



International Standards Supporting Businesses

ISO Net Zero Guidelines (IWA 42)

www.iso.org/netzero



Commonwealth
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To support global climate action, ISO offers the Net Zero Guidelines for free download and online browsing:

 www.iso.org/netzero

Challenges

Solutions

Some SMEs feel that they can't have any meaningful impact on reducing global emissions.



SMEs represent up to 90% of businesses globally and wield a huge amount of power to drive change and influence sectors and supply chains. The ISO Net Zero Guidelines (IWA 42) can help your business become a leader in best practice for net zero action.

There is a perception that net zero is expensive or can limit your business.



Preparing for net zero will help to future-proof your business against future regulatory changes and can make you a supplier of choice for larger organisations that are seeking to decarbonise their supply chain. As regulation on net zero increases around the world, larger organizations are going to be seeking evidence that their supply chain can take action on net zero and is resilient to these changing requirements. The ISO Net Zero Guidelines can help your business to plan for these changes.

Taking action on net zero can be complex for SMEs with limited resources.



The ISO Net Zero Guidelines were developed as a guidance document, not a requirements standard. This allows your business to begin to take action immediately without concerns of not being able to meet all criteria straight away. Organizations are recommended to collaborate to support collective delivery of net zero action.





The role of standards in climate action

- Standards underpin the real economy and set out best practice. In order to achieve the global net zero transition, the standardization of best practice for net zero action is key.
- An ISO IWA is an International Workshop Agreement, a deliverable of the ISO platform designed to respond to urgent market requirements such as the need for clarity and guidance on net zero action. The ISO Net Zero Guidelines is a guidance document that can be used straight away to support your net zero journey and can be revised into a formal international standard.
- The ISO Net Zero Guidelines include:
 - the definition of “net zero” and related terms.
 - high-level principles for all organizations who want to achieve net zero.
 - actionable guidance on getting there as soon as possible, by 2050 at the very latest, and
 - transparent communication, credible claims, and consistent reporting on emissions, reductions and removals.
- The development of the ISO Net Zero Guidelines was inspired by the conveyor belt model for global net zero governance (Hale, 2021) which outlines what the next steps for an effective net zero governance system could look like as climate action transitions from voluntary action alone to a more evolved, coherent regulatory framework for net zero. This model positions the international standards system as integral to this transition.
- Businesses globally are demanding clear, transparent guidance on what is expected of them to remain competitive and resilient to the changing climate. The ISO Net Zero Guidelines will support your business to navigate the landscape of prominent standards and best practice to ensure your business and supply chains remain resilient and competitive in this global economic transition.

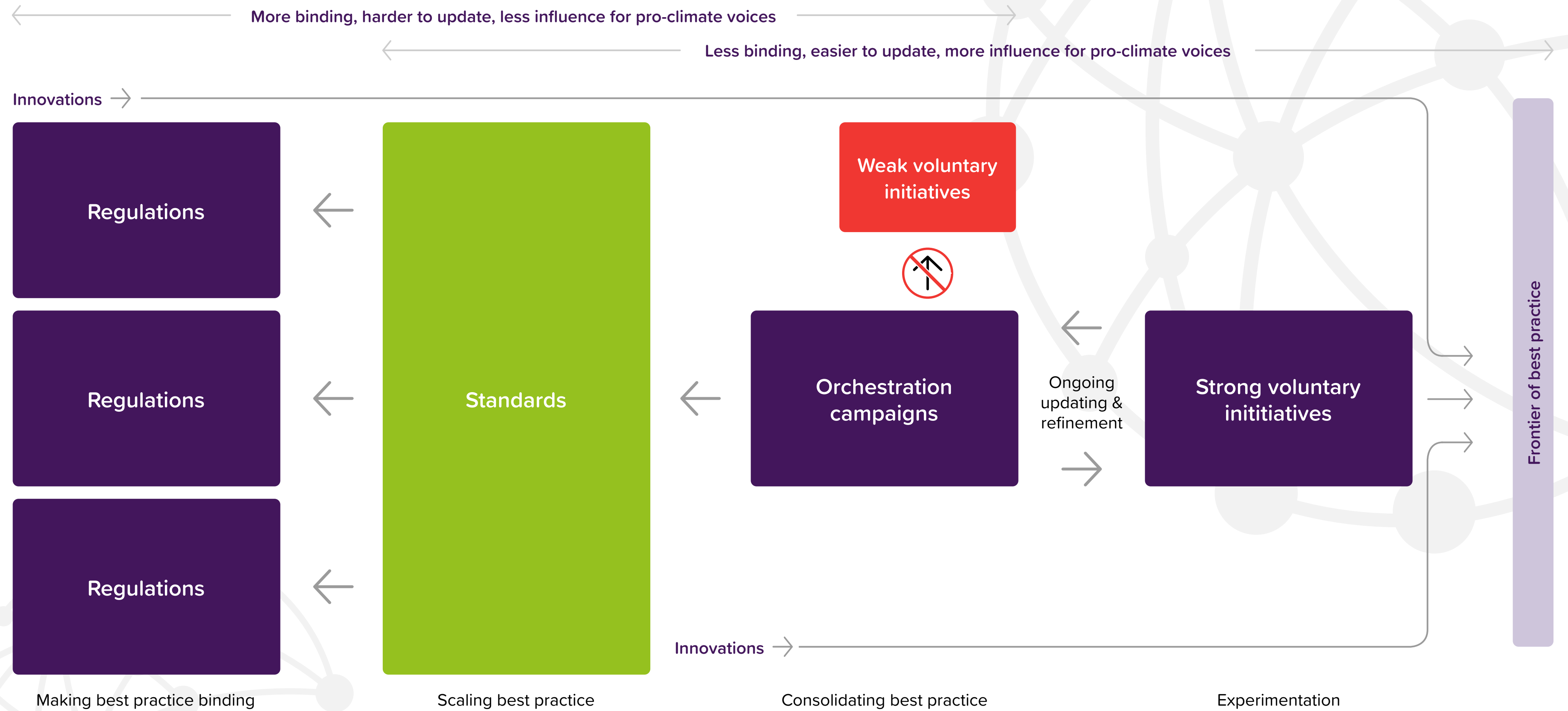


Figure 1 Adapted from Governing net zero: the conveyor belt (Thomas Hale, 2021)

International standards support SMEs

SMEs represent more than 90% of businesses and the majority of employment globally. They play an essential role in middle and lower-income countries where they account for approximately 70% of jobs and contribute up to 40% of national income¹.

Businesses are more successful with effective processes in place, regardless of size, location, or sector. International standards provide globally recognised best practice for effective processes, this brings benefits to SMEs, including:

- Enhance confidence by demonstrating to business partners, regulators, staff, and customers that your products and services consistently and measurably meet expectations.
- Access to markets is improved locally, regionally, and internationally when stakeholders all use the same international standard.

- Resilience is improved by using processes to identify, analyse, and evaluate risks.
- Profitability and competitiveness are increased through efficiency and productivity improvements.

International standards provide business development opportunities to SMEs and help them reduce risks.



¹ <https://www.worldbank.org/en/topic/sme/finance>



Net zero

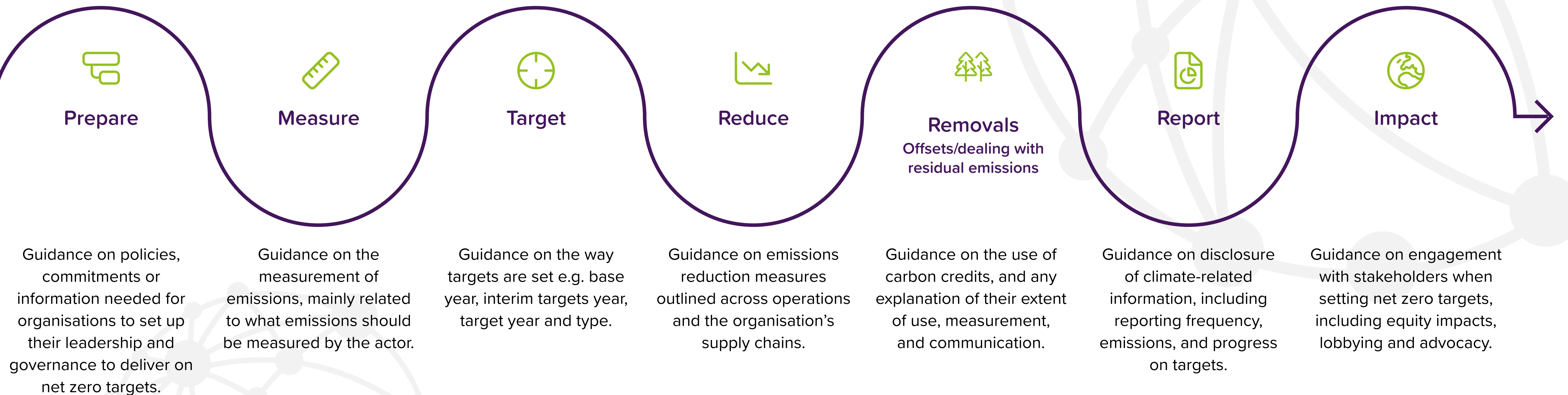
- According to the Net Zero Tracker, over 90% of the global economy is covered by some kind of net zero pledge, yet the world is vastly off track to achieving the 1.5°C limit enshrined in the Paris Agreement.
- All actors around the world must collaborate to close the gap between commitments and action and those that lead the way will reap the greatest benefits from this economy-wide transformation.
- The term “net zero” is well understood at a global level, but how organizations contribute to achieving this global net zero target remains confusing for many. Initiatives and frameworks are popping up all over the world and businesses continue to grapple with this fast evolving and increasingly crowded landscape.

ISO Net Zero Guidelines (IWA 42)

- The ISO Net Zero Guidelines were developed to provide organizations with a comprehensive overview of global net zero concepts and definitions for credible net zero action, bringing clarity to what to consider in practice and setting out an end-to-end framework of your net zero journey.
- With SMEs representing more than 90% of businesses and the majority of employment globally, and accounting for approximately 70% of jobs and contribute up to 40% of national income in many middle and lower income countries, your organization has a huge capacity to drive positive impact.

What does net zero action involve?

Research from the University of Oxford sets out 7 key elements of a net zero journey. The ISO Net Zero Guidelines provides recommendations and guidance across each of them. They include:

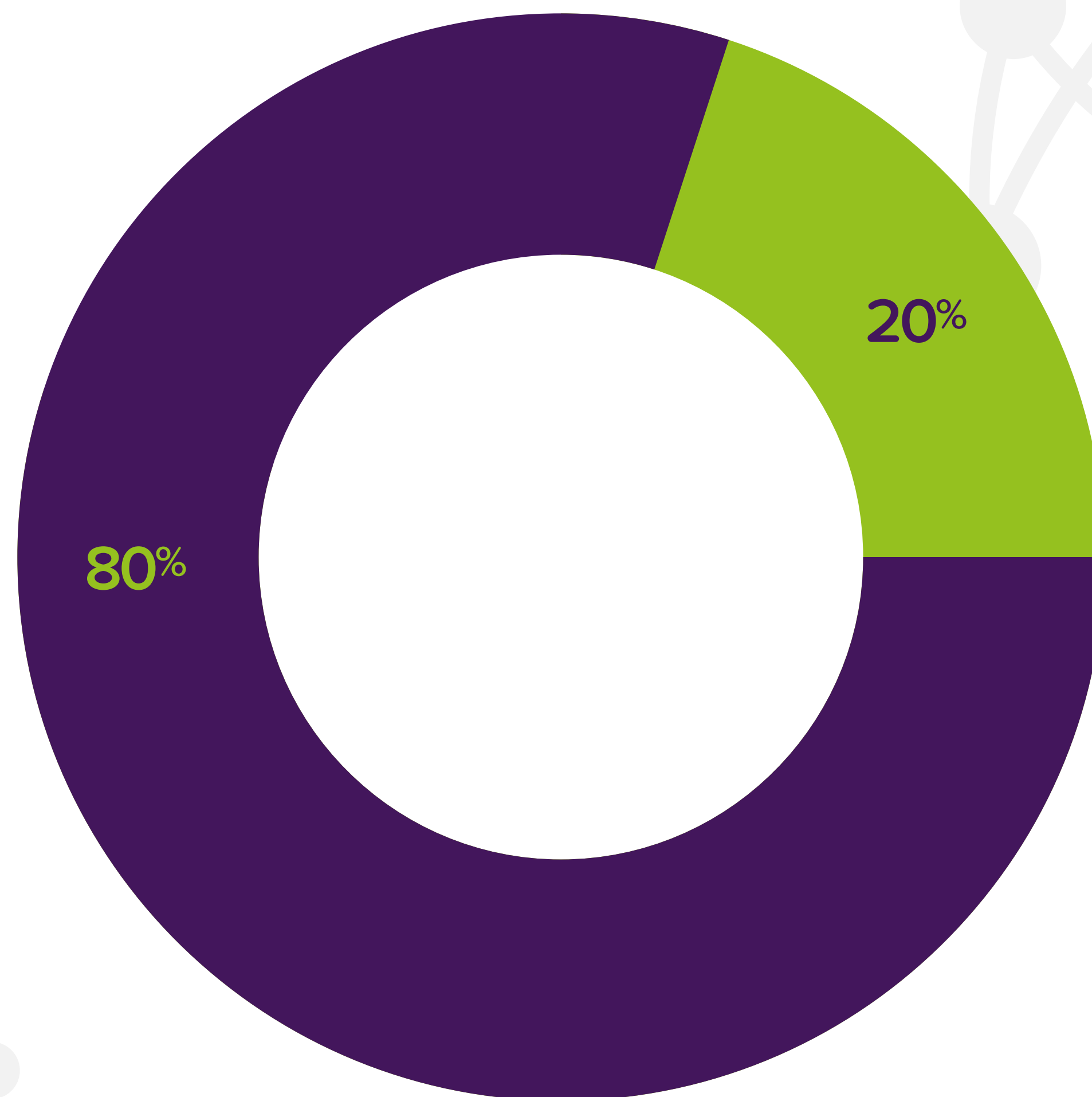


Net zero commitments:

According to the Net Zero Tracker as of March 2023:

Approx. 80% of CSN member countries have a net zero commitment, net zero written into a policy document, or have an active proposal for a net zero commitment under consideration.

Approx. 20% of CSN member countries do not yet have a net zero commitment or active proposal.



Get involved:

- Use the ISO Net Zero Guidelines as starting point to understand the key elements of a net zero strategy and what action your business can take.
- Please contact your National Standards Body (NSB) if you would like to showcase your work on applying the ISO Net Zero Guidelines.
- Download a copy of The Net Zero Guidelines IWA 42 from www.iso.org/netzero.
- The ISO Net Zero Guidelines are also available in French, Spanish and Russian, with further languages to be made available soon. You can contact your NSB about translation requests.

→ About the Commonwealth Standards Network (CSN)

The CSN is a collaborative network that supports trade, economic growth and prosperity throughout the Commonwealth by promoting increased awareness, development and use of international standards.

- To find out more about the network please see www.commonwealthstandards.net or contact the CSN Senior Programme Manager, Ben Hedley ben.hedley@bsigroup.com