

Business Engagement



Net Zero - Opportunities for businesses

- Growth and skills opportunities to redeploy into low-carbon sectors, e.g.
 - Renewable energy
 - Low-carbon aviation
 - Electricians
 - Energy assessors
 - Agroeconomic advisors
 - Carbon sequestration accreditors
 - Circular equipment engineers
 - Bicycle technicians
 - Electric vehicle maintenance
 - Robotics and AI



Co-Benefits

- Improving the quality of housing reduces coughs, colds and flus which lose 127 million **working days** a year in the UK with a direct cost of £1.8bn per year.
- Energy efficiency savings would **save businesses money**, allowing them to invest in staff, technology or further efficiency savings.
- If the UK follows the current trajectory of growth in the circular economy, it is expected that by 2030 there will be 204,000 **jobs** in the sector and overall unemployment will have reduced by 54,000.



Key points for businesses: Organisational emissions



- Understand their carbon footprint



- Energy efficiency
- Renewable energy



Key points for businesses: Organisational emissions



- Reduce, reuse, recycle
- Circular economy



- Low carbon commuting
- Minimise business travel



Key points for businesses: Organisational emissions



- Procure locally



- Green finance
- Climate friendly pensions



Existing support for businesses

- Make it Net Zero – for SME manufacturers based in the South West of England, funded support programme from SWMAS offers businesses valuable advice and guidance at every stage of net zero journey.
- Low Carbon Devon – support with knowledge exchange, networking, workshops and support
- Devon Net Zero Innovation Fund - funding (ERDF) for collaborations between businesses and researchers



Existing support for businesses

- UK SME Climate Hub - tools and resources to support small businesses with carbon reducing measures
- University of Exeter Impact team events
- Somerset Carbon Reduction Business Grants – funding £500-£1000 to introduce carbon reduction measures. Application deadline is today! (30th Sep)



The South West Business Council - Survey on Climate Change

- Over 80% of SMEs have yet to put targets in place to reduce their emissions and explained that surviving the pandemic has pushed the issue further down their agenda.
- 55% of respondents confirmed that their customers were worried about climate change but only 1 in 10 were measuring their carbon footprint.
- 25% of companies with more than 50 staff had an active delivery plan.
- 65% did not see setting a target of Net Zero as a priority in the wake of the pandemic
- Cost was considered to be the largest barrier to action, with 33% of companies referencing the high initial adaption costs and also difficulties experienced in obtaining (or committing) finance for delivery programmes.
- In contrast, a high percentage of the larger companies have active programmes and dedicated finance for green related investments or mitigation to reduce their emissions.



The South West Business Council - Survey on Climate Change

- Most larger companies cited reputational considerations as the motivation.
- It is also clear that reputation is of lesser importance to SMEs.
- The vast majority of business owners and senior managers still need to be convinced of the economic case for going green and being sustainable.
- Most respondents felt that Government backed loans on generous terms linked to sustainability targets, would be a way forward.
- HMG have introduced a Green Transition Loan but this is aimed principally at large companies (this scheme is partly delivered through UK Export Finance, the Government's Export Credit Agency, it is designed to assist with new clean growth export opportunities. The hope is that this will be a catalyst for bank lending as part of a general move away from fossil fuels. To secure the funding, companies must have a credible transition plan that can be measured against annual targets. If the borrower cannot meet these, then the interest rate on their loan will be raised).
- The consensus view is that enormous funding commitments (and credit) will be needed to deliver the Net Zero agenda. Net Zero effectively cannot be achieved without Government support and a strengthening of the alternative lending sector.



