

UK firms expect focus on sustainability to deliver growth

The majority of UK companies expect greater focus on sustainability to result in a growth of sales over the next year, according to new research from HSBC UK.

The latest HSBC Navigator report, which surveyed more than 10,000 businesses in 39 markets with 1,000 of those in the UK, found more than three quarters (78%) of UK firms expect sales to grow over the next year as a result of increased focus on sustainability.

The research also found that three quarters (75%) of UK businesses now have metrics in place to measure environmental sustainability, up from 62% in 2019. This includes 28% measuring energy usage, 21% measuring carbon emissions and 20% measuring packaging materials and waste.

And almost three quarters (73%) of British businesses plan to introduce net zero emissions goals to their own operations and across their supply chains.

Rob King, HSBC UK Head of Sustainable Finance, said: “It’s extremely encouraging to see such a positive set of results following an unprecedented year faced by businesses across the country.

“The report tells us that firms genuinely want to build back better and have sustainability and the move to a net zero economy right at the top of their priority lists as they look to adapt their operations to the ‘new normal’.

“We see consumers having increasing expectations when it comes to sustainability and the companies they engage with and this greater focus on sustainability by businesses will help them to build their reputations and make better connections to their customers.

“But there is still work to do. The Government announced its Green Industrial Revolution plan last month and our research suggests that firms will need further support and incentives as they strive to reach these lofty goals.”

Almost nine in ten (86%) UK businesses believe there are multiple opportunities to improve their environmental and ethical sustainability, most notably by introducing new ways of working and promoting employee well-being.

More than two fifths (42%) of firms say that government incentives will help them to become more sustainable in the future followed by workforce engagement or initiatives (31%) and green financing (29%).

Rob King added: “Our research shows that businesses believe that sustainable practices will have a positive impact not only on their reputation but also their performance and profitability.

“With the right support and incentives UK businesses can deliver on their targets and

achieve their sustainability ambitions, making a difference to their employees, customers and the global society.”

HSBC has set out an ambitious plan to prioritise financing and investment that supports the transition to a net zero global economy. At the heart of the plan is a pledge to reduce financed emissions from our portfolio of customers to net zero by 2050 or sooner.

To find out more about the sustainable finance solutions offered by HSBC UK, visit www.business.hsbc.uk/sustainable-finance

Case study

HSBC UK customer Berry Gardens, the UK’s leading berry and stone fruit production and marketing group, has 45 soft fruit grower members based around the UK making it the largest growers co-operative in Britain.

The business promotes sustainable practices for all its growers and implements a ‘responsible business conduct’ initiative which means all growers are committed to responsible growing and ensuring fruit is grown, picked and kept to the highest environmental standards.

As part of its sustainability commitment the business recently installed the biggest solar energy system of its kind at its new headquarters in Kent, with help from a £780,000 Green Loan from HSBC UK.

The location comprises of a 993KW Solar Array with over 3,600 solar panels covering 6,143m², enabling Berry Gardens to significantly reduce its carbon footprint. In its first year it has achieved a saving equivalent to 1.1 million car miles.

Nick Allen, CEO of Berry Gardens, explains: “Investment in reducing the environmental impact of our British production is essential and we were committed to ensuring our new head office and packing facility included as many green solutions as possible.

“The solar array, which includes more than 3,000 panels, will power enough energy to satisfy the demand of 237 four-bed houses for a year and will take 292,000 tonnes of carbon dioxide out of the atmosphere each year.

“In addition the building includes a living wall, electric charging points for vehicles and the most efficient refrigeration system we could implement.”

Berry Gardens has plans to go even further in the future by assessing its packaging, reducing environmental impact and saving water in the growing process.

Nick Allen continues: “Our growers face a number of challenges to become more sustainable and we’re committed to helping them. One way we’re doing this is by reducing the use of chemicals in our processes and instead introducing biological controls and other farming techniques.

“We’re also working to make our irrigation systems more efficient and understand exactly how much water each plant requires to reduce wastage.

“And we’re focussed on reducing plastic in our punnets, whether that’s through

changing our existing processes or looking to new materials that are more environmentally friendly.”

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