, validation and verification

Validation is the process for evaluating the reasonableness of the assumptions, limitations and methods that support a statement about the outcome of future activities, such as a net zero transition plan. Verification is the process of evaluating a statement of historical data and information to determine if the statement is materially correct and conforms to criteria, for example a GHG baseline or emissions reduction report.

There are very different approaches to disclosure, including in relation to:

- The categories of GHGs to be included (and potentially reported separately);
- Reporting of scopes (which ones, reporting them separately);
- Frequency of reporting;
- Types of claim that can be made (for example that an organisation has a net zero plan, is making progress towards or has achieved net zero); and
- How to address deviations from targets (e.g., falling behind the necessary pace of reduction).

There are varying approaches to validation and verification, which are mandated by some schemes to be undertaken by independent external entities. Others allow self-declaration or rely on either of validating the net zero plan at the outset or verifying progress as it is achieved.

Wider action

Some schemes require or expect organisations to consider wider action, for example:

- More ambitious action going beyond net zero, by reducing emissions below the level of removals (sometimes referred to as carbon negative);
- Taking rapid action, to help balance the impact of other entities that cannot make such rapid progress. This can be through setting very ambitious short-term targets or aiming to achieve net zero well before 2050;
- Supporting other entities, such as supply chain partners, through competence-building, providing tools or finance]; and
- Using their influence to promote net zero, potentially through their own actions, advocacy, etc.

3. CONFORMITY ASSESSMENT BODY SURVEY

Background to the survey

A survey questionnaire was developed by ISEP, in collaboration with UKAS, and was forwarded by UKAS to its customer base of over 2,500 organisations. The objectives of the survey were to gauge the degree of net zero engagement and action, and to explore the challenges facing organisations within the sector. The survey ran from June 2nd to July 10 2024.

The respondents

The CAB respondents were broken down into twelve categories as follows:

- Calibration organisations
- Certification bodies
- Imaging services
- Inspection bodies
- Medical laboratories
- Medical physics and clinical engineering (MPACE)
- Medical reference measurement
- Physiological services (IQIPS)
- Proficiency testing providers (PTP)
- Reference Material Producers (RMP)
- Testing laboratories
- Validation/Verification bodies

The CAB survey received 99 responses with all CAB categories represented.

The CAB organisations were ranked into size bands: ranged from micro (1-9 employees), small (10-49), other SME (50-249) and large (250-1000 employees). There were 31 micro-organisations and 19-24 in the other size bands. Owing to this relatively low response rate the findings from the survey should be treated with caution.

Testing, certification, calibration and inspection were the most numerous (21-49) with small numbers providing MPACE, medical reference measurement, IQIPS, PTP and RMP services (1-3). The overall response rate was low, with approximately 7.5% of service providers responding, with substantial variation in

response rates between categories.

The majority of CABs (65) provide services in only one category, with a further 19 providing services in two categories. Two CABs provided services across 6 categories; both were in the large organisation category.

Summary of findings

Overview of commitment

Almost 30% of the respondents had made a commitment to reaching net zero. Approximately 20% were carrying out some degree of GHG quantification. The remainder had no plans to address climate change in the foreseeable future or within a specified timescale.

The level of commitment and action varied significantly depending on organisation size. Over 75% of large organisations had made a commitment to reaching net zero and were either in the process of, or had developed, a transition plan. Conversely, over 80% of micro-organisations had no plans to address climate change in the foreseeable future or planned to address this in due course.

There were also considerable differences in the level of commitment between CAB categories, with many of the specialist CAB categories (for example, imaging services, medical laboratories, MPACE, and physiological services, typically offered by only a small number of organisations) already having, or are developing, net zero transition plans (this group includes several NHS Trusts that are mandated to work towards NHS net zero targets). The organisations providing the more widely offered services (calibration, certification, inspection and testing laboratories) demonstrated least commitment. However, potentially the reason for this is related to the degree of knowledge and expectation. In some categories, there may not be widespread awareness of net zero action, resulting in few CABs in those categories responding to the survey; with self-selection by the small number that are taking action. In other categories, where there is a greater overall involvement in net zero, a larger proportion may have responded, including those that are not yet taking action, thereby creating a false impression of low engagement.

Understanding of high-level GHG quantification and net zero concepts

Larger organisations reported significantly greater understanding of climate change terminology than did smaller organisations (large organisations scored their understanding at about 4 out of 5, smaller organisations typically scoring 2.5-3). Net zero was reported to be understood by a greater number.

Drivers for tackling climate change

Customer expectation and business benefits were the highest ranked drivers. The degree of importance to all drivers typically was ranked higher by larger organisations. Applicable legislation was cited only by some of the larger organisations (climate change legislation tends to apply only to organisations above certain size thresholds).

Actions being undertaken or planned

Specific climate change/net zero actions were reported as being in progress, with various individual actions being undertaken by 18-28% of responding organisations – senior management commitment (32 organisations), annual emissions calculation and taking actions to reduce emissions were the most common, with further commitments made to address various individual actions over the next 1-3 years by 16-27% of responding organisations. Purchasing carbon credits, seeking validation and verification and participating in external working groups had the lowest level of action.

Detailed analysis was undertaken of action taken by CAB category, for the following:

- High-level net zero strategy developed or integrated into overall business strategy;
- Developing an emissions reduction/net zero transition plan; and
- Calculating a carbon baseline.

The CABs making the most progress tended to be in specialist categories (imaging services, MPACE, medical reference measurement, IQIPS, PTP, medical laboratories and reference material producers), where typically there are only a small number of providers. In

total, eight different organisations were represented, three of them being NHS Trusts and all but two having 250 or more staff. The proportion of organisations in each of these categories that were taking action was in the 50-100% range. The CAB categories with the lowest levels of action were calibration, certification, inspection and testing laboratories. Potentially this is due to greater participation from organisations in these categories, including those that are taking relatively less action.

The UK Net Zero Business Census 2024: Results and Recommendations Report (see Appendix B – Further sources) suggests that there are higher levels of engagement across the economy as a whole, with 52% of participating organisations having already established at least a partial baseline, and a further 29% planning to do so within the next 12 months. A total of '57% of respondents have developed a plan to reduce carbon emissions, whilst 39% report having already achieved measurable reductions'. With regard to net zero, 73% of respondents say net zero is a medium (30%), high (28%) or very high priority (15%) for their business strategy within the next 12 months. However, these apparent differences between engagement and action in the conformity assessment sector and the wider sample in the UK Net Zero Business Census may be due to different approaches to sampling and the sets of questions in the two surveys.

Use or knowledge of climate action standards and initiatives

Overall, the numbers of organisations using or aware of the various standards was low, with almost 85% not using any and almost 75% not knowing of any of them. The most commonly used or recognised were standards such as the GHG Protocol for Organisations (for quantification and reporting) and the SBTi and Race to Zero for taking action. Owing to self-selection by the survey respondents, the varying levels of knowledge reported are unlikely to be truly representative of actual knowledge across each category, as the degree of expectation is likely to vary between categories providing services related to net zero and those that do not.

Challenges in carbon quantification and in planning a net zero transition

Respondents declared all categories of action as being challenging to some degree, with the most challenging being difficulties in obtaining data for Scope 3, lack of internal capacity (time), lack of external (i.e., government or other institution) funding for low carbon initiatives, lack of guidance specific to the sector and challenges in identifying practical long term (>10 years) emissions reduction options.

Similarly, the UK Net Zero Business Census 2024 reported challenges and barriers as being:

- High cost (59% of respondents citing it as a moderate or significant barrier);
- Regulatory uncertainty (50%); and
- Lack of trusted information sources (46%).

Micro-organisations tended to find all areas of climate action more challenging than did larger organisations. However, some large organisations, perhaps as a result of being more engaged in taking action, rated certain areas more challenging than did small organisations and other SMEs.

Conclusions

The degree of commitment declared by CABs varied according to organisation size, with over 75% of the responding large organisations committed to net zero and having developed or in the process of developing a transition plan. Conversely, over 80% of the responding micro-organisations had no such plans. Greater commitment was shown by CABs in specialist categories, with relatively low levels reported in calibration, certification, inspection and testing laboratories.

Customer expectations and business benefits were ranked as the most important drivers for taking action.

Levels of understanding of climate change concepts were highest in larger organisations. Typically, challenges were more strongly rated by smaller organisations, although there were some exceptions. Key challenges included difficulties in obtaining data for

Scope 3, lack of internal capacity (time), lack of external (i.e., government or other institution) funding for low carbon initiatives, lack of guidance specific to the sector and challenges in identifying practical long term (>10 years) emissions reduction options.

There was generally a low level of use or knowledge of climate change standards, for reporting and taking action.

It is to be expected that CABs providing services related to GHG quantification are more likely to be aware of terminology and are also more likely to respond to the survey, so self-selection inevitably skews the results. Also, many CABs provide multiple services, so responses shown by CAB category are not restricted to organisations providing just that one service; for example, of the two CABs providing MPACE, one also provides services in all other categories, so its capabilities are not representative of the MPACE category (and one of these respondents was an NHS Trust, which is mandated to adhere to wider NHS net zero targets).

4. ACCREDITATION BODY SURVEY RESPONSES

The survey questionnaire

The questionnaire for the ABs was similar to that for the CABs and covered:

- Overview of involvement;
- The organisation's understanding of high-level GHG quantification and net zero concepts;
- Drivers for tackling climate change;
- Actions being undertaken or planned;
- Use or knowledge of climate action standards and initiatives; and
- Challenges in carbon quantification and in planning a net zero transition.

Survey results

Only two of the accreditation bodies (both in the 'other SME' size band) provided a response, so the small sample is not representative.

Overview of involvement

Both ABs were taking some action, as follows:

- One organisation stated that it is committed to reaching net zero and has a robust transition plan in place; and
- The second AB stated that quantifying and reducing GHG emissions is part of the organisational strategy but no formal commitment has been made to reaching net zero.

This contrasts with the CAB responses, where 50% were taking no action.

The organisation's understanding of high-level GHG quantification and net zero concepts

Only one of the ABs completed this section, with knowledge of the concepts ranked as three on the 1-5 scale.

Drivers for tackling climate change

Both ABs responded to this section, with competitors' actions, business benefits and part of business strategy ranked the highest. The AB that ranked the drivers higher is the one reporting a robust transition plan in place.

Actions being undertaken or planned

Most action was reported for the following:

- Energy and emissions reductions targets established;
- Energy and/or emissions reduction measures in place; and
- Calculating emissions annually.

Further action was planned for:

- Senior management commitment to taking action;
- High-level net zero strategy developed or integrated into overall business strategy;
- Integrating net zero actions into business processes/EMS;
- Taking action to reduce emissions; and
- Publication of the carbon footprint.

The two respondents did not plan to take any other actions.

Use or knowledge of climate action standards and initiatives

No responses to this question.

Challenges in carbon quantification and in planning a net zero transition

The respondents reported differing degrees of challenge, with one ranking the lack of access to external support most highly, and the other citing the identification of both short- and long-term emissions reduction options, together with the lack of external funding for low carbon initiatives as the most challenging. The AB ranking the challenges more highly is the one taking greater action.

Accreditation body interviews

Background:

Senior representatives from two ABs agreed to be interviewed regarding their organisations' approaches to net zero and the relevance of net zero to the conformity assessment sector.

Both reported that their organisations are required by law to report on their carbon emissions, with one emphasising that, as a public body, the organisation was also subject to legislation and government policy in relation to fiscal matters (a constraint).

Both reported that travel is by far their largest contributor to carbon emissions (one stating that the organisation's emissions were 90% from travel and 10% from office activities).

Emissions reduction measures:

One reported that it is increasingly moving towards homeworking and using remote assessment methods and digital and AI tools. The other reported that it is adopting a hybrid approach to assessment, but on a phased basis so that its effectiveness can be evaluated.

One reported that its staff traditionally have favoured using their own cars for business visits, and so the organisation had no control over the vehicle type and fuel efficiency. A new company car policy has been introduced, offering staff electric vehicles or an enhanced allowance if staff use their own electric vehicles.

One reported that its main office is leased, so it has limited potential to improve the building's energy efficiency, but it has installed LED lighting and timers.

Influencing CABs:

Both reported they are encouraging CABs to consider the potential of increasingly using remote audit methods to reduce emissions, but cultural factors are a barrier. In their views, some CABs and CAB assessors, as well as many customers, prefer site visits to be conducted, rather than remote assessment.

Actions being taken or considered by one or both included:

- Providing remote assessment tools for CABs to use, on a voluntary basis;
- Having discussions with IAF, ILAC and EA to allow more remote assessment by CABs;
- Considering further options for encouraging CABs to make greater use of remote assessment methods;
- Considering the role digitalisation may have in the future; and
- Directing CABs to ensure that good quality carbon credits are provided to the wider market.

5. APPROACHES AND PROGRESS IN OTHER SECTORS

A limited study was undertaken of sources reporting on approaches and progress in other sectors, to provide a broader overview of current action, specifically:

- UK Net Zero Business Census 2024, Results and Recommendations (a cross-sector study);
- Pledge to Net Zero (a UK-led initiative for the environmental services sector);
- Professional Service Providers in a Net Zero Future (an initiative under the umbrella of Race to Zero for the professional services sector); and
- Legal Charter 1.5 (a net zero initiative for the legal services sector).

These initiatives include guidance and provisions that may be relevant to organisations in the conformity assessment sector, and provide the basis for recommendations in this report (see Recommendations section).

UK Net Zero Business Census 2024, results and recommendations

This was a major study, across all business sectors, and based on questionnaire responses from over 2,000 organisations. However, the report points out that this represents only a small proportion of UK companies, so, as with the survey of CABs for this report, the results should not be treated as representative, with companies engaged in addressing climate change are more likely to have responded.

The 'professional, scientific and technical activities' delivered 5.3% of responses, but unfortunately the report does not analyse this data set in detail, as it was not one of the higher responding sectors. Of the sectors for which there was some breakdown of data, the financial sector potentially is the most comparable.

Overview of findings

Key findings and conclusions included:

- Larger companies demonstrated higher levels of engagement and resource allocation, with SMEs struggling with financial and information barriers;
- Commitments across respondents as a whole included:

- 73% of respondents reported that working towards net zero was a medium or higher priority for their business strategy in the next twelve months;
- 65% are committed to net zero by 2050;
- 48% have already set net zero targets to be achieved within the next 10 years.
- Confidence in understanding net zero implications was reported as: highly confident (40%), confident (46%), neither confident nor unconfident (11%), unconfident (3%), don't know (0%);
- Measurement, plans and reduction:
 - 45% have measured a partial carbon footprint, and a further 44% will do so within the next 5 years;
 - 33% have measured a full baseline carbon footprint (Scopes 1, 2, and 3), and a further 55% will do so within the next 5 years;
 - 57% have a plan to reduce carbon emissions, and a further 35% will do so within the next 5 years; and
 - 39% have achieved measurable reductions in their carbon footprints, and a further 52% will do so within the next 5 years.

The only data reported specifically for 'professional/scientific' were that it was equal last with the financial/insurance sector in reporting customer requirements for carbon footprint disclosure in the last 12 months (49%). The highest reporting sector was IT/communications (64%).

The limited breakdown for the financial sector included the following:

- The sector was 'highly engaged', accounting for 8% of respondents;
- 52% reported having developed an emissions reduction plan, with another 29% committed to doing so within 12 months;
- 26% have measured a full baseline (Scope 1,2 and 3), with 44% planning to do this within the next year; and
- 40% have measured a partial baseline carbon footprint.

Findings from all combined sectors in relation to benefits of net zero, barriers, and support needed are listed in Table 1.

Table 1. Reported benefits, barriers and support needed		
Companies recognised the benefits of net zero as being the following, in descending order of importance: • Contributing to tackling climate change • Organisational reputation/public opinion • Demonstrating industry leadership • Regulatory compliance • Competitive advantage • Long-term resilience to market changes • New customer/business development • Customer retention • Attracting investment/finance • Cost savings • Business/process efficiencies • Staff recruitment • Staff retention	Barriers were cited as the following, in descending order of importance: • Costs are too high • Outdated infrastructure • Availability of finance • Lack of time • Lack of regulation/policy uncertainty • Lack of expertise • Lack of trusted information sources • Don't know where to start	Support needed included the following, in descending order of importance: • Enhanced tax incentives • Greater certainty in policy and regulation • Clearer roadmap for carbon emissions disclosure and reduction requirements • Standardised and simple ways to gather and share carbon data • Improved infrastructure • Government-backed services and support • Better access to grants and funding • Education and training • Stronger enforcement of standards

Recommendations

In addition to recommendations for policy-makers, the report made the following recommendations for organisations and industry bodies:

- Accelerate carbon footprint measurement;
- Develop comprehensive carbon reduction plans;
- Use trusted information sources;
- Invest in education and training;
- Invest in renewable energy and efficiency measures; and
- Leverage industry associations and sector decarbonisation initiatives.

A recommendation for future research was for analysis of sector-specific challenges.

Pledge to Net Zero

Although Pledge to Net Zero is aimed primarily at the environmental services sector, its 200+ members include companies from a wider range of professional services.

The Pledge to Net Zero participates in the UNFCCC Race to Zero initiative, following its approach to encourage sector organisations to commit to tackling climate change through aiming to reach net zero. Accordingly, 'the environmental sector commits to science-based targets to meet the goals of the Paris Agreement, and help accelerate the transition to a net zero carbon economy'.

It requires participants to:

Pledge to:

- Deliver GHG reductions in line with Science Based Targets 1.5°C climate change scenario;
- Participants in the environmental consultancy sector must cover buildings and travel as a minimum;
- Publicly report GHG emissions and progress against this target each year; and
- Publish one piece of relevant research/thought-leadership each year in support of net zero carbon, or alternatively, provide mentoring and support for smaller signatory companies.

Pledge to Net Zero provides a range of guidance to help organisations:

- Its Guidance for GHG Accounting and Reporting is based on widely accepted principles and techniques, referring to sources including the GHG Protocol, the UK's Carbon Trust and the UK DESNZ/DEFRA emission factors;
- Its Guidance for Signatories sets out an approach to establishing mandatory long-term (2050) and voluntary mid-term (5-10 years) targets for the transition to net zero, based on the SBTi approach. It provides guidance on reporting and suggests that considerations should be given to seeking external verification of performance; and
- Its Scope 3 Calculator, an Excel spreadsheet tool, provides a means of calculating emissions in a limited range of categories: purchased goods and services, business travel and commuting. It uses emissions factors from the DESNZ/DEFRA set of factors, plus some from Carbone4.

Although the extent of the guidance provided is limited, the Pledge to Net Zero recommends the use of widely recognised standards and schemes for GHG quantification and taking action to reach net zero. However, it allows some flexibility with regard to the scope emissions that are included, for example the allowance for environmental consultancies to address only buildings and travel, and for Scope 3 emissions coverage to extend only to a small number of categories. This would not be accepted by many

disclosure regimes.

Professional Service Providers in a Net Zero Future

This is an initiative under the umbrella of the Race to Zero campaign, aimed at the professional services sector globally. Its September 2024 report 'Catalysing climate action: The role of professional service providers in realizing a net-zero future' (see Appendix B. Further Sources) focuses on 'serviced emissions', the indirect emissions in the organisation's value chain related to services provided.

It identifies a range of risks facing service providers that do not take action to address serviced emissions, including:

- Damage to reputation and brand:
 - 'Potential to be the last mover in an area of global action;
 - Loss of revenue from climate-leading clients as a result of association with high-carbon clients;
 - Increased talent attrition'.
- Increased legal liability;
- Misalignment with other corporate efforts to mitigate climate physical risk exposure; and
- Increased financial liability from stranded assets, industries and clients.

It references the Exponential Roadmap Initiative's Professional Services Matrix (PSM) (see Appendix B. Further Sources), which can be used to assess portfolios of clients, based on the clients' net zero ambition.

The Legal Charter 1.5

The Charter is driven by a set of eight principles, which the Charter refers to as a set of shared goals. Collaboration and engagement is an important part of the approach, which focuses on the indirect emissions from services ('advised emissions'). The eight principles are:

1. Leadership
2. Advised emissions to deliver a 1.5°C transition

-
3. Applying our commitment to achieving the Global Goal through the Integrated Approach to our matter opening
 4. Identifying and promoting constructive reforms and informing public policy
 5. Accountability and reporting
 6. Education and upskilling
 7. Focused pro bono
 8. Meaningful offsetting

The Charter does not reference specific carbon accounting or net zero tools or standards.

6. ANALYSIS

Cross-sector approaches and performance

The UK net zero census 2024 report illustrates that there are wide variations in levels of commitment and action both within individual sectors and between different sectors. Levels of ambition vary from one organisation to another, and there are also differences in the use of terminology and claims made.

Net zero action is not limited to large companies; many SMEs have net zero targets, some in advance of 2050. National Highways, the organisation responsible for constructing and maintain major roads in England, has mandated that its contractors set net zero targets for 2040 at the latest. Many of these companies are SMEs, but they have chosen to accept this challenge.

However, from the UK net zero census, it is clear that many organisations, of all sizes, have lesser degrees of engagement and action, if any.

Why is net zero relevant to conformity assessment bodies?

Government policy and legislation

The UK Government has set a binding target for the UK to achieve net zero by 2050, with a reduction in emissions of 81% by 2035 (announced at COP 29 in November 2024). Government policy is aimed at encouraging organisations to make similar, or more ambitious, commitments, and it will use various policy measures to drive this change.

There has been an increasing trend of emerging climate change legislation and other mandatory initiatives (for example, stock exchange rules) globally. This is likely to continue, as more ambitious legislatures develop more robust measures and those that have been lagging behind take belated action.

Examples of new and recent developments include:

- The EU Corporate Sustainability Reporting Directive, which extends mandatory climate change and sustainability disclosure to a wider range of companies, for corporate reports for 2024 onwards. It includes a requirement for third-party assurance;

- New requirements in 2024 from the US Securities and Exchange Commission on carbon disclosures; and
- Similar requirements for listed companies on the Hong Kong Stock Exchange, from 1 January 2025.

Currently there is no UK legislation requiring organisations to set net zero targets, but approximately 10% of respondents reported that they were required to participate in the Energy Savings Opportunities Scheme or report on climate-related factors under the Streamlined Energy and Carbon Reporting scheme or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations.

Other drivers

Organisations will face increasing pressure not only from government, but from customers, especially larger organisations, to make commitments to similar targets. The CAB survey for this report demonstrated that customer concerns was an important driver, with an average rating of 2.8 in a scale of 1-5 for importance. There was a marked difference in the views by size of organisation, with those in the large category rating this a 4, SMEs rating it as 3 and micro-organisations rating it as less than 2.

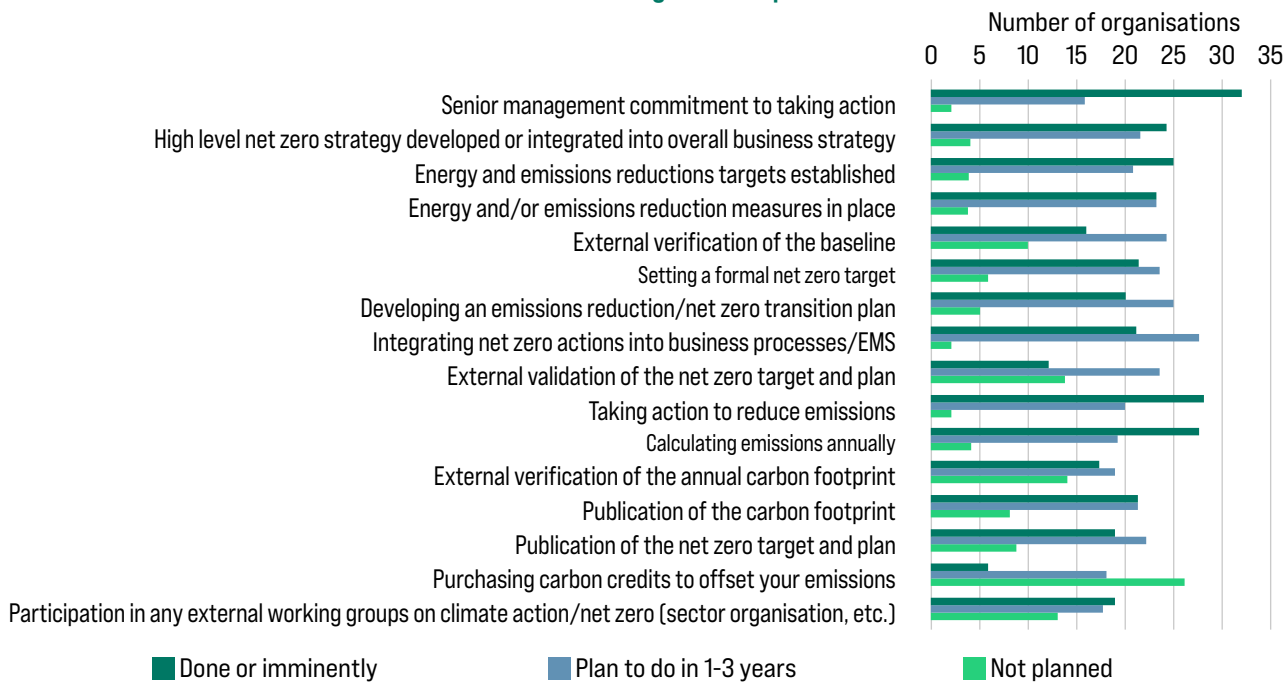
Given the almost universal recognition of the climate emergency, ongoing global negotiations to facilitate rapid action and widespread public awareness, especially among younger people, it is to be expected that organisations will face growing pressure to take action. The World Economic Forum: Global Risks 2024 report identifies extreme weather as the single largest risk reported in its survey, with impacts on climate systems and biodiversity also major concerns. Younger people rated these issues highly as being immediate problems, with corporations viewing them as major risks in the next ten years. A major risk is the rate at which global temperatures will increase, with expectations that the 1.5°C limit will be reached in the next decade, resulting in higher rates of warming into the future.

Action in the conformity assessment sector

Overview of action taken

The survey carried out for this study revealed that there is a significant degree of action being taken or planned by respondents (see section 3 for an overview of the survey results). Figure 1 illustrates the types of action being taken, planned for the next 1-3 years or not planned, by number of respondents (there were 99 respondents, so the figures can be approximated to percentages). Typically, larger organisations demonstrate greater commitment and are taking more action.

What actions are being taken or planned?



With regard to key areas of action, the UK Net Zero Business Census 2024: Results and Recommendations Report suggests that there are higher levels of engagement across the economy as a whole, with 52% of participating organisations having already established at least a partial baseline, and a further 29% planning to do so within the next 12 months. A total of '57% of respondents have developed a plan to reduce carbon emissions, whilst 39% report having already achieved measurable reductions'. With regard to net zero, 73% of respondents say net zero is a medium (30%), high (28%) or very high priority (15%) for their business strategy within the next 12 months.

Overall, the UK Net Zero Business Census illustrates that there is a greater degree of action across all sectors than was found by this study within the conformity assessment sector. It is difficult to make accurate comparisons, due to variability in response rates, sizes and activities of responding organisations and specific question sets in the surveys, but there are some comparable data:

- Commitment to net zero action
 - CABs – 30%;
 - UK net zero census – 65%.
- Some degree of quantification undertaken:
 - CABs – 20%;
 - UK net zero census – 45%.

Further research, potentially in collaboration with CAB associations, could provide greater detailed evidence from a wider sample and allow more meaningful comparisons to be made.

Current good practice by CABs

The responses to the CAB survey illustrates that some organisations of almost all sizes and across the CAB categories are committed to, and are planning and taking action to tackle climate change. The degree of action tends to increase with organisation size, but best practices across the sector include:

- Making a commitment to achieving net zero and having a transition plan in place, with:
 - Senior management commitment;
 - A high-level net zero strategy (or net zero integrated into overall business strategy);
 - A formal net zero target date.
- Baseline calculated and verified;
- Detailed plans in place:
 - Emissions reduction/net zero transition plans developed and validated;
 - Publication of the net zero plan;
 - Net zero actions integrated into business or EMS

processes.

- Achieving emissions reductions:
 - Reduction targets set;
 - Action taken to reduce emissions;
 - Carbon credits purchased to offset emissions⁴;
 - Annual carbon footprint quantified, verified and publicised;
- Participation in working groups.

It is difficult to make specific comparisons between these findings with those of the UK net zero census study, owing to differences in the precise questions and ways that responses could be ranked, but generally similar themes emerged.

Neither survey focused on emerging areas of action, such as broader engagement and communication on the need for action towards net zero (the 'persuade' element of Race to Zero) or wider action such as ceasing to make investments in fossil fuel industries or prioritising emissions removals efforts or investments.

Net zero transition – benefits, risks and barriers

Potential benefits

The UK Net Zero Business Census study reported the following benefits cited by respondents to their survey, ranked in descending order as being a significant benefit by 46-25% of respondents:

- Contributing to tackling climate change;
- Organisational reputation/public opinion;
- Demonstrating industry leadership;
- Regulatory compliance;
- Competitive advantage;
- Long term resilience to market changes;
- New customer/business development;
- Customer retention;
- Attracting investment/finance;
- Cost savings;

⁴ The survey questionnaire did not distinguish between credits purchased from emissions reductions or carbon removals, so it is not clear if these equate to carbon neutrality or net zero action.

- Business/process efficiencies;
- Staff recruitment; and
- Staff retention.

The CAB survey did not ask specifically about benefits, but questioned the drivers. The five options given were scored in the following descending order:

- Tackling climate change/working towards net zero is part of business strategy;
- A robust net zero plan will give a competitive edge or other business benefits;
- Customers expect the organisation to have a net zero plan or other carbon/climate/energy initiatives;
- Employees expect the organisation to have a net zero plan or other carbon/climate/energy initiatives; and
- Competitors are adopting net zero plans or other carbon/climate/energy initiatives.

In both surveys the need to tackle climate change was the most important factor, with a broadly similar level of response to other factors.

The interviews with representatives of two ABs helped to explain the relatively low prioritisation of employees and competitors as drivers, if there is a cultural preference within CABs for undertaking site-based audits rather than reduce emissions by using remote methods, which provide a real opportunity to reduce emissions and costs.

A factor to consider in the future is that the market for professional services related to climate change is expected to grow, and growth certainly should be anticipated in validation and verification services for net zero action. As a consequence, there may be a benefit to validation and verification service providers who can demonstrate taking similar action themselves. Lack of action conceivably could be a barrier in the future.

Potential risks

Any organisation, regardless of sector, potentially is exposed to risk in relation to climate change, as much from failing to take action as from inherent physical risks.

There is growing emphasis for organisations to focus on risks from inertia, for example:

- When planning for asset replacement (by failing to specify low carbon plant or choosing to locate to low carbon premises);
- Failing to invest in carbon removals; and
- Inability to demonstrate to stakeholders that action is being taken. Should market expectations change, organisations that have failed to prepare for net zero action are likely to find it challenging to respond quickly.

A more immediate risk, which some organisations have failed to appreciate, is the reputational damage that can result from false claims or greenwash. In the UK, the Advertising Standards Authority, the Competition and Markets Authority and various other bodies enforce codes that act as a deterrent to false claims. The new EU Directive Empowering Consumers for the Green Transition through Better Protection against Unfair Practices and Better Information ('Greenwashing Directive') is intended to prevent claims, or use of images that imply some form of environmental benefit, unless it can be justified. 'Climate neutrality' is one such term that is targeted by the new legislation.

Whether or not the UK implements similar legislation, there is concern in many quarters that claims of carbon neutrality, even if supported by reliable quantification and verified carbon credits, can be confused with genuine action towards net zero.

Barriers in planning and taking net zero action

Survey respondents were asked to rank 16 different potential challenges, broadly falling into the following categories:

- Resources/capabilities;
- Confusion regarding standards, schemes and policy or lack of guidance;
- Difficulties in applying quantification processes or obtaining data; and
- Lack of knowledge of, or lack of availability of, emissions reduction options.

The five ranked the most challenging, in order, were:

- Difficulties in obtaining data for Scope 3;
- Lack of internal capacity (time);
- Lack of external (i.e., government or other institution) funding for low carbon initiatives;
- Lack of guidance specific to the sector; and
- Challenges in identifying practical long term (>10 years) emissions reduction options.

Although not precisely matching the highest-ranking challenges in the UK net zero census study, there are many similarities in relation to lack of capacity or knowledge, uncertainty regarding government policy, lack of access to finance or funding and lack of relevant guidance. Both the UK Net Census study and this CAB survey concluded that lack of trusted sector guidance is an important factor.

Need for support and guidance

Practical support

The CAB survey did not specifically question the types of support needed, but the request for feedback on challenges is informative (see above). The UK net zero census study reported that the following types of support were needed (across all sectors):

- Enhanced tax incentives;
- Greater certainty in policy and regulation;
- Clearer roadmap for carbon emissions disclosure and reduction requirements;
- Standardised and simple ways to gather and share carbon data;
- Improved infrastructure;
- Government-backed services and support;
- Better access to grants and funding;
- Education and training; and
- Stronger enforcement of standards.

Based on both sources, it is clear that organisations need:

- Additional resources, including internal capabilities and external funding;
- Greater clarity in policy and guidance for emissions quantification and net zero action; and
- Better mechanisms for collecting and sharing data (especially for Scope 3).

Sector initiatives can help, for example by:

- Advocating appropriate policy action (for example by government or sector bodies such as ISO/CASCO (ISO's Committee on conformity assessment), International Accreditation Forum (IAF), International Laboratory Accreditation Cooperation (ILAC), European co-operation for Accreditation (EA), Independent International Organisation for Assurance (IIOA), TIC Council, IQNet Association – The International Certification Network (IQNet), The Association of British Certification Bodies (ABCB), the Federation of Certification Bodies (FCB), etc.)
- Providing sector-specific guidance and tools, for example:
 - for Scope 3 data collection requirements and, potentially, sharing of anonymised metrics;
 - sector-specific case studies.
- Providing an overall roadmap for the sector, potentially related to the Race to Zero or Pledge to Net Zero.

Net zero standards/frameworks/guidance available for CABs (Professional service firms)

There is a proliferation of initiatives potentially applicable to CABs and to the professional services sector in general, as explained in section 2 of this report.

The CAB survey respondents reported using the following (in descending order, from approximately 15% to 5% of respondents):

- GHG Protocol for Organisations (GHGP);
- GHG Protocol Corporate Value Chain (Scope 3) standard (GHGPsC3);

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- CDP (Carbon Disclosure Project);
 - ISO 14064 series standards on GHG quantification;
 - SBTi standard; and
 - Race to Zero criteria (R2Z).

The first four in this list are for quantification and reporting, so it is understandable that they are more widely used.

Around 20-25% of respondents reported awareness of various of these, plus also Pledge to Net Zero (P2NZ), ISO IWA 42:2022 Net Zero Guidelines – Accelerating the transition to net zero and PAS 2060 and/or ISO 14068 Part 1 on carbon neutrality, plus some others (such as broader sustainability reporting or ratings schemes).

However, the overall awareness and use of the standards generally was relatively low among respondents, so potentially awareness throughout the sector is lower.

The UK Net Zero census study recommends the [UK Business Climate Hub](#) as a source of guidance, primarily for SMEs, but with wider applicability (it should be noted that the UK Business Climate Hub was a participant in the study). It also recommended various sources of information (other research studies or reports on specific high-level topics) potentially more applicable to sector bodies rather than their members.

7. CONCLUSIONS

The CAB survey revealed that the degree of commitment declared by organisations varied according to organisation size, with over 75% of large organisations committed to net zero and had developed or were developing a transition plan. Conversely, over 80% of micro-organisations had no such plans. Greater commitment was shown by CABs in specialist categories, with relatively low levels reported in calibration, certification, inspection and testing laboratories.

The overall percentage of CAB organisations declaring commitment was 30%. In comparison, the corresponding figure in the UK net zero census report was 65%. There was a similar difference in percentages of organisations reporting that they had undertaken some degree of quantification of emissions (20% of CABs and 45% in the UK net zero census report). Such apparent differences in engagement and performance should be treated with caution, owing to the inherent differences between the two groups of respondents and the survey questions; however, it would appear that the CAB sector may be lagging behind typical levels of action.

Other important findings from the CAB survey were:

- Customer expectations and business benefits were ranked as the most important drivers for taking action;
- Levels of understanding of climate change concepts were highest in larger organisations. Typically, challenges were more strongly rated by smaller organisations, although there were some exceptions. Key challenges included:
 - Difficulties in obtaining data for Scope 3, lack of internal capacity [time];
 - Lack of external (i.e., government or other institution) funding for low carbon initiatives;
 - Lack of guidance specific to the relevant sector; and
 - Challenges in identifying practical long-term (>10 years) emissions reduction options.
- There was generally a low level of use or knowledge of climate change standards, for reporting and taking action.

The UK Net Zero Business Census reported similar barriers and challenges to those identified in the CAB survey, with important factors being lack of capacity or knowledge, uncertainty regarding government policy, lack of access to finance or funding and lack of relevant guidance. Both the UK Net Zero Business Census study and this CAB survey concluded that lack of trusted sector guidance is an important factor.

The imperative for taking action is widely recognised, with future developments in legislation and other mandatory initiatives likely to impose further obligations on reporting emissions and taking action. Other drivers include customer expectations, but the AB interviews revealed that there may also be some pushback from customers, with many preferring site-based assessment to the use of lower carbon remote methods.

Other initiatives, including Pledge to Net Zero (for the environmental sector), the Professional Service Providers in a Net Zero Future initiative and the Legal Charter 1.5, acknowledge the need for ambitious action to achieve the 2050 1.5°C target. In addition to promoting GHG quantification and reporting, and planning and taking action to deliver net zero, they all focus on areas of wider action, including:

- Leveraging industry associations and sector decarbonisation initiatives;
- Addressing serviced/advised emissions; and
- Promote climate action (for example through thought leadership, informing public policy, focused pro-bono initiatives).

Although it is not within the remit of UKAS to direct CABs to take action to tackle climate change in collaboration with other ABs, membership organisations from the sector, partners and other stakeholders it has the ability to provide leadership, advice and guidance with regard to this important issue for the accredited conformity assessment industry.

8. RECOMMENDATIONS

Based on the report findings, and taking into account areas where UKAS is well placed to initiate, work collaboratively towards and/or support coherent and collaborative climate action, UKAS should consider the following activities:

- Reflect on the opportunity for UKAS to demonstrate leadership in light of the needs of the accredited conformity assessment sector in addressing climate change;
- Advocate for appropriate action – by government, CABs and sector membership bodies such as ISO/CASCO, IAF, [e.g., through its Sustainability Working Group], ILAC, EA, IIOA, TIC Council, ABCB, FCB], and collaborate with these organisations to identify, devise and roll out relevant initiatives, campaigns and projects;
- Seek to convene customers, national and international partners and CAB representative bodies to consider, and enable, the collective development of a climate action plan and communication strategy for the sector. Such a collaboratively developed action plan and strategy should:
 - a encourage the sharing of best practice (e.g., through communication campaigns, case study development and dissemination) in relation to:
 - making a commitment to achieving net zero;
 - baseline calculation and verification;
 - developing and publishing transition plans;
 - initiatives to achieve emissions reductions; and
 - long-term plans to address residual emissions.
 - b identify opportunities to establish collaborative networks or working groups to promote climate change action within the sector.
- Consider opportunities to support the extension of the sector's ongoing engagement with government, financial services regulators and other stakeholders (such as UK's Financial Reporting Council, Assurance Services International (ASI), International Ethics Standards Board for Accountants (IESBA) and International Auditing and Assurance Standards Board (IAASB)), aimed at alignment of sustainability assurance approaches, to include climate reporting requirements/guidance for the accredited conformity assessment sector (for example, by advocating for the inclusion of net zero/climate action guidance and requirements in professional competencies frameworks applicable to CABs);
- Join Race to Zero or one of the associated professional services sector initiatives (potentially as part of a wider conformity assessment sector initiative), and recommend that CABs take similar action. A further option would be for UKAS to convene interested parties from the sector to consider and lead the development of a roadmap for the conformity assessment sector, potentially as a partner of the UN Race to Zero;
- Convene sector partners and CAB membership organisations to consider and manage the development of sector-specific guidance on tackling climate change. Specific guidance topics that are likely to benefit CABs include:
 - priority categories within Scope 3 indirect emissions;
 - addressing emissions outside the value chain, specifically serviced/advised emissions;
 - recommendation of standards or initiatives CABs should use for setting net zero targets and pathways, and any specific aims for the sector, such as target deadlines;
 - sector-specific case studies;
 - sources of support; and
 - given the disparity in levels of action between larger and smaller CAB organisations, guidance specific to small organisations.

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- In the absence of sector-specific guidance, look to:
 - disseminate this study and encourage the use of the sources of guidance referenced in it; and
 - promote the initiatives being considered by the ABs included in this study:
 - a providing remote assessment tools for CABs to use, on a voluntary basis;
 - b having discussions with IAF, ILAC and EA to consider further options for encouraging CABs to make greater use of remote assessment methods;
 - c considering the role digitalisation may have in the future; and
 - d encouraging CABs to ensure that good quality carbon credits are provided to the wider market.
 - In addition to these recommendations to UKAS, the accredited conformity assessment sector membership and governance organisations should consider further research into opportunities and challenges within the sector, to better understand the issues facing specific conformity assessment service categories and types and sizes of CAB organisations. UKAS should show leadership, and encourage and support any such initiative, building on this report.

APPENDIX A. GLOSSARY OF TERMINOLOGY AND CONCEPTS

Greenhouse gases – term given to the Kyoto Protocol gases [carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆)] plus nitrogen trifluoride (NF₃), in the atmosphere that absorb or emit specific wavelengths of infra-red radiation. These have varying potentials to contribute to global warming (a unit of CO₂ having a GWP of 1, and fluorinate gases GWPs of many thousands). Carbon dioxide is responsible for approximately 70% of global warming.

Direct emissions (Scope 1 emissions) – of GHGs occurring from within the control of the reporting organisation. These are referred to as Scope 1 emissions by the GHG Protocol and many other standards and schemes.

Indirect purchased energy emissions (Scope 2 emissions) – of GHGs released from outside the reporting organisation's control, by other parties that provide energy (electricity, heat, steam, etc.) used by the reporting organisation.

Indirect emissions (Scope 3 emissions) – of GHGs released from outside the reporting organisation's control, but as a consequence of its activities (excluding Scope 2 emissions). These occur elsewhere in the value chain.

Serviced emissions (advised emissions) – indirect emissions in the value chain related to services provided and clients served.

GHG/carbon quantification, footprinting and accounting – are terms often used indiscriminately to explain the processes for developing inventories, footprints and accounts (also often used indiscriminately).

- GHG quantification is the terms used by many standards and schemes to refer to the processes for developing an inventory, a list of quantified sources, sinks and removals of GHGs.
- Carbon footprinting is often used as a synonym for GHG quantification. This is commonly reported as a carbon footprint, a total of all emissions in an inventory, with emissions of GHGs converted to

carbon dioxide equivalence by applying their global warming potential factors.

- Accounting – sometimes used as a synonym for quantification.

Emissions reductions and removals – terms related to mitigation efforts to reduce the concentrations of GHGs in the atmosphere. Emissions reductions are actions taken to reduce the emission of GHGs into the atmosphere. Removals are the result of actions to capture (or sequester) GHGs from the atmosphere.

Net zero – is the state where emissions of GHGs are reduced to the practical minimum and remaining emissions are balanced by removals of GHG from the atmosphere. This term is applied at global scale in the Paris Agreement. Organisations can also use it with regard to their own emissions (they may need to rely on the purchase of removals credits if they do not have the capability to carry out removals themselves).

Carbon neutrality – a state where an organisation has partially reduced its emissions of GHGs and is using carbon credits to offset the balance (i.e., it is purchasing credits equivalent to the amount of its remaining emissions, which may be considerable). The credits may be generated by other entities reducing their emissions or undertaking removals.

GHG source – an anthropogenic activity or process that releases GHGs into the atmosphere.

GHG sink – a physical entity or process that stores GHGs (typically as biomass or through technologies such as carbon capture and storage).

APPENDIX B. FURTHER SOURCES

The following provide links to various sources of guidance on climate change and net zero.

Many of the standards and schemes related to GHG quantification and net zero transition can be downloaded without charge. Although ISO standards cannot be downloaded without a charge, summaries can be viewed freely (the 'Read sample' option on the ISO webpage for the standard) and definitions used in ISO's environmental standards can be accessed without charge [here](#).

Global net zero and climate change initiatives and guidance

[UNFCCC](#) – the United Nations entity tasked with supporting the global response to the threat of climate change

[Paris Agreement](#) – key international agreement setting climate change goals

[Race to Zero](#) – the UN global campaign rallying non-state actors – including companies, cities, regions, financial, educational, and healthcare institutions

[Pledge to Net Zero](#) – the Race to Zero initiative for professional services

[IPCC](#) – Intergovernmental Panel on Climate Change – providing policymakers with regular scientific assessments on climate change

GHG quantification standards and guidance

[GHG Protocol](#) – greenhouse gas accounting standards and guidance

[ISO 14064 Part 1](#) for organisation-level quantification

[Other ISO GHG standards](#)

[Carbon Disclosure Project \(CDP\)](#), a disclosures rating scheme

Net zero schemes and guidance

[SBTi](#) – the Science Based Targets initiative provides a verifiable mechanism for organisations to use to reduce emissions in line with the Paris Agreement goals

[ISO IWA 42](#) – Net Zero Guidelines

[BSI Flex 3030 v2.0:2024-12](#) – Net zero transition plans for small and medium enterprises

UK climate legislation and net zero guidance

[UK legislation](#) – overview of UK climate change legislation

[UK DESNZ](#) – Department for Energy Security & net zero – government policy

[UK Business Climate Hub](#) – part of the global SMEs Climate Hub, it provides net zero advice for small and medium-sized enterprises (SMEs) in the UK

[UK Net Zero Business Census 2024: Results and Recommendations Report](#)

Sector initiatives

[Professional Service Providers in a Net Zero Future](#) (report on [Catalysing climate action: The role of professional service providers in realizing a net-zero future](#))

[Legal Charter 1.5](#) – a charter containing 8 principles related to climate action

Exponential Roadmap Initiative – [Professional Services Matrix \(PSM\)](#)



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