

Bridging the gap:

UK business and
policy leadership
for net zero

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Author and acknowledgements

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Executive summary

Over the last three decades, the UK has made important headway in decoupling emissions from economic growth. While progress in certain sectors, supported by positive changes in policy and increasing business leadership, has been significant, in other sectors the pace of decarbonisation has been slower. However, business leadership has emerged across the economy and there have been recent advances in policy, in support of the UK's new target of net zero emissions by 2050 at the latest. These advances need to be accelerated to help all sectors move faster to 'bridge the gap' between the UK's current plans and its climate goals.

The decade ahead will be a decade of climate action, and this year must see clear steps to start that action. The UK is host of the COP26 global climate summit taking place in November 2021. The government has committed to 'build back greener' as we emerge from the pandemic and to publish a Net Zero Strategy setting out how it will deliver on climate action ahead of COP26. Government, business and civil society will need to work in partnership to get on track to net zero and to **ensure the Net Zero Strategy maps out a credible, comprehensive and realistic pathway to net zero**. All sectors and levels of the economy will need to commit to action, set goals and pick up the pace to achieve ambitious emissions reductions.

Building on analysis undertaken by CISL that examines the progress that has been made towards reducing emissions in four key sectors: **power and energy, built environment, road transport, and agriculture and land use**, this paper, *Bridging the Gap* sets out steps for how business and government can work together to bridge the gap between present action and necessary ambition.

The analysis from CISL highlighted how:

- With the notable exception of power, **climate action remains too slow**, with most sectors showing only small reductions and still contributing significant emissions.
- The scale of **action by UK businesses is impressive**, with a significant increase in commitments over the last year or so. However, the current level of ambition and commitment from business is not yet enough to deliver a resilient, net zero future.

While plans are emerging for all sectors, there are significant steps the UK government can take, even in the power sector, to accelerate emissions reductions and support business implementation.

Business can take leadership through setting ambitious targets and plans. However, progress cannot be driven by businesses alone. Government needs to ensure that the regulatory and policy context encourages, enables, supports and rewards aggressive, fast and transformative business action on climate. **Through acting together, emissions reductions can be accelerated, and we can bridge the gap between current delivery and required action to achieve a net zero future.**

Steps to accelerate UK emissions reductions:

For government there is a need to introduce and strengthen strategies for each of the key sectors if it is to deliver on its climate goals:



Economy wide: Bring forward an ambitious **Net Zero Strategy** that translates its economy-wide goals into clear policies and measures able to drive delivery across the economy. Develop a long-term strategy for **engaging UK businesses** in undertaking net zero actions that includes targeted engagement of small and medium enterprises (SMEs) by sector.



Power: **Raise the ambition** of the already promising plans put forward in 2020 so they are compatible with the 2050 net zero target, **support the electrification of the wider economy** and **invest in infrastructure**.



Road transport: Ensure the **Transport Decarbonisation Plan** sets out actions across government to deliver on increased active travel and public transport and an accelerated roll-out of electric vehicles, including buses and heavy goods vehicles, and implement measures that **increase private and public investment** in the sector.



Buildings: Deliver a new **Heat and Buildings Strategy** with concrete, long-term policy measures to significantly increase ambition in this key sector, specifically by **raising standards, accelerating implementation** and delivering **longer term energy efficiency incentives**.



Agriculture and land use: Build on the Agriculture Act (2020) and Environment Bill to provide a decarbonisation strategy for the sector, backed with a comprehensive and funded action plan. Implement Environmental Land Management as soon as possible.

For business there are a number of actions they can take and initiatives supporting those actions that they can join, signalling their support for wider change:



For all companies across the economy: Join **Race to Zero** and **set ambitious emissions goals** and plans to achieve them. Provide **low carbon goods and services** and work with others to **drive wider change**, including through shaping policy and supporting smaller businesses in their supply chains.



To help transform the power sector: Minimise energy consumption and commit to **meeting their energy demand from zero carbon sources as far as possible** potentially as part of groups like the RE100 initiative. Also **investing in infrastructure** aligned with the energy transition and **supporting customers** to be more energy efficient.



To shift road transport: **Switch fleet vehicles** to electric and ask suppliers to do the same, potentially as part of the EV100 initiative. **Advocate a faster transition to electric vehicles** and **support more remote working, active transport and the use of public transport** for workers and customers.



To improve UK buildings: Ensure all **new buildings, and new and existing commercial buildings, are net zero carbon in operation by 2030 at the latest** and cut carbon embodied in building construction and materials. Support **stronger policies** to drive change in the sector and help **smaller businesses** in the sector to act.



To prompt change in agriculture and land use: Help develop **aligned sectoral leadership** from business across the sector in support of the actions required to achieve net zero goals. Land owners should **improve land management**, while farmers and companies sourcing from agriculture should **accelerate the transition to low carbon farming practices**. Business should **support demand for sustainably farmed, low carbon products** and **work with farmers to advocate sustainable land use policies**.

Introduction

The UK has an impressive track record on climate action. Over the past three decades, UK greenhouse gas (GHG) emissions have been falling steadily while the country has successfully decoupled emissions from economic growth.¹ In 2019, total UK GHG emissions were 45 per cent lower than in 1990.² However, this decoupling must accelerate for the UK to meet its 2030 and 2050 emissions reduction targets, with all sectors of the economy achieving their short and medium-term emissions reduction targets.

So far, the reduction in emissions has taken place at different paces in different sectors of the economy. The power sector has more than halved its emissions over the past 30 years and is now responsible for a smaller share of the UK's total emissions than surface transport, industry and buildings. While industrial emissions have also declined substantially from 1990s levels, largely as a result of the changing structure of the UK's manufacturing sector and greater use of lower carbon fuels,³ sectors such as surface transport and buildings have decarbonised at a much slower pace and now account for over half of the UK's total CO₂ emissions.² The rate of progress seen in the power sector will need to be replicated across all other sectors in the next three decades for the UK to achieve its carbon budgets and its 2030 and 2050 targets.

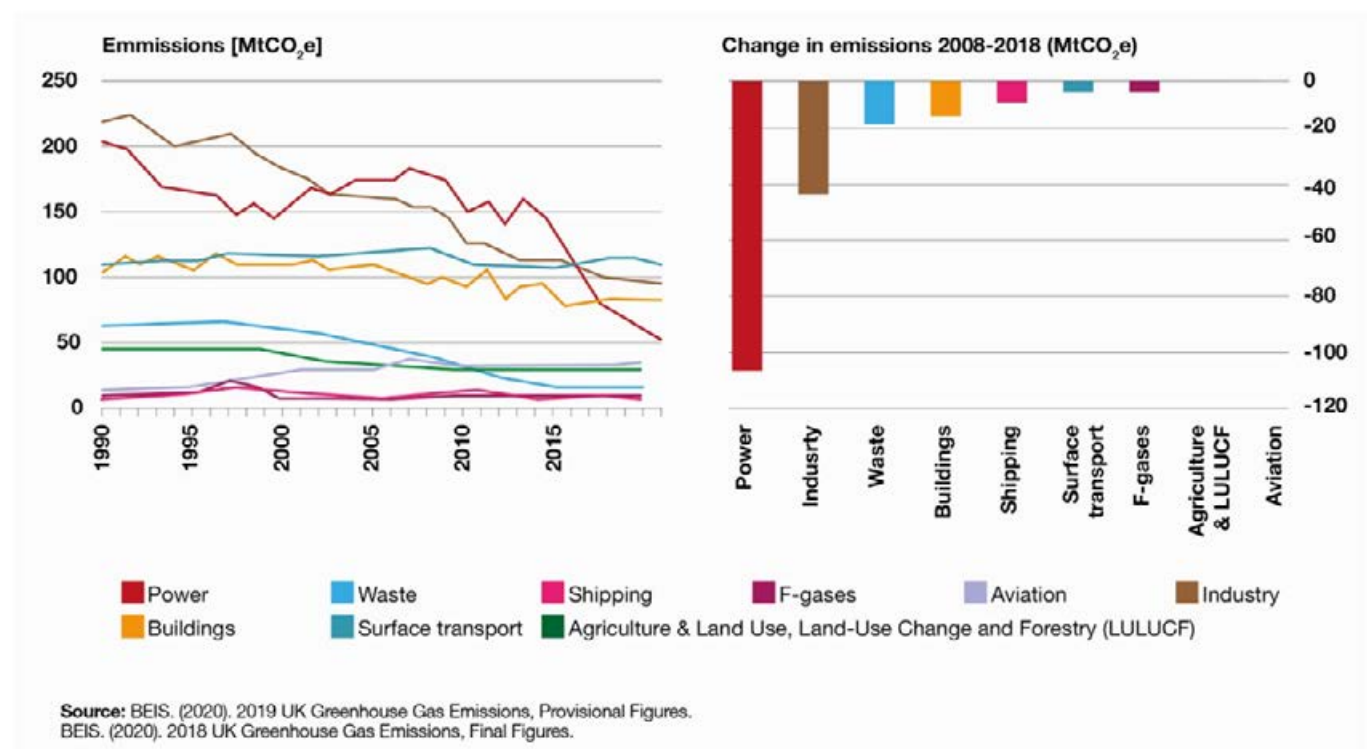


Figure 1: History of emissions reductions in the UK by sector

This briefing sets out steps for how business and government can work together to bridge the gap between present action and necessary ambition identified by a recent CISL briefing paper, [UK business and policy leadership for net zero: analysis of progress to reduce emissions](#).⁴ The paper examined how much progress had been made towards reducing emissions in four key sectors – **power and energy, built environment, road transport, and agriculture and land use**. It examined why some of these sectors continue to lag behind and how they need to evolve, drawing insights from business leadership in those sectors – looking at the different experiences and challenges in each sector. The analysis highlighted how:

- **With the notable exception of power, climate action remains too slow, with most sectors showing only small reductions and still contributing significant emissions. In some sectors like power, change is well underway, supported by effective business action, and the main need is to step up the pace and ambition of action. In transport, business and policy ambition are coming together to drive change but there is further to go on both fronts as progress to date has been slow. In the buildings sector, despite significant business action and a wide range of initiatives the overall pace of change is slow, with limited and unstable policy support. Finally, in agriculture there are strong examples of leadership, but business has not come together as a force for systemic change, and promising policy ambitions need to be urgently transformed into action.**
- **The scale of action by UK businesses is impressive. Since the start of 2020, there has been a four-fold increase in the number of UK businesses committing to the Science Based Targets initiative, and there are numerous further examples of large, medium and small businesses committing to reduce emissions individually or as part of sector-led plans. However, the current level of ambition and commitment from business is not yet enough to deliver a resilient, net zero future. The UK hosting COP26 provides an opportunity to drive further business commitments and action in the short term, and to accelerate the development of sector roadmaps to deliver significant emissions reduction over the long term.**

Using insights from the CISL briefing paper, in this paper, CLG UK provide recommendations for how business and government can work together to bridge the gap between present action and necessary ambition.





Climate action across the UK economy

State of play

The UK has demonstrated effective climate action to date, supported by strong policy frameworks and ambitious targets, with the UK being the first major economy to set a legally binding net zero emissions target.

However, progress is not equally advanced in all sectors, and plans are not yet set out to deliver on UK climate goals.

Business action to date

UK businesses are among some of the most ambitious and effective climate leaders in the world, showing that climate action and business success can go hand in hand. Over one in ten companies with a science-based target are UK headquartered, and leading UK businesses are among the first to set 1.5-degree-aligned targets. There is also a strong track record of UK business clearly supporting new policies for climate action.

But:

- Most UK businesses have not set plans and goals for climate action, with over half of FTSE 100 companies yet to sign up to Business Ambition for 1.5°C.
- **UK SMEs in particular need greater support to encourage and enable action.**

Bridging the gap

While it is encouraging to see the galvanising power of the UK hosting COP26 to drive UK business climate action and ambition, progress cannot be driven by business alone. Through an effective long-term strategy, policymakers need to ensure that the regulatory and policy contexts encourage, enable, support and reward aggressive, fast and transformative business action on climate.

Government and business will need to work in partnership to get on track to net zero and **ensure the Net Zero Strategy maps out a credible, comprehensive and realistic pathway to net zero.** A key part of delivering this strategy will be **engaging UK businesses in undertaking net zero actions.** This will need to include targeted support by sector, including identification of the specific actions both **larger businesses and SMEs** can take to support them in the transition to a net zero UK economy.

Further action is required by businesses from across the whole UK economy. When looking at the UK's largest businesses, 46 of the FTSE 100 companies have committed to the SBTi, but only eighteen of these companies have so far had their plans that are aligned with the 1.5-degree target approved by the initiative. A further eight of the FTSE 100 companies have approved plans that are aligned with the 2-degree target. In total, only 23 of the current FTSE 100 and FTSE 250 companies have an approved 1.5 degree-aligned SBT.⁵ While this progress is good and to be welcomed, if the UK is to see significant economy-wide emissions reductions across all sectors, a far greater number of FTSE 100 and FTSE 250 companies, as well as SMEs, will need to commit and set SBTs (or equivalent) during the 2020s.

To demonstrate their commitment and support for economy-wide action and progress, **all UK businesses, of any size, should seek to join the Race to Zero and set ambitious emissions reduction goals and plans to achieve them.** For larger businesses, the key route to do this is through Business Ambition for 1.5°C, which commits them to setting a 1.5-aligned SBT, which covers all scopes of emissions, including indirect emissions through its supply chain (Scope 3).⁶ For SMEs the best route is via the SME Climate Commitment,⁷ which requires a business to halve greenhouse gas emissions before 2030, achieve net zero emissions before 2050 and disclose progress on a yearly basis.

By 2030, all FTSE 100 and FTSE 250 companies should be committed to net zero or the SBTi by signing up to the Race to Zero, with strategies that prioritise deep decarbonisation over the use of offsets. The use of approaches that also deliver nature and biodiversity benefits, as well as wider social benefits, should be encouraged and rewarded through policy instruments. Larger businesses should also work to drive change through their value chain and create demand for low carbon goods and services. This will be particularly important to support change in smaller companies.

If we are to shift the whole economy towards net zero emissions, SMEs have a vital role to play and need to demonstrate their commitment to this role, and **far greater numbers need to sign the SME Climate Commitment**. However, making the commitment alone will not get the UK to net zero – it must be followed by action. While some SMEs may understand this need to act, many will require support. Supporting smaller businesses to be set up and develop on sustainable foundations can enable them to thrive in a net zero economy and should be a priority for the UK government.



In summary: Economy wide

Businesses across the UK should:

- **Join the Race to Zero** and set ambitious emissions goals and plans to achieve them.
- **Develop and market low carbon goods and services.**
- **Support climate action** through corporate communications and collaboration with other businesses to deliver climate action at scale.
- Work to **drive change within their value chain**, including creating demand for low carbon materials and technologies – with larger companies supporting and incentivising SMEs to act.

The UK government should:

- Bring forward an ambitious **Net Zero Strategy** that translates its economy-wide goals into clear policies and measures able to drive delivery across the economy.
- Develop a long-term strategy for **engaging UK businesses** in undertaking net zero actions that includes **targeted engagement of SMEs** that identifies the key actions they need to take by sector.



Transforming the power and energy sector

State of play

Rapid decarbonisation progress has been driven by changes in mix of fuels for electricity generation, improvements in technology and decline in relative importance of energy-intensive industries. Progress was supported by strong policies and de-risking mechanisms at UK and EU level. The sector now accounts for around one-quarter of total UK emissions.

Business action to date

- Many major UK power providers have set net zero or science-based targets and several already provide 100 per cent low carbon electricity.
- 43 major UK businesses representing 4 per cent of UK power demand are part of RE100 and committed to procuring 100 per cent renewable power.

Bridging the gap

While this sector is the UK's decarbonisation success story, and there is a strong set of plans and commitments, they are **not yet aligned with net zero** and the UK's climate goals. The government needs to further develop its plans to ensure there is a clear long-term vision and delivery plan for smart, flexible UK zero carbon power generation and transmission that is compatible with the 2050 net zero target, which the sector can coalesce behind to further accelerate emissions reductions.

As part of this work it is critical that efforts to transform the power sector are aligned with decarbonisation plans of other sectors and **support the electrification of the wider**

economy, including transport, heating and industry. Taxes should be set so that there is at worst a level playing field between electricity and fossil energy for households and businesses. Business should work closely with government and regulators, to accelerate the pace of **infrastructure investment** to enable network capacity for increasing decarbonisation and decentralisation, throughout all parts of the UK.

There is a clear need for public as well as private sector **investment** in grid infrastructure and key innovations ahead of need. This includes in smart grids and power storage to facilitate greater penetration of intermittent renewables, as well as the enabling infrastructure needed to decarbonise transport, heating and industry, including electric vehicle (EV) charging infrastructure and CCS.

Power sector companies in particular should look towards **the growing market for zero carbon power**. These companies should also **support customers to be more energy efficient**, both by supporting the provision of energy efficiency measures and by using and communicating the benefits of smart meters. Other sectors like water companies, appliance manufacturers and consumer goods companies all have a role to play in supporting wider behaviour changes and enabling customers to save energy and money.

More broadly, companies can use their purchasing power to help drive the change towards more low carbon energy sources, by committing to **sourcing 100 percent zero carbon power**, such as renewable energy or nuclear power. The most well-known initiative in support of this and a key part of the COP26 campaign is the RE100 initiative.



In summary: Power

Businesses across the UK should:

- Commit to buy zero carbon power, for example by joining the Climate Group's **RE100** initiative.
- **Invest in the infrastructure** required to support the electrification of the economy and expanded zero carbon power supply.
- **Support customers** to be more energy efficient.

The UK government should:

- **Increase the ambition** of plans put forward in the 2020 Energy White Paper to set a clear long-term vision and delivery plan for smart, flexible UK zero carbon power generation and transmission compatible with the 2050 net zero target.
- **Support electrification of the wider economy.**
- **Invest in infrastructure** needed to decarbonise transport, heating and industry
- **Invest in grid infrastructure, electricity storage and technologies** to provide ancillary grid services.



Rethinking road transport

State of play

Transport emissions make up one-third of total emissions, with the majority (around 90 per cent) coming from road transport. These emissions have barely fallen over the past few decades, largely due to ineffective efforts to incentivise behaviour change. Although the EV take-up rate has increased in recent years, it lags behind what is needed to put the UK on track to meet its 2030 emissions reductions target.

Business action to date

- Nearly one in ten company cars are alternative-fuelled vehicles, mostly hybrids, and the UK Electric Fleets Coalition advocates accelerated ambition.
- 44 companies with headquarters or operations in the UK committed to fully electric fleets by 2030, representing demand for 79,000 EVs and charging points in nearly 1,200 locations.
- All five top UK car manufacturers are committed to reduce carbon emissions and transition to EVs.

Bridging the gap

Government will need to provide clear leadership and strategy for this sector and support the further opportunities for businesses to contribute to change in this sector to enable joined-up nationwide implementation. The forthcoming **Transport Decarbonisation Plan** is a clear opportunity to increase action across government for this sector. A key element of this plan must be measures to increase both public and private **investment** in charging infrastructure and ensure economic accessibility of EVs to all consumers.

Vehicle manufacturers have a key role to play by committing to a net zero future and aligning innovation and sales plans to **deliver the transition to EVs** as quickly as possible. More broadly, all companies with significant fleets should **commit to 100 per cent EV fleets by 2030**, unlocking both operational savings and contributing to the UK Electric Fleets Coalition targets. Such commitments could be co-ordinated through **the EV100 initiative**, which eligible companies should join.

The shift to EVs requires **innovation and investment**, creating the supply chain, the enabling infrastructure and bringing the wider population on board with this transition. **Collaboration** will be key and car manufacturers, power utilities and other businesses in the supply chain should work together with each other and with government to accelerate the transition.

Businesses can also support the **shift to reduced, active and pooled travel**. Key actions could include maintaining and **expanding flexible and remote working** for staff, thereby helping reduce commuter travel, as well as providing positive incentives for active travel by employees, customers and other key stakeholders, combined with disincentives for the use of private high emission vehicles for commuting. Retail offers should be accessible to consumers using public transport and active travel.



In summary: Road transport

Businesses across the UK should:

- **Switch fleet vehicles to electric** and ask suppliers to do the same, for example by joining the Climate Group **EV100** initiative.
- Join the UK Electric Fleets Coalition and **advocate a faster transition to EVs**.
- **Support more remote working, active transport modes and the use of public transport** for workers and customers

The UK government should:

- Deliver a **Transport Decarbonisation Plan** that drives action across government to deliver on increased active travel and public transport and an accelerated roll-out of EVs, including buses and HGVs.
- Implement measures to **increase both public and private investment** in charging infrastructure and ensure economic accessibility of EVs to all consumers.



Modernising the UK's buildings

State of play

Some progress in reducing emissions, largely due to more stringent regulation and standards on appliances and lighting. Buildings remain a major source of emissions (around one-fifth of the total), and more progress is needed on decarbonisation of heat, water heating and energy efficiency.

Business action to date

- A wide range of sector-specific activities led by sectoral organisations like RIBA, the Institution of Civil Engineers (ICE) and the UK Green Building Council (UKGBC).
- 42 UK companies signed up to the World Green Building Council Net Zero Carbon Buildings Commitment.
- 20 businesses in the sector have set science-based targets, while many more owning businesses have net zero targets covering their buildings.

Bridging the gap

This is a key sector to see accelerated ambition and action. Government should show strong leadership to enable and support business action and increase ambition in the sector at all levels, while businesses in and working with this sector can show leadership in a number of ways.

Critically, the new **Heat and Buildings Strategy** should deliver concrete and long-term policy measures to drive accelerated deployment of low carbon heat and energy efficiency measures. Specifically, the strategy should ensure **all new heating systems are low carbon by 2030, raise standards for buildings** by accelerating implementation of the Future Homes Standard and related Future Buildings Standard, and provide **longer term incentives for a programme of energy efficiency measures** by, for example, reinstituting the Green Homes Grant, creating new green finance products, or using VAT-based incentives.

One significant step would be for all major UK construction, real estate and property management businesses to have made the commitment to set SBTs ahead of COP26. This should cover all areas of operations, products and services, and send **a signal that the sector is committed to net zero**.

Construction businesses should look to **meet building regulations ahead of schedule** and specifically **ensure all new buildings are able to operate at net zero by 2030 at the latest**. One specific action that would advance this is to build **all new properties with decarbonised heat**. Technologies, such as smart lighting systems, can reduce electricity demand in both homes and commercial buildings, and **new buildings should include and support smart technology**. At the same time construction companies should work to **reduce carbon in construction**, working with suppliers and contractors to cut emissions from the building process, including materials, transport, and site working.

Developers and property owners/managers have their own role to play and should look to **decarbonise commercial properties by 2030**. All commercial retrofits should be designed to maximise energy efficiency and minimise energy consumption through the installation of smart systems to reduce electricity use in lighting and appliance use, in addition to updating heating and cooling systems to low carbon options wherever possible.

Ultimately, there is a need to **work across the building value chain**, with all businesses engaging with their suppliers, contractors and others to actively manage and minimise emissions from the built environment, including operational emissions from their office and retail premises and factories.

This collaboration must also extend to **calling for stronger policies**. Businesses in all sectors can work with local authorities to strengthen and exceed standards for good practice in planning requirements, and advocate further government regulation and incentives to help enable net zero in buildings, in both new builds and retrofit.

Finally, larger businesses and government should also work to **support smaller businesses** to take climate action. There are over one million businesses in the construction and real estate sectors in total,⁸ but a predominant part of this sector, including private developers and contractors, is SMEs. This means even seeing a relatively small percentage of companies in the sector moving implies substantive action from hundreds of thousands

of businesses. Representative organisations, such as the Home Builders Federation, have a role to play in co-ordinating and facilitating this. Larger businesses also have a role to play in supporting SMEs through work they undertake to reduce emissions across their value chains. Meanwhile, government support and engagement through identifying, supporting and incentivising SMEs in the key actions they need to take will be critical.



In summary: Buildings

Businesses across the UK should:

- Support **new buildings to be net zero carbon in operation by 2030 at the latest** and take steps to radically reduce carbon embodied in building construction and materials.
- Develop a plan to **decarbonise commercial properties** by 2030, including through energy efficiency retrofit.
- Work together to develop and scale up low and zero carbon solutions, including through calling for **stronger policies**.
- **Support smaller businesses** in the sector to act.

The UK government should:

- Include concrete, long-term policy measures in the new **Heat and Buildings Strategy** to increase ambition in this key sector. Measures in the strategy should include:
 - ensuring **all new heating systems are low carbon by 2030**
 - **raising standards for buildings**
 - providing **long-term incentives** for energy efficiency measures.



New approaches to agriculture and land use

State of play

Emissions from agriculture have increased slightly but have been offset by increased sequestration from land use. Emissions are difficult to cut due to characteristics of the sector and sources of emissions, and because of very limited policy interventions and financial support, so far relying primarily on voluntary measures.

Business action to date

- The NFU representing 55,000 farmers in England and Wales has set an aspiration for net zero by 2040.
- The Food and Drink Federation, representing over 800 businesses in the UK, aims to achieve net zero by 2050.
- Many large companies in the sector have ambitious science-based targets and net zero commitments.

Bridging the gap

Businesses working with and in the land use sector have significant opportunities to accelerate progress towards net zero. However, business action will fall far short if government does not significantly support and accelerate action in the sector. Policymakers need to ensure strategies for the sector are climate focused and provide a clear direction of travel. While the Agriculture Act (2020) and Environment Bill have provided a good start, there is a need to build on them to provide a **comprehensive decarbonisation strategy** for the sector, backed with a clear, funded action plan. This will need to be supported and delivered by both the UK government and the devolved administrations in Scotland, Wales and Northern Ireland.

Unifying the range of businesses in this sector is the need for **stronger, more aligned sectoral leadership**, uniting the range of active initiatives from business into a clear story about delivering change at scale – working with

farmers to advocate a clear UK framework for sustainable land use. Larger landholders are in a strong position to show the way, working with sectoral and membership organisations such as the NFU and the Country Land and Business Association (CLA). As part of that leadership there is a clear need to engage smaller landowners with goals for the sector, providing an opportunity for government to provide guidance and support to help achieve these.

Land-owning companies have a clear need to **improve land management**, for example by supporting afforestation and reforestation, protecting and restoring peatland, developing renewable energy schemes using agricultural and food wastes, and generally shifting to a land management approach that encourages the storage of carbon in the natural environment. Government can support these actions. The **Environmental Land Management scheme** in the Agriculture Act needs to be implemented as soon as possible, delivering public goods for public money, providing incentives for low carbon farming and natural solutions. Clearly unsustainable land use practices that destroy carbon sinks, such as the **rotational burning of peat, should be stopped** immediately across the UK. Measures to this effect in the Environment Bill are welcome and should be carefully examined to see that they do not leave unreasonable loopholes.

Businesses involved in, or sourcing from, the agriculture industry need to support the adoption of **new farming practices** that support both carbon storage and the restoration of nature while enabling agricultural productivity. New technology has a key role to play, whether precision farming techniques to deliver nutrients and crop protection more efficiently, semi-autonomous vehicles and robots to provide crop management and monitoring, feed additives for reducing methane emissions from ruminant livestock and more.

The food sector is one where emissions across the supply chain are particularly important and where there are significant opportunities to reduce emissions.⁹ Retail, consumer goods and hospitality businesses, as well as businesses that run on-site catering for staff, should **support demand for sustainably farmed, low carbon products** through their product development, procurement and marketing practices, as well as working to reduce food waste and encourage more sustainable diets.



In summary: Agriculture and land use

Businesses across the UK should:

- **Strengthen and align sectoral leadership** to unify business and accelerate change in the sector.
- Work with farmers to **advocate a clear UK framework for sustainable land use**.
- **Support demand for sustainably farmed, low carbon products**, as well as reducing food waste and encouraging more sustainable diets.

In addition:

- Major land owners should work to **improve land management**.
- Businesses sourcing from the agriculture industry should **accelerate the transition to low carbon farming practices**.

The UK government should:

- Build on the Agriculture Act (2020) and Environment Bill to provide a **comprehensive decarbonisation strategy** for the sector, backed with a funded action plan.
- **Implement an Environmental Land Management scheme** as soon as possible.
- **Ban unsustainable land use practices** destroying carbon sinks, such as the rotational burning of peat, immediately.



Conclusions

Business and government need to work in partnership to deliver economy-wide changes that accelerate emissions reductions. Business cannot leave it to government to drive this scale of change alone – it will reshape the UK economy and UK business needs to be at the heart of it. Equally, while business can take leadership to drive action, and the UK hosting COP26 provides an opportunity to accelerate business ambitions and actions, government must also act now to drive the scale of action required.

While many businesses can and will pave the way to net zero future sectors, the economy as a whole will require clear policy drivers. Banks and other financial institutions, which will play a key role in enabling households and companies to decarbonise, will also need to align their operations with the UK's net zero greenhouse gas emissions target. Only together, and with sufficient support from the financial sector, can business and policymakers work to bridge the gap and drive the necessary action.

Decarbonisation efforts across all sectors of the economy must also be aligned with the broader social and environmental sustainability objectives. While those with higher emissions and slower rates of reductions, such as road transport and buildings, need to be prioritised, further action is required across all four of the sectors highlighted within this report.

This will be vital if we are to build a resilient, net zero UK economy.

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Cambridge insight, policy influence, business impact

The University of Cambridge Institute for Sustainability Leadership (CISL) brings together business, government and academia to find solutions to critical sustainability challenges.

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