



# FACTSHEET

## INSIGHTS FROM CLIMATE ACTION EVENTS

To mark the date when the annual UN Climate Change Conference, known as [COP26](#), would have taken place in Glasgow, Business in the Community (BITC) hosted five webinars over five days to kickstart a year of climate action. Attended by more than 400 people and with speakers from leading businesses in a range of sectors, we explored the actions that all businesses can take to accelerate progress towards a net zero carbon, resilient future. In the spirit of COP26, we focused on the UK government's priorities and two additional themes, which included:

- Energy
- Transport
- Finance
- People
- Value Chains

This briefing gives an overview of the insights from both speakers and attendees to help build collective priorities for next year. We aim to inspire all businesses to act, and to encourage the UK government to be bold and ambitious as it prepares to host COP26 and chair the G7 in 2021.

### Changing expectations

The public wants a radical response to the climate crisis, enacted with the same urgency as the response to COVID-19<sup>i</sup>. Leaders will be held accountable for the actions they take, or do not take, regarding climate action. This will be both externally by the capital markets and increasing environmental regulations, particularly with the announcement of the UK Government's [10-point-plan for a Green Industrial Revolution](#) and internally by employees. For example, more than two thirds of Millennials and Gen Z employees, who currently account for over two-thirds of the global workforce<sup>ii</sup> would reject employment from companies who do not have a clear purpose<sup>iii</sup>.

Investors are seeking to protect their assets and grasp the opportunities that change can bring. Some Investors called for the UK government to issue a green bond<sup>iv</sup>, resulting in the announcement of the first green sovereign bonds in November 2020 to help fund the transition to net zero<sup>v</sup>, whilst others are pledging to cut the carbon footprint of their portfolios by up to 29% by 2025<sup>vi</sup>. Additionally, pressure from the [Taskforce for Climate Related Financial Disclosure](#) (TCFD) has recently led to the announcement of mandatory disclosure of climate-related financial risks<sup>vii</sup>, meaning businesses will now have to report on how they are managing both the risks from





climate impacts and the transition to a net zero carbon future.

### A green recovery

A survey by E.ON found that 72% of businesses are re-evaluating their environmental priorities due to the pandemic<sup>viii</sup>, with the majority of those surveyed believing that businesses will be the main driver in a 'green recovery'. Household carbon emissions and energy bills are increasing with over half of the UK's workforce currently working from home during peak lockdown<sup>ix</sup>. A study by Energy Helpline predicted that the average household energy bill could climb by £107 this winter for those working from home five days a week<sup>x</sup>. When thinking about net zero, companies now need to consider not only emissions through their operations and supply chains, but also the impact of their employees working from home, as this will count as part of their Scope 3 emissions.

Although there is a need for more certainty on future working patterns, most businesses are likely to have a hybrid approach of working from both home and the traditional office. Therefore engaging staff about best practice homeworking which encourages positive environmental behaviours will be key to mobilising employees in the long-term. This can be done by educating employees about green energy tariffs and government schemes, such as the [Green Homes Grant](#) which provides support for people to make energy improvements to their homes. Other campaigns such as [Count Us In](#) (which aims to educate individuals on practical steps that they can take to help the climate agenda) and [Make](#)

[My Money Matter](#) (which aims to educate individuals on the impact of their pensions) can also be utilised to engage employees.

UK electricity demand will double over the next decade to 2030 and we will need quadruple the low carbon energy production that we have today. The UK will not only need to meet demand but will need to ensure a brand-new energy infrastructure to transition to a low carbon economy. Consumption and demand for other utilities have also increased whilst many have been working from home. For example, the water sector has had to ensure a secure supply of water.

Electrification of transport will put further pressure on low carbon energy demand as the UK government has taken a leap forward on the road to net zero by committing to banning the sale of new petrol and diesel cars in the UK by 2030<sup>xi</sup>. Businesses will need to assess the future of mobility and logistics across their operations and encourage alternative modes of travel to meet this ambition.

The UK Government's [10-point-plan for a Green Industrial Revolution](#) will mobilise £12billion of government investment into greener infrastructure. Whilst this is a positive step in the right direction, progress will need to accelerate at a much faster pace.

### Embedding net zero

Businesses must not let perfect be the enemy of good. Reporting against climate change can be useful for strategic decision-making by taking relevant information and applying it to the business. For example, by taking metrics of carbon intensity and understanding the





implications of that for business and using this knowledge to implement measures to reduce emissions. Furthermore, businesses with a strategic purpose and clear plan to reduce net zero that are embedded from the top down have been shown to have increased levels of employee engagement, motivation, and innovation<sup>xii</sup>.

### The importance of collaboration

From suppliers to colleagues and customers, influencing and collaborating with stakeholders at each stage of your value chains is an essential part of the journey to a net zero carbon future. Businesses are collaborating with stakeholders at all levels; whether that is through employees, as mentioned earlier, or through customers when thinking about the carbon emissions of products and services. Collaboration between public and private sector organisations can help implement systemic changes, such as the [Ignition Project](#) that BITC is part of in Greater Manchester, which finds innovative ways to fund nature-based solutions to climate breakdown. Perhaps one of the most effective examples of collaboration is amongst sectors, where businesses form initiatives to work together and help each other to find solutions to common problems. Examples of these include

<sup>i</sup> The Independent (2020) Public wants a radical response to climate with same urgency as coronavirus, poll finds. Available [here](#)

<sup>ii</sup> Manpower Group (2016). Millennial Careers: 2020 Vision. Available [here](#).

<sup>iii</sup> Cartwright, G (2019) Would you be willing to reduce your salary for the planet? Available [here](#)

<sup>iv</sup> Impact Investing Institute (2020). Investors with 10 trillion in assets call for the UK to issue a green sovereign bond. Online. Available [here](#)

[BITC's Net Zero Carbon Taskforce](#) or the Informal Working Group (IWG) for the [Taskforce for Nature-related Financial Disclosures](#).

### Conclusion – the time is now

It is clear there is much great work going on within the business community and that momentum is building. But it is also clear that there is much yet to be done. It is easy to feel like the task ahead is too big, too expensive, or too difficult when we have so much else to do to recover from COVID-19. However, the reality is that the transition is full of opportunity and that business action now will create jobs and opportunities for people, ensure resilience across value chains and transform our economy for the better. And those that get on board will prosper.

Thank you to everyone who spoke at or joined our webinars. Your insights and enthusiasm for doing more are inspiring. Together we can.

If you would like a copy of the briefing papers for any of the five Climate Actions events (focused on Energy, Transport, Finance, People, Value Chains), or for advice on how to create your own climate strategy, please contact your BITC relationship manager for more information.

<sup>v</sup> The Independent (November 2020). Climate crisis: UK to issue first green sovereign bonds to help fund transition to net zero. Available [here](#).

<sup>vi</sup> Business Green (2020). Institutional Investors managing \$5t pledge 2025 portfolio co2 goals. Online. Available [here](#)

<sup>vii</sup> The Actuary (November 2020). Mandatory climate-related financial disclosures announced. Available [here](#).





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viii Research conducted on behalf of E.ON by 3GEM in June 2020 with 500 UK business decision makers, insights available [here](#)

ix ONS (April 2020). Coronavirus and home working in the UK. Available [here](#)

x Ambrose, J. Working from home in UK over winter 'will add £100 to fuel bills'. The Guardian, October 2020, available [here](#)

xi Department for Transport (November 2020) Government takes historic step towards net-zero with end of sale of new petrol and diesel cars by 2030. Available [here](#).

xii Deloitte (2020). 2020 Global Marketing Trends. Available [here](#).

