



10 Steps to Net Zero

The practical guide to carbon reporting and reduction

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A note from the author

Net zero goals may seem lofty, but they're vital to the future of the planet. According to the IPCC, eliminating emissions by 2050 is the only way to stave off the worst effects of climate change.

The planet has already warmed significantly above pre-industrial levels, and this is wreaking havoc in the form of sea level rise and extreme weather events — but there are still massive advantages to limiting warming as far below 2°C as possible.

That's why in recent years, the phrase “net zero” has become increasingly important. It's not just about *reducing* emissions — It's about *eliminating* them to the greatest possible extent, then *removing* any residual emissions.

Governments are enacting new legislation to mandate net zero targets. The UK, for example, passed laws in 2019 that require the nation to bring all greenhouse gas emissions to net zero by 2050, compared with the previous target of at least 80% reduction from 1990 levels.

This is being enforced through the power of the purse. Recent measures require that prospective suppliers bidding for government contracts above £5 million per year must have committed to the UK government's net zero target and have published a carbon reduction plan.

In June 2021, the European Union approved a law to make the bloc's greenhouse gas emissions targets legally binding; 27 nations must collectively slash greenhouse gas emissions by 55% by 2030 compared to 1990 levels, with the aim to become climate-neutral by 2050.

In addition, central bankers from the G7 countries have agreed to make TCFD disclosures mandatory for large businesses. This will force more organisations than ever to calculate — and confront — their greenhouse gas emissions. Other governments and private organisations have pledged net zero goals as well, although none are legally binding — yet. But

behind all the buzz and aspirational goals is the nitty gritty: *actually* monitoring and reporting greenhouse gas emissions and implementing strategies for reduction.

To keep businesses, investors, and other organisations on track and accountable, accurate and verifiable carbon reporting is absolutely necessary. And at Rio, we believe that net zero strategy, carbon reporting, and target setting needs to be as straightforward as possible. That's why we're working to democratise the process through our intelligent, accessible sustainability software.

In addition, we're committed to educating the public through free resources like this one. In this 10-step guide, we'll walk you through the practical, actionable steps any organisation needs to take to get started on the path to becoming net zero.

All the best,



DANIEL BOTTERILL

CEO, Rio ESG

Glossary

To ensure we're on the same page about sustainability lingo before diving in, here's a simple glossary that will help us distinguish the differences between many of the key terms used when discussing climate change, emissions, and net zero targets.

Baseline year: This is a historic point of comparison used to track changes and improvements in emissions. An organisation can use the year for which it has the most data and that is most reflective of operations. For example, the IPCC uses a baseline year of 2010 to project that total global emissions must be reduced by 45% by 2030 to reach net zero by 2050.

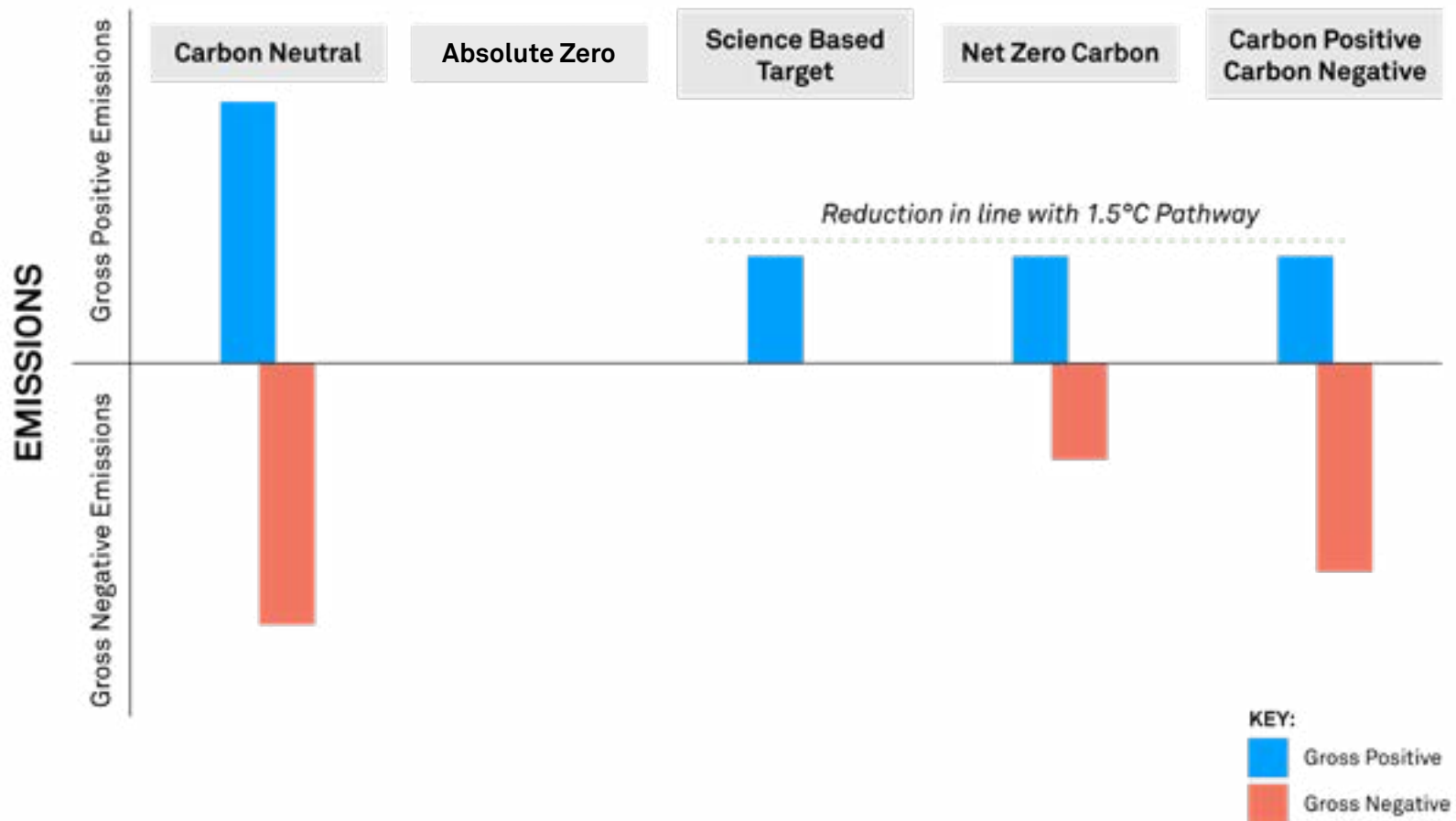
Carbon footprint: This is the total amount of greenhouse gases (GHGs) emitted by a person, organisation, product, event, or other entity. GHGs include carbon dioxide (the most common gas emitted by humans), methane, nitrous oxide, and fluorinated gases. A carbon footprint results from the production, use, and end-of-life of a product or service (e.g. fossil fuels, food, manufactured goods, materials, and transportation).

Carbon neutral: Being carbon-neutral, or achieving carbon-neutrality, means that an individual and/or the operations of a business or national economy has balanced emission of carbon by removing carbon from the atmosphere, often done through carbon offsetting.

Climate neutral: This refers to achieving net-zero emissions of all greenhouse gases (not just carbon), which is done by balancing GHG emissions so they're equal to or less than those that are removed naturally by the Earth.

Net zero: Carbon-neutral and net zero are often used interchangeably, but there are slight differences. Net zero means that all man-made GHG emissions are removed from the atmosphere via reduction measures, balancing the release and removal of these gases. Net zero is reached when the amount we add is no more than the amount taken away. (Note: Net-zero carbon emissions mean that carbon emissions and removal are balanced. Net-zero emissions mean all GHG emissions and removal are balanced.)

Climate positive/carbon negative: Becoming climate positive or carbon negative, which are the same thing, means that an organisation not only achieves net-zero carbon emissions (see below), but also removes additional carbon dioxide from the atmosphere, which positively affects the climate.



Source: Engie Impact, 2021

Offsetting: This refers to a reduction or avoidance of emissions to compensate for other emissions being produced. Best practice carbon offsets are those that use carbon-reduction activities like renewable energy projects or carbon removal technology projects.

Insetting: This refers to carbon offsetting that occurs within a company's own value chain (whether upstream or downstream).

Scope 1 emissions: These are direct GHG emissions that occur from sources that an organisation controls or owns, such as emissions associated with fuel combustion in boilers, furnaces, and vehicles.

Scope 2 emissions: These are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility that generates them, these are considered GHG emissions for the organisation that purchases them because they are a result of the organisation's energy use.

Scope 3 emissions: These indirect emissions, also known as value chain emissions, often represent the majority of an organisation's total GHG emissions. Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain — for example, the goods a business purchases or consumer disposal of its products, or transport-related activities in vehicles not owned or controlled by the reporting entity.



Step 1: Education and learning

What

Before diving into calculating a carbon footprint or developing a net-zero strategy, it's important to first simply understand the space you're entering.

Educate yourself, your team, and your organisation as a whole on why large-scale sustainability is so important. Learn about how carbon tracking and reporting makes your business more competitive and future-facing, as well as how it can boost your reputation and your bottom line. Ensure the company's purpose is clear to gain everyone's buy-in.

Why

Net zero goals require involvement from nearly everyone at an organisation. Staff must be equipped with the knowledge, tools, and skills they need to do their jobs sustainably.

This extends to the highest levels of leadership as well. Without everyone on board, your strategy won't be successful, and a lack of buy-in from the board or management team is likely to result in underfunded

opportunities for training, and no opportunity for staff to participate in learning during the working day. Eventually, that leads to strategies that fall apart in the long-term.

How

Invest in education and training that will help everyone see how achieving net zero impacts them on a personal level, an organisational level, and a global level. This doesn't need to be expensive — there are many free resources available, such as those offered via Rio Engage.

Provide on-the-job training to help create a work-based learning culture where people feel motivated to undertake informal (e.g. unplanned, self-directed) and formal (e.g. planned, structured) learning opportunities to enhance and progress their jobs and careers.

Then, connect your strategy to finances so that you can present investors and other stakeholders with specific details on why they should make capital allocation decisions in favour of net zero.

Education and learning cont.

Further guidance

- [Online training from GHG Protocol](#)
- [Science Based Targets \(SBTi\) Resources](#)
- [Task Force on Climate-related Financial Disclosures Knowledge Hub](#)
- [Rio Engage sustainability learning modules](#)





Step 2: Scoping

What

Next, you need to determine the scope of your net-zero strategy. This means understanding your organisation's level of ambition, the boundaries of your influence, and emissions sources.

Why

To do the detailed work, collect the most relevant info, and focus your efforts, you first need to establish the big picture. What do you want to achieve? Where does your responsibility begin and end? What will need to change in order to reduce emissions?

How

To decide the scope of your net-zero strategy and understand what areas are most significant and impactful to your organisation, undertake a materiality assessment.

This is a formal exercise that helps determine how important specific environmental, social and governance issues are to your internal and external stakeholders.

You can conduct a materiality assessment internally or via a consultant.

Following your materiality assessment, you'll use the results to drill into three key areas: level of ambition, influence, and emissions sources.

Level of ambition: Your level of ambition is the specific end target you want to achieve. For example, do you want to set a net-zero target in line with a 1.5°C future, as laid out by SBTi? This requires halving greenhouse gas emissions by 2030 and hitting net-zero emissions by 2050. Different targets have levels of ambitions for different warming scenarios.

Influence: You'll also need to decide how wide a boundary you'll include in your emissions reporting. In setting organisational boundaries, you'll select an approach for consolidating your GHG emissions, then consistently apply that approach to define the businesses and operations that constitute your organisation so that you can properly track and report GHG emissions.

Scoping cont.

[GHG Protocol](#) outlines two approaches here: equity share and control. An equity share approach is when a business accounts for GHG emissions from operations according to its share of equity in the operation. A control approach, meanwhile, is accounting for 100% of the GHG emissions from operations over which your company has control. It does not account for GHG emissions from operations in which you own an interest but have no control.

The control approach is further defined as either financial control or operational control. Financial control is when your company has the ability to direct the financial and operating policies of the operations with a view of gaining economic benefits from its activities, whereas operational control means your business or one of its subsidiaries has full authority to introduce and implement operating policies. Your method will depend on your business structure, as well as mandated reporting requirements.

Organisations must also decide the boundaries of which emissions to account for and report on: If you're committed to net zero, you must include Scope 1 and 2

emissions at minimum and ideally you'll include Scope 3 as well.

Emissions sources: Once organisational boundaries have been established, you must identify emissions sources within each scope you've chosen to include. A good starting point is to refer to the breakdown of Scope 1-3 emissions by GHG Protocol; this will help you understand what common emission sources are, then identify them within your organisation.

Further guidance

- [SBTi's Business Ambition for 1.5°C](#)
- [GHG Protocol Guidance](#)
- [The GHG Protocol: A Corporate Accounting and Reporting Standard](#)



Step 3: Data collection

What

Now that you've established scope, you can start collecting data on your carbon footprint.

Why

You can't effectively drive change and make decisions without high-quality data. Climate change data is just as important as financial data, so it should be monitored in the same fashion.

What makes data high-quality? It should meet the following criteria:

Accurate: Manual processes increase the risk of human error. A standardised, automated process and system for data collection and management can help with this.

Complete: Estimates can be made from incomplete data, but to have the most accurate reporting — and the clearest picture of whether your organisation is meeting targets — data needs to be as complete as possible. If only some data is provided for some

months or locations, and no data is provided for others, it will be difficult to have complete visibility.

Timely: Collect data in a timely manner (annually, at minimum) to better inform decision-making and quickly point out anomalies. Note: When significant structural changes occur during the middle of the year, recalculate base year emissions for the entire year, not just the remainder of the reporting period.

“Climate change data is just as important as financial data, so it should be monitored in the same fashion.”

How

The first step of data collection is calculating your baseline emissions by selecting a baseline year, then gathering as much data as you can. Select a baseline year that is most reflective of your business activities, and a year where you can gather the most high-quality data.

Data collection cont.

If it's not possible to obtain good (or any) data on certain emission sources, you can make estimates — but be transparent about the methodology you're using. If you have data for another location or site, use averages from your own internal data that are applicable across the business before looking to external sources.

It's also important to consider how your organisation will capture and manage the data being collected: Do you have a system in place, or will you need to develop one? Specialised software can help with this.

Pro tip: To get an idea of how cities, regions, and companies measure data, browse the climate-related datasets on CDP's Open Data Portal, or purchase access to corporate environmental data to map trends, model emissions data, and pinpoint emerging best practices. CDP also offers a Full GHG Emissions Dataset to CDP investor members and includes both self-reported and estimated Scope 1-3 emissions data for more than 5,000 companies.

You'll also need to review your suppliers and contractors (energy, water, waste, etc.) and the frequency and completeness of the data they provide. Consider questions like:

- Do I get a breakdown of my consumption/usage from my suppliers, or is it just an invoice of costing?
- How frequently do I get billed?
- Am I charged at a fixed rate or based on usage?
- Does the supplier provide a methodology or information on how the rate is calculated?
- Do I receive estimated or actual data?

Then, you'll need to request additional data if you don't already receive it.

Further guidance

- [GHG Protocol \(see chapter 5\)](#)
- [CDP Open Data Portal](#)
- [CDP corporate environmental data for purchase](#)
- [CDP Full Greenhouse Gas \(GHG\) Emissions Dataset](#)

Industry Perspectives

“At Dods Group, understanding our carbon footprint was one of the first steps in our net zero journey. This year, with the help of Rio ESG, we calculated our first carbon footprint. As we have 4 offices across Europe, it was particularly interesting to see how each country logs information and how they view achieving Net Zero.

For organisation’s beginning their journey or even those who have already started the process, I would definitely advise regularly collating and updating details like travel to work and energy consumption so that this information is readily available and easy to find in order to calculate and monitor your carbon footprint annually.”

Charlotte Guest
Office and Wellbeing Manager, Dods Group



“When we did our carbon footprint for the first time, we did not know exactly what data was required and where to get it. Rio ESG assisted us to first understand what data points we needed to gather and broke it down into mandatory minimum data points and then optional data points if we wanted to enrich the data and make fewer assumptions.

Once we ventured out to find the various data points, we realised that the data was scattered over various teams such as Finance and Facilities Management and across various jurisdictions, in our case 22 different offices worldwide. The first year required several engagements with the various internal teams to explain what data we need and why. The second year went much faster as the team knew what was required and why we needed the data.

Our advice for organisation’s starting their carbon footprint calculations would be to have discussions with the teams who own the data so they can understand why they need to keep certain data points. Ideally, you should have a central system such as the Rio ESG platform where all these data points can then be stored. It makes it even less work and more useful if the data is gathered throughout the year e.g. on a monthly basis. Then it is not such a rush to gather data on short notice and you know what your progress is along the way which can assist with adjustments throughout the year.”

Karliën De Bruin
Global Head of ESG, Sanne Group





Step 4: Calculating your carbon footprint

What

Once you've collected data on your GHG emissions, you can begin calculating your company's carbon footprint. This can be done manually, through a consultant, or via specialised software. Because there are several methodologies for calculating a carbon footprint, we recommend following the GHG protocol guidance (see Further Guidance, below) as a best practice.

Why

You can't monitor what you can't measure. Getting solid, accurate calculations of your GHG emissions allows you to create specific strategies for how you'll improve your organisation's footprint.

How

Companies typically calculate GHG emissions through a four-step process:

1. Identify GHG emissions sources. Using GHG Protocol's breakdown of Scope 1-3 emissions,

pinpoint your processes, products, or services that generate direct and/or indirect emissions.

2. Select a GHG emissions calculation approach.

Companies should use the most accurate calculation approach available to them and that is appropriate for their reporting context. The most common approach for calculating GHG emissions is through the application of documented emission factors — calculated ratios relating GHG emissions to a proxy measure of activity at an emissions source. (Less common ways of directly measuring GHG emissions include calculating based on a mass balance or stoichiometric basis specific to a facility or process, and monitoring concentration and flow rate.) Refer to IPCC guidelines for a hierarchy of calculation approaches and techniques.

3. Collect activity data and choose emission factors.

Small, medium-size, and many large companies alike generally calculate Scope 1 emissions based on the amount of commercial fuels (e.g. natural gas, diesel, petrol, and heating oil) they purchase; Scope 2 emissions from metered electricity consumption

Calculating your carbon footprint cont.

multiplied by source and supplier-specific emission factors; and Scope 3 emissions from activity data like business travel fuel use, commuting miles, and waste multiplied by published or third-party emission factors. Industrial companies, meanwhile, should seek guidance from GHG Protocol's sector-specific guidelines and from their industry associations.

4. Roll-up GHG emissions data to corporate

level. Depending on the size and scope of your organisation, to report on your total emissions, you'll need to gather and summarize data from multiple facilities. These may be in different countries and business divisions. This can be done via a centralized approach — where your individual facilities report data to corporate, which calculates their emissions — or a decentralized approach, where individual facilities directly calculate their GHG emissions, then report that data to corporate.

Pro tips:

- Consider the geographies of where your organisation and its facilities or subsidiaries are based.
- Use the correct factors for your locations; reporting

UK and international organisations, for example, are to convert carbon emissions into “activity data” such as distance travelled, litres of fuel used, and tonnes of waste disposed.

- Note why certain figures are at certain points, and capture data in as much granularity as possible to break it down into more detail. Note: If your company has sites that use renewable energy, or purchase renewable energy certificates, account for this as well.

Further guidance

- [GHG Protocol Calculation Tools](#)
- [GHG Protocol \(see chapter 6\)](#)
- [IPCC Guidelines](#)
- [Conversion factors for reporting on GHG emissions](#)



“We initially considered calculating our carbon footprint due to investor interest. As we embarked on the process of data gathering and calculating our carbon footprint, we thought we could just as well understand our carbon footprint, where it is coming from and how to improve it.”

Most of our employees even indicated that they are passionate about the company and their own environmental impact. You don’t know what to improve if you don’t even know where you are.

For other organisation’s beginning their journey, it’s important to know that you don’t have to have all the answers before you begin. You can start small with just your scope 1 and 2 carbon footprint for your largest sites and over time add more sites and scope 3 such as water and waste, building your environmental journey out in stages.”

Karlien De Bruin
Global Head of ESG, Sanne Group



Step 5: Establishing a policy position

What

Policy positions are high-level commitments. If your organisation already has an existing sustainability/ESG policy position, how does your emissions agenda interact with it? If your organisation does not have a policy position, you will need to establish one.

Why

You may be tempted to jump straight into writing a plan of action for reducing or offsetting emissions without first taking a step back and really understanding what is material to your organisation and its stakeholders.

Beginning with a policy position, rather than a detailed strategy, helps ensure your plans are thorough, robust, meaningful, and material. It helps you avoid getting bogged down in the details, and maintain sight of what really matters.

Your net zero strategy will flow out of, and be aligned with, your holistic sustainability or ESG policy position.

How

Start with a statement about sustainability. Why is it important to your organisation? Then segment your policy into Environmental (E), Social (S), and Governance (G) for example, or People, Planet, Prosperity, and Principles of Governance if you prefer the WEF pillars. You can then make commitments in line with those material factors you gathered while building your baseline.

These statements should include your high-level commitments (to carbon neutrality, social equality, circularity, etc.). Rather than say what you won't do, we recommend using your policy positions to say what you will do to improve.

If you're having trouble establishing a policy, a great exercise is to compare your commitments at a high level with the UN Sustainable Development Goals (SDGs). The SDGs can be unwieldy and impractical to utilise from a corporate disclosure perspective, but on a thematic level they provide excellent goals for alignment.

Establishing a policy position cont.

Further guidance

- [UN Sustainable Development Goals \(SDGs\)](#)
- [WEF Stakeholder Capitalism Metrics](#)





Step 6: Setting science-based targets

What

Now that you've calculated your carbon footprint, you must set science-based targets to achieve net zero based on your level of ambition.

The term *science-based* targets most commonly refers to goals that organisations develop for reducing GHG emissions in line with robust climate science highlighting the need to reduce global warming.

Science-based targets allow you to determine by how much emissions must be reduced compared to baseline to achieve net zero. This is usually reflected as a percentage reduction in each scope.

The Science Based Targets initiative, or SBTi, is the main authority that helps organisations set science-based targets and maintain accountability. Businesses are not required to validate their targets with SBTi, however, targets should be developed in line with the latest climate science, and SBTi provides useful guidance in this regard.

Why

Not only will science-based targets move you toward your net zero goals; setting them is also a key part of sustainability initiatives, because it takes disclosures from transparency to action and from reporting to making meaningful change.

How

Use SBTi's robust guidance and resources to learn how to develop and set your own targets. Target criteria is frequently updated to meet evolving needs, such as helping businesses set targets for Scope 3 emissions.

Generally, SBTi suggests a five-step process for setting science-based targets:

1. Commit: Submit a letter establishing your intent to set a science-based target, or to have your existing targets independently verified.
2. Develop: Work on emissions reduction in line with SBTi criteria.

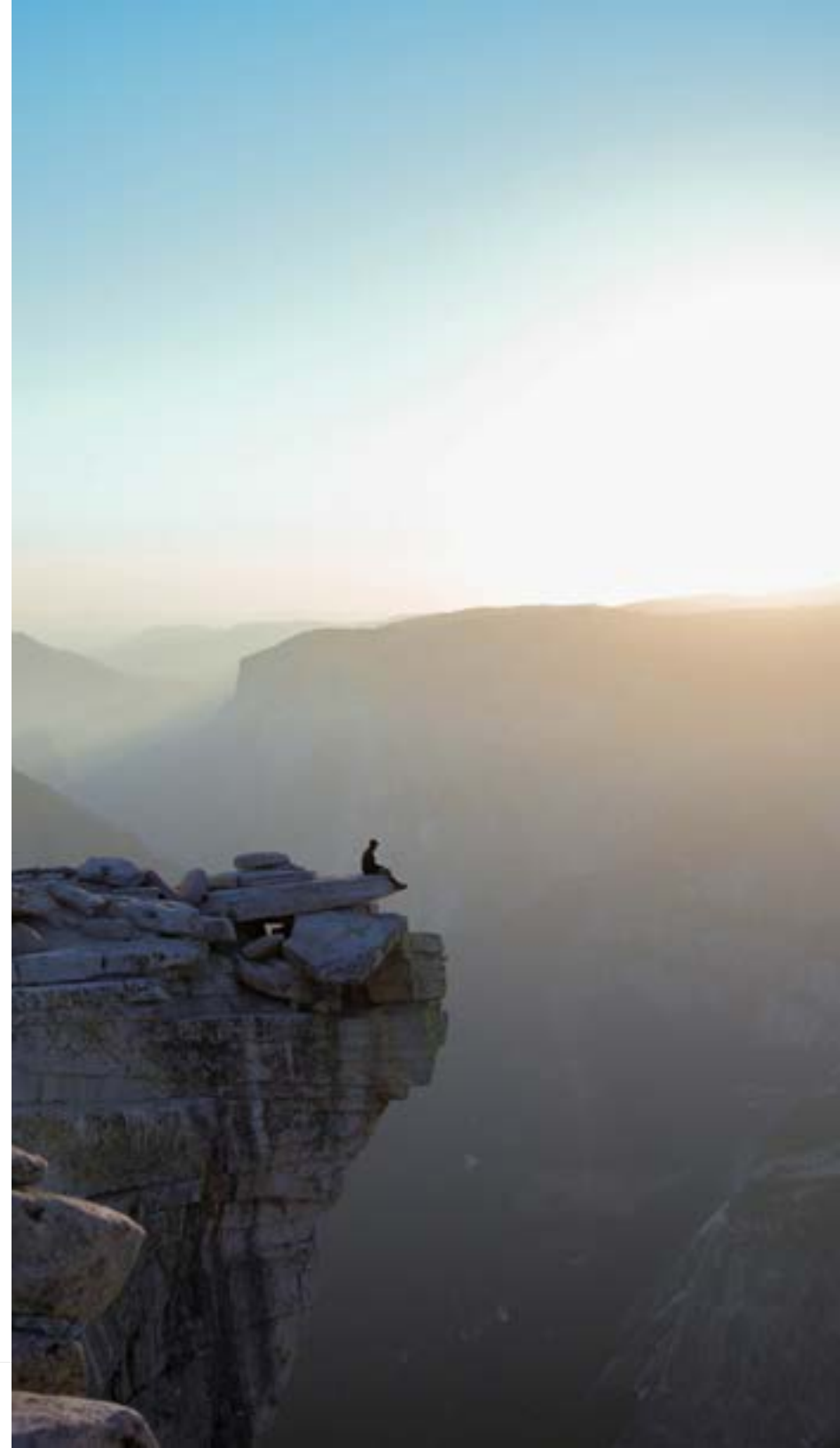
Setting science-based targets cont.

3. Submit: Present your target to SBTi for official validation.
4. Communicate: Announce your target and inform your stakeholders.
5. Disclose: Report company-wide emissions, then track progress toward the target.

Consultants and software can also help you set your science-based targets.

Further guidance

- [SBTi Resources](#)
- [SBTi five-step process](#)
- [SBTi and CDP's Foundations For Science-based Net-zero Target Setting In The Corporate Sector report](#)
- [Rio's How to Set Science-Based Targets blog](#)





Step 7: Creating a strategy to achieve your targets

What

You've set your science-based targets and established that your organisation is able to achieve the reductions you're aiming for. Now, you can create an action plan to deliver your net-zero goals.

Define the objectives and tools you'll use to reduce emissions and achieve your goals. Your net-zero strategy will be highly granular, and it will need to be adjusted over time. However, it's critical to establish as complete a plan as possible from the start.

Why

You cannot achieve net zero without both the overarching vision and a specific plan with targets and milestones to hit along the way. These will keep all stakeholders accountable and help you measure performance over time.

How

Your strategy should include detailed targets, monitoring and reporting procedures, milestones, and contingency plans.

Determine how you'll execute your strategy: What tasks and activities need to be done, and what is each person's role in making that happen? When must these tasks be finished? How will you ensure everything gets done on time? How will you manage risk and budget? How will you communicate progress to stakeholders?

Also consider the priority of initiatives. Which will be accomplished first and which should be tackled further down the line?

Once you've developed your strategy, check it against the policy position you established in Step 5. Is every emissions-related commitment in your policy position reflected in your strategy?

Further guidance

- [Edie's business guide to net-zero carbon reporting](#)
- [IEA's Net Zero by 2050 roadmap](#)



Step 8: Exploring offsets and insets

What

For all organisations, achieving net zero will involve some combination of emissions reduction and offsets or insets. Reducing emissions should be top priority, but offsets and insets will also need to be considered as they can help you achieve net zero while you're still producing some emissions.

Offsets can be controversial because they are notorious for overpromising and under-delivering, and there continue to be disagreements among experts and governing bodies about rules for them.

There's also the matter of permanence: For example, planting trees is a popular offset project, but recent wildfires have demonstrated that this method might not be sustainable. Additionally, it can take years for trees to sequester significant levels of CO₂, making it a much more long-term strategy.

Not all available offsets are truly aligned with net zero targets, either. SBTi is currently preparing a net-zero standard which highlights that offsets should be those that actually remove carbon from the environment, as opposed to reducing or avoiding emissions.

Why

Some residual emissions may remain after you implement your reduction plan, in which case you'll need to explore offsets to meet your net zero goals.

However, there's a strong financial incentive to focus on reducing GHG emissions rather than offsetting them. As society moves towards net zero, offsets will become more expensive. Therefore, organisations have to consider the tradeoffs of long-term climate change commitment vs. only purchasing offsets in the short-term.

Exploring offsets and insets cont.

How

If your organisation pursues purchasing offsets, there are methods to ensure they are actually beneficial.

Insetting should also be assessed and verified to a recognised standard.

Is it verified as a [Gold Standard offset](#)? You'll want to know if the offset provider considers high-risk projects like large hydropower projects or funding the fossil fuel switch; verifies offsets via an independent third-party provider; considers gender sensitivity (e.g. gender norms, roles and relations) in its accreditation; and requires stakeholder consultations and grievance mechanisms in projects.

Is the provider a member of the International Carbon Reduction and Offset Alliance ([ICROA](#))? Ensure the provider has appropriate policies and processes in place to measure the offsets, and can prove that the emissions reductions and removals occurred. Can they guarantee the offsets are permanent? If not, are there adequate safeguards in place to minimise risk?

Further guidance

- [Gold Standard](#)
- [ICROA](#)
- [CDP and SBTi's "Towards a Science-based Approach to Climate Neutrality in the Corporate Sector" Discussion Paper](#)



Step 9: Communicating your strategy

What

An effective net-zero strategy will require action on the part of almost everyone within an organisation. That's why it's vital to communicate the strategy effectively throughout the business. You may consider communicating it externally by including your net-zero targets in your marketing efforts, as well — an effective way to hold your organisation publicly accountable.

Why

Achieving net-zero is a huge undertaking, but it's also an opportunity to advance development and sustainable economic growth while impacting climate change in a positive way. If you've driven sustainability education throughout the organisation, it will be easier to achieve buy-in at this stage.



Communicating your strategy cont.

How

Like with any business initiative, effective internal communication requires a few key factors:

Understanding: Don't underestimate the power of buy-in at the individual level. Make it easy for each person within your organisation to understand why a net-zero strategy is being pursued, how the strategy impacts their role, and what they can do to help achieve the targets.

Transparency: Avoid the black box effect. Show stakeholders why you've made certain decisions, as well as the processes used to reach those decisions.

Feedback: Encourage feedback from everyone to improve your strategy, then demonstrate that you've implemented applicable feedback by adapting the net zero strategy and continuously communicating its evolution.

Further guidance

- [World Resources Institute's "Designing and Communicating Net-Zero Targets" paper](#)
- Example: [Scotland's governmental "Climate Change - Net Zero Nation" draft public engagement strategy consultation](#)



Step 10: Tracking progress

What

You've educated your organisation on why net zero is critical for the future of your business and society at large, collected and calculated data on your carbon footprint, set targets, implemented an action plan, and defined everyone's roles and responsibilities. You're well on your way to achieving net zero.

Now, it's time to monitor and improve your performance.

Why

Continuous monitoring and improvement is the only way to truly meet your interim and end-goal targets. To this end, forecasting can help you see whether you're actually on track to achieve your targets.

Tracking progress cont.

How

Use best practice tools to monitor emissions, then set up the mechanisms to actually track performance.

Although organisations often turn to Excel for this, which can work for small amounts of data, this method will likely be insufficient to capture full Scope 1-3 emissions and update them regularly enough to effectively manage progress. A single system or means to set targets and capture progress against them is essential.

Intelligent sustainability software can help you track your performance over time, and in the future, such services can include forecasting tools to look at projections for meeting targets. In the meantime, Excel or other reporting tools can be a good start.

You'll also need a plan for what to do if you're falling short of objectives. By what methods will you adapt your net zero strategy to ensure targets are being hit?

Further guidance

- [Rio's intelligent sustainability software](#)

Investor Perspective

“Carbon reduction is the single most pressing challenge of this century. Tangible adoption of renewable energy and energy efficiency products and services needs to be a priority in all aspects of our lives. From power production in wind, solar, and anaerobic digestion to smart buildings, smart grids, and smart transport, we must reduce carbon output in order to keep our planet from becoming uninhabitable.

Investors need the tools to participate, and they must understand that their capital is contributing to this cause. The creation of more tools will enable investors to feel that they have a say in and control of the outcome of decarbonisation.

At AVG Group, we recognise the importance of carbon reduction and are committed to driving investment towards a more sustainable future. It is important for us to provide our investors with high quality ESG information on their investment so they can make the most informed decisions and understand the impact of their capital. This is why we started the process of assessing our portfolio with the support of Rio ESG. It all begins with data gathering and understanding the impact. From there, meaningful improvements can be made to even further drive the significant investment needed to shift to a low carbon economy.”

Karl Anderson
Managing Director, AVG Group Sarl





CONCLUSION

A Net Zero Future

Net zero is voluntary for most organisations now, but it may become mandatory in the near future. Already, governments around the world are mandating carbon disclosure and using financial incentives to drive net zero targets into the private sector.

As legislation evolves, there will be greater standardisation of targets and disclosure requirements. Details of your strategy may need to change over time as new laws, technology, and information come out.

But the fundamental goal of net zero won't change, which is why you must look ahead now — there is no sense in waiting any longer to start eliminating GHG emissions.

About Rio

Rio is an intelligent, accessible sustainability software platform that helps businesses and individuals become more sustainable through data analysis, learning, and governance. Rio takes knowledge from the sustainability sector's leading minds and puts it into the hands of everyday people and organisations — so we can all do better together.



Get in touch.

0203-371-7630 | www.rio.ai | hello@rio.ai

Rio offers tools that help at every step on your net zero journey.

Through accredited online education and learning management, Rio helps you learn about net zero and educate your team about sustainability.

Rio also supports materiality assessments, and provides a repository for your policy and strategy documents.

As a central hub for all your sustainability data, Rio is able to automate carbon reporting activities and help organisations improve efficiency on their path toward net zero. Upload data from sources of your choice and Rio automatically calculates your organisation or portfolio's carbon footprint using industry-standard guidance and conversion rates.

Rio allows you to compare performance across years, locations, business units, or funds, set custom targets for reducing your footprint, and track performance against targets over time.

Moving toward net zero can feel like a big undertaking. Rio helps make it easier.