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in progress

Time to quicken the pace

Why this is a vital moment to
support UK business on net zero.

BSI Net Zero Barometer Report 2025



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Foreword

Five years on from our first Net Zero Barometer survey, this year's evidence suggests that we've reached a watershed moment on the road to net zero. After steady progress in previous years, there has been a notable drop-off in corporate target-setting, actions, commitment and confidence amongst the UK business community compared to 12 months ago.

More research is needed to understand whether the loss of momentum is linked to the fact that once the quick wins have been made, the net zero transition becomes increasingly challenging, or whether it is due to competitive pressures, the absence of regulatory drivers, or simply that corporate net zero ambitions have been overtaken by other priorities.

The change of government in 2024 brought with it a shift in policy which may also have created a hiatus, but as the new government gets its feet under the table and we see more clarity and political commitment about a future clean energy landscape, this year's survey suggests that we need to act fast to get government and industry to come together to reset their collective net zero ambitions and get us moving again.

Perhaps the most welcome finding from the survey is that despite the slow-down in activity, there remains a collective desire for more advice on how to make progress with net zero. Some 83% of UK businesses claimed that they were interested in some type of support.

BSI's role as an independent, neutral agent for change is to ensure our work on best practice is not only visible, but practical and effective for governments, industry and consumers, ready for when companies decide to accelerate their net zero efforts.

Standards are one part of the solution and, as the report explores, they are an essential tool as we try to pick up the pace towards the delivery of our climate change goals. This year's Net Zero Barometer shows that it's time for all stakeholders to take a deep breath and act with renewed energy if we are to meet our national net zero ambitions.

In its role as the national standards body, BSI works to deliver positive impact for industry, government and society in the public interest. We hope this report will act as a catalyst for more effective collaboration between government and business across all sectors.



Scott Steedman CBE
Director-General, Standards, BSI

Executive summary

There's no escaping the fact that when it comes to net zero, this year's findings reflect a challenging period for businesses of all sizes and sectors with most key metrics heading in the wrong direction.

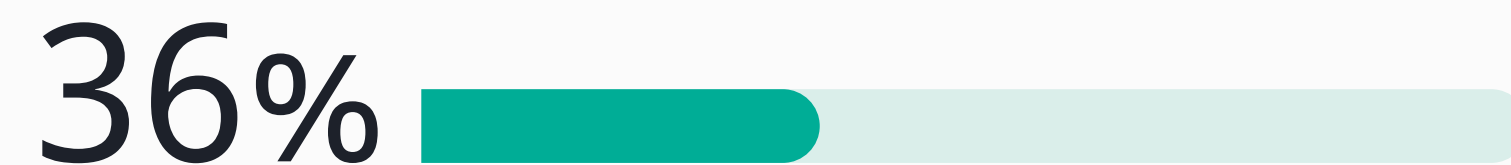
Both target-setting and action plans are significantly down year-on-year and levels of commitment, confidence and optimism have also dropped. But in a year defined by change, these current trends can be addressed and, indeed, reversed. Collectively, we must take the right steps to find unified solutions that empower businesses to truly address environmental targets. And take advantage of the influence of consumer demand which has emerged as the main driver of net zero action.

Significantly, a strong desire for guidance and advice in achieving their net zero goals suggests an overriding and enduring ambition to 'do the right thing' from large businesses and SMEs. Coupled with the commitment to clean energy shown by the Labour government's first year in power, this can lay the solid foundations for positive progress, provided we work together to achieve it.



Key findings of the fifth Net Zero Barometer

1 Fewer organizations setting targets to reach net zero



With the changing geopolitical backdrop, only a third (36%) of UK businesses today claim to have set themselves the target to achieve net zero, a significantly lower proportion than last year when nearly 60% (58%) stated they had done so; large firms are more than twice as likely to have set a target than SMEs (82% v 36%).

2 Slowdown in net zero action



Just under half (49%) of UK businesses this year claim to have either taken – or are in the process of taking – action, a marked fall from 2024 when the vast majority (83%) had done so; the fall is most acute for businesses with fewer than ten employees.

3 Barriers to actions loom larger



A huge 86% of UK companies claim to face ongoing barriers to action, with the cost of action the dominant factor, particularly for SMEs. It has also grown in incidence as a barrier since last year amongst businesses in the health, construction, and manufacturing sectors.

4 Large demand for support

83% 

The vast majority of UK businesses (83%) are interested in some type of support and are most interested in the provision of practical guides to assist the implementation of standards, guidance to help selection of standards, and case studies; larger firms consistently display greater levels of interest in support.

7 Commitment to net zero slips

64% 

While the majority (64%) continue to be committed to achieving net zero by 2050, only 25% remain 'very committed', while 40% are 'fairly committed'; this contrasts with 2024 when 83% were committed overall, with 31% 'very committed' and 52% 'fairly committed'; SMEs are significantly less committed than larger firms (64% v 93%).

5 Consumers are main driver of action

40% 

Consumer demand has emerged as one of the leading drivers of net zero action and this represents a major business opportunity – in 2025, it tops the list at 40% (up from 30% in 2024) while policy/regulatory changes has dropped from 36% to 29% and last year's main driver, mitigating climate-related risks, has fallen from 43% to 27%.

8 Confidence slips and strategies adjusted

51% 

This year, only 51% are confident that their business will be taking net zero action over the next 12 months, whereas in 2024 it was 72%; a significant percentage of UK businesses also expect to revise their net zero strategies and/or targets in the coming year (54% and 49%, respectively); SME confidence levels are down 20% or more year-on-year against three different confidence metrics.

6 Optimism levels are down

61% 

Over the last twelve months, optimism has dropped from 76% to 61%; today, only 19% of firms are 'very optimistic' and 41% 'fairly optimistic', compared to 24% and 52% respectively in 2024; SMEs are significantly more pessimistic than large firms – 20% of SMEs are pessimistic, compared to 5% of large firms.



Chapter 1

This is our moment



When we conducted [this survey in 2024](#), the two most significant obstacles (after cost) cited by businesses were uncertainty over the current government's commitments (38%) and the next government's green commitments (35%).

Twelve months into the new government's tenure, the clarity provided by Labour's ['Clean Energy by 2030' plans](#) provides a very different backdrop to our collective net zero journey. The UK's Chancellor of the Exchequer [Rachel Reeves' mid-2025 spending review](#) has further reinforced this commitment, with substantial pledges for investment in clean energy, green technologies and R&D.

Today, it feels like a watershed moment for the UK business community to come together and double down on its commitment to net zero. Everything is in place to take the next step.

But what our latest research shows us is that organizations of all sectors and sizes are currently lagging on almost every single net zero metric, for a variety of reasons and not necessarily because they are not committed. Now is our opportunity to turn that tide.



Significant drops for target-setting and action plans

The new government may have brought a longer-term policy focus for the UK, but the global geopolitical shift and ongoing economic challenges also delivered a year characterized by uncertainty. It is perhaps unsurprising, then, that both target-setting and action planning are down significantly compared to the 2024 figures.

Despite the country's well documented legally binding target of net zero emissions by 2050 at the latest, only a third (36%) of UK businesses today claim to have set themselves the target to achieve it. This is a significantly lower proportion than last year when three-fifths (58%) had done so.

Furthermore, almost a quarter (24%) indicated that they have extended, paused and/or re-evaluated their targets in some way, with the figure rising to half for large firms (250+ employees). Large firms were more than twice as likely to have a target in place than SMEs (82% v 36%).

Year-on-year, net zero target-setting has fallen across every single sector.



There has been a drop of 22% in businesses setting an overall net zero target by a specific date.

This target-setting drop-off is also reflected in the latest action figures. Just under half (49%) of UK businesses this year claim to have either taken – or are in the process of taking – action a marked fall from 2024 when the vast majority (83%) had done so.

Further analysis reveals that this drop can be attributed to SMEs – especially those with fewer than ten employees – while action, or intended action, from large firms has remained consistent with last year, in some cases, increasing. Sector-wise, the sharpest falls were in manufacturing, construction and health.

Actions ('taken' / 'currently taking')	Total % 2025	Total % 2024	% Difference
Given a senior manager responsibility for implementing your net zero policy	33%	53%	-20%
Developed a net zero policy	31%	50%	-18%
Accessed standards or guidance documents	31%	48%	-17%
Set an overall target to achieve net zero by a specific date	30%	52%	-22%
Measured progress on achieving net zero in a standardized way	27%	49%	-21%
Set up a team dedicated to implementing your net zero policy	25%	45%	-20%
Reported progress on achieving net zero in a standardized way	24%	45%	-20%
Published a commitment to achieve net zero by a specific date	24%	46%	-21%
Linked employee remuneration to achievement of targets	23%	40%	-17%
Set interim target/s to reduce GHG emissions	23%	45%	-23%

A 'cooling off' period

Anthony Burd, Director of Built Environment at BSI, believes we're seeing a 'cooling off' period, especially from some parts of the SME community which makes up 99% of built environment businesses: "There's a real sense of irony in this year's results because, ultimately, what all businesses want is growth and an important enabler of growth is energy efficiency, so pressing pause on net zero is really not the way forward.

"Yes, target setting is tough, but at the same time it does allow innovators to step forward and show what good looks like and how it can drive the marketplace forward. The built environment sector has demonstrated this before – for example, by delivering high levels of energy efficiency performance with new build housing and non-domestic properties.

"At the same time, with the rising material and product costs, labour shortages and export tariffs, it's understandable that parts of the SME supply chain community are in something of a cooling off period at the moment. It is also worth noting that our building regulations typically do not currently consider embodied carbon and the performance of our infrastructure is often left to contractual conditions.

"If we want to get back on track, what we need now is accelerated action, strong policies and industry wide collaboration – as a key player in the industry, BSI wants to lead by example and help SMEs transition through this period and unlock the business opportunity in front of us."

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Target setting is tough, but at the same time it does allow innovators to step forward and show what good looks like and how it can drive the marketplace forward."



Anthony Burd
Director of Built Environment, BSI

Consumer demand emerges as a main driver – and a big opportunity

The latest research suggests that part of this opportunity is the ever-increasing influence of consumer demand which has leapt to the top of the table when it comes to the main drivers of net zero action.

Today, consumer demand tops the list of drivers of net zero action at 40% (up from 30% in 2024), while policy/regulatory changes has dropped from 36% to 29% and last year’s main driver mitigating climate-related risks has fallen from 43% to 27%.

Abbey Dorian, Energy Sector Lead at BSI, commented: “Despite the geopolitical uncertainty that is affecting business certainty in net zero requirements and disincentivizing investment, consumers have remained clear on their expectations about credible ‘green claims’ for clean energy, products and services.”

“Consumers have remained clear about their expectations for credible ‘green claims’ for clean energy, products and services.”



Abbey Dorian
Energy Sector
Lead, BSI

Drivers of Net Zero Action (All Drivers)	Total % 2025	Total % 2024	% Difference
Customer demand	40%	30%	9%
Policy/Regulatory changes	29%	36%	-7%
Reputational risks	27%	32%	-5%
Mitigating climate-related risks	27%	43%	-16%
Market competitiveness	25%	Not tested	N/A
Supply chain requirements	25%	Not tested	N/A
Ability to attract talent/staff	13%	Not tested	N/A
Liability/legal risk	12%	21%	-9%
Staff pressure	12%	21%	-9%
Investor requirements	11%	18%	-8%
Shareholder demands	9%	13%	-4%
Other	5%	4%	1%
Don't know	2%	4%	-2%



Net zero moving into the next phase of the journey

Rob Turpin, Head of Healthcare Sector at BSI, thinks the net zero journey is moving into a new phase and – perhaps as a result – has slipped down the news agenda.

“In 2025, it feels like much of the initial work and success is now complete and we’re moving into the next phase of our net zero journey which is challenging and complicated and as a result requires more thinking, time, resources and budget.

“With this gear shift and the change in UK and other governments, net zero is perhaps not as much in the spotlight as it was previously for those in UK healthcare. However, I do believe there is a commitment to achieving net zero targets within healthcare and I’m seeing encouraging signs right across the sector.”

Barriers holding back progress

Given the prevailing financial landscape, it is no surprise to see cost continuing to register high on the scale when it comes to current net zero barriers across all sectors.

The latest research revealed that, on average across the elements of the transition tested, under half (47%) of UK businesses are making progress, a full twenty points lower than 2024 when the same figure was 67%. Within the overall figure, SMEs are currently struggling the most to make headway, while large firms’ progress remains broadly unchanged.

Progress is being hindered by a number of barriers, notably cost. In total, a huge 86% of UK companies claim to face barriers to action. As referenced above, the cost of action is the most prevalent factor, particularly for SMEs where it registers at 53%, as opposed to 32% for larger firms. In the case of the latter, there appears to be a wider set of issues at play, including supply chain and available capital.

Net Zero Related Barriers to Action (All Barriers): 2025	Total %	Micro	Small	Medium	SMEs	Large
Cost	53%	53%	56%	41%	53%	32%
Lack of available financing to invest in green tech	32%	32%	29%	39%	32%	45%
Prioritizing business growth	30%	30%	31%	36%	30%	38%
Supply chain	30%	29%	31%	44%	30%	53%
Clarity on what net zero means/how to take action	27%	28%	21%	33%	27%	34%
Lack of internal skills and knowledge to take action	18%	17%	30%	31%	18%	38%
Lack of senior management buy-in/support	7%	5%	17%	25%	7%	30%

Sector perspectives

Looking through a sector lens, cost has grown as a barrier in the last twelve months in health, construction and manufacturing. Wider factors are also perceived to have impeded efforts to act, most notably the cost of living/energy crisis which has been accelerated by increases in the National Living Wage, the National Minimum Wage, National Insurance contributions and overall energy costs.

Turpin believes that for healthcare there is more to it than cost: “Yes, rising energy, transport and raw material costs along with trade embargos present a major challenge for a UK that is no longer part of the EU. But the change of government in the UK has also led to a change in priorities with a focus on reducing waiting lists and community care, and with the planned abolition of NHS England, it feels like net zero has been shuffled back in the pack. There’s common agreement that net zero is the right thing to do, but then something else comes along and seems to take precedence.”



SMEs on the front line of the net zero challenge

It's clear from this year's findings that SMEs are right on the front line of the challenges around net zero, not least from a cost perspective.

"Right now, the data indicates that very small businesses are focused on survival," says Sebastiaan Van Dort, Director of Energy and Sustainability at BSI. "Unlike larger organizations, they lack the resources to give them the depth of resilience to more easily weather the current economic storms. Nevertheless, they know that if they are to continue to tender for work in their supply chains and be part of the procurement process, net zero action will need to be part of their survival strategy."

Relative to large firms, a lower proportion of SMEs claim to have taken, or to be currently taking, action on net zero.

Turpin isn't surprised by this: "In the healthcare sector, the supply chain burden is keenly felt by SMEs who make up a huge part of the global ecosystem and are focused on staying afloat. First and foremost, they need to get products out of the door, and, unlike larger firms, they are unlikely to have a net zero strategy team to support them.

Understandably, they want to see the business case to make their products more sustainable, particularly when they're selling into lots of different jurisdictions."

Emily Field, Food Sector Lead at BSI, is also hugely sympathetic to the SME community: "It is so hard to enact change when you have so little control over your Scope 3 emissions and with rising costs coming at SMEs from all angles, a concerted effort from all stakeholders is vital."

Nick Fleming, Director of Transport and Mobility at BSI, echoes this sentiment: "Some SMEs will struggle with the net zero concept because it can feel very far away when they're focused on day-to-day activities and effectively 'keeping the lights' on. However, in some areas we are seeing clear progress towards net zero. Take the automotive sector: policy and incentives to support the phasing out of petrol and diesel cars and vans seem to be working, with the motor industry reporting record demand for electric vehicles in 2025. This means that automotive suppliers can align with these policies and there is an opportunity to collaborate like never before. Net zero may not feel like a business-as-usual activity, but in reality, it has to be."

Van Dort added: "For SMEs, the day-to-day often takes priority and net zero can feel like tomorrow's problem. Our role, as the National Standards Body, is to work with our industry partners to turn net zero into today's opportunity."

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For SMEs, the day-to-day often takes priority and net zero can feel like tomorrow's problem. Our role is to turn it into today's opportunity."



Sebastiaan Van Dort
Director of Energy and Sustainability, BSI



Three barriers to progress

Fleming believes there are barriers holding up progress today: “As reinforced by the latest findings, cost continues to be a major cause of uncertainty for commercial organizations. In the context of decarbonizing road freight transport, for example, there’s the challenge of moving to new operating models, the cost of renewing and replacing existing vehicle fleets with electric or alternative power sources and of scaling charging infrastructure or refuelling sites and who pays for this. However, data suggests TCO (total cost of ownership) for battery-electric trucks and vans could be cheaper, or at least comparable, with diesel equivalents, and so confidence appears to be rising in the viability of cleaner alternatives, providing demand for clean energy and power sources can be met.

“But there is much more to the story than cost. There’s also a skills gap and there will need to be continued investment in the workforce and facilities to service, repair and maintain new fleets of electric or green hydrogen trucks, vans, buses, aircraft and maritime vessels. Some great work is already being done by industry bodies in this area to build up skills and also through standards that are supporting the industry in areas like designing maintenance and inspection facilities for battery, electric and hydrogen trucks.”

Chapter 2

Support can be the catalyst for progress



The prevailing UK business inertia as outlined in Chapter One is further evidence of the impact of the current pressures holding back net zero progress.

The key to relieving these pressures lies in support – financial and otherwise – from both government and other industry stakeholders, and it’s notable that the vast majority of UK businesses (83%) are interested in some type of support.

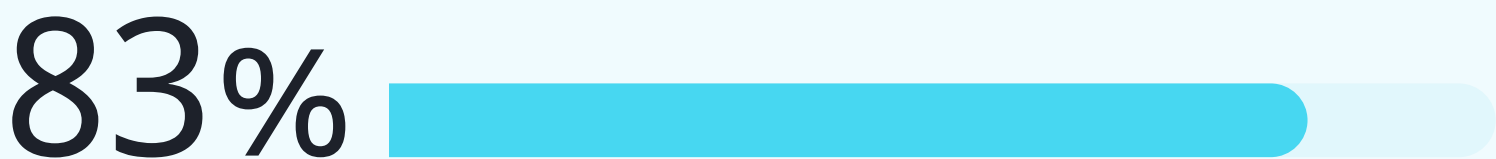
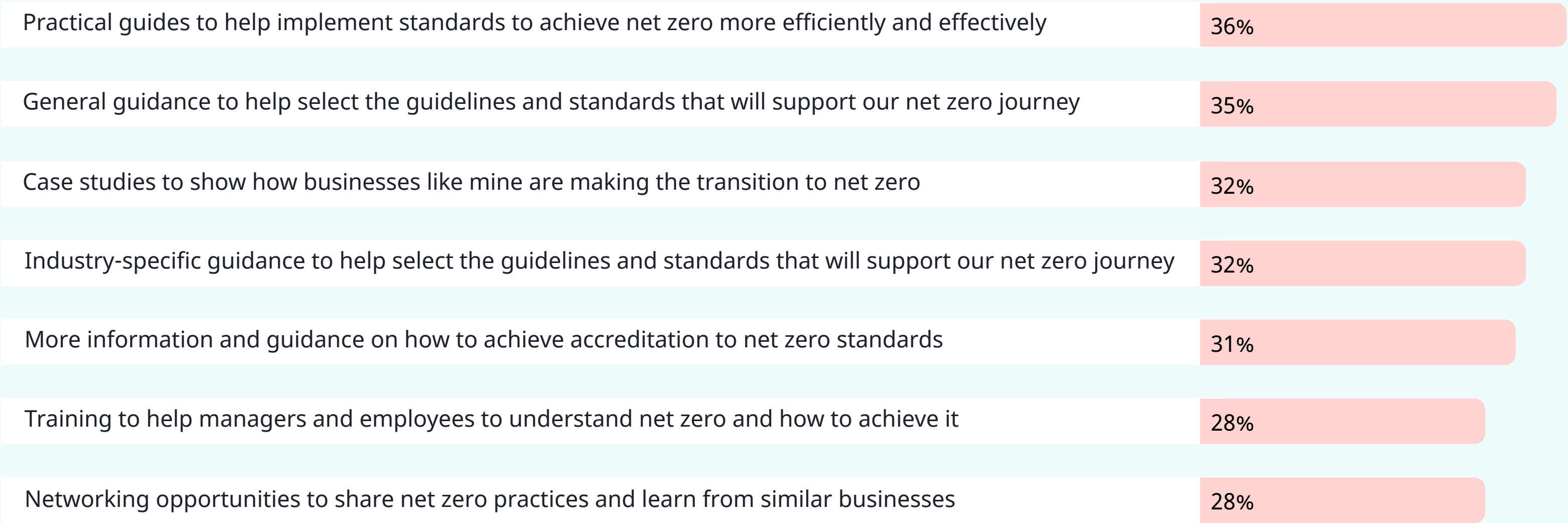
The top three areas for desired support highlighted in the survey were: practical guides to help implement standards to achieve net zero more efficiently and effectively (36%); general guidance to help select the guidelines and standards that will support the net zero journey (35%); case studies to show similar businesses are making the transition to net zero and industry-specific guidance to help select the guidelines and standards that will support the net zero journey (32%).

Across the board, large firms consistently display greater levels of interest in the types of support tested than SMEs so there is a clear opportunity here.



Interest in Support: 2025

Total %



The vast majority of UK businesses (83%) are interested in some type of support to guide their net zero transition.

Free, downloadable resources to support SMEs:

BSI Flex 3030 is an online code of practice which gives comprehensive guidance to SMEs wanting to start work on their transition to net zero. It includes a framework and supports organizations in helping to demonstrate their commitment to national net zero targets.

There is also BSI's [Net Zero Standards Hub](#). It's where you can help shape the development of the BSI Flex 3030 standard, connect with like-minded SMEs, swap best practice tips and learn about how others' net zero transition journeys are going.

BSI also offers [access to the IWA 42 \(ISO Net Zero Guidelines\) for free](#) – these are to be the basis of a new international standard for net zero aligned organizations which will be available in the near future (ISO 14060).

A free guide to BS ISO 50005 which gives guidelines to a phased implementation of an energy management system for use by SMEs, is [available via the BSI website](#).

And [PAS 2080](#), which provides a consistent, whole-life approach to managing carbon in infrastructure, helping organizations identify and eliminate carbon hotspots across their value chains, can also be downloaded for free. SMEs in the value chain, for supply and/or maintenance of infrastructure elements should find this a useful reference resource.

Standards are just the start

As Fleming points out, standards are just the start: “The standards are the cornerstone, but we have to build from there. If we use the circular economy in transport as an example, the standards set us on the right path, but, if we’re going to move everything to batteries, we need to do the right things right across the supply chain, especially given the current scarcity of materials and components. There’s an educational piece here where all businesses need to pull in the same direction with a shared understanding of what the outputs look like.”

Anna Fricker, BSI Senior Standards Manager, Materials and Manufacturing, hopes to see SMEs embrace a different mindset when it comes to standards: “Traditionally, there has been something of a misconception that standards can be contrary to innovation, whereas the reality is that, as performance-based tools, standards are an enabler of innovation and a template for how to deliver great work. The challenge is that businesses don’t always appreciate what standards can do for them or how they can help them, so it’s critical that, as the National Standards Body, we drive better awareness around standards and how they can be best implemented.”

She points to an ongoing collaboration with Innovate UK where BSI is providing standards support to complement funding for a number of cross-sector projects, including manufacturing and healthcare.

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There has been something of a misconception that standards can be contrary to innovation, whereas the reality is that, as performance-based tools, standards are an enabler of innovation.”



Anna Fricker
Senior Standards Manager,
Materials and Manufacturing, BSI

How standards can make a meaningful difference

Anthony Burd, Director of Built Environment at BSI, believes that standards can make a material difference, both across the board, and specifically in the Built Environment sector: “We have a massive opportunity around sustainable materials and the circular economy – concrete makes up 8% of the world’s carbon emissions so progress around reuse, recycling and repurposing can have a huge impact.

“This is where standards like [BSI Flex 350](#) can make a real difference – it is all about lower carbon concrete and the guardrails around developing new, innovative concrete solutions to ensure it still performs structurally from a fire safety perspective. In addition, we have [BS 8500-1](#) and [BS 8500-2](#) which provide guidance for specifying concrete for various applications. As a key member, we are also working closely with [CEN](#), Europe’s Committee for Standardization, to develop better thinking around the standards and around circularity for the built environment.”

Working in the adjacent materials and manufacturing sector, Fricker wants standards to be the starting point for these emerging low carbon technologies: “I’m

beginning to see some great work coming through on the remanufacture and reuse of materials, rather than just going to landfill. If we can build even greater awareness around our standards here, we can encourage more of this type of critical work right across the sector.”

She highlights the [BS/ISO 8887](#) series around remanufacturing and various other standards around recycling and reuse in packaging, plus the application of low carbon technologies in steel plants. There is much more to come in these and other areas.

Burd also makes the point that applying best practice to new housing is only part of the solution. With 27 million existing homes in the UK, he stresses that ‘retrofitting’ is a critical piece of the net zero support jigsaw. Relevant standards here are [PAS 2030](#), [PAS 2035](#) and for non-domestic buildings, [PAS 2038](#).

Dorian provides a summary of the wide-ranging impact of standards: “From introducing circular principles for wind turbines nearing decommissioning, to end-of-life batteries, the value of standards for net zero is not just in formalizing best practice but in enabling innovative thinking, so industry can realize greater value and improve the performance of products while aligning with clean power targets, all at the same time.”



Pooling cross-sector expertise

Fleming wants BSI to act as an enabler for cross-sector best practice: “The research tells us that the desire for support is there, and BSI can play a key role in delivering this support by convening adjacent sector experts on sustainability, fuel and other areas to maximize our overall bank of knowledge for the greater good. There are a limited number of ways forward, and all sectors are looking at the same challenges and the same solutions. We have to learn from each other’s mistakes and successes.”

Field agrees and wants to see the business community share their resources better: “I really believe that now is the time for collective, decisive action to accelerate progress toward net zero. Part of this is ensuring organizations share best practices and case studies across sectors. Transparency around the standards being used – especially within supply chains – can foster greater alignment and faster adoption of effective solutions. More openness and collaboration will help drive scalable, lasting progress toward shared sustainability goals.”



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Now is the time for collective, decisive action to accelerate progress toward net zero. Part of this is ensuring that organizations share best practices and case studies across sectors.”



Emily Field
Food Sector Lead, BSI

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BSI is also working closely with the DFT to develop a Zero Emission HGVs and Infrastructure standards programme to help transition HGVs to electric and hydrogen.”



Nick Fleming
Director of Transport and Mobility, BSI



Opening up technology pathways

As part of the overall support for the UK business community, Fleming wants to see clearer technology pathways opening up: “It’s hugely positive that the new ISO net zero standard is approaching. It’s a great framework, but beyond that we need to build on it with the technology pathways that can get you to net zero. If you assess where we are with decarbonization in transport and mobility, there is only so much alternative renewable fuel to go around. So, as it stands, the scaling will take some time.

“Take the automotive sector, SMMT data reveals that March 2025 was the best month ever for EV registrations. This represents a 43% increase on the equivalent quarter in 2024, so is clearly a major step forward in terms of the move to electrification. Compared to others, the automotive sector is already advanced in its commitment to circularity and embedding these ideals through the life cycle of vehicle design.

“From a BSI perspective, work on standards can help to drive improvements in component circularity and quality, supporting sustainability in the design, manufacture and recycling of batteries and materials. This work will continue around ‘new fuels’ as they will need to be tested in the real world and will need standards if we’re going to scale up quickly.”

Supporting innovation

The scale of the energy opportunity is powerfully illustrated by the fact that a fully flexible energy system has the potential to deliver material net savings of between £9.6 billion and £16.7 billion per annum in 2050, playing a crucial role in achieving net zero.

In rapidly evolving and increasingly complex areas such as energy system digitization and demand-side response, standardization not only reduces costs, but also fosters innovation and accelerates the adoption of key net zero technologies.

In 2020, the UK government sponsored BSI to develop industry-led standards that deliver on smart charging policy objectives and create opportunities for UK businesses to remain at the forefront of developing smart products and services. To support smart energy policy objectives, BSI developed a standardized technical framework, covering both Energy Smart Appliances (ESAs) and demand-side response for end-to-end systems across two standards, PAS 1878 and PAS 1879. Both standards are underpinned by four key policy principles: interoperability, data privacy, grid stability and cyber-security.

Beyond this, in a financial sense, the government provides support through the ECO energy efficiency scheme which is designed to tackle fuel poverty and help reduce carbon emissions. This equates to hundreds of millions of pounds, but Burd believes a push and pull strategy is the answer: “What we need today is robust policy and regulation with very clear targets; but at the same time, there is an opportunity for government to channel more focus into incentivizing low carbon technology through funding and innovation support and investment in the research and development of the technology. Central to this is the development of sustainable transport and green buildings, because this is what can drive the market, rather than regulation alone, as these more sustainable conditions will be written into contracts for construction.”

Fricker quotes the example of the manufacturers’ organization Make UK calling for government action on energy costs as indicative of where we are and wants to see more collaboration, while Field is starting to see her sector reconnecting around net zero: “Where government can really help is in strengthening policies and incentives and providing sector specific support. In the food sector, there is a clear desire to do the right thing, but there is also an interdependency on other actors within the supply chain and their Scope 3 emissions. Having strong regulation can really help with this and is critical if food businesses are going to scale action.”

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In the food sector, there is a clear desire to do the right thing, but there is also an interdependency on other actors within the supply chain and their Scope 3 emissions. Having strong regulation can really support business in their efforts.”

Emily Field
Food Sector Lead, BSI

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Nearly 50% of medical devices are used once and then thrown away, so we need to reduce that and do more to recycle, remanufacture and refurbish."



Rob Turpin
Head of Healthcare Sector, BSI

Raising standards in the food sector

Emily Field emphasizes that net zero is not a stand-alone challenge in the food sector: "Overall, there is a clear need to reconnect our thinking around net zero – for the food sector, net zero is so much more than just decarbonizing, it's also about restoring our natural systems and the health of our people and planet as well, making sure that food is affordable and nutritious. We're so reliant on farmers to help restore nature and reduce emissions that we have to ensure we embrace a farmer-led approach which builds trust, confidence and empowerment right across the farming community."

She also highlights two significant standards currently in development that can support organizations to support consumers with changes to their food habits and dietary behaviours. [ISO 20001](#) will directly help organizations measure and minimize the food loss and waste within their operations, and [PAS 224](#) establishes clear and simple criteria to define 100% plant-based food.

Bridging the healthcare supplier/provider gap

Turpin echoes this perspective through a healthcare sector lens: "When it comes to providing support in healthcare, we tend to start with generic standards and then consider if we need something that is healthcare specific. We have recently established a BSI Sustainable Healthcare Committee with a keen focus on medical devices. Right at the heart of this is the circular economy challenge – nearly 50% of medical devices are used once and then disposed of, so we need to reduce that and do more to recycle, remanufacture and refurbish, rather than just throwing these devices away. Getting this right is critical for net zero and, of course, the key area here which is patient safety and patient outcomes."

Turpin observes that NHS requirements don't always align with existing supplier standards: "There can be clear gaps between what suppliers consider to be good practice and NHS policy, particularly in the digital transformation space. But in the last twelve months I've been encouraged by greater degrees of convergence here and it feels like suppliers and providers are coming together. BSI can play a key role in accelerating this convergence through standards and better guidance."

Chapter 3

The commitment and confidence gap



With ongoing uncertainty, there is a clear commitment and confidence gap underpinning the current lack of net zero progress. But, as highlighted earlier, where there is a challenge, there is opportunity.

As it stands, while the majority (64%) of UK businesses continue to be committed to achieving net zero emissions by 2050, their commitment has fallen significantly from 2024 levels. Just one in four today (25%) remain 'very committed', while two in five (40%) are only 'fairly committed'. This contrasts with last year when 83% claimed to be committed to the 2050 target, with 31% 'very committed', and 52% 'fairly committed'.



The majority (64%) of UK businesses continue to be committed to achieving net zero emissions by 2050.

Less than two-thirds of SMEs remain committed today, compared to 93% among large firms, while from a sector perspective, commitment has fallen across the board and most notably among manufacturing firms. Businesses in the transport and utilities sectors are twice as likely as those in manufacturing to perceive their organization to be currently committed to achieving net zero by 2050.

The power of clear policy

Drawing on the evidence from our survey and sectoral trends, Van Dort believes that: "Clear policy direction empowers industries to plan with confidence, invest at scale, and accelerate their transition to net zero. Our survey shows a clear pattern: businesses in transport and utilities are more confident and committed to meeting net zero. This is no coincidence. The UK's Net Zero Strategy (2021) prioritized decarbonization of energy and mobility, placing these sectors at the forefront of climate policy.

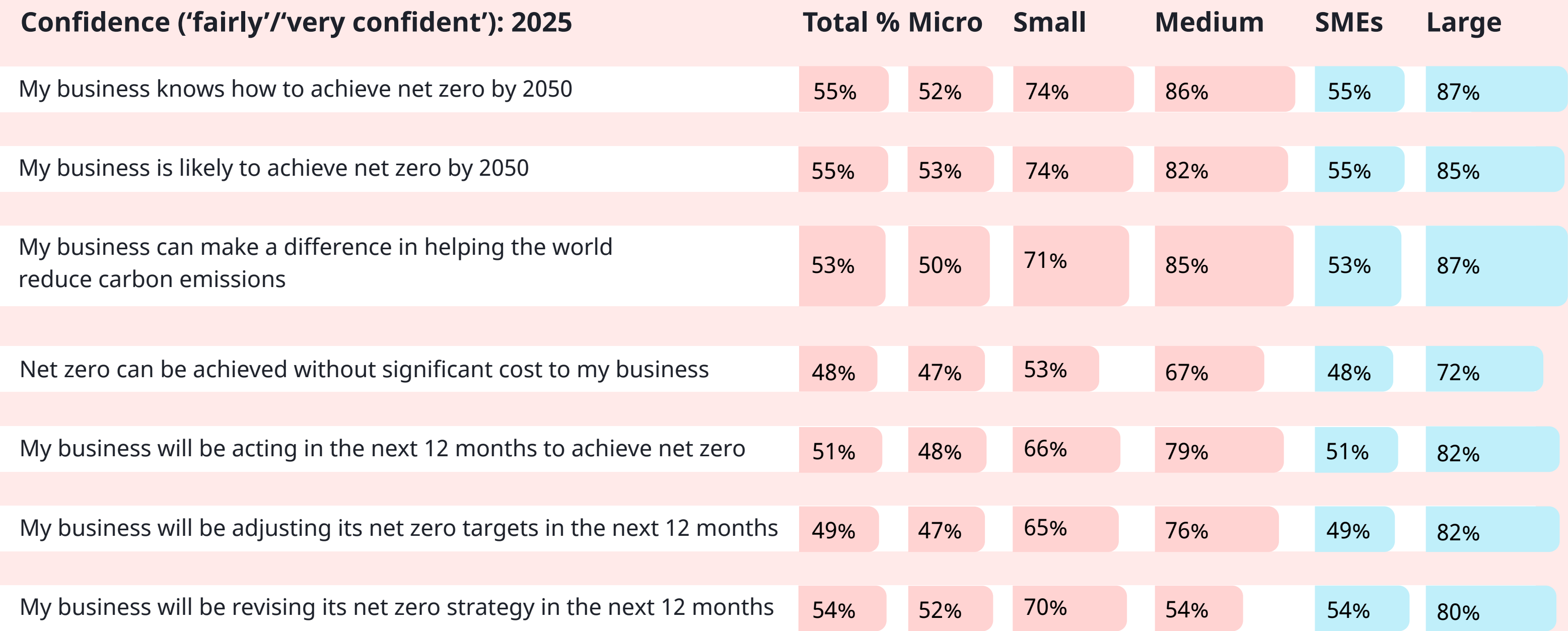
"Recent long-term signals by the new Labour government – such as the [Clean Power 2030 Action Plan](#), which maps the pathway to a 95% clean electricity system by 2030 – give operators the certainty they need to invest and innovate.

The lesson is unmistakable: when government sets decisive, consistent standards, industry responds. As similar robust policy signals are extended to other sectors, we can expect that similar momentum – and level of confidence – will follow."

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Clear policy direction empowers industries to plan with confidence, invest at scale, and accelerate their transition to net zero."

Sebastiaan Van Dort
Director of Energy and Sustainability, BSI



“It’s important for businesses to separate what they can do now from what will take more time and assess the way forward on that basis.”

Nick Fleming
Director of Transport and Mobility, BSI

The Confidence Factor

At an overall level, confidence in relation to the different areas tested has fallen, including perceived ability and likelihood of achieving net zero; to illustrate this, only 55% of UK businesses currently claim to be confident in this regard, in contrast to last year when the corresponding figure was three-quarters.

In addition, only half (51%) are currently confident that their business will be taking action on their net zero journey over the next twelve months, down from 72% in 2024; a sizeable percentage of UK businesses also expect their firm to revise its net zero strategy and/or targets in the coming year – 54% and 49%, respectively. Closer inspection of the latest data suggests a relationship between confidence and size of business with micro-sized businesses (fewer than ten employees) consistently displaying the lowest levels of confidence with large firms the highest. SME confidence levels are down 20% or more year-on-year against three different confidence metrics.

Fleming makes the point that in his sector, it’s not a case of one-size-fits-all: “While confidence feels high in electric vehicles, there is more uncertainty in aviation, with maritime somewhere in the middle. But they all have shared challenges and that’s where they can really help each other by pooling their resources. There are different timelines at play too.”

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We're working with some superb clients and stakeholders who want to go beyond the statutory minimum.... and want to create greener, better performing buildings which can set a high bar for others to follow."

Anthony Burd
Director of Built Environment, BSI

Optimism varies by sector

The latest optimism metrics are also down. While most UK businesses (61%) claim to be optimistic for the success of their firm over the next 12 months, they are only cautiously so (and markedly less so than in 2024).

Currently, just one in five (19%) firms are 'very optimistic' for the year ahead, with the number rising to 41% for 'fairly optimistic'. This represents a significant drop from last year where the overall optimism figure was 76%, while 24% were 'very optimistic', and over half (52%) were 'fairly optimistic'.

Closer analysis of this data reveals that SMEs are notably more pessimistic than large firms with just 61% of SMEs optimistic, compared to 89% of large firms. SMEs are significantly more pessimistic than large firms – 20% of SMEs are pessimistic, compared to 5% of large firms. Sector analysis shows that optimism also varies significantly by sector with transport and utilities highest with 88% and 80% respectively, and manufacturing, retail and construction lowest with 51%, 51% and 50%.

61%



Most UK businesses (61%) claim to be optimistic for the success of their firm over the next 12 months, but they are only cautiously so and, also, markedly less so than last year.

Fricker isn't surprised by this outlook from SMEs and her sector: "From my interactions, it's clear that larger firms have more resource and, as a result, more resilience which means they can be more constant in their optimism. With SMEs making up the dominant proportion of the materials and manufacturing sector, these metrics ring true to me as they simply don't have the buffer to absorb extra costs."

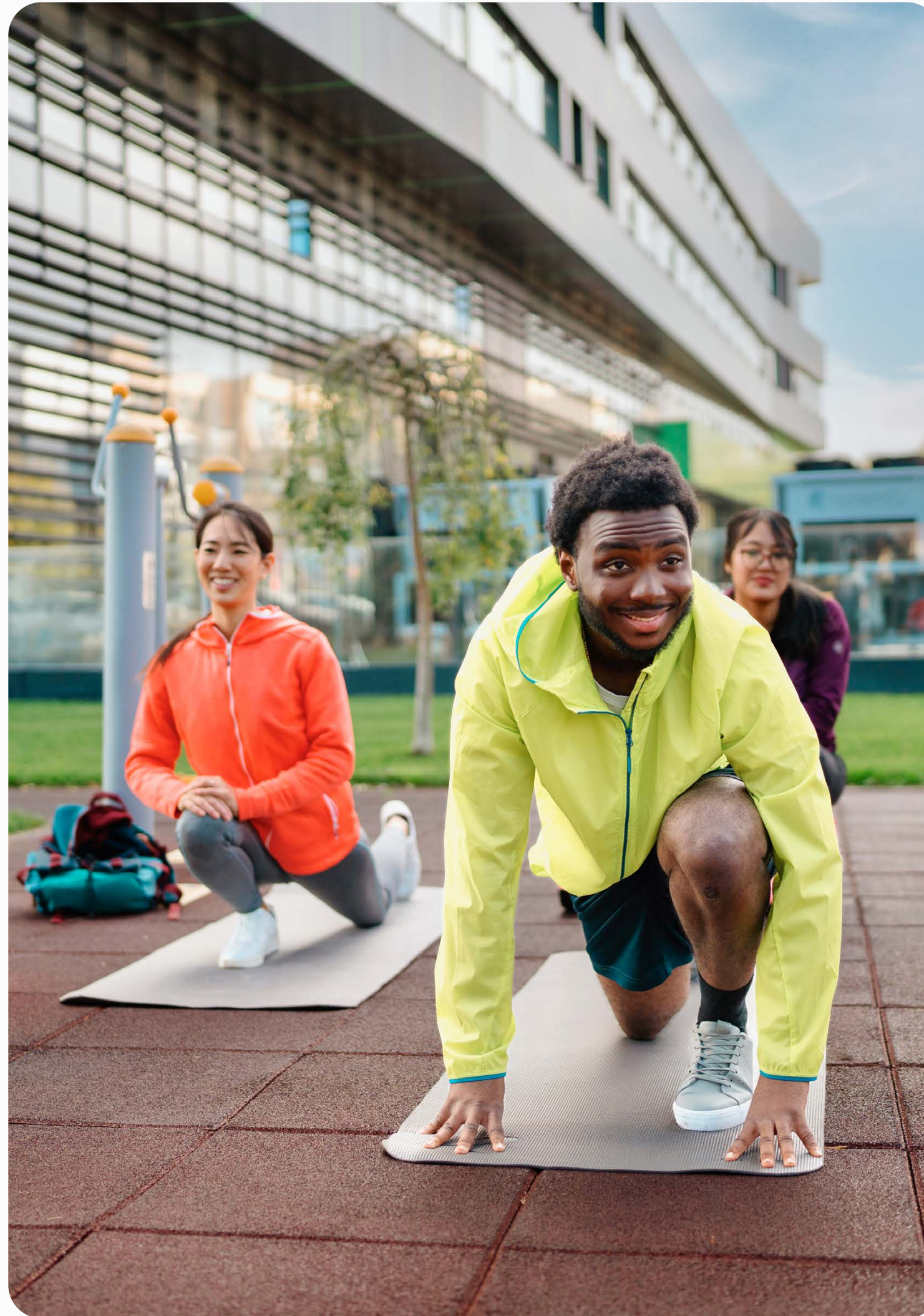


Opportunity and optimism

As always, challenge and opportunity are two sides of the same coin. From a healthcare point of view, Turpin believes that a change in government and its ambitions for the NHS are having an impact on optimism: “Net zero isn’t high on the government’s healthcare agenda and currently the financial focus is on innovation, tech and patient outcomes – while we’re working with some great NHS colleagues, with plans to abolish NHS England, there is also going to be a whole layer of policy staff that move on to other roles and that will affect net zero progress.”

In the built environment sector, however, Burd sees plenty of ambition: “We’re working with some superb clients and stakeholders who want to go beyond the statutory minimum... and want to create greener, better performing buildings which can set a high bar for others to follow.”

Dorian concludes: “The implications of global backsliding on net zero commitments undoubtedly contributes to business and investment uncertainty. From the point of view of an SME, the investment may seem too speculative in such an uncertain environment. Nevertheless, the recommitment from the Labour government to the clean power mission and investment in clean power technologies is an important golden thread continuing to lead UK business down the road to net zero.”



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Abbey Dorian
Energy Sector Lead, BSI

Conclusions

Following a year defined by uncertainty, our collective journey towards net zero has hit something of a bump in the road. But while the short-term metrics may be down, the longer-term outlook now looks significantly brighter thanks to increased clarity and commitment from the incoming UK government – this outlook improved yet further with Rachel Reeves' mid-2025 spending review.

Our collective opportunity today is to embrace this sense of momentum and turn it into meaningful actions that will deliver better climate-related outcomes that can benefit organizations of all sizes, and society at large.

The latest research reveals that, despite barriers – financial and otherwise – 83% of UK businesses are interested in some type of support, so the collective desire to 'do the right thing' is not in question. The key now is to turn this desire into unified solutions that empower businesses to truly address environmental targets.

These solutions should be grounded in awareness, education, stronger policies and industry-wide collaboration. If we get this right, we can help businesses, and especially SMEs, transition from this challenging period and unlock the huge benefits presented by net zero. It is not tomorrow's dream; it is today's opportunity and it's one that we'll only unlock together.



Key Takeaways

Here are the key recommendations of our findings for businesses in the coming 12 months:

1 Clarity and stability

Amid an ever-shifting geopolitical landscape, standards offer a rare constant, providing clarity, stability and a shared definition of what 'good' looks like. They can be powerful enablers of innovation, which is what will be needed to meet net zero, serving as blueprints for excellence and catalysts for progress.

2 Standards are powerful tools for collaboration

By aligning around common frameworks and methodologies, businesses, regardless of sector or size, can build stronger, more transparent partnerships that accelerate the journey to net zero. Shared standards across supply chains don't just streamline operations, they also enhance accountability and make it easier to demonstrate progress to investors, customers and stakeholders.

3 Unlock savings and opportunity

Carbon reduction efforts, like improving energy efficiency or cutting waste, can deliver immediate cost savings. Beyond pure cost, climate action lowers risk, builds resilience, attracts capital and meets rising customer and investor expectations. As procurement rules tighten, net zero is fast becoming a competitive edge – and the journey begins with smart, practical steps that simply make business sense.

4 Progress over perfection

The journey to net zero is a long-term endeavour with a finish line in 2050. Therefore, getting started is more important than achieving perfection right now. Breaking the transition into manageable, actionable steps is essential and will help in building momentum.

5 Collaboration accelerates progress

Collective action, like sharing best practices and case studies across a sector, will accelerate progress toward net zero. Transparency around the standards being used, especially within supply chains, can foster greater alignment and faster adoption of effective solutions. More openness and collaboration will help drive scalable, lasting progress toward shared sustainability goals.

6 Move first, win sooner

There is a first-mover advantage for businesses embracing emissions reduction. As demands from the public and private sector ramp up, organizations that are relatively advanced on decarbonization can be better placed to earn early contracts in growing markets and out-earn competitors. However, this window of opportunity is currently narrowed by business scepticism – better awareness and education can address this.

The role of standards

Standards codify consensus-based, good practice. They help establish a common understanding of concepts and terms, develop agreed methodologies for measuring outcomes, articulate the principles and processes by which those outcomes might be achieved, and are reviewed periodically to ensure relevance in a world of rapid change. This is essential to building trust and confidence in new net zero systems.

Standards in this area include those for energy management, greenhouse gas management, carbon accounting, carbon neutrality and decarbonization of infrastructure. Others include specifications for improving energy efficiency in new buildings and retrofitting older ones.

A new BSI fast-track standard will be of interest to many beginning their journey into net zero transition planning in the UK, particularly those who run SMEs. BSI Flex 3030 is [freely available to download](#). It is a code of practice with recommended steps towards net zero transition planning.

For international policymakers and larger organizations, there are the [ISO IWA 42 Net Zero Guidelines](#), with which the Flex standard is aligned. IWA 42 is currently being developed into an international standard on net zero requirements.

For more information about the transition planning standard and other standards around the subject of net zero, please [find further information here](#).

For further information on how standards support policy outcomes, please see the [BSI handbook for those responsible for the clean energy transition](#).



About BSI

As the UK's National Standards Body, we provide solutions to support government policies, tackle future challenges and deliver trust for the benefit of all sectors and society. By instilling best practices across all industries, we open market access and trade, drive innovation and strengthen consumer trust.

We bring together a community of over 12,000 experts, striving to create positive change through our development of purpose driven standards and services. By giving a voice to consumers and providing best practice to solve collective issues, we are shaping a safe and sustainable society that is ready to tackle the challenges of tomorrow.

BSI is the UK member of the international standards body (ISO) and contributes UK expertise to many areas of international standards development. These include those which are specifically for climate and the environment. ISO comprises 170 National Member Bodies around the world. Its standards follow the World Trade Organization (WTO)'s principles for avoiding Technical Barriers to Trade.

About this research

A combination of desk research, qualitative and quantitative research was used to create this report. Overall, 1,000 senior decision makers (e.g. Owners, C-Suite individuals, Directors, etc.) were surveyed from a spread of UK-based businesses (in terms of size, sector, region, etc.). Targets were set to enable the data to be reliably analysed by different sizes of businesses (e.g. SMEs, Large, etc.) and BSI's key sectors / sectors of interest and were successfully met.

Following completion of the fieldwork, the data was weighted against ONS's (Office for National Statistics) UK Business data 2024 to ensure that any 'total' figures reported are based on a nationally representative profile of UK businesses (in terms of size).

Given that, in most cases, BSI's key sectors / sectors of interest were boosted (to enable their responses to be reliably analysed across the survey), these sectors may be attitudinally and behaviourally different to the wider set of UK sectors.

Related to this, any sector analysis has been conducted specifically comparing BSI's key sectors/sectors of interest against each other, and not against the UK's sectors more widely. Therefore, the extent to which BSI's key sectors / sectors of interest are attitudinally and behaviourally similar – or different – to businesses in other sectors in the UK is not known.

Further, in many cases, participants were shown lists of actions, drivers of action, barriers to action, etc. and thus were primed to respond in a certain way. As such, their responses, and therefore the analysis in this report, are based, for the most part, on the lists tested (and do not take into account all potential actions, drivers of action, barriers to action, etc.). This is the fifth version of these annual surveys. Previous versions referenced in this report also surveyed around 1,000 senior decision makers from UK-based businesses across a spread of sizes and sectors.

The methodology and questions have evolved over time, and additional questions have been added in order to track ongoing business progress.

Our experts are:



Sebastiaan Van Dort
Director of Energy and
Sustainability, BSI



Abbey Dorian
Energy Sector Lead, BSI



Sara Walton
Sector Lead for Sustainability
and Net Zero, BSI



Emily Field
Food Sector Lead, BSI



Anna Fricker
Senior Standards
Manager, Materials and
Manufacturing, BSI



Anthony Burd
Director of Built
Environment, BSI



Rob Turpin
Head of Healthcare
Sector, BSI



Nick Fleming
Director of Transport
and Mobility, BSI



Your partner
in progress

BSI Group
389 Chiswick High Road
London, W4 4AL
United Kingdom
+44 345 080 9000
bsigroup.com