

Net zero: From sustainability ambition to commercial necessity

BSI Net Zero Barometer Report 2026

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Foreword

2026 is BSI's 125th anniversary and the sixth year that we have published the Net Zero Barometer.

Over the years, we've seen a clear shift in how businesses approach net zero.

In the early years the challenge was awareness. Many organizations were still understanding what net zero meant and how it applied to their operations.

When we launched the first Barometer in 2021, only 40% of businesses had made a formal net zero commitment while 64% said they didn't fully understand what net zero meant for their organization.

Today the conversation is very different. 82% of the UK businesses we surveyed say they remain committed to achieving net zero, and 80% recognize that failing to prepare for climate change could create significant operational and financial risks.

At the same time, businesses are navigating a difficult environment. Less than half are increasing investment in net zero initiatives, and over a third say they have paused or otherwise adjusted their transition targets.

This suggests the transition is entering a more complex phase, where businesses are balancing climate ambition with the economic realities of operating in an uncertain environment.

What the Barometer also shows very clearly is the scale of demand for support. The vast majority of businesses say they want clearer guidance, practical tools and credible frameworks to help them move forward.

That's where standards and trusted guidance can play an important role in helping organizations turn ambition into practical action, providing the clarity, stability, and shared definitions needed to invest and innovate with confidence.



Scott Steedman CBE
Director-General, Standards, BSI

In brief

The 2026 Net Zero Barometer reveals a resilient, but heavily pressurized UK business landscape where commitment to net zero is showing resilience in the face of multiple obstacles.

Overall commitment to achieving net zero by 2050 stands at 82%, and 81% of those surveyed have taken action (or are currently in the process of doing so), as businesses continue to appreciate the negative long-term impacts of not acting.

Notably, the drivers for the high levels of action reported on net zero have shifted focus, with businesses citing the benefits of cost savings and efficiency gains above any other motivators for net zero action.

However, progress is constrained by financial pressures, capability gaps, and political uncertainty, with 38% delaying or adjusting targets, and 53% moderating their climate communications.

Finally, with 91% of businesses calling for support, these findings offer a clear mandate for the creation of a more supportive environment, including policy and financial incentives, to sustain the UK's transition momentum.

In the sixth year of the UK-focused BSI Net Zero Barometer, we asked the same questions (with a few local adjustments) of 7,000 business leaders in the G7 for the G7 Net Zero Temperature Check. You can explore those findings and insights [here](#).

Take a deeper dive into the survey results data from these two reports [via this data dashboard](#), including findings by sector.

Note: surveying was conducted prior to the Iran war, and its effects on global fossil fuel supply chains and the wider economy.



Eight key findings

1 Commitment to net zero holds strong

82%

82% of businesses surveyed for this year's report are committed to achieving net zero emissions by 2050.

2 High levels of action on net zero

81%

Businesses aren't just voicing their commitment to net zero, they're taking action. 81% of businesses surveyed have taken (or are currently in the process of taking) concrete action toward their net zero goals. For example, by measuring their progress towards achieving net zero in a standardized way.

3 Operational efficiency and cost savings drive progress

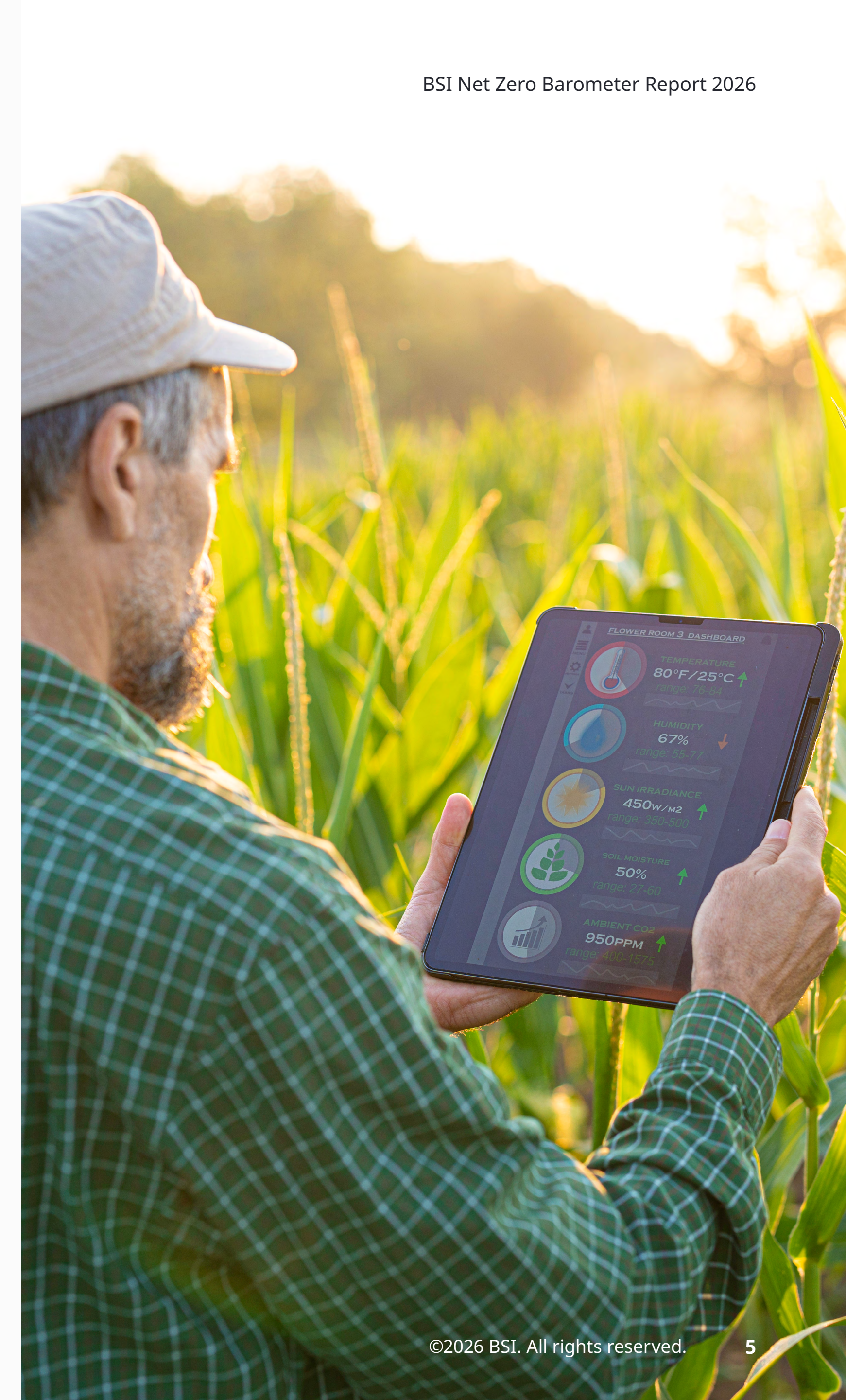
37%

Rather than abandoning net zero plans, the transition is being redefined in commercial terms, with cost savings and operational efficiencies (37%) emerging as the most prevalent drivers of action.

4 Barriers to action loom large

91%

Despite significant ambition, almost all businesses (91%) continue to face barriers to taking action on net zero. Of these, the financial cost of the transition remains the most cited obstacle, constraining progress for over a third (34%) of organizations. Wider factors, typically the energy crisis and the cost of living, are also impeding their efforts to act.



5 Volatility in target-setting

54%

Whilst over half (54%) of those surveyed have published formal commitments (or are in the process of doing so), 38% of firms altered their net zero targets in some way – whether by extending, pausing or even abandoning them altogether.

6 Climate scepticism influences a shift in communication strategies

53%

Political and public uncertainty are directly impacting corporate strategy. 53% of businesses surveyed say that they have changed how they promote their climate actions due to increasing climate scepticism.

7 Overwhelming demand for support

91%

Businesses are almost universally seeking help to make the transition viable. 91% are interested in receiving support, with 88% calling for greater financial incentives from government.

8 Net zero policy growing in credibility

31%

Although yet to convince all, the number of businesses surveyed who now agree that the government has a clear and realistic plan to meet the net zero goals has grown substantially: from 13% to 31%.

Reframing the transition: from sustainability ambition to business necessity

The 2026 data marks an evolution in how the UK business community engages with the road to net zero.

Overall commitment to achieving net zero stands at 82%, and 81% of those surveyed have taken action (or are in the process of taking action).

However, what we're seeing this year looks like the transition is predominantly being seen through a commercial and economic lens. Cost savings and operational efficiencies (37%) are currently the strongest motivations for action. Staying competitive in the market and meeting customer demand are not far behind.

As Sebastiaan Van Dort, Director of Energy and Sustainability, BSI, observes, "This suggests that the transition is becoming embedded in core business strategy rather than being treated purely as a sustainability commitment."

This growing pragmatism is underpinned by an understanding of climate-related risk and the growing threat of supply chain disruption. 80% of businesses surveyed recognize that failing to prepare for climate change carries long-term financial and operational consequences.

Businesses are concerned about future costs, the physical disruption of supply chains, and the potential for stranded assets where past investments are lost if net zero efforts stall.

This concern is reflected by the 52% who report to have taken, or are in the process of taking, climate adaptation planning to address the physical risk of a warming climate.

This focus on efficiency and resilience is relevant to energy security. The net zero transition represents one part of a strategy to reduce fossil fuel dependency and provide increasing insulation from global market dependences.

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Global uncertainty has repositioned net zero from a sustainability ambition to an energy security mandate. As supply constraints continue to squeeze margins, businesses are finding that integrating sustainable practices and domestic energy resources into their operational strategy offers a credible hedge against fossil fuel price volatility and a stronger approach for long term business resilience.

Abbey Dorian
Head of Energy, BSI

Despite the clearer commercial motivation, the transition remains unevenly funded. While the will is there, capital allocation is struggling. Only 46% of businesses expect to increase their investment in net zero over the next 12 months, while 20% expect to cut it back. While the business case for net zero is being won, execution is being throttled by the need to manage short term cash flow and the already high “cost of doing business”, which 80% still cite as a major pressure point.

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The transition across the real economy depends on financial institutions being able to assess credible transition strategies and direct capital towards them. That’s why global frameworks for transition planning are becoming increasingly important. To support achieving the net zero transition, BSI will launch ISO 32212 in Summer 2026, the world’s first international, independently verified standard for financial institutions’ transition plans.

Daan van der Wekken
Head of Sustainability, BSI

Top 10 drivers of net zero action

Top 10 drivers of net zero action	Total % 2026
Cost savings / operational efficiencies	37%
Policy / regulatory change	26%
Market competitiveness	24%
Customer demand	23%
Reputational risks	23%
Supply chain requirements	22%
Business resilience	22%
Organizational purpose	21%
Mitigating climate-related risks (e.g. floods, etc.)	19%
Ability to attract talent / staff	19%



The pressures of uncertainty: moving targets and political headwinds

While commitment is strong, the 2026 research makes clear that momentum is not overwhelming.

While 54% of organizations have published a commitment (or are in the process of doing so), 38% say they have altered their net zero targets in some way – whether by extending, pausing or even abandoning them altogether.

Perhaps most soberingly, 57% of firms surveyed say that they would consider abandoning their net zero pursuit altogether in the face of any future political uncertainty. It's a clear signal that firm government commitments encourage businesses to sign off on the long-term, multi-year investment cycles required for major decarbonization projects.

38% 

say they have altered their net zero targets in some way, whether it's extending, pausing or even abandoning them altogether.

A less certain world, in which climate scepticism has become part of the political debate, is also driving a significant shift in external communications. Over half (53%) of organizations surveyed have openly changed how they communicate their climate actions, specifically due to climate scepticism. Large firms appear more susceptible to this than SMEs, with 65% admitting to having shifted communication style.

Interestingly, compared to its G7 peers surveyed for the G7 Net Zero Temperature Check, the UK stands out as being the least likely to change its communications or roll back targets in response to climate scepticism.

However, away from the headlines, commitment to pursuing net zero remains strong as a way to drive operational efficiency and long-term resilience.



Policy for green growth

Whilst strongly committed to net zero (82%), this year's data also reveals that business perceptions of current government policy remain mixed.

One in three (34%) respondents in the survey do believe that pursuing a net zero/green economy could give the country a competitive advantage, and that net zero will open new markets and innovation opportunities for businesses.

However, only around a third of businesses strongly agree that existing policies will make it easier to reach net zero by 2050 (31%), or that the government has a clear and realistic plan to meet these goals (30%). Likewise, just 35% strongly agree that the transition will support economic growth or strengthen energy security under current conditions.

Perceptions of any policy uncertainty have a potential impact on decision-making: 29% strongly agree that it makes it difficult to invest confidently. Over half (57%) say wider political uncertainty could affect the extent to which they pursue their net zero targets.

However, despite those concerns, and in line with their overall level of commitment to net zero, the majority of businesses remain steadfast in the face of a highly-polarized political climate.

In fact, 81% of those surveyed will continue to pursue net zero regardless of current political uncertainty because it is necessary for a sustainable future, and believe it is good for business (79%) because customers and clients demand it (77%).

Nevertheless, a stable, growth-focused policy environment is still needed to turn commitment into lasting progress and ensure the transition can better withstand future geopolitical and economic shocks.

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Momentum is not guaranteed without clear policy direction. While most businesses remain committed, their confidence is conditional. Policy uncertainty can slow investment decisions and long-term planning, effectively acting as a brake on the transition.

Sebastian Van Dort

Director of Energy and Sustainability, BSI



SMEs on the front line of the net zero transition

Historically, SMEs have been typically less advanced on the transition to net zero than better-resourced, larger businesses. However, smaller businesses now appear to be emerging as vital engines of climate action.

These businesses recognize the net zero transition as an essential pillar of resilience. 80% report being directly concerned about their own future costs and resilience if they fail to prepare for climate change.

So, despite facing the most acute resource and financial constraints, smaller firms are playing a disproportionately large role in driving incremental change.



However, the path to decarbonization for the SME community remains fraught with financial hurdles. While 91% of all businesses claim to face ongoing barriers, cost remains the defining obstacle for smaller organizations. This pressure is most visible among “Small” firms (10-49 employees), where 51% cite the cost of transition as a primary constraint. This is much higher than the 36% reported by large enterprises (250+ employees).

For these businesses, the decision to invest in green technology is often a direct trade-off against “prioritizing business growth,” which 37% of small businesses cite as a competing barrier.

For many SMEs, the transition is less about corporate social responsibility and more about ensuring the business remains viable in a future green economy.

The emergence of SMEs as a bright spot in this year’s Barometer is reinforced by the action they’re taking, especially in relation to adopting standardized progress measurement and creating formal transition plans.

This suggests that practical, incremental action is becoming more accessible. While they may lack the dedicated sustainability departments of larger firms, SMEs seem highly attuned to the risks of inaction.

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Despite having the fewest resources, SME engagement is high because they’ve stopped seeing net zero as peripheral. This move toward practical, incremental action by smaller firms is exactly what will keep the UK’s broader momentum alive as we get closer to 2050.

Sara Walton

Sector Lead for Sustainability and Net Zero, BSI

80%

A clear majority of businesses are directly concerned about their future costs and resilience if they don’t prepare for climate change.

Closing the confidence gap: data and capability

Overall confidence in the ability to achieve net zero by 2050 stands at 60%. While achieving this long-term ambition remains a complex challenge, businesses are already building a strong foundation of trust when it comes to their emissions data.

In fact, 77% of firms surveyed are confident in the credibility of their own internal emissions reporting, with large firms leading the way at 90%. 72% are confident in the reporting of the emissions data of their supply chain partners.

Despite confidence around data and reporting, a capability gap has emerged as an important obstacle to progress. A quarter of businesses cite a lack of internal skills and knowledge as a major barrier to action.

Businesses may have the will to act and the data to do so, but lack the specialized workforce needed to execute transition plans. This can be a brake on progress, particularly as the transition moves from target-setting to implementation.

This year's data reveals that confidence and capability varies by sector, creating uneven progress across the economy. For example, high-growth and digital-first sectors like IT, AI and Pharma appear the most confident and display the highest levels of trust in both their own data and that of their supply chain.

Confidence in emissions data

The emissions data your business is reporting

Total %

77%

SMEs

77%

Large

90%

The emissions data that businesses in your supply chain are reporting

72%

72%

80%



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The significant rise in businesses measuring and reporting their emissions in a standardized way is a notable step forward. While these organizations are increasingly providing the credible data required for the transition, we must now ensure they have the continued investment and support to translate this transparency into sustained action.

Sebastiaan Van Dort
Director of Energy and Sustainability, BSI

The road ahead: overwhelming mandate for support

The 2026 survey results make clear that the business community is ready to act, but they can't bear the brunt of costs and complexity alone.

Perhaps most significantly, 88% of businesses say there should be greater government support (including financial incentives), for businesses to reach net zero.

This presents a clear message for policymakers. The appetite for action is strong, but it requires a strengthened enabling environment to turn ambition and commitment into sustained progress.

The demand for training and workshops reflects the growing internal skills gap identified in this year's research.

There is also a high demand for guidance: how to select the guidelines and standards to support a net zero journey, and how to implement the appropriate standards.

As more businesses move out of the planning phase and into implementation, technical expertise, specialized knowledge and guidance is clearly becoming a key driver of success.

Top 7 requests for support

Training programmes and workshops to help my business's managers and employees to understand net zero and how to achieve it

39%

General guidance to help my business select the guidelines and standards that will support our net zero journey

38%

Practical guides to help my business implement standards to achieve net zero more efficiently and effectively

37%

More information and guidance on how to achieve accreditation to net zero standards

36%

Industry-specific guidance to help my business select the guidelines and standards that will support our net zero journey

35%

Networking opportunities for businesses to share their net zero practices and learn from similar businesses to mine

32%

Case studies to show how businesses like mine are making the transition to net zero

27%

Conclusions

Following a 2025 report that was defined by a slowdown in progress on net zero, this year's Net Zero Barometer survey reveals a strong (82%) commitment to achieving net zero by 2050, with a high level of reported action too.

This shift might well mark the fundamental reframing of net zero as a material economic proposition and a strategic move toward long-term competitiveness and operational resilience.

While businesses navigate today's complex and challenging landscape, their understanding of the costs of not preparing for climate change (80%) is increasingly translating into action.

This year, over half (54%) of firms surveyed report they have measured progress on achieving net zero in a standardized way.

This momentum demonstrates a corporate planning system that, while under pressure, is actively maturing and seeking stable pathways for growth.

Ultimately, this year's findings offer a clear signal of opportunity. With 91% of businesses expressing interest in support, and 88% seeking government financial incentives, there is a powerful mandate to create the enabling environment required to accelerate the transition.

By meeting this collective desire to act with clear, practical solutions and industry-wide collaboration, backed by the necessary resources, UK businesses can turn today's climate challenges into a resilient foundation for future economic success.

Key takeaways

Here are the five key recommendations based on our 2026 findings for businesses in the coming 12 months.

1 Capitalize on net zero for commercial advantage

Accelerate progress by treating the transition as a primary tool for operational efficiency and resilience. In a high-cost environment, carbon reduction efforts can, over time, deliver the bottom-line stability required to offset economic headwinds.

2 Act now to lower future costs

Recognizing that the costs of inaction rise faster than the costs of action is vital to long-term success. Early investment in decarbonization now helps avoid the escalating expenses of energy and materials while protecting the business against stranded assets and future supply-chain shocks.

3 Bridge the capability gap

With a substantial appetite for training and workshops (39%), businesses should prioritize building internal skills to ensure successful transition execution. Investing in your workforce now creates the technical foundation needed to navigate increasingly complex regulatory and market requirements.

4 Secure first-mover benefits

Rather than waiting for total policy certainty, businesses should lead the transition to stay aligned with shifting market norms and supplier requirements. Early movers who adopt efficiency-driven models gain significant advantages in risk reduction and cost control that late-arriving competitors might struggle to replicate.

5 Standards are powerful tools for collaboration

By aligning around common frameworks and methodologies, businesses, regardless of sector or size, can build stronger net zero partnerships that can unlock cost savings and efficiencies across supply chains, whilst enhancing accountability and making it easier to demonstrate progress to investors, customers, and stakeholders.



The role of standards as a catalyst for progress

In an era defined by economic headwinds and evolving policy, standards provide the universal language of trust and a stable foundation for innovation.

As this year's Barometer highlights, net zero is increasingly driven by a business case for resilience. In this context, standards act as the essential infrastructure that allows organizations to execute their ambitions.

Standards codify consensus based best practice, providing a clear and stable definition of what 'good' looks like for a net zero economy. That definition is shaped by experts and informed by public consultation, offering continuity beyond the short term volatility of political cycles.

By establishing common approaches for measuring carbon, managing energy, and reporting progress, standards remove the guesswork from the transition.

This is critical for closing the capability gap identified in this year's report, providing businesses with the technical roadmap needed to reduce investment risk and demonstrate their green credentials to a sceptical global market.

BS EN ISO 14001 offers a good place to start. As the world's leading environmental management standard, it provides a framework through which you can measure and continually improve your environmental performance.

For SMEs, the free online code of practice offered by BSI Flex 3030 provides a clear, manageable framework for transition planning. It enables smaller firms to demonstrate their commitment to national targets through practical, incremental steps.

For larger organizations and international policymakers, the ISO 14068-1 standard on carbon neutrality, provides the essential foundation for making credible and transparent climate claims.

Finally, BSI has convened thousands of experts from over 100 countries through national standards bodies to develop an independently verifiable international standard on net zero.

The ISO net zero standard (ISO 14060: Net Zero Aligned Organizations) is designed to support organizations to have a clearer understanding of what credible net zero action looks like, and build confidence in what action needs to be taken. The Draft International Standard is available for public consultation from June to September 2026. Read the draft standard and submit your comments [here](#).

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In a globalized economy, the transition can't happen in a vacuum. Emerging international standards such as the ISO net zero standard (ISO 14060) offer the common framework that creates a level playing field for business. Through the London Declaration, we are ensuring that the international standards system remains a reliable constant, helping businesses provide the credible, high-integrity disclosures that investors and markets now demand.

Emily Faint

Senior Policy Manager, Net Zero, BSI

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.

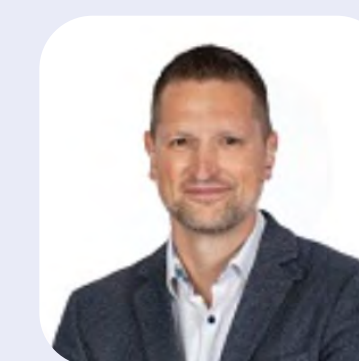
We bring together a community of over 12,000 experts, striving to create positive change through our development of purpose-driven standards and services. By giving a voice to consumers and providing best practice to solve collective

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 Organization for Standardization (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 more than 170 National Member Bodies around the world. Its standards follow the World Trade Organization (WTO)'s principles for avoiding Technical Barriers to Trade.



Our experts are:



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Emily Faint
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About this research

A combination of desk research, and 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 and BSI's key sectors / sectors of interest and were successfully met.

Following the fieldwork, the data was weighted against ONS's (Office for National Statistics) UK Business data 2025 to ensure that any 'total' figures reported are based on a nationally representative profile of UK businesses (in terms of size).

Given that the sample only comprises respondents who worked in businesses which operate in BSI's current key sectors / sectors of interest (to enable their responses to be reliably analyzed across the survey and given available budget), these sectors may be attitudinally and behaviourally different to the wider set of UK sectors.

Also, 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 unknown.

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 sixth version of the Net Zero Barometer. 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 to track ongoing business progress. Additionally, it should be noted that this is not a longitudinal study.

Readers should also note that the quantitative fieldwork for this Barometer was conducted prior to the Iran war and its effects on global fossil fuel supply chains. While the data reflects pre-existing concerns regarding energy security and the cost of living in the wake of the Ukraine war, the full impact of the recent conflict on business sentiment is not captured in these specific results.





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