

The Report

The Circular Economy Green growth, jobs and resilience

Jacqui Smith The skills minister on the government's plans for the sector

Chris Skidmore On harnessing the potential of the green transition

Rain Newton-Smith Giving the view from industry and the private sector

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“To reach net zero, green skills and industrial strategy need to go hand in hand”

**Dr Adam Read MBE, chief sustainability and external affairs officer,
SUEZ recycling and recovery UK**

Introduction



John Scanlon
Chief executive officer,
SUEZ recycling & recovery UK

“We’re poised to deliver on the green industrial revolution”

Every year the UK produces roughly 220 million tonnes of waste. In other words, the weight of one trillion iPhones, three billion washing machines or 16 million Big Bens.

Often out of the public eye, a £9bn industry – employing more than 150,000 people – has the colossal task of managing this waste. The task is evolving rapidly, with electricals now accounting for a major part of household rubbish, at the same time as the pressure to reduce our impact on the environment mounts. All the while, waste and recycling companies deliver essential front-line services, keeping our streets clean and playing a crucial role in energy generation.

Significantly, our sector underpins green transitions across multiple industries, placing us at the heart of tackling the climate crisis head on. However, to make this a reality we must ensure we have the right skills in place. This will not only future-proof our sector, but will, crucially, drive economic growth.

This report is designed to provide a clear view of the transition that the waste and resources sector is facing, and outline what’s needed from government and industry to deliver the skills required to drive this green

growth and accelerate our journey to a more sustainable, resilient and circular economy.

SUEZ recycling and recovery UK is a waste management company handling over 11 million tonnes of waste materials per year across the UK – that’s equivalent to three Houses of Parliament. We are committed to working closely with other industries, government, academia and sustainability experts to accelerate the green skills agenda and ensure we meet the UK’s ambitious net zero targets.

At present, the waste and resources sector is an industry in transition. It has the potential to be a significant driver of change in the decarbonisation of the country’s economy, as the UK seeks to improve resource efficiency and security. To realise this potential, we need to attract new talent to our industry, showcasing the breadth and diversity of roles on offer. At the same time, we need to upskill our current workforce to meet the needs of moving up the waste hierarchy, driving behavioural change, increasing repair and upcycling, and embracing digitisation.

The UK is poised to deliver a real green industrial revolution, but that depends on having the right people with the right skills in the right places. Establishing and defining the skills roadmap needed to achieve this – both within and beyond our sector – is crucial to driving this sustainable growth.

It is welcome to see the new Skills Minister, Jacqui Smith, echo these themes, uniting the growth potential of the net zero challenge with the serious, skills-based policy package needed to achieve it.

Collaboration is key on this journey. To drive forward the green skills agenda, we need a joined-up, holistic approach from local, devolved and national governments working in partnership with the education and private sectors to deliver. It is essential that industries work closely together, forming new partnerships with schools, colleges, universities, leading professional bodies and academia. To work together effectively it’s important we are all aligned in our goals and are equipped to deliver the vital skills needed for the future health of our planet.

So, I would like to thank the contributors for their support on this report, including, along with Smith, the former energy minister and author of the Net Zero Review, Chris Skidmore, as well as Rain Newton-Smith, chief executive of the Confederation of British Industry.

We look forward to working together to help tackle climate change and drive sustainable economic growth right across the country. ●

Skills are at the heart of a mission-driven delivery approach

The new Skills Minister on the government's plans for green jobs

By Jacqui Smith

As Skills Minister, one of my most important responsibilities is ensuring people have the right skills for the future. Right now, that future is green.

Earlier this month it was Green Careers Week. There's no better time to talk about our response to climate change, transforming industry and breaking down barriers to opportunity.

While the previous government shied away from its challenges and opportunities, this government is firmly committed to hitting net zero, and it's my job to ensure our workforce is ready.

The great potential of green jobs

The green revolution is reshaping entire industries, creating new jobs and transforming existing ones. It's not just about clean energy – green skills will be vital across sectors like transport, waste management and restoring the natural environment.

By 2030, hundreds of thousands of jobs are expected to be created as we transition to clean energy.

Whether it's reinforcing the electricity grid, expanding public transport, or developing hydrogen energy solutions, opportunities are already springing up across the UK.

Estimates from the Department for Energy Security and Net Zero show that reinforcing the electricity grid alone could create up to 130,000 jobs by 2050, while the Chartered Institution of Wastes Management estimates an additional 74,200 jobs in the sector by 2030.

Other roles will change to meet the needs of a greener economy. Skilled workers will be the backbone of the net zero journey. This Labour government is reigniting industrial heartlands that once powered our country by investing in the industries of the future. We've pledged £22bn to cutting-edge carbon capture and storage projects in north Wales, the north-west, and the north-east. This is directly creating 4,000 new jobs, and supporting 50,000 more, and will go a long way to encourage others that we've got what it takes to be world leaders in sustainability.

At the same time, we are phasing out old energy sources. The closure of the UK's last coal-fired power station marks a significant milestone in our clean energy journey. Alongside this, we've secured a record pipeline of clean, affordable energy projects.

Long-duration electricity storage (LDES) is a key area of focus. By investing in technologies that can store renewable energy for longer, we are ensuring a more reliable, sustainable energy supply that will meet our future needs.

These investments are about infrastructure and good jobs.

Across sectors such as energy efficiency, public transport, hydrogen and forestry, the UK's green economy will create hundreds of thousands of new jobs by 2030. To meet this growing demand, the government is working closely with businesses, local authorities and education providers to ensure the right training is available where it's needed most. This approach will ensure that we have technicians, welders, project managers and planners fully prepared to meet the challenges of a net zero economy.

Government plans for boosting green skills

To support this green transformation, this Labour government is taking decisive action to close the skills gap that threatens growth. Through reforms like the growth and skills levy, we're giving businesses and learners more flexibility in how they access high-quality training. For example, businesses will be able to use shorter, more targeted apprenticeships in crucial sectors like green energy and construction.

We're also aligning the levy with our industrial strategy to create clear education pathways into green jobs, from apprenticeships to skills bootcamps and T-levels.

The newly formed Skills England will play a critical role in identifying and addressing skills gaps in sectors across the economy. It will help ensure that our workforce is equipped for the future.

MONKEY BUSINESS IMAGES / SHUTTERSTOCK



Net zero will drive job creation in a range of different sectors

Additionally, the government's Office for Clean Energy Jobs is working closely with Skills England to support other British workers on the energy transition. Many of the skills required for the transition already exist, with research from Offshore Energies UK showing that 90 per cent of oil and gas workers have transferable skills for offshore renewable jobs.

And that's why we have accelerated the delivery of a skills passport to provide oil and gas workers the support to move more easily into careers in the renewable energy sector.

A mission-led approach

We've approached government differently, setting out key missions that will bring an end to sticking-plaster politics and drive real, tangible change in people's lives – breaking down barriers to opportunity, driving economic growth, and making Britain a clean energy superpower.

Skills are at the heart of these missions. They are central to building a stronger, fairer economy and creating new opportunities across every region. From ensuring

young people have the skills to succeed, regardless of their background, to equipping our workforce for the clean energy transition, these missions are about unlocking opportunity and harnessing talent.

Our Clean Energy Superpower Mission represents a critical challenge. Achieving net zero by 2050 and clean power by 2030 will depend on growing and upskilling in sectors like energy, transport and natural resources.

This government is making change happen. With 50 per cent of our electricity already coming from renewable sources, we're moving forward, but we know there's more to do. Our strong focus on skills will ensure that we have the workforce to lead this green revolution and secure the UK's position as a global leader in clean energy.

The transition to a greener economy is more than a policy shift – it's about securing the future of jobs, industries and climate.

Green skills will play a central role in this journey, and with the right skills in place, the UK will be ready to take advantage of the opportunities ahead. ●

Green skills and the circular economy: the numbers

What does the data say about waste management and green jobs?

200,000

jobs needed across the resource and waste sector by 2040.

70,000

the approximate number of workers needed to close the UK's green skills deficit.

75%

of UK students and graduates report feeling uninformed about green careers.

5%

of staff in the resource and waste management sector are aged 16-24. The sector struggles to recruit young talent across all roles.

86%

of graduates prioritise companies with a positive environmental impact when seeking jobs.

50%

of *New Statesman* readers think the UK does not have the skills needed for net zero.

SUEZ RECYCLING AND RECOVERY UK STATS

6,000+ employees

6.7 million tonnes diverted from landfill for reuse, recycling or recovery

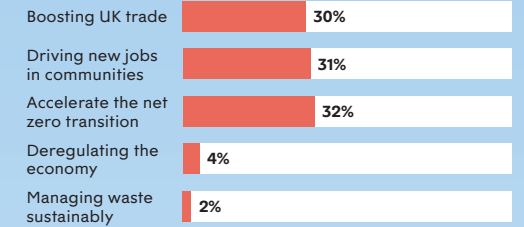
£2.7 billion in social value created

Morning Call survey

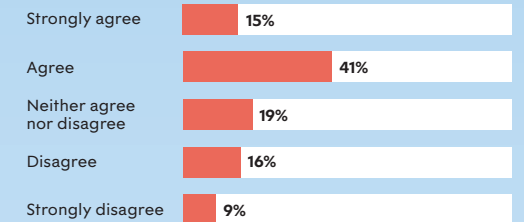
We consulted our informed readership through our Morning Call newsletter, asking subscribers for their views on growth, skills, net zero and the green transition.

From over 500 responses, we found readers had quiet confidence in the government's ability to deliver economic growth and a plan for green skills. But they were far more divided on priorities for an industrial strategy. Crucially, 50 per cent of readers said the UK's current green skills mix falls significantly short of what's required. Full results are below.

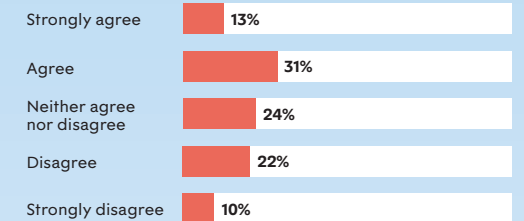
What should be the priority for the government's industrial strategy?



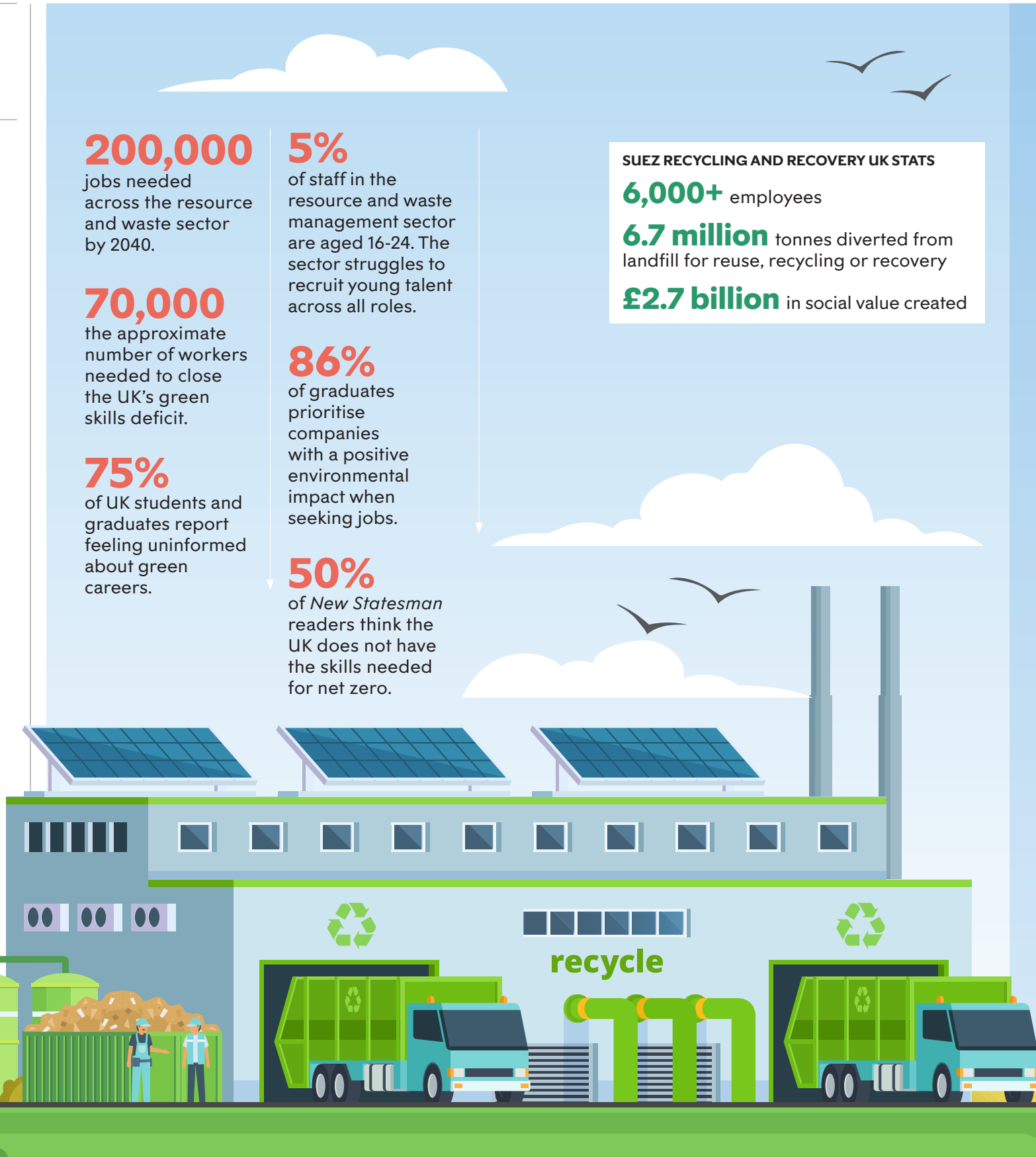
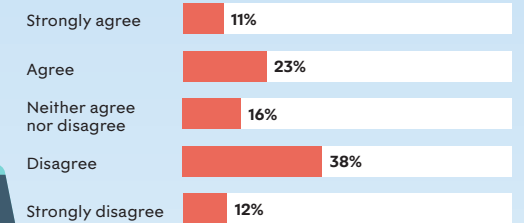
The Labour government will deliver long-term economic growth



Labour has a strong, deliverable plan to invest in critical green skills



The UK has all the skills it needs to deliver a net zero economy



Our skills and industrial policy must be joined up

In conversation with Dr Adam Read MBE, chief sustainability and external affairs officer at SUEZ recycling and recovery UK

Speaking to industry leader Adam Read, the message to the Labour government is clear: delivering on green skills and industrial strategy must go hand in hand if we are to reach net zero. Read, SUEZ recycling and recovery UK's chief sustainability and external affairs officer, explained that the UK has already done the hard thinking around green skills and clearly identified what industry needs to transition to a green economy – but he warned that without quick action we are at risk of falling behind on our targets. He told the *New Statesman* that this is “the biggest opportunity and greatest demand for new skills and changes in careers since the Industrial Revolution”.

To date, many net zero career schemes have rightly been focused on our major cities. However, communities across the country need regionally tailored investment in green skills to transition to more sustainable industrial activities. This is where the government's industrial and skills policies will need to be joined up, to ensure every region is focused on developing the skills it needs, when they need them.

Maintaining momentum

Read is clear that we must transform the way we produce, consume and exchange in a holistic way – not just confining our mission to a more abundant supply of green electricity, domestic heating, or reducing transport emissions. As essential as all those aims are, we need to think better about a whole-systems approach, rethinking our consumption habits and lifestyle choices to create a more circular, resource-efficient economy.

SUEZ's sustainability lead told us: “Embracing a circular economy would strengthen domestic supply chains, and foster new skills and training opportunities for good work.” The industry has pressed the government to embed this approach into its industrial strategy, focusing on resource resilience and domestic supply

chains to prepare the UK for a more secure future, as well as reducing the impact of global shocks or overseas competition.

For Read, the UK has made “significant progress” in this area. But the government needs to look at this holistically and move quickly, as it underpins the future of the whole economy.

An expert on waste solutions, Read has been leading the charge on this agenda for a long time, with his Chartered Institute of Wastes Management (CIWM) Presidential Report in 2020 championing the need for a new skills base to deliver a more circular economy. He is a passionate advocate of a new resource model. “The economy has to become circular, otherwise we've got massive problems,” he said. He's worked in the sector for three decades. “That probably makes me sound dinosaur-like in terms of how the sector has changed in that time,” he said. He recently picked up an MBE from Windsor Castle for his contributions to the sector. The CIWM nominated him for the award privately – he only found out when he received a letter from the palace. He shared that he was “humbled to receive the award, and proud of the recognition for many years of work and for the spotlight that it is helping to shine on to the green skills transition”.

His CV spans academia as well as years of work for private companies. This expertise led him to consultancy and advisory roles writing waste strategies and procuring waste infrastructure in the UK and globally.

SUEZ currently employs 6,700 UK staff over 300 sites, and is involved in every facet of waste and resource management. “If you're a UK household, there's a good chance you're going to get a collection from our crews, or we are processing your waste or recycling after collection,” Read said. SUEZ also runs a series of reuse shops to help put unwanted items back into use and support local communities. And it is this

SUEZ / DR ADAM READ



Dr Adam Read has spent a career advocating circular-economy models

experience that has led to Read advising successive governments on their waste management strategies and implementation plans.

The policy challenges

Too often, UK government work has been siloed, with the Department for Environment, Food and Rural Affairs engaged in separate projects to the Department for Energy Security and Net Zero, despite clear links. The Treasury, Cabinet Office and departments for Education and Work and Pensions have their own ministerial priorities and policy agendas, often missing the obvious synergies and crossovers. The industry has invested significant time and resources joining the dots between sectors and identifying areas of competitive advantage for the UK. But embracing circular

economic models needs to be fully embedded into a cross-government growth and industrial strategy: “We can lead the world in waste management,” Read said, “but we need the industrial strategy to recognise that resource management and the green transition will be central to the future UK economy – it cannot be seen as just a problem for the waste sector to deal with. For example, SUEZ is currently hiring for roles in data and AI, software coding, engineering, product refurbishment and digital marketing – all of which translate to other sectors.”

The previous government gathered the Green Jobs Delivery group to bring together ministers, industry and educational institutions, to discuss the delivery of the green skills pipeline. Unfortunately, Read told us, the ▶



The Renew Hub in Trafford, Greater Manchester, is a model of best practice

◀ group's work on a final report was stalled by the election in July 2024, just as it was due to be published. The new government has also confirmed it will not re-establish the forum. "It is a real shame, as we were ready to publish the group's report, which had been supported by experts from different sectors. Our concern now is that the government will leave that important work sitting on a shelf gathering dust."

But he is optimistic that Skills England can provide the right direction and forum for planning and implementation. "Skills England is definitely the mechanism," he said, also highlighting the importance of local and regional governments such as the Greater Manchester Combined Authority (GMCA). "It has to be joined up and not singularly focused on the skills for the energy mission, because that will miss the point. The same skills will be required for every sector of the economy, and we can't wait for the energy transition to happen before we look at other critical sectors. We've also got to see changes to the Apprenticeship

Levy, the evolution of T-levels, and increased attention given to on-the-job training and qualifications. Some of these initiatives are changing, some waiting to be consulted on, and some are looking for reform, so it's about bringing it all together." Read also urged the government to ensure the new Growth and Skills Levy heeds feedback from business. "For years, organisations have warned that the Apprenticeship Levy is not developing the right skills for the future. It's vital the new levy provides the right incentives for business to invest in a range of appropriate qualifications and skills – not just apprenticeships – and for the areas we will need in ten to 15 years' time,

“Without the circular economy, we'll have big problems”

not just for tomorrow.”

The vision

Collaboration is key when it comes to cross-sector challenges like the green transition. Outlining his philosophy, Read explained: "You have to change your resource consumption patterns, which means more reuse, more repair, more refill... it's about buying services that give you access to stuff rather than buying stuff. I lease a car, people rent their house, so why wouldn't you lease a drill from a tool library? That's a different economic model but that doesn't mean a step down in GDP – it's just value moving through the system differently."

This kind of radical vision could reduce the UK's exposure to volatile world markets and create more secure access to valuable resources and materials, not least a host of critical minerals that are essential to the green transition in energy: lithium and cobalt for batteries; copper for use in electric vehicles and photovoltaic cells. Current economic thinking favours local, domestic supply chains with secure and resilient access to resources – the circular economy will help bring this vision forward. Simultaneously, it could create scope to build lucrative reprocessing operations for upskilled workforces (not least in our industrial heartlands), and valuable expertise for Britain to export globally.

"If we can grow industry," Read concluded, "and build resilience by using what's already in the system, then ultimately that is great for UK PLC. It will cut costs for businesses, help our economy and protect the environment."

Best practice – the Renew Hub

"It's the idea that you not only take away waste, but that you then make a product that's got real value," he said. That's the circular economy in action, reducing consumption while providing community infrastructure that creates social value and resource resilience. In the case of organic

materials – such as food or garden waste – the end product could be a compost or a fertiliser for UK farms or export. "Further up the hierarchy," he added, "we're going into things like reuse and repair."

The Renew Hub in Trafford Park, delivered by SUEZ in partnership with the GMCA, is an example of best practice in this sphere. The hub is the UK's largest reuse facility. Along with three Renew shops, the site has rescued hundreds of thousands of items from disposal: "There's no point us recycling stuff if you don't have an end market for it and you're not displacing fossil fuels," Read told the *New Statesman*. He explained how the hub allows local residents to dispose of pre-loved items which are then resold online or in the Renew retail outlets, or donated to community organisations, supporting vulnerable groups such as care-leavers and those who have experienced domestic abuse. The hub houses repair shops for white goods and small electrical appliances, as well as restoring furniture and training apprentices and volunteers in the green skills that are essential for a more sustainable economy.

"It's a training centre, it's a community centre, it's a showcase for emerging talent and much more – as well as a source of inspiration. I was there with a spray can yesterday," said Read, "putting an unwanted item back either into local charities or into community venues – or, in our case, the chairs we repaired are being used on-site as part of our events space. Why can't this become the norm?"

This is just one part of SUEZ's work. Overall, across the UK, 6.7 million tonnes are being diverted by the company for reuse, recycling or energy recovery – or around 83 per cent of its waste under management. The Renew Hub, though, is a flagship programme because it's delivered alongside a forward-thinking political powerbase in the GMCA, which creates a stable policy environment and maintains a consistent demand

for end products. It's a model that could be applied more broadly with the right political leadership, said Read. "My message is make reuse and repair a priority," he added emphatically, moving away from the ecological problems inherent in what he calls "a three-planet economy". He told us: "We only have one planet.

"We cannot keep manufacturing and consuming resources as if there are two more waiting to be used up once we've finished with the first. This is ultimately a problem for everyone, but it is up to businesses and government to lead the way in addressing it." ●

SUEZ apprentice case study



Radhiya al-Jannah, apprentice at SUEZ recycling and recovery UK
Radhiya studied design at Sheffield Hallam University, where she became aware of over-consumerism and the waste within the design sector. With a passion for sustainable manufacturing, and keen to develop skills in the sustainability space, Radhiya came across the Renew Hub and joined the apprenticeship programme.

What are the key skills you've learnt during your apprenticeship?

Everything from listing and marketing products digitally to physically restoring and upcycling furniture and electricals. Every day is different. The process of marketing our reused products and actually getting people to buy them is a really key part of the apprenticeship.

What has an apprenticeship at SUEZ offered you?

People really see the value in our work when we refurbish furniture, which is very rewarding. The Renew Hub supports the local community and schools. People are really willing to donate their time.

How do you see your career progressing in the sector?

For now, I want to stay at the hub and continue to work on my green skills. Long-term, I'd like one day to work as a design manager.

Is there enough education about green skills?

Definitely not. I went to a grammar school, which really pushed traditional academic subjects over vocational ones. It feels like a one-in-a-million chance that I found this apprenticeship.

How can we encourage people to recycle and reuse more?

Better access to information. We have our reuse shops based at many of our recycling centres, but not enough people know about them.

If you could ask the Prime Minister one question, what would it be?

Why not introduce career opportunities like this in schools earlier? These programmes are great, but people need to know about them.

SUEZ / DR ADAM READ

Net zero can deliver jobs, growth and economic resilience

A former minister on the vast potential of the green transition

By Chris Skidmore



A metal recycling plant overlooked by a wind turbine on the River Mersey

The concept of green jobs has been around for more than a century, ever since the New Deal promoted work programmes through the Civilian Conservation Corps. And since the signing of the Kyoto agreement, the need for clean energy jobs has long been recognised. As climate policy has adapted, employment provision is seen as a crucial part of the just transition, ensuring that communities can adapt and are not left behind in the wake of change.

In the UK, the government established a Green Jobs Taskforce in 2020 to help support the opportunities that the energy transition can bring, and while the taskforce published its first report in 2021, it was regrettably disbanded soon after.

In my report, *Mission Zero: Independent Review of Net Zero*, commissioned by the government to look into delivery on climate targets and the growth agenda, I outlined the significant opportunity (indeed the economic opportunity of our generation) to create growth and employment through a clear mission-based approach to

delivering net zero: up to £1trn of inward investment, potentially supporting 700,000 direct green jobs by 2030. Let's not forget there are already an estimated 430,000 jobs in low-carbon businesses.

Delivering on these economic opportunities requires a long-term plan: certainty, clarity, continuity and consistency (the four "C"s, as I called them in *Mission Zero*). All of those together can unlock a fifth "C": confidence for good businesses to invest.

This is especially the case for human capital. How can the workforce needed to deliver the government's clean power mission, which will require significant infrastructure, either be trained or retrained? Matching skills need against planned development will be critical. The Hinkley Point C project is employing more than 28,000 on-site, of which 80 per cent are local workers, with nearby Weston College assisting in worker training. This is a best-practice example of collaboration that demonstrates the importance of skills planning to ensure we can deliver a net zero grid.

GETTY IMAGES / CHRISTOPHER FURLONG

But achieving net zero is far more than focusing on clean energy. In my review, I established ten ten-year missions that should be a critical part of our energy transition. One of these included the circular economy: after all, the energy we can effectively reuse, or also not need to use again, is key for reducing our energy demands. It is also a significant economic growth opportunity for the UK. Almost 90,000 new jobs were created in the circular economy between 2014 and 2019, while the *Mission Zero* review noted that if we improved our waste measures and resource efficiency, we could increase GDP by 0.9 per cent by 2035 and create an additional 450,000 jobs by 2035. By reducing our waste exports (in 2019 61 per cent of plastic waste was exported) and reprocessing more in the UK, we could reduce CO₂ emissions by 16 million tonnes, and also add £8bn GVA to the UK economy, as well as creating 60,000 new jobs.

Onshoring reuse and recycling processes for products extends far beyond plastics. Waste streams can be reused for energy, displacing

traditional fossil fuels: the opportunity to produce sustainable aviation fuel is one we cannot afford to be imported from abroad. We have our own biogenic and agricultural waste in the UK that should be used to reduce aviation emissions. SUEZ has also led the way in demonstrating that we can assist in decarbonising foundation industries such as cement, by replacing fossil fuel furnaces with energy from waste, as they have done with the Cemex plant in Rugby. And when it comes to materials such as metals and minerals, we can reduce our dependency on mining by reusing and recycling our electrical goods, mobile phones and batteries, to ensure we place less pressure on those supply chains: indeed, there is a strong case for legislation that all lithium batteries in electric vehicles should be repurposed for recycling.

And rather than live in a disposable economy, we need to refocus our attention on how we can reuse and repurpose goods, ending the cradle-to-grave mentality of the life cycle of products: as William McDonough wrote over 20 years ago, we need to upcycle not downcycle, and instead focus on achieving a cradle-to-cradle approach. This too will create jobs. A significant proportion of electrical products consumed in the UK are imported (with over 80 per cent produced abroad). Shifting towards a more circular economy has the potential to decrease demand for imported goods and increase jobs locally, especially through repairs – as I witnessed myself in Manchester with SUEZ's innovative Renew Hub creating local jobs, while ensuring the local community can have cheaper goods, and reduce their emissions. That is the triple bonus that net zero can achieve if we want it: better energy security, better jobs and growth, and a better environment. It's a triple top line we should all be able to agree upon. ●

Chris Skidmore is a former Conservative minister and author of the "Mission Zero" report

“British businesses are at the forefront of the transition”

With the CBI’s chief executive, Rain Newton-Smith

Rain Newton-Smith has been chief executive of the Confederation of British Industry (CBI) since 2023. The organisation speaks on behalf of 170,000 businesses across the whole of the UK, including 1,100 corporate members and 150 trade associations. Newton-Smith was previously the organisation’s chief economist for almost a decade, helping formulate common priorities for British business and informing policy on a range of national issues.

What’s the green growth opportunity for British business?
The numbers speak for themselves. In 2023, a year when the UK economy flatlined, our net zero sector grew by 9 per cent. The CBI has long argued that the UK is in pole position to make clean energy its engine of growth. Our research has found that up to £57bn of green growth opportunities could be achieved by 2030. According to the Office for Budget Responsibility, delaying is much more costly than

acting early. In 2020, we were investing the biggest GDP share of any country in the energy transition. But now we’ve fallen down the table in overall investment, losing out to titanic economic packages from the EU and the US.

What sectors do you see as benefiting from the transition?

Several sectors are poised to reap substantial benefits. The UK’s unique geographical advantages favour power generation through renewables like wind in particular and carbon abatement via carbon capture within the energy sector. Low-carbon power transitions need transformative technologies and infrastructure, from hydrogen production to heat pumps. That can revolutionise manufacturing, construction and engineering. And in turn this will have significant spillover effects into innovations, infrastructure development, and associated services like transition finance.

Is the transition just confined to the energy sector?

The size of the prize is so much greater. It’s the whole economy which stands to benefit, as well as improvements to people’s lives, homes and workplaces. Investing in efficient public transport reduces emissions, eases traffic congestion, and makes cities more liveable. Reusing materials and minimising waste promotes sustainable production and consumption practices. And recycling and composting can significantly reduce landfill waste and lower greenhouse gas emissions. Upgrading homes, offices or factories for energy efficiency can drastically lower energy consumption and reduce carbon footprints.

What kind of policy environment does business need?

Innovation is at the heart of reaching net zero, and there is huge first-mover advantage for those who can get ahead. It’s one of the most exciting parts of my job to see the work businesses, innovators and researchers are already doing across

the UK, bringing tech to market. Ahead of the Budget, we’ve called upon the government for green tax incentives to form part of a strategy to promote high-growth green technologies like a 10 per cent corporation tax rate for green profits as well as a net zero investment plan. Alongside other measures, these would help unlock the private sector and ensure the UK remains internationally competitive. We also need better coordination across central government, and between Whitehall and UK regions and nations, on areas like infrastructure that will not only boost connectivity but help us press ahead with our net zero transition, and highlight investment opportunities across every part of the country.

What would you like to see added to the government’s industrial strategy?

Delivering the government’s sustainable growth mission will be dependent on the success of the partnership it builds with business. We know that a modern industrial strategy can provide firms with stability and certainty. To be most effective, the industrial strategy has to be targeted at areas with the highest growth potential. It cannot be all things to all people. That’s why the government is right to identify eight highly productive sectors, where the UK can compete to win on the global stage. Businesses will be equally reassured by its focus on enablers like reducing regulatory burdens and launching the Industrial Strategy Council.

In helping to turn this positive ambition into deliverable action, firms will be looking for further detail on how the industrial strategy interacts with things like the infrastructure strategy and net zero mission, and on how resources will be deployed. A big part of this will be how government, in tight fiscal conditions, reviews funding and crowds in private capital.

What are British businesses doing right now to drive sustainability?



Newton-Smith has led the CBI since 2023, after nine years as its chief economist

While government can lay the foundations for growth, it’s business that will make them a reality. Firms are ready to play their part to drive investment and create jobs across the country. But the investment required will not come from the public or private sector alone. It needs the right long-term policy – whether that’s a net zero investment plan which crowds in the private finance, or a green super-deduction of 120 per cent – to get investment flowing where it’s needed. Delivering a low-carbon economy is essential for long-term, sustainable growth. We need to accelerate the UK’s transition to net zero, with business at the forefront. We may not be able to outspend the global competition, but we can outsmart them – with targeted public spending to catalyse the private capital that will make net zero by 2050 a reality.

Are businesses’ efforts just confined to energy considerations?

Businesses are prioritising energy efficiency and reducing consumption, which not only lowers costs but also minimises environmental footprints. Rigorous supplier audits and strategic reinvestments, including switching to renewable energy sources, are becoming standard practice. Also, firms are increasingly transparent, with comprehensive disclosures that highlight their commitment to sustainable practices and accountability. But approaches to sustainability are very different according to sector – there are common themes like setting decarbonisation targets, measuring and reviewing impact or partnering with customers and suppliers to drive innovations across supply chains. But in terms of differences across sectors, paint suppliers may look at innovating products to remove or reduce embedded carbon, or large catering companies may prioritise reducing their footprint with local or seasonal menus. The range of action is huge. ●

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