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Policy Briefing

UK Business Group Alliance for Net Zero

Delivery, Delivery, Delivery:

Recommendations from the BGA Business Leaders' Summit 2024 for the UK Government

Convened by

CLG UK

The University of Cambridge Institute for Sustainability Leadership

The University of Cambridge Institute for Sustainability Leadership (CISL) is an impact-led institute within the University of Cambridge that activates leadership globally to transform economies for people, nature and climate. Through its global network and hubs in Cambridge, Cape Town, and Brussels, CISL works with leaders and innovators across business, finance, and government sectors to accelerate action for a sustainable future. Trusted since 1988 for its rigour and pioneering commitment to learning and collaboration, the Institute creates safe spaces to challenge and support those with the power to act.

The UK Corporate Leaders Group

The UK Corporate Leaders Group (CLG UK) provides a strong voice to support UK leadership, nationally and internationally, in transitioning to a climate neutral, nature-positive, and socially inclusive economy.

The UK Business Group Alliance for Net Zero

The UK Business Group Alliance for Net Zero (BGA), convened by The UK Corporate Leaders Group (CLG UK) and hosted by the Cambridge Institute for Sustainability Leadership (CISL), is a formal network of leading business groups dedicated to advancing the UK's goal of achieving net zero greenhouse gas emissions by 2050 at the latest. The BGA is guided by a core group of members, including the Aldersgate Group, British Chambers of Commerce (BCC), Business in the Community (BITC), Confederation of British Industry (CBI), CDP, Energy UK, Institutional Investors Group on Climate Change (IIGCC), UK Business Council for Sustainable Development (UKBCSD), UK Green Building Council (UKGBC), and the We Mean Business Coalition (WMBC).

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Foreword by Dimitri Zenghelis

The global economy is undergoing a major transformation involving general-purpose technologies in clean energy, artificial intelligence and automation. The race to supply the markets of the 21st century is on. Transitioning to a resource-efficient, intelligent, clean energy economy will require a systemic shift in how we live, travel, work and socialise.

So far, the transition has been driven by price reductions in scalable, replicable and modular clean technologies that have competitively undercut old ones and rendered them redundant. Their deployment has led to cost-reducing learning-by-doing, economies of scale, knowledge network, and spillover effects. Recent evidence suggests that such investment also stands to induce creativity and innovation across the economy. The notion that there is a tension between economic growth and environmental sustainability no longer holds sway. Those arguing that clean investment is growth-inhibiting and unaffordable need to set out the counterfactual, high-carbon investment strategy and show that that would be more resilient and productive than a low carbon alternative.

Major economies such as China and the US have got ahead of the UK in capturing the economic growth opportunities of a clean transition. However, it is not too late for the UK to use its innate scientific advantage to return to the playing field and reap the opportunities. The sheer scale of the low-carbon transition generates substantial network effects and economies of scale in production and discovery. These are so large that we invariably underpredict the scope for productivity-augmenting clean innovation – a factor underlying the growing transition risk to business from increasingly cost-competitive low-carbon technologies.

By bringing together a mix of experts in the policy and business community, the BGA Business Leaders' Summit was able to utilise the creative environs of London's Design Museum during London Climate Action Week 2024 to inspire ideas on where government action can catalyse private sector investment and drive progress towards ambitious climate goals. The summit identified important policy gaps and articulated key policy asks from business. It was agreed that investment is central to building UK competitiveness. An increase in public investment would lift the UK out of bottom place in the G7 league table for public investment and make up for decades of underinvestment in core infrastructure. However, most of the investment will come from the private sector, with businesses inhabiting a transformative role in delivering the transition to a sustainable UK economy.

The participants unanimously agreed that to realise the benefits it is essential that public policies clearly and consistently support innovation and investment and avoid lock-in to high-carbon assets. This means laying out a compelling and attractive long-term vision that policymakers, the private sector, key actors, and the public support and subscribe to. By de-risking policy, the government can guide investors towards profitable new markets while enabling workers to participate in the economy of the 21st century.

Companies that plan strategically have the potential to generate a comparative advantage in an increasingly resource- and carbon-constrained world. This will require a new breed of leader with the confidence to influence every step of the transition to a thriving low-carbon business. Together, the potential exists for business leaders and policymakers to frame a vision of a productive, resilient and inclusive twenty-first century economy that respects planetary boundaries. It will require focus and vision, but the opportunities cannot be overestimated. It is leaders in business working with government who will design and build our future.

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Executive Summary

The Business Leaders' Summit, hosted by the UK Business Group Alliance for Net Zero (BGA) on 26 June 2024 at the Design Museum, London, convened over 70 cross-institutional experts, including business leaders, academics, government and civil society representatives. Held during London Climate Action Week 2024 and just before the UK General Election, the summit aimed to deliver clear, actionable recommendations for the new UK government to accelerate its net-zero agenda.

With the government nearing its 100-day mark in office, the timing of this report is critical. While the new administration has made promising announcements, the next phase requires bold and decisive action to ensure the UK regains its status as a global leader in climate action. Business leaders remain at the forefront of driving this change. Still, the government must now capitalise on this momentum to create a stable and pro-sustainability environment that attracts green investment.

The summit featured workshops across eight key policy areas, including international climate policy and the next UK Nationally Determined Contribution (NDC) 2035 emissions reduction target, international climate finance, innovation, energy and grid decarbonisation, sustainable transport, industrial decarbonisation, land use, and sustainable buildings. The discussions addressed the urgent challenges and opportunities facing the UK in meeting its net-zero and nature targets, producing sector-specific recommendations as well as broader themes that cut across all areas of policy.

Key Recommendations

1. Consistent, long-term policies: Establish robust, long-term climate policies that align with both national and international goals. This should include creating an independent oversight body to ensure consistency and avoid policy reversals that harm business confidence and investment.
2. Engagement and education: Launch a comprehensive public and business engagement plan to foster understanding and support for sustainable practices. Effective communication strategies are needed to shift narratives and build community and business support to transition to net zero.
3. Support for SMEs and addressing skills gaps: SMEs play a pivotal role in driving innovation and implementing net-zero initiatives. The government must provide targeted funding and support to address skills shortages in sectors like renewable energy and the built environment, ensuring a just and inclusive transition.
4. Integration of climate and nature-based solutions: The UK should adopt a holistic climate strategy that links emissions reduction targets (NDCs) with biodiversity plans. This integrated approach would promote climate resilience while safeguarding the country's natural ecosystems.

The summit concluded with a strong call for the UK government to focus on "delivery, delivery, delivery" - moving from rhetoric to action by implementing these recommendations through cross-sector collaboration, transparency, and sustained leadership.

Introduction and Context

In recent years, businesses have grown increasingly wary about the UK's inconsistent stance on net zero. Some progressive policies have been rolled back, and official rhetoric on net zero has become erratic, creating uncertainty and destabilising the British investment landscape. Despite this, businesses have remained at the forefront of driving change, leading the way in mobilising investment, technology, and innovation to reach the common goal of net zero emissions.

Since coming into power in July, the new UK government has a rare window of opportunity to rebuild consensus, restore the UK's standing as a global leader in climate action, and forge international partnerships that foster a pro-sustainability environment for the private sector to invest in.

However, the new government needs to act quickly and decisively to firmly put the UK back on track if it wishes for the country to become and remain a magnet of green investment. With the new government nearing its first 100 days in office, the UK Business Group Alliance for Net Zero (BGA) calls on the government to keep up the pace and leadership shown since coming to office, raise climate and nature ambition, and focus on – as one member of the BGA phrased it – 'delivery, delivery, delivery'.

In anticipation of a forthcoming general election, which took place on 4 July 2024, the BGA convened a day-long ***Business Leaders' Summit*** during London Climate Action Week on 26 June 2024. With the support of CLG UK member Amazon, the event brought together over 70 cross-institutional experts, including 60 cross-sector business leaders, academics, and civil society representatives, to workshop clear asks for the next UK government in eight different policy areas. On the **international side**, two workshops focused on the topics of Climate Finance and the next UK National Determined Contribution (NDC – the emissions reduction targets countries that are party to the Paris Agreement need to submit on a five-yearly basis), topics on the **domestic side** included: the role of innovation, the energy and grid decarbonisation, the question of land use, sustainable transport, industry decarbonisation, as well as sustainable buildings and retrofitting.

This briefing synthesises the outcomes of each workshop and aims to offer hands-on recommendations to the new government in each area. As convener of the BGA, CLG UK drafted this report alongside reviews from the respective roundtable facilitators, and BGA Core Group members, including the Aldersgate Group and the British Chambers of Commerce (BCC).

The recommendations and opinions expressed in this synthesis report represent the collective input of participants at the BGA Business Leaders' Summit and do not necessarily reflect the official position of any one organisation or participant.

Participating organisations

Accenture

Aldersgate Group

Amazon

APCO Worldwide

Ball

Bankers for Net Zero

BCC Azerbaijan

BVRLA

Bankers for Net Zero (B4NZ)

Confederation of British Industry (CBI)

Climate Change Committee (CCC)*

Coca-Cola Europacific Partners (CCEP)

CEMEX

Chapter Zero

Cambridge Institute for Sustainability Leadership

Climate Champions

ClimateTech Engineering

Cogenio (Infracapital)

Cambridge University Press

DEFRA*

Dentsu

DESNZ*

Digital Task Force for Planning

DS Smith

East Lancashire Chamber of Commerce

European Climate Foundation (ECF)

EDF Energy

Food and Drink Federation

Gallagher

GCC

GSK

Hoare Lea (Engineering)

International Hydropower Association

Lineage

LOKI / ACAN

McDonald's Restaurants Ltd

National Grid UK

Overseas Development Institute (ODI)

Policy Liaison Group on ESG

Renewable Energy Association (REA)

Reframe Reset

Rockwool

Salesforce

Signify

Skating Panda

The Edge

The Fidelis Partnership

UK Corporate Leaders Group

UK Green Building Council (UKGBC)

UN GCN UK

VELUX Group

*Due to the pre-election period, participants from UK government departments and non-departmental independent statutory bodies attended in listening mode only.

Recommendations from the BGA's Business Leaders' Summit at LCAW 2024

The UK's next Nationally Determined Contributions (NDC)

With the upcoming deadline for countries to submit their Nationally Determined Contributions (NDCs) for 2035 under the Paris Agreement by February 2025, and the requirement to report progress towards 2030 targets, the UK government has a unique chance to show leadership through delivering an ambitious and strategic NDC. This session of the BGA Business Leaders' Summit explored how businesses, policymakers, and key stakeholders can collaborate to support ambitious climate goals, highlighting specific areas that require attention to strengthen the UK's position as a global climate leader.

Key themes

One central concern was the **lack of awareness** within business sectors about NDCs and their direct relevance to daily operations. Many business functions remain disengaged from these high-level goals, leading to a gap in understanding of how NDCs align with corporate strategies. Participants stressed the importance of using business-relevant language—possibly even shifting from terms like 'sustainability' to more universally accepted notions like 'energy security' or 'clean energy.' This shift could help engage senior corporate leaders who might otherwise be reluctant to embrace the language of climate action despite supporting the underlying objectives.

Further, the need for **senior business and policy leadership involvement** was emphasised, with participants agreeing that demonstrating commitment from business leaders is vital for driving climate action. This requires clear communication focusing on the practical implications for businesses rather than the complex technical knowledge of NDCs. As a leading global economy, the UK was encouraged to **take a bold international leadership role**, especially under the new government. This would involve not only domestic action but also advocating for more ambitious climate goals on the global stage to encourage other countries to follow suit.

Nature-based solutions (NBS) were highlighted as a key component of the UK's NDCs. Integrating climate and nature initiatives, such as linking NDCs with National Biodiversity Strategies and Action Plans (NBSAPs), was seen as essential. It is important not to frame climate and nature as separate challenges but to adopt a **holistic approach**. Participants also suggested breaking down NDCs by sector to clearly define the responsibilities of industries like the built environment and fashion, ensuring that each sector contributes to the bigger climate picture.

Additionally, **innovation, funding, and skills development** were mentioned as key catalysts for both delivering on the UK's 2030 NDC commitments and enabling the setting of an ambitious 2035 NDC**.** There was a call to support **small and medium-sized enterprises (SMEs)**, which are often at the forefront of climate innovation. Increased funding for climate initiatives, such as through UK Research and Innovation (UKRI), would help unlock potential in this space. At the same time, addressing **skills shortages** in sectors such as renewables and the built environment was identified as critical. The government must ensure that

the workforce is adequately equipped to implement climate solutions, focusing on embedding **carbon literacy** in education and training programs.

The workshop on the UK NDC also stressed the importance of keeping a **positive focus** on climate successes and celebrating initiatives that demonstrate progress. This can foster a sense of momentum and discourage defeatism. Linking this to broader principles like the **circular economy**—which promotes reducing consumption and enhancing resource efficiency—was seen as a way to support innovation and create long-lasting solutions.

Finally, participants discussed the importance of setting **realistic but ambitious targets**. While ambition is necessary, it is equally important that targets are achievable to avoid accusations of underperformance. The UK's 2030 targets must be seen as attainable, setting a strong foundation for even more ambitious goals in 2035.

Top three recommendations

1. **Engage businesses with NDCs through practical, business-relevant language**: To bridge the gap in awareness, the UK government and industry leaders should adopt communication strategies that align climate goals with core business interests. Shifting to language such as 'energy security' or 'clean energy' can help gain buy-in from senior executives and business functions, making the NDCs more accessible and relevant.
2. **Support SMEs and address skills gaps in key sectors**: SMEs have a critical role in driving climate innovation, and additional funding, such as from UKRI, is needed to support their efforts. Moreover, addressing skills shortages in the renewable energy and built environment sectors is essential to meet climate targets. The government should introduce programs that embed carbon literacy into educational and vocational training to ensure a skilled workforce for the transition.
3. **Integrate climate and nature-based solutions (NBS) into NDCs**: The UK should adopt a holistic approach to its climate strategy by linking NDCs with national biodiversity plans, ensuring that climate and nature are not treated as separate issues. By sectorising responsibilities across industries, from the built environment to fashion, the UK can create a cohesive strategy that tackles climate change while promoting biodiversity.

Climate and finance

As the UK looks to strengthen its leadership on international climate finance, especially in light of the upcoming shift to a new collective quantified goal (NCQG) beyond the current $100 billion per year target, businesses and policymakers must address key challenges to unlock further investment. With international climate finance projected to increase significantly, the UK has committed $11.6 billion for the 2021-2026 period, yet, for summit participants, uncertainties persist around mobilisation and transparency.

There are key areas where government action can catalyse private sector investment and drive progress toward ambitious climate goals. By implementing clearer reporting frameworks for SMEs, creating blended finance models with proper incentives, and developing infrastructure financing systems for emerging markets, the UK can strengthen its leadership in global climate finance and support the transition to a net zero economy. If adopted, these recommendations would not only address current gaps but also help mobilise the significant resources needed to meet future climate targets.

Key themes

One major theme from the workshop was the challenge of effectively **tracking and mobilising international climate finance**. Concerns were raised about how current systems count investments towards the soon to be updated $100 billion target and whether private sector contributions are fully recognised. Participants noted the **lack of clarity in communication between the government and businesses**, particularly regarding how funds are blended from public and private sources, and how these funds are mobilised across borders.

The **role of data transparency and incentives** was also highlighted. Participants discussed the need for a more transparent system that offers visibility on where funds are being channelled. They called for **clearer frameworks for small and medium-sized enterprises (SMEs)**, especially in relation to data reporting along the supply chain. The importance of **creating behavioural and financial incentives** for companies to actively engage in climate finance and the need to improve communication with the public, government, and industry leaders was also emphasised.

Another crucial discussion point centred on **de-risking investments in emerging markets**, which are often viewed as high-risk despite their growth potential. Participants highlighted the need for an **infrastructure financing system** supported by the UK government to facilitate private investment in developing countries. Challenges such as geopolitical tensions, security concerns, and unclear frameworks in regions of the Global South were also explored. Moreover, the roundtable touched on the need for better collaboration with insurance companies and other financial actors to manage risks and ensure confidence in these investments.

Top three recommendations

1. **Develop clear and transparent reporting frameworks for SMEs:** A consistent theme throughout the discussion was the necessity for clear, standardised reporting frameworks for SMEs involved in climate finance. These frameworks would streamline data flows across supply chains and provide transparency to ensure that funds are being effectively used for green initiatives. Establishing such systems would also help businesses navigate the complexities of climate finance reporting and compliance, improving the overall efficiency of investment mobilisation.

2. **Blended finance and incentive structures:** To further drive private sector investment in climate finance, participants called for the blending of public, private, and profit-driven funds to unlock more resources for sustainable projects. The government should also explore incentives, such as tax breaks or credits, to encourage businesses to transition from 'brown' to 'green' activities. This would particularly benefit emerging markets, where private finance is critical but often hindered by perceived risks. Realigning fossil fuel subsidies towards green projects and offering risk management tools were also proposed to boost investment in these areas.
3. **Infrastructure financing and de-risking mechanisms for emerging markets:** Unlocking private finance for climate projects in developing countries is essential to achieving global climate targets. The UK government should set up an infrastructure financing system aimed at facilitating investment in high-growth potential markets while also providing mechanisms to de-risk these investments. This could include government-backed guarantees, collaborations with insurance companies, and the introduction of tailored financial instruments to reduce risk and attract investors to these regions.

Low carbon innovation and technology for climate solutions

The transition to a low-carbon economy and the preservation of natural ecosystems demands new technologies, business models, and practices that can drive systemic change across all sectors. From renewable energy solutions to circular economy models, innovation is a cross-sectoral enabler to unlock the potential of businesses to reduce emissions, conserve biodiversity, and promote sustainable resource use. Answers to pressing questions, including how innovative solutions can be scaled up to achieve the UK's climate and nature goals, are therefore crucial.

Participants of the Innovation session identified key regulatory gaps and provided recommendations for government action to foster innovation in climate-related technologies. The discussion revolved around aligning policies, ensuring regulation encourages innovation, and emphasising the role of infrastructure in driving change.

Key themes

Participants emphasised the pressing need for **policy alignment and consistent regulatory frameworks** to drive innovation in achieving climate and nature targets. It was noted that one of the primary barriers to innovation is the **presence of competing policies** that can cause confusion and hinder progress. **Effective regulation,** therefore, plays a crucial role in encouraging innovation, particularly when it provides clarity and long-term stability. Inconsistent or incomplete follow-through on policy initiatives was raised as a key risk that can create a negative innovation environment and waste valuable resources, slowing down the progress of businesses eager to innovate. This was particularly relevant in discussions around infrastructure policy, where sustainable development and grid planning emerged as key areas that need attention if regulation is to act as a true enabler of innovation.

Supporting **small and medium enterprises (SMEs)** was another central theme. Often at the forefront of innovation, SMEs face significant challenges when scaling up their solutions. Summit participants expressed a clear need for **more streamlined and standardised support mechanisms**, such as grants and simplified access to finance. SMEs also encounter difficulties navigating complex regulatory environments, which can prevent them from focusing on innovation. The workshop called for government policies that are not only bold but also aligned to provide the necessary support to help SMEs flourish. **Modular and circular designs** were highlighted as essential principles that could drive resource efficiency and innovation across sectors, enabling businesses to integrate climate solutions more effectively into their operations.

The importance of regulatory certainty was underscored throughout the discussions. Participants stressed that bold and consistent policies are essential to driving innovation, citing examples like France's 2023 ban on domestic flights as evidence of how decisive regulation can lead to significant change. It was suggested that an **independent oversight body**, such as a 'UK Climate Commission', could help maintain a long-term direction and prevent the frequent policy shifts that undermine business efforts. Furthermore, the stability provided by clear, long-term regulations was viewed as vital in fostering business confidence, particularly in sectors such as infrastructure, where substantial investments in green technologies are necessary to meet climate targets.

The workshop also highlighted several examples of good practice in innovation, such as Passive House standards and solar parks in Spain. Collaborative design and initiatives like the Danish public-private partnership "State of Green", which brings together businesses and government in workshops, were

recognised as effective strategies for fostering innovation. These examples serve as models for how innovative solutions can be scaled up and implemented across industries.

Top three recommendations

1. **Establish consistent, bold policies with long-term oversight:** Government should create a robust policy framework that aligns with national and international climate goals and provides stability. This should include the creation of an independent oversight body to ensure long-term direction and avoid policy reversals that undermine business efforts.
2. **Invest in infrastructure and modular design:** Infrastructure planning must prioritise green and sustainable development. Government investment in grid planning, modular design, and policies promoting circular economy principles will enable sectors to innovate more effectively.
3. **Standardised support for SMEs:** Government should simplify access to finance, grants, and regulatory support. A standardised system would help smaller enterprises navigate the complexities of regulation and focus on scaling their innovative solutions.

Energy transition and grid decarbonisation

As the UK strides towards its ambitious 2030 energy decarbonisation targets, it faces significant challenges that stem from its heavy reliance on global supply chains and a regulatory environment that currently lacks the necessary incentives for innovation in renewable energy and storage solutions. This section delves into the complexities of the UK's energy strategy, exploring the key issues discussed at the BGA Business Leaders Summit's workshop on energy and grid decarbonisation. This includes the urgency of enhancing domestic capabilities, streamlining permitting processes, and ensuring a just transition for the workforce, all crucial for achieving a sustainable and secure energy future.

Key themes

Participants highlighted several challenges and opportunities in meeting the UK's energy goals by 2030. One recurring theme was the **UK's vulnerability in global supply chains** for renewable energy technologies due to its reliance on imports for critical components such as solar panels and wind turbines. The conversation centred on how the UK could strategically approach energy security by **prioritising local production of sensitive technologies**, such as chips, while continuing to import less sensitive materials like aluminium. This would help strike a balance between boosting domestic capabilities and managing the risks associated with international supply chains.

Energy storage emerged as another key issue, with participants noting the **lack of sufficient investment and regulatory support** in this area. Storage is essential for stabilising renewable energy output, yet current policies remain overly focused on generation, leaving significant gaps in securing investment for storage technologies. Moreover, while technologies like hydropower are well-established, they are often overlooked, and long-term projects are hindered by uncertainty in the policy environment, which is crucial for attracting investment.

The **permitting process** for renewable energy projects was another major barrier identified. Land-use laws, political considerations, and lengthy grid connection times have created significant delays, with some renewable energy projects facing queues of up to seven years. The 'first come, first served' approach to grid access was criticised for enabling speculative projects, and reforms were discussed to prioritise projects with clearer strategic benefits.

Participants also stressed the importance of building a **just and inclusive transition** by addressing community engagement and the energy sector's workforce diversity issues. Many businesses are implementing internal initiatives, such as degree programs and apprenticeships, to upskill employees, but there was consensus that the **government must play a more proactive role** in supporting job creation and skills development across the sector.

The conversation also touched on the role of smart grids and local energy communities **in decentralising energy production**. Such short-term measures could fill gaps in energy demand and strengthen grid resilience. Additionally, the **UK's lagging industrial policy** was highlighted, with comparisons to the United States' Inflation Reduction Act (IRA), which has spurred significant decarbonisation investments in the energy sector. Businesses expressed a need for similar incentives in the UK.

Top three recommendations:

1. Strengthen supply chains and grid infrastructure: The UK must build resilient supply chains, focusing on local production of high-tech, sensitive components while maintaining strategic imports for less critical materials. Simultaneously, the government should prioritise grid infrastructure improvements, particularly in energy storage, to stabilise the flow of renewable energy and provide the necessary investment incentives.
2. Reform permitting and spatial planning: To accelerate renewable energy deployment, the government should streamline permitting procedures and adopt a more strategic, holistic approach to spatial planning. The 'first come, first served' grid access policy should be replaced with a system that prioritises projects with clear planning permission and high potential for delivering immediate renewable energy benefits.
3. Promote a just transition and workforce development: A comprehensive policy framework is needed to ensure that the energy transition is inclusive, with targeted support for job creation and skills development. This includes diversifying the energy sector's workforce, supporting apprenticeships and retraining, and fostering collaboration between businesses, educational institutions, and the government to ensure a skilled, local workforce capable of meeting future demands.

Heavy industry and supply chain decarbonisation

The roundtable on industry decarbonisation at the BGA Business Leaders' Summit shed light on the critical role of UK industry and manufacturing in achieving net-zero targets, and participants agreed on the sector's potential for innovation, driving growth and being internationally competitive, provided the right policy framework is in place. However, despite its significance, industrial decarbonisation often lacks the consistency in policy implementation seen in other sectors. The discussion revolved around the strategic alignment of regulations, the necessity of government-led initiatives, and a comprehensive evaluation of supply chain vulnerabilities to ensure robust competitiveness and sustainability in the UK's industrial framework.

Key themes

The roundtable highlighted several **key challenges and opportunities** in industrial decarbonisation. Participants pointed out the inconsistency of UK policies compared to other jurisdictions, emphasising the need for a **clear and stable policy environment** to foster industry confidence and investment. The UK's lack of a consistent **industrial strategy** was brought up in this context, with participants emphasising the need for a strong link between any government's industrial strategy and the decarbonisation of existing industry and manufacturing that underpins high-growth sectors.

A significant focus was placed on the **regulatory framework**, with industry leaders advocating for **regulations that enable rather than restrict** innovation and control. The notion of regulation as a facilitator of business and environmental goals was a recurring theme, with calls for a framework that provides direction without being overly prescriptive. This approach was seen as essential for fostering progressive business practices and first-mover advantages in green technologies.

The discussion also highlighted the **necessity of incorporating the concept of circularity into industrial strategy**, for example, reframing waste as resources and supporting resource and waste efficiency and further, **aligning with international standards** such as the EU's Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading System (ETS), suggesting that closer collaboration on carbon pricing and waste management policies could enhance the UK's competitive edge.

The **transition to low-carbon industrial processes** was recognised as inevitable, with the potential for economic losses and gains. The discussion underscored the importance of a just transition, considering the socio-economic impacts of decarbonisation, such as job losses and the need for upskilling within affected communities. Moreover, the complexity of planning and permitting for decarbonisation projects was identified as a major barrier, alongside significant uncertainty in electricity grid connections, posing additional challenges to the deployment of clean technologies.

Top three recommendations

1. **Establish a clear and consistent regulatory framework**: There is a critical need for the UK government to implement a regulatory framework that is consistent and aligned with international standards to facilitate industrial decarbonisation. This framework should provide clear direction to industries on transitioning to low-carbon operations while allowing flexibility to innovate within a structured policy environment.

2. Develop a comprehensive public engagement and education plan: To garner widespread support and understanding of decarbonisation initiatives, it is recommended that the government leads a robust public engagement strategy. This should include educational campaigns clarifying the benefits and necessities of transitioning to greener industrial processes and fostering public and community buy-in.
3. Comprehensive study of supply chain risks and competitiveness: The government should commission an in-depth analysis of the UK's industrial supply chains to identify risks, vulnerabilities, and opportunities for enhancing competitiveness through decarbonisation. This study would help formulate targeted policies that strengthen domestic industries and ensure global competitiveness in a low-carbon economy.

Sustainable road transport

As the UK aims to significantly reduce its carbon footprint by enhancing road transport sustainability, key issues such as the high costs of EVs, infrastructure inadequacies, and the need for effective policy frameworks were at the forefront of discussions at the Sustainable Transport roundtable. The roundtable delved into the challenges and opportunities of transitioning to electric vehicles (EVs) and other sustainable transport solutions.

The recommendations below aim to tackle the multifaceted challenges of sustainable transport by aligning financial incentives, enhancing infrastructure, clarifying regulatory frameworks, and fostering a skilled workforce adapted to the demands of new technologies.

Key themes

High costs remain a significant barrier to the widespread adoption of electric vehicles, alongside the risks associated with investing in early EV technologies that may quickly become outdated. Potential stranded assets and the depreciation of first-generation technologies compound the financial burden of transitioning from internal combustion engines (ICEs) to electric alternatives.

Further, roundtable participants identified the **lack of sufficient charging infrastructure and adequate grid connections** as a critical impediment to the effective deployment of EVs. The transition to sustainable transport systems necessitates a workforce skilled in new technologies, highlighting the importance of reskilling and upskilling initiatives.

Participants also highlighted the barriers of **policy uncertainty and public perception.** Unclear and inconsistent strategies are likely to create uncertainty for businesses and investors, while public perception and acceptance of EVs can vary significantly. Effective communication strategies are, therefore, needed to enhance public understanding and support for sustainable transport solutions.

Better **coordination** among stakeholders is also essential to scale sustainable transport solutions effectively. Existing policies often lack robust follow-through and accountability, underscoring the need for **stronger governance structures** to oversee the green transition.

Top three recommendations

1. **Enhance infrastructure investment:** To support the widespread adoption of EVs and overcome current bottlenecks, significant investment in charging infrastructure and grid capacity enhancement is crucial. This would address one of the most pressing barriers to EV deployment and ensure that the necessary facilities are in place to meet future demand.
2. **Establish an Office for Net Zero Delivery:** It is recommended that a dedicated body with the authority to oversee sustainable transport and energy policies be established. This office would ensure accountability and integration across different sectors and governmental departments, driving coherent and effective implementation of the UK's green transition goals.
3. **Develop clear long-term strategies and reinstate the 2030 ICE ban:** Providing clear, consistent long-term signals to the market is essential for fostering an environment conducive to investment in sustainable transport. Reinstating the ban on the sale of new internal combustion engine vehicles by 2030 would give businesses and consumers the certainty needed to transition to EVs and other sustainable options, provided it is accompanied by stimulated EV demand and improved charging infrastructure.

The built environment, sustainable buildings and retrofitting

The built environment roundtable addressed the critical challenges and opportunities in enhancing the sustainability of the UK's built environment. With one of the oldest housing stocks in Europe and a notable shortage of affordable, high-quality homes, the UK faces significant obstacles in meeting its climate goals. Retrofitting rates remain disappointingly low, and the previous government was falling short of its targets for new building construction, which are not adequately future-proofed. There is an urgent need to set more ambitious requirements for new buildings and to tackle multiple barriers, including the need for stable policy, aligned incentives, and accessible operational data, to facilitate this essential shift. This section synthesises the discussions from the summit and offers strategic recommendations to foster a broader, more effective transition to sustainable building practices across various sectors and demographics.

Key themes

Participants highlighted **equity and accessibility challenges** in the built environment sector, with high costs of sustainable retrofitting often excluding low-income households and creating an equity gap in access to energy-efficient homes. There is a pressing need for inclusive policies that enable all segments of the population to benefit from sustainable building practices.

Further, **regulatory and implementation challenges** were mentioned as key barriers to a sustainable built environment. Despite resources like the National Retrofit Hub, there is a significant gap in the effective implementation of standardised measures for new builds and retrofits. The UK's construction sector suffers from relatively lenient regulations, which often result in buildings that fall short of sustainability benchmarks. Moreover, the trend of demolishing structurally sound buildings for new constructions underscores a misalignment between land value prioritisation and sustainability goals.

Material standards and construction competency remained at the forefront of the roundtable discussions. There is a notable absence of stringent competency tests for contractors and standardised assessments for low-carbon materials, which often leads to suboptimal building outcomes. The sector requires **consistent standards and certifications** to ensure that construction practices contribute effectively to sustainability goals.

Additionally, **public perception and data transparency** were classified as key challenges for the sector. Misconceptions and resistance among the public regarding sustainability regulations highlight the need for a shift in narrative—from one of regulatory constraints to one of standardisation that fosters public buy-in. The lack of transparency in energy performance data also hinders homeowners' and stakeholders' ability to make informed decisions about energy use and building improvements.

Lastly, there are **sector-specific barriers.** The rollout of smart meters and incentives for sustainable practices has been poorly managed, with additional barriers presented by the insurance and real estate markets that inhibit the construction sector's transition to sustainable practices.

Top three recommendations

1. **Improve and then implement the Future Home Standard:** Mandating an improved Future Home and Buildings Standard will ensure that new buildings adhere to stringent sustainability criteria,

thereby raising the overall quality and energy efficiency of new constructions across the UK as well as increasing accountability and planning certainty in the constructions industry.

2. **Financial incentives for sustainable practices:** Removing VAT from sustainable building projects and materials can significantly lower costs and incentivise homeowners and developers to adopt greener practices. Additionally, providing grants and improved financing options for low-income households can help bridge the accessibility gap in sustainable retrofitting.

3. **Regulate and standardise construction practices:** Establishing independent bodies to regulate the construction sector and monitor compliance with sustainability standards was seen as crucial. These bodies would help ensure that all contractors meet high competency levels and that buildings are constructed or retrofitted according to the best sustainable practices. Furthermore, developing a standardised database and certification system for low-carbon materials would facilitate their broader acceptance and use in the industry.

Land use and adaptation and resilience

With the escalating impacts of climate change, understanding and optimising land use has become crucial for achieving net zero targets and enhancing ecosystem resilience. The session on land use at the BGA Business Leaders' Summit explored the intricate relationships between land management, climate action, and biodiversity conservation. The discussions underscored the necessity of integrating land use strategies with broader environmental objectives, highlighting land's pivotal role in carbon sequestration, biodiversity protection, and climate adaptation. Participants sought to outline strategic approaches to effectively harness land use in mitigating climate change while promoting sustainable development and nature conservation. The session aimed to propel a cohesive policy framework that supports ambitious UK environmental targets by fostering a holistic understanding of land's multifunctional benefits.

Key themes

Participants expressed a strong need for **leadership and clarity in policy direction** to prioritise land use within environmental strategies. The fragmented approach to policy, where different departments and agencies operate without sufficient coordination, was identified as a significant barrier to effective land management. A more unified approach is necessary to align the diverse aspects of land use with the overarching goals of climate action and biodiversity conservation.

The potential of **technology and data** to revolutionise land use planning was a significant point of discussion. The current system, driven mainly by private-sector innovation, needs public sector integration to ensure that environmental considerations are prioritised alongside housing and development needs. Improved digital tools and open data access are essential for understanding and managing the environmental impacts of land use.

There was a consensus on the importance **of reshaping public perception and increasing engagement** through better communication strategies that highlight the benefits of sustainable land use. Additionally, developing market mechanisms that can monetise sustainable land management practices could incentivise more widespread adoption of these practices.

Furthermore, the need for better cross-sector collaboration was emphasised, particularly in addressing the siloed nature of current policies. By fostering cross-disciplinary collaboration, the UK can leverage diverse expertise and resources to develop more integrated and effective land use strategies.

Top three recommendations

1. **Create a unified land use strategy:** Develop a comprehensive strategy that integrates climate action, biodiversity enhancement, and sustainable agriculture. This strategy should be backed by clear policies and robust governance structures to ensure effective implementation and to reconcile the competing demands on land.
2. **Establish a digital framework for land use planning:** Implement a digital and data-driven framework to support land use planning. This should include the development of platforms that facilitate data sharing and analysis, enabling stakeholders to make informed decisions that align with environmental and developmental goals.

3. **Promote public and business engagement and education:** Launch a government-led public engagement plan to enhance understanding and support for sustainable land use practices. This plan should utilise clear and effective communication strategies to shift public narratives towards the benefits of sustainability and the critical role of land in achieving net zero targets.

Conclusion: 'Delivery, Delivery, Delivery'

One hundred days after assuming office, the new UK government has already announced many new policy initiatives to reshape the UK. Now, it is time to walk the talk, deliver decisively and inclusively, and reach across sectors, government departments, and political aisles. As was said on the day of the summit, it is time for 'delivery, delivery, delivery'.

Throughout the BGA Business Leaders' Summit, held on 26 June 2024, key discussions across diverse policy areas such as climate finance, the role of the next UK NDC, innovation, energy and industrial decarbonisation, sustainable transport, the built environment, as well as land use, illuminated the multifaceted challenges and opportunities facing the UK in achieving its net-zero targets nature goals.

The summit underscored the need for long-term clarity and leadership across all sectors, emphasising the interconnectivity of these policy areas with the broader climate and nature agenda. Each roundtable brought to light the essential role of cohesive and robust policy frameworks capable of driving innovation, fostering public and private investments, and ensuring equitable access to sustainable solutions.

Achieving the UK's ambitious climate and nature targets necessitates a collaborative approach that breaks down silos between different policy areas and engages all stakeholders—government, business, and the public—in a concerted effort to foster sustainability in a systematic way. Integrated strategies, transparent implementation, and adaptive governance are all key, allowing the UK to – once again – lead by example in the global effort to combat climate change and promote a sustainable future for all.

While there were many sector-specific recommendations, the following cross-cutting themes emerged, which, if implemented by the UK government, would accelerate action across all the sectors:

- Establish consistent, bold policies with long-term oversight: Government should create a robust policy framework that aligns with national and international climate goals and provides stability. There is a range of potential policy measures that are fiscally neutral or beneficial that can drive the transition to a low carbon economy, for example, in procurement by the public sector, planning and through a carbon border adjustment mechanism. Alongside a robust policy framework, the creation of an independent oversight body could ensure long-term direction and avoid policy reversals that undermine business efforts.
- Promote public and business engagement and education: Launch a government-led public engagement plan to enhance understanding and support for sustainable practices. This plan should utilise clear and effective communication strategies to shift public narratives towards the benefits of sustainability and the critical role of public and business action in achieving net zero targets to foster public and community buy-in.
- Support SMEs and address skills gaps in key sectors, promoting a just transition: SMEs have a critical role in the transition to net zero and driving climate innovation, and additional funding, such as from UKRI, is needed to support their efforts. Moreover, addressing skills shortages, such as in the renewable energy and built environment sectors, is essential to meet climate targets. The government should introduce programmes that embed carbon literacy into educational and vocational training to ensure a skilled workforce for the transition. Support for a just transition

should also include supporting apprenticeships and retraining, fostering collaboration between businesses and educational institutions to provide a skilled, local workforce capable of meeting future demands.

- Integrate climate and nature-based solutions (NBS) into NDCs: The UK should adopt a holistic approach to its climate strategy by linking NDCs with national biodiversity plans, ensuring that climate and nature are not treated as separate issues. By sectorising responsibilities across industries, from the built environment to fashion, the UK can create a cohesive strategy that tackles climate change while promoting biodiversity.