

# Net Zero Targets: Driver or Burden

Net zero is no longer a distant ambition, it's a present-day imperative. Whether embedded in corporate strategy, public sector operations or frameworks, the transition demands collaboration and clarity. However, are these goals a catalyst for innovation or a burden on operations and budgets? Two energy management professionals explore the topic from a strategic, financial and operational dimensions of the net zero agenda. They emphasise that clear language matters and that focusing on efficiency, rather than abstract carbon metrics, can drive resilience, innovation and long-term value.



**Paul Graham**  
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## STRATEGIC PRIORITIES: SHIFTING MINDSETS AND LANGUAGE

*How is the net zero agenda influencing decision-making at the top managerial level?*

### Caroline Holman

At LCP we are taking a risk rather than compliance based approach. Net zero means different things to different people. So, we're focusing on future-proofing the business and developing clear, unequivocal language to engage people. For some, the term 'net zero' draws blank stares but when we talk about efficiency - doing more with less, it resonates. This drives a greater focus on greater added value throughout the value chain and across internal and external stakeholders.

### Paul Graham

In the NHS, net zero isn't front and centre because patient care must come first. However, sustainability supports that mission. Better lighting, better heat controls create better environments for patients, so we're building connections between sustainability and clinical care, which isn't easy. Financial discussions have dominated the conversation and justifying heat pumps is far from easy. However, we've made progress at board level, and we've articulated a journey, even if funding is unreliable. We have support from NHS England and GB Energy, so we're moving in the right direction.

## FINANCIAL PLANNING: MAKING THE CASE FOR INVESTMENT

### *How is your organisation balancing the long-term net zero goals with financial planning?*

#### Caroline Holman

We don't have all the answers, and no single company does, but we're approaching this with curiosity and focus, especially as we face some unique challenges driven by our rapid growth.

We have moved from no reporting obligations to significant UK reporting requirements in a very short space of time. We've gone back to basics measure to understand and target action. In parallel, we're developing a broader, long-term definition of value, one that goes beyond pure financial return. There still needs to be a business case, but we're also looking to capture and quantify the wider benefits, including sustainability and risk management.

It's not just about carbon or the cost of energy and water. It's about mitigating both net zero transition and physical risks associated with climate change. We need to articulate to internal and external stakeholders, how these efforts protect and enhance the value of our assets in the long term.

Unlike many property companies, we both own and operate our assets, which gives us control, and a platform for collaboration, shared learning, and common purpose. We're trying to capture the full spectrum of ESG benefits.

Where we continue to challenge ourselves is in quantifying the social impact beyond traditional metrics. That includes not only health, safety, and wellbeing, but also the wider community benefits.

So, as part of our net zero journey, we're focused on understanding and measuring these co-benefits, and fostering genuine collaboration across our entire value chain; from suppliers and contractors through to our current and future tenants.

#### Paul Graham

Our planning processes can be complex and, at times, fragmented. We face multiple drivers with each clinical department understandably seeking additional resources, which creates internal competition for limited funding. In addition, the constraints of annual financial cycles make it challenging to plan effectively beyond one-year periods.

Despite these challenges, having a structured plan in place has proven extremely valuable in securing funding. Even a simple pipeline of potential projects, without fixed timelines, provides clarity on what is feasible and enables us to respond quickly when opportunities arise. Capital availability fluctuates; there are periods when we are well supported, and others when funding is limited. NHS England also provides short-term, ad hoc funding, so ensuring that feasibility and design work is completed in advance allows us to take advantage of those opportunities. For example, by having clarity on how many solar panels we could deliver if funding became available, we are able to act decisively when the time comes.

In terms of assessing impact, we have recently begun implementing a streamlined impact assessment process. While it would be ideal to quantify all impacts comprehensively, waiting for perfect data would risk delaying progress. Instead, we are embedding a culture of inquiry - asking key questions around financial impact, social value and environmental outcomes at the decision-making stage. This approach is helping to shift mindsets and encourage broader consideration of value across the organisation. Both staff and management have been supportive of this direction.

Ultimately, we believe that by integrating these impact considerations into our planning and investment decisions, we can deliver value across multiple dimensions, not only financial, but also social and environmental, which is increasingly important in the current context.

## ***Net zero for some draws blank stares. But when we talk about efficiency - doing more with less - it resonates.***

CAROLINE HOLMAN

### **NET ZERO: RELEVANT OR LOSING TRACTION**

***Is the terminology surrounding net zero still widely supported, or has it begun to lose favour?***

#### **Caroline Holman**

I've found that the term net zero rarely resonates. Instead, we focus on risk and opportunity, viewing them as two sides of the same coin. Actions such as reducing waste and increasing efficiency not only improve the bottom line but also future-proof the business.

Our company has ambitious growth plans, and by doing more with less, reducing environmental impact and enhancing reputational value, we gain access to better funding opportunities, free up capital, optimise asset utilisation, and strengthen long-term tenant relationships.

Certainly, there is a lot of noise. In a company as diverse as ours, opinions range from scepticism to uncertainty. Yet, by framing the discussion around risk mitigation, value creation, and long-term resilience, rather than abstract climate terminology, we can engage effectively. The nuances of the messaging may vary depending on the audience, but the core drivers remain the same.

#### **Paul Graham**

The term net zero is, in many ways, a compromise, as achieving it requires carbon removals or abatements to offset remaining emissions. While it remains a valid and worthwhile goal, the term has become politically charged, particularly in the United States, which can sometimes lead to backlash.

In practice, I've found that talking about greenhouse gases communicates the same idea without the political baggage and people readily understand it. Framing the issue positively is particularly effective, for example focusing on energy efficiency or improving local air quality. These approaches allow us to achieve the same outcomes while emphasising practical benefits such as cost savings, lean operations, and reduced waste.

Ultimately, there are many opportunities to achieve our sustainability goals without relying solely on terminology that may be divisive. While our staff are generally open-minded and still engage with the concept of net zero, we have learned that it is far more effective to focus on practical, actionable steps rather than abstract or alarmist arguments, which rarely motivate meaningful change.

***If we wait until we can quantify everything, we'll never do it. So, we ask: pounds, people, planet?***

PAUL GRAHAM

## SCOPE 3 AND SUPPLY CHAIN: COLLABORATION OR MANDATES

### *What approach do you take in the area of Scope 3 emissions?*

#### **Paul Graham**

In the NHS, the procurement stage for the supply chain is increasingly subject to government-led requirements, which are expanding regularly. These include requests for carbon reduction plans, KPIs and social value metrics. Currently, these requirements only apply above certain thresholds, but those thresholds are gradually being lowered. As a result, we are prioritising the largest contracts first and encouraging compliance, which allows us to lead by example and gradually influence smaller contracts over time. Within our trust, we have taken a similar approach, focusing initially on the largest and most engaged contracts.

Staff engagement also varies: some groups are primarily responsible for driving these initiatives, while others are implementers. Celebrating early successes helps to build momentum, though maturity across the organisation is uneven.

Some trusts have undertaken formal ISO-accredited Scope 3 calculations, but in our case, this has not been mandated. Instead, we rely on the NHS-wide carbon footprint, recognising our resource constraints and prioritising action over exhaustive measurement. While ideally we would do both, our current approach focuses on initiatives that deliver measurable improvement wherever possible.

Additionally, there is an Evergreen Sustainable Supplier Assessment that, although not currently mandatory, is being increasingly promoted across trusts. This encourages suppliers to address sustainability questions and improve performance, particularly given the significant volume of goods and services we procure.

Finally, as part of our long-term commitment, we aim to achieve net zero emissions across all scopes, including Scope 3, by 2045. This makes engagement with the supply chain an essential part of achieving our sustainability goals.

#### **Caroline Holman**

I would summarise our approach as being grounded in pragmatism and realism. We recognise the importance of putting our own house in order and practising what we preach. Our strategy has therefore been a softly-softly approach, creating an open forum for discussion, collaboration, cooperation, and constructive challenge.

A recent example of this is the introduction of green leases, on an optional basis for renewals and new leases. The primary purpose of this initiative was not to engage in superficial 'greenwashing' across our supply chain, but to foster genuine partnerships through commitments to data sharing and collaboration on efficiency initiatives. This emphasis on preparation, planning and openness is critical, particularly given the challenges around accessing third-party data, whether that access is granted by consent, default or through policy mechanisms. We believe progress must begin with people and with trust.

Encouragingly, the response from our tenants has been overwhelmingly positive. Of the 156 leases that have come up for renewal since introducing this initiative, only one tenant has chosen not to sign. Our tenants range from small independent businesses to large national occupiers.

In the context of Scope 3 emissions, our focus is on readiness and collaboration. We know these requirements are coming and they represent a vital part of our broader sustainability agenda. Addressing them effectively will depend on leveraging the collective skills, knowledge, and expertise across the entire value chain.





## NET ZERO IN OPERATIONS: EMERGING PRACTICES AND PRIORITIES

### *How is the net zero agenda driving operational changes?*

#### **Paul Graham**

Operationally, we have hired clinical leads for sustainability who are actively engaging our operational staff. These teams generally have a strong aversion to wastage and inefficiency, and are well-accustomed to compliance-driven, procedural work.

For example, staff in theatres have quickly embraced initiatives such as the Green Theatre Checklist, which provides a detailed set of steps to ensure all sustainability measures are checked and implemented. This structured approach resonates well with their workflow.

While measuring impacts can sometimes be discouraging, as in the case of campaigns like 'Gloves Off', which may represent only a tiny fraction of our total carbon footprint, the tangible actions still have value. The ability to see progress and take action significantly enhances engagement and motivation.

In terms of adaptation, we are still in the early stages. A new adaptation assessment tool released this year is gradually being introduced to our business continuity and risk assessment teams. This is helping shift their perspective from thinking narrowly about simple measures, such as reducing paper use, to considering broader climate adaptation and resilience strategies.

#### **Caroline Holman**

The main changes relate to a greater focus on consumption. This shift is particularly helpful as most people find it easier to understand consumption than emissions. By consumption, I mean the entire system, including cash, energy, water, raw materials and services, and the interdependencies across the value chain.

This broader understanding encourages collaboration and helps teams recognise the inevitable trade-offs. While individuals may be responsible for managing a specific asset, they are increasingly being asked to consider the broader environment and value chain. These are the subtle yet significant changes I am seeing and actively encouraging.

That said, there remains a tendency to focus too heavily on regulatory drivers and compliance. While we are working to shift the emphasis toward risk and opportunity, the most notable change at board level is a stronger awareness of materiality, understanding the wider risks, impacts and the associated opportunities.

#### **Authors' profiles:**

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Caroline is an engineering and sustainability professional with experience across various sectors including automotive manufacturing, water and real estate. She is a Fellow of the Institute of Engineering Technology (IET), Chartered Environmentalist (Institute of Environmental Managers and Assessors - IEMA) and Chair of the EMA Board of Directors.

##### **Paul Graham, Energy and Sustainability Manager, Kingston and Richmond Hospital NHS Foundation Trust**

Paul has been an energy manager for 9 years and has been employed by Kingston and Richmond Hospital NHS Foundation Trust for 16 years within the Estates and Facilities Department. He leads the energy, waste and sustainability agenda for the Trust as they serve the local population in Southwest London. Paul is a Member of the EMA Board of Directors.