Introduction to net zero for Small Businesses

7th March 2025







Agenda and Speakers

- Introduction by chair, *Chloë Fiddy, IEMA*
- What net zero means for businesses, *Martin Baxter, IEMA*
- Support and resources from UK Business Climate Hub, *Chris Taylor, Broadway Initiative*
- Net Zero in practice, *Ian Agnew, Director, Dark Woods Coffee*



Net Zero Transition

Policy, Regulation and Compliance

- Martin Baxter
 Deputy CEO
- m.baxter@iema.net





We're soon to become the Institute of Sustainability and Environmental Professionals (ISEP)

UNFCCC 2015 Paris Agreement

- Hold the increase in the global average temperature to well below 2°C and pursue efforts to limit temperature increase to 1.5°C above pre-industrial levels
- Increase the ability to adapt to the adverse impacts of climate change and foster climate resilience in a manner that does not threaten food production; and
- Make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

IEMA Transforming the world



Climate Change - trajectory

https://climateactiontracker.org



Policies & action Real world action based on current policies†

2030 targets only Based on 2030 NDC targets* †

Pledges & targets

Based on 2030 NDC targets* and submitted and binding long-term targets

Optimistic scenario

Best case scenario and assumes full implementation of all **announced** targets including net zero targets, LTSs and NDCs*

+ Temperatures continue to rise after 2100

* If 2030 NDC targets are weaker than projected emissions levels under policies & action, we use levels from policy & action

CAT warming projections **Global temperature increase by 2100**

November 2024 Update

EMA Transforming the world to sustainability

Climate Change Act and Carbon Budgets





Sources of abatement towards 2050 Target

- Role of demand reduction (efficiency and choices)
- Increasing importance of electrification
- Heat pumps 3-4x more efficient than gas boilers
- EVs cheaper to run but strategic decision needed to weigh capital costs
- Hydrogen



Description: The Seventh Carbon Budget is delivered through five key routes: electricity, low-carbon fuels and CCS, nature, engineered removals, and demand. The largest share of emissions reduction is from a switch from fossil fuels to electric technologies powered using low-carbon electricity.

Source: CCC analysis.

Notes: See Chapter 3. 'Eng removals' refers to engineered removals. 'SAF' refers to sustainable aviation fuel. 'CCS' refers to carbon capture and storage.

Source: Climate Change Committee (2025) The Seventh Carbon Budget: Advice for the UK Government.



Private sector finance and investment ranges between 40-90% of costs



Description: We anticipate public spend being higher early in the transition and to reduce in later years. Throughout the transition, estimated public spend is a relatively small proportion of the financing required. iource: CCC analysis.

Jotes: (1) Data represent a range based on illustrative policy options. Actual policy choices are for government to decide. (2) We used lalanced Pathway additional capital expenditure (before double counting adjustments) and applied upper and lower estimates of he proportion of this that would be publicly funded. We based this assessment on economic incentives for private actors to adopt lalanced Pathway measures, committed budgets, and distributional considerations. (3) The financing requirement line used here is different to the additional capital expenditure used for the whole-economy costs analysis, where the cost of generating additional energy is maintained in sector operating costs and removed from capital costs, to avoid double counting. As this analysis considers only capital expenditure, we use the pre-adjusted numbers. Numbers are still consistent with whole-economy costs.

Source: Climate Change Committee (2025) The Seventh Carbon Budget: Advice for the UK Government.





Taking action on climate can:

- Reduce energy and resource costs and improve business resilience
- Make your products and services more attractive to consumers
- Enable you to comply with procurement requirements from business customers
- Offer opportunities for new products and services to enable the transition to a low carbon economy
- Attract, motivate and retain employees
- Help to secure funding and investment
- Ensure the world is a good place to live for future generations

Call to Action – Net Zero

- Standard business decision making plan for a minimum 2C (...3C warming) and stress test 4C scenarios
- Set a net zero pathway consistent with the science and in line with UK government 7th Carbon Budget recommendation
- Develop a transition plan, supported with a workforce skills plan, to deliver the changes needed, with appropriate level of granularity
- Be prepared to report on your performance
- Engage with your customers tell them the story of your journey of improvement



IEMA

Transforming the world to sustainability

Martin Baxter

Deputy CEOm.baxter@iema.net



www.iema.net/all-jobs-greener

Support and resources from UK Business Climate Hub

Chris Taylor, Net Zero Programme Director, Broadway Initiative

UK Business Climate Hub

- The UK Business Climate Hub provides net zero advice for small and medium-sized enterprises (SMEs) in the UK.
- It is a shared endeavour, developed by the <u>Broadway</u> <u>Initiative</u> with the Department for Energy Security and Net Zero (DESNZ), the SME Climate Hub and the UK's main business organisations, energy networks, high street banks, other leading corporates, and professional bodies.
- The SME Climate Hub is the global initiative which empowers SMEs to make the SME Climate Commitment.
- www.businessclimatehub.uk





Reduce waste and maximise resources

Supply chain

Find out how sustainable

Product labels and certifications

Farming and land

Take action now



Production and cold

<u>storage</u>

towards net-zero.

Find out about steps that can be taken to reduce carbon emissions from production and cold storage and move Commercial building and home

energy use

Plan a retrofit, check building regulations, improve HVAC and insulation, get a heat pump, and more.





<u>transport</u>

Find out how to reduce emissions and save money by switching to electric vehicles and identifying alternative modes of transport.



Renewable energy

Find out about the different features, installation and funding opportunities for these renewable energy technologies and green energy suppliers.



Reduce waste and

save water

Learn practical steps to cut down on waste and make the most of what you have. Discover how saving water also reduces energy consumption and contributes to a healthier planet



How to become a <u>'net zero' ready</u> <u>supplier</u>

Find out what becoming a 'net zero' ready supplier means and how this can benefit your business.



Product labels and certifications

There are a number of product labels that certify low carbon emissions or other beneficial environmental actions.



Farming and land use

Land use changes are required for the UK to reach its goal of net zero emissions by 2050.



7 Steps to Sustainability

You don't have to do these steps in order. <u>There are actions you could decide</u> <u>to take today.</u>

Understand the basics

Find out everything you need to know about what net zero means and why it matters.

Involve your team

• Get staff positively engaged and bring in external support to reinforce your plan.

Make the SME Climate Commitment

 Make a commitment to climate action, access tools to reduce emissions, and disclose your progress.

<u>Make a plan</u>

3

Measure your current carbon emissions and start to plan to reduce them.

<u>Take action</u>

Take steps to reduce your emissions by theme or by sector.

6 Find finance and support

Find sources of funding and support on green loans, grants and other incentives.

<u>Look beyond your own business</u>

Get product certifications and labels, build a green supply chain, reduce business travel and more actions to reduce emissions.



Insights

Our case studies and thought leadership articles offer valuable insights from entrepreneurs, industry experts and senior business decision-makers who are leading the way on the sustainability agenda.





Crystal Doors: setting clear standards for net zero manufacturing



Electricity North West: Do you know your DNOs from your DSOs?



Miranda Barker: The business case for sustainability



Martin McTague: Green knowledge is power

Find more insights.



Martin Baxter: Skills for a Net Zero Future



Find finance and support across the UK

This list was last updated on 2 October 2024. <u>Use our 'add a source of finance or support' form</u> to have a programme added to this section.

National support and funding

Across the UK

<u>England</u>

Northern Ireland

<u>Scotland</u>

<u>Wales</u>

Regional support in England

East of England

East Midlands

Greater London

North East England

North West England

South East England

South West England

<u>West Midlands</u>

Yorkshire and Humber



Sector-focused guides

← → C O UK UK CLIMATE HUB	Business Climate Hub - find × + A https://businessclimatehub.uk Take action ~ Commit Finan	ce and support ~ Insights ~ Ever	∽ ☆ ♡ ⊻ ® ੴ ≡ nts ~ About Contact ~ Q
Reduce cut car busines	bon: it's go ss <u>Broadway</u> ent INITIATIVE	Agriculture Aquaculture Construction Domestic services Education Energy and waste Fishing Food production Health and social care Hospitality and leisure IT and telecommunications Manufacturing and production Media, arts and entertainment Mining and quarrying Professional and office-based services Retail and sales Transport, logistics and storage	USAND OF DUSING SAME ACTION OF DUSING SAME ACTION OF DUSING SAME ACTION OF DUSING SAME ACTION OF DUSING SAME ACTION

UK BUSINESS CLIMATE HUB Broadway INITIATIVE



IT and telecommunications

Your UK Business Climate Hub net zero plan for the IT and the telecommunications sector.

Contents

- 1. Understand your organisation's emissions
- 2. Sign up for the SME Climate Commitment
- 3. Get finance and support
- 4. Take action right now
- 5. Take longer term action
- 6. Make changes in your supply chain
- 7. Track and share your progress
- 8. Get further help and advice on reducing emissions

businessclimatehub.uk/census/





How to get involved

- Tell us what you're doing <u>chris@broadwayinitiative.org.uk</u>
- Visit <u>www.businessclimatehub.uk</u> to find out more
- Find local support at <u>businessclimatehub.uk/finance-and-</u> <u>support-across-the-uk/</u>

• Find events at <u>businessclimatehub.uk/events/</u>



Net Zero in practice

Ian Agnew, Director, Dark Woods Coffee

Dark Woods Coffee

Speciality Coffee Roaster

Based in West Yorkshire, UK

Established 2013

Certified B Corp since 2020

Employing 25 people

Sourcing the World's finest coffees, through equitable, long-term relationships with small producers. Challenging the coffee industry to do things better.









Background and Challenge

The coffee industry has a poor environmental and social track-record. Coffee is typically:

- Grown in the coffee-belt, between the tropics
- Typified by low-prices to farmers
- Generally pulped, dried and milled at origin, then shipped to consumer countries to be roasted
- Roasted in large gas-fired drum roasters
- Packed in laminate, high-barrier material, which can be challenging to recycle
- Shipped again, as a finished product, from roasters to coffee shops and consumers

We set up Dark Woods with the aim of challenging these norms





Our Approach

We have measured our carbon emissions since 2020.

We have parallel programmes to minimise and mitigate residual emissions

Installed low carbon heating –Air Source Heat Pump captures waste heat from roasting to heat workspaces

Installed solar panels on roof

Use electric vehicles

Switched to plastic-free, compostable packaging

Embraced circular-economy with reusable, returnable, recyclable containers









Carbon Programmes

We work with our Colombian export partner (and fellow B Corp) Caravela, to measure and record annual carbon emissions

Our challenge is around where we draw the line on what we count and what is counted by suppliers and customers

We invest in multi-year regenerative farming programmes with coffee farmers within our supply-chain in Colombia

Farmers choose useful trees to plant within their coffee fields. Typically grown to provide fruit or bark, shade and improve root soil structure

Every tree is recorded – farmer, longitude/latitude, species, for carbon monitoring purposes











Q & A