

**The new world  
of Net Zero Carbon.**  
**Keeping track:  
Governance &  
management.**

KEVIN COULING & DIANA SANCHEZ

DESIGN, UNLEASHED



# Welcome.

## Net zero carbon.

### Governance and management.



Facilitator  
**Ashley Bateson**  
Partner



Presenter  
**Kevin Couling**  
Project Director



Presenter  
**Diana Sanchez**  
Senior Associate

**Talking:**

▼ Questions

Type question here.

Any questions?  
Use the panel provided.

# The new world of Net Zero Carbon. Virtual event series programme.

## Tuesday 4 August

09.30 Making it possible: the Net Zero Carbon challenge & opportunity

## Thursday 6 August

09.30 New development, new approach

## Tuesday 11 August

09.30 Existing stock: delivering the transformation

## Thursday 13 August

09.30 Embodied carbon & climate-conscious construction

## Tuesday 18 August

09.30 Keeping track: governance & management



**Carbon management is the practice of actively monitoring and reducing GHG emissions arising from an organisation's activities.**



## Why?

### Benefits of carbon management.

Financial benefits

Attracting investment

Business continuity

Recruitment and retention

Ethical leadership (Do the right thing)

Boosts reputation

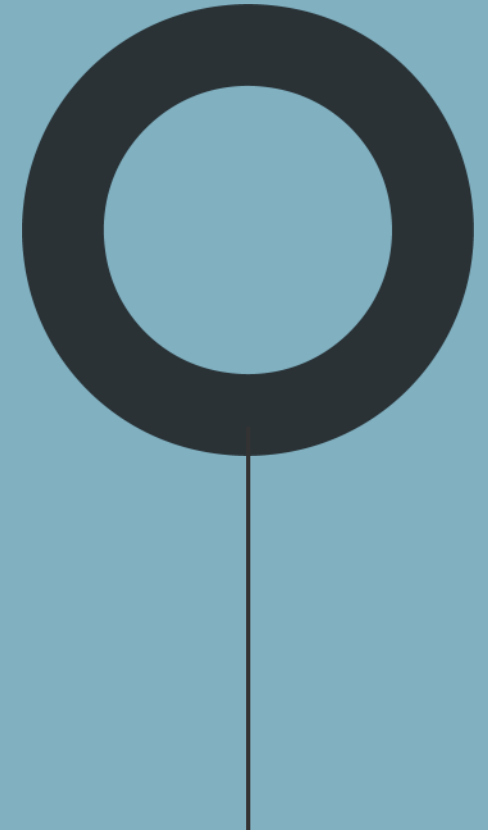




## Why?

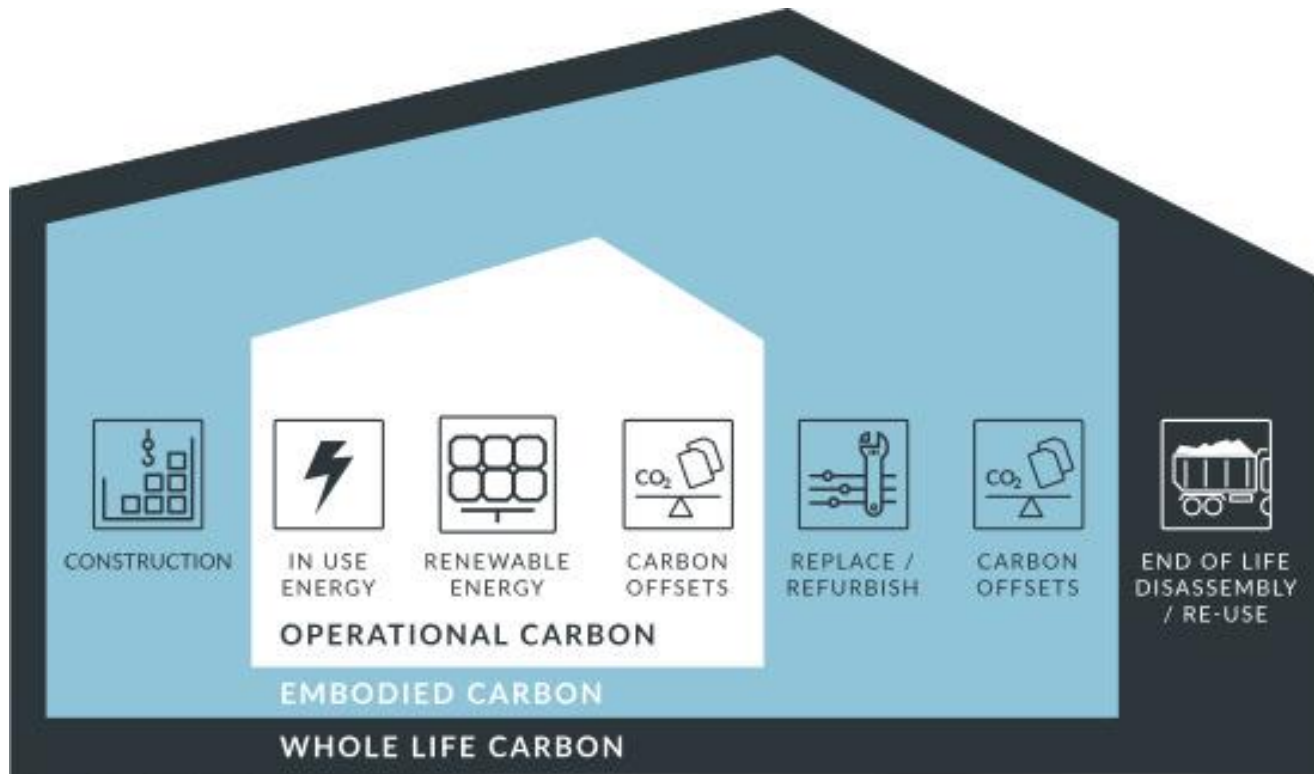


# Carbon management: It's not just about carbon.



# Reach.

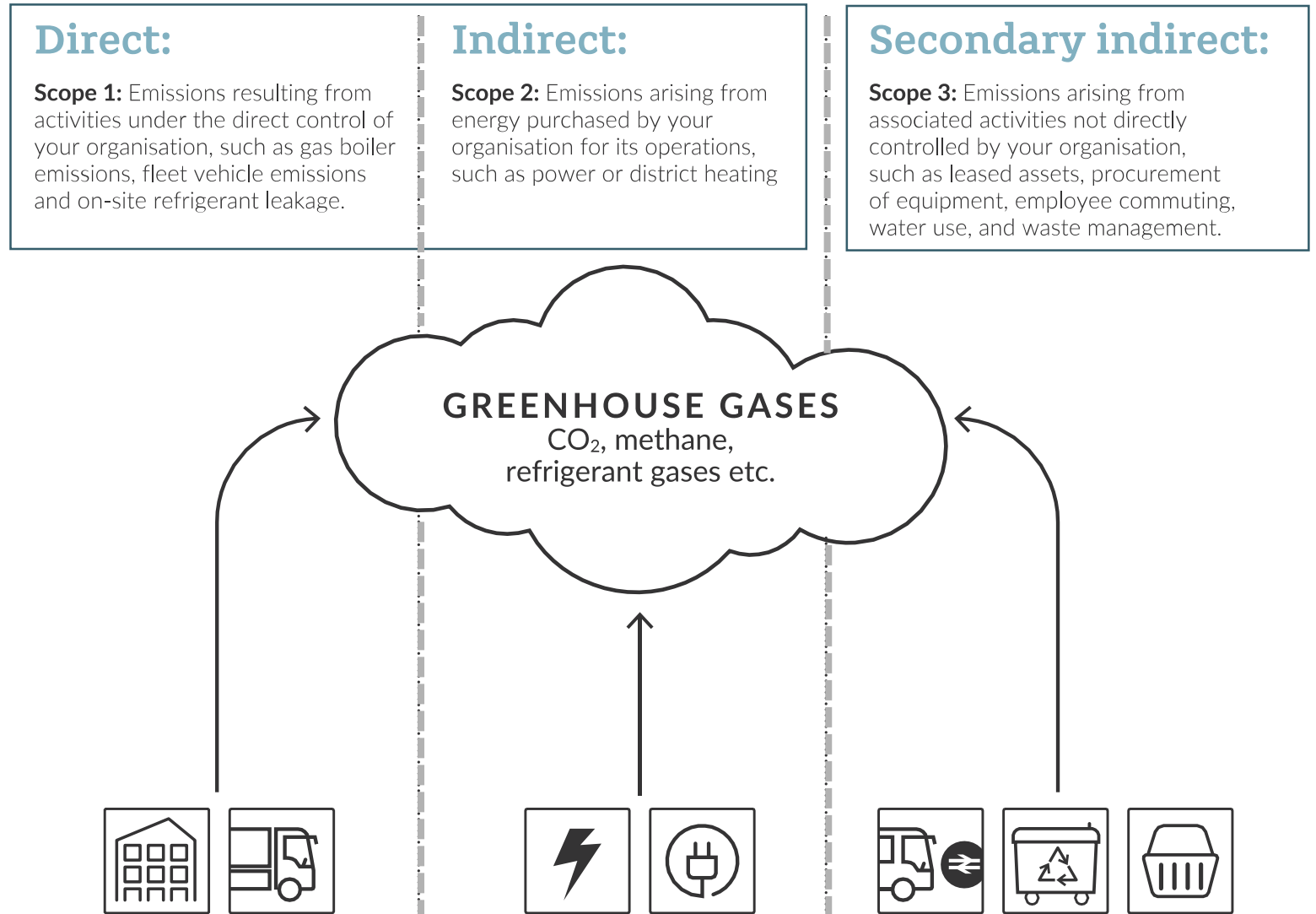
## Expanding the scope.



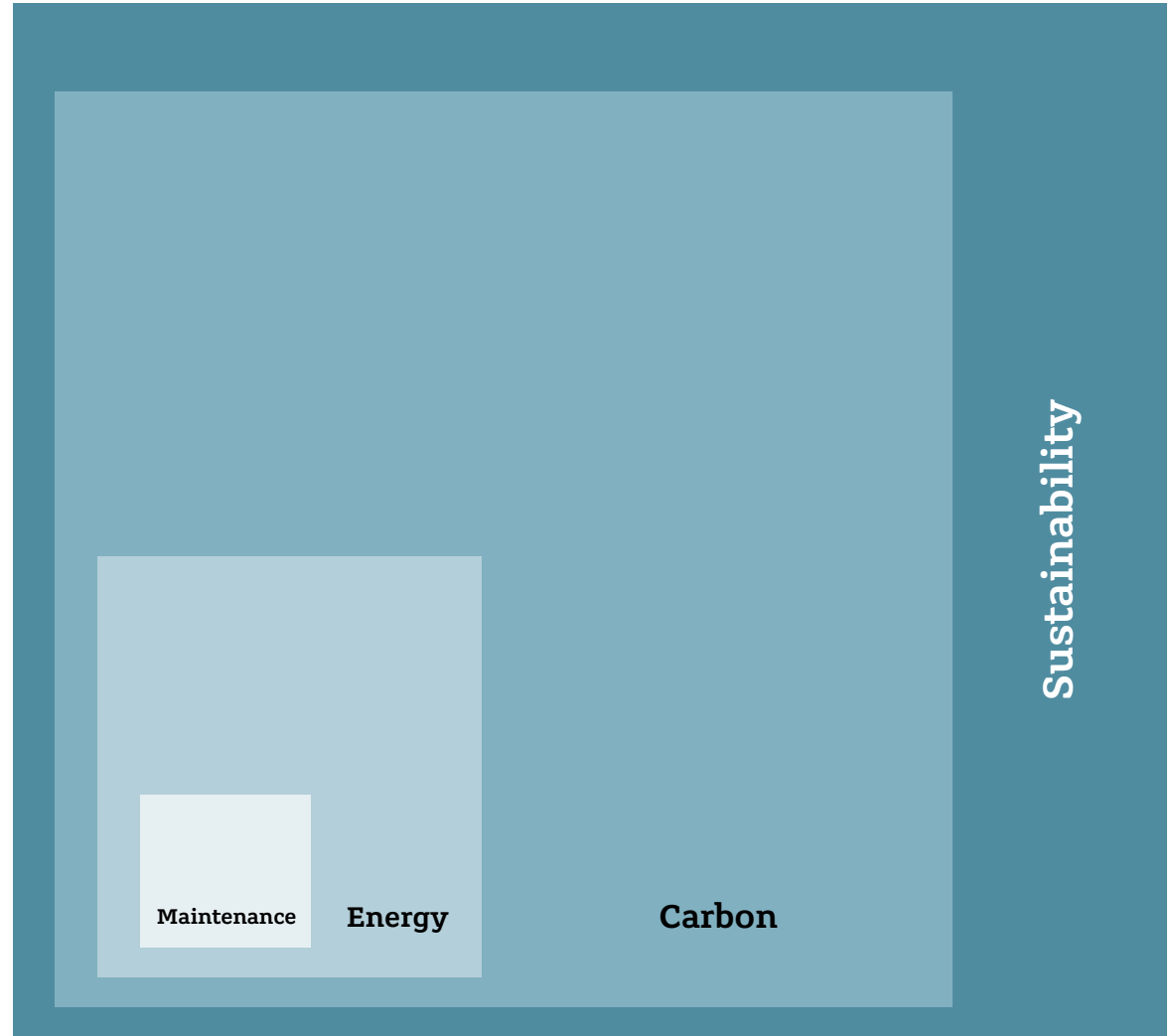


# Reach.

## Expanding the scope.

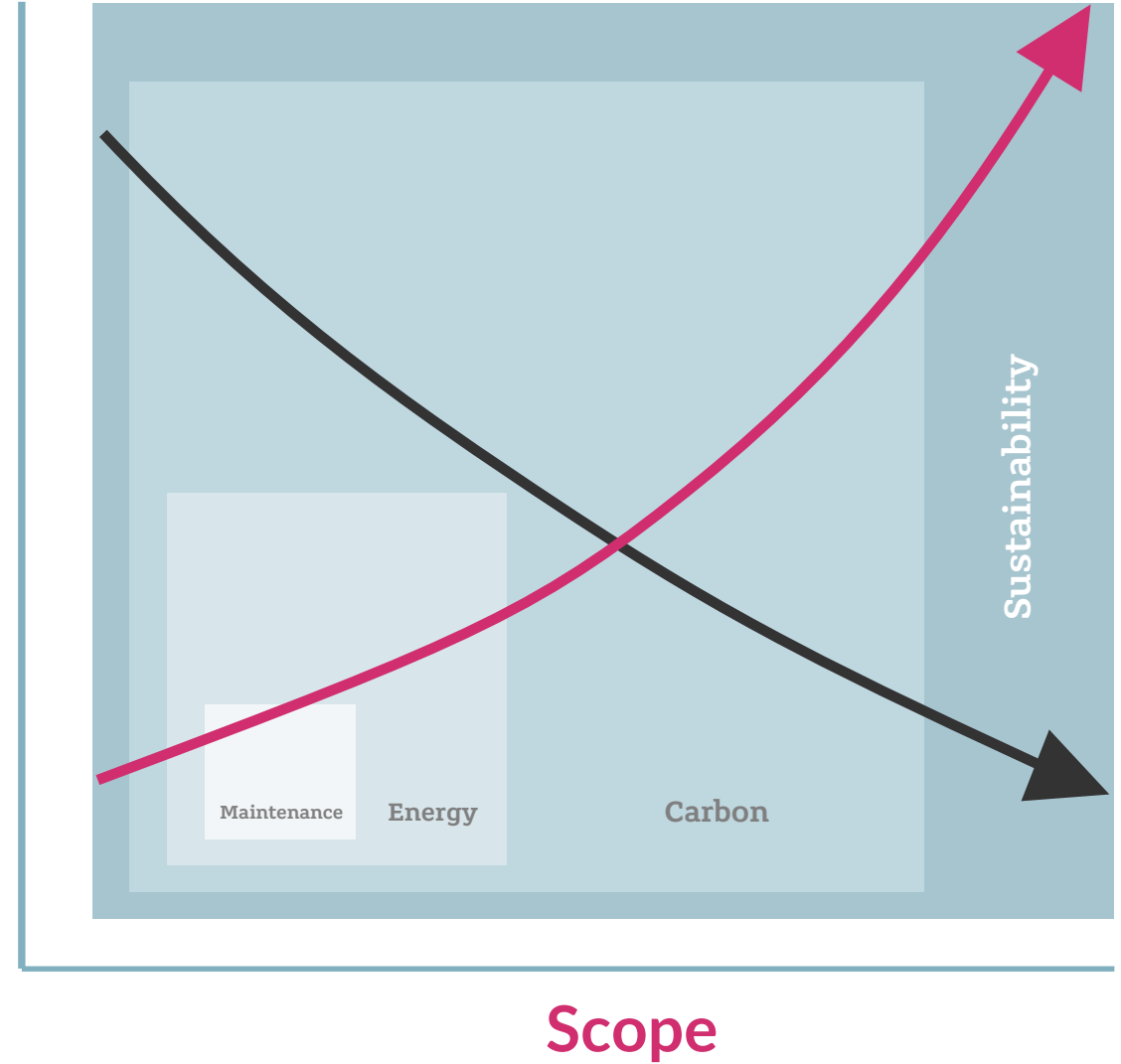


**Reach.**  
Expanding the scope.



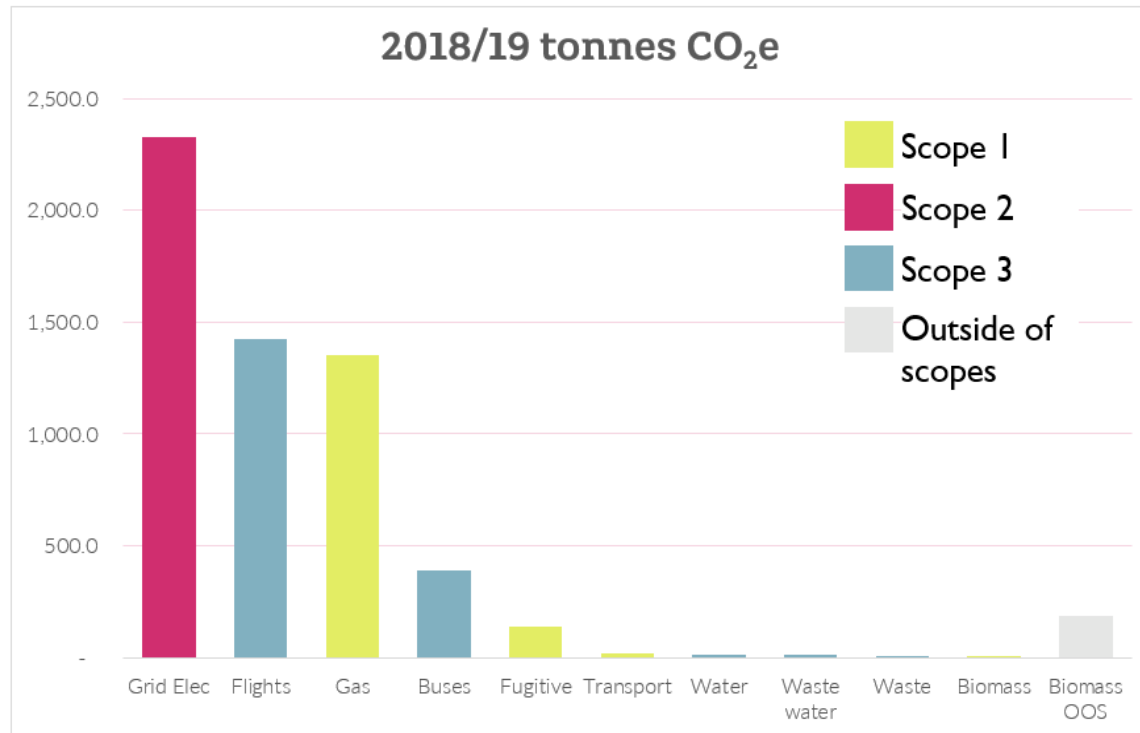
Reach.  
Scope vs influence.

Direct influence



# Reach.

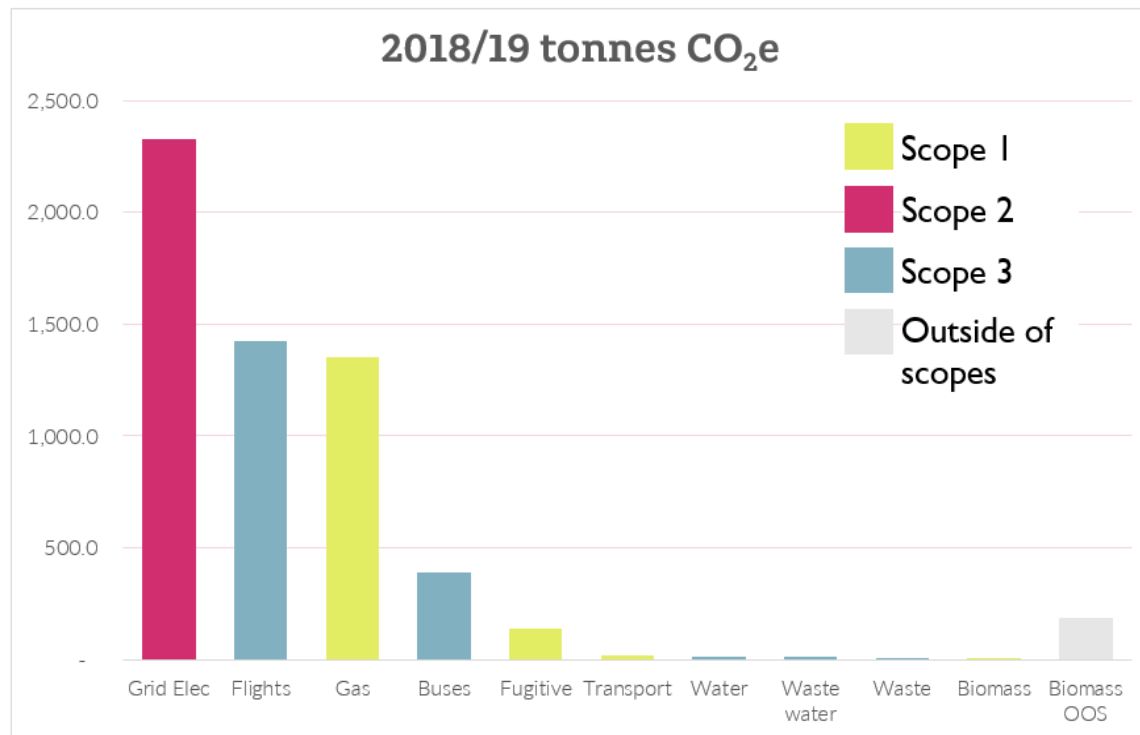
## The changing face of emissions.



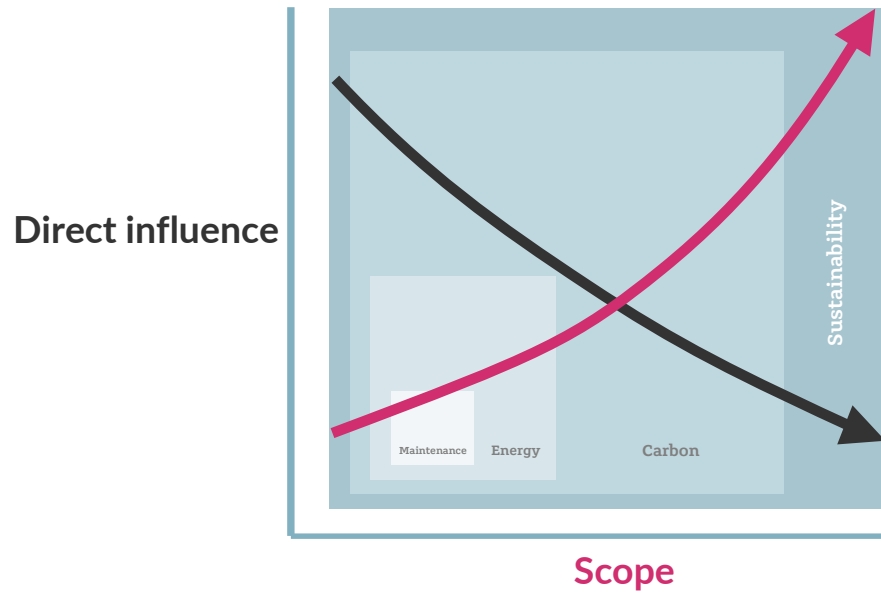


# Reach.

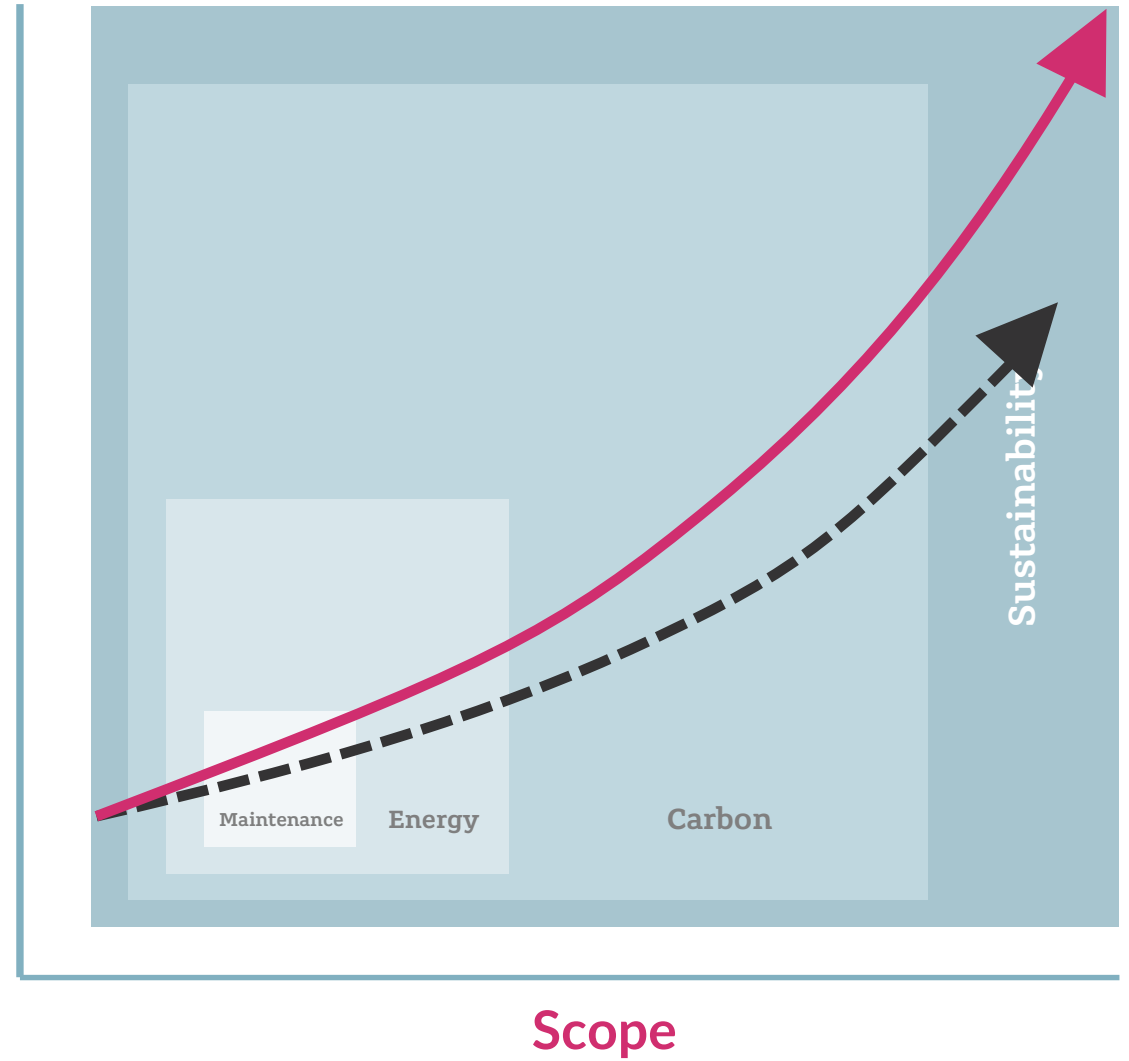
## The changing face of emissions.



**Extending reach.**  
Increasing influence.



Indirect influence



## Reach.

### Project examples.

#### 1. Government department.

No consideration of sustainability in major projects.

Update to governance to introduce Sustainability Keyholder process.

**Sustainability Director now has visibility of, and influence over, all major projects.**

#### 2. Large University.

Departments responsible for energy using activities in buildings but not carbon impact.

Adapt existing governance arrangements to introduce 'polluter pays' principle.

**Departments incentivised to address carbon emissions as a means to increase their ability to carry out their work.**

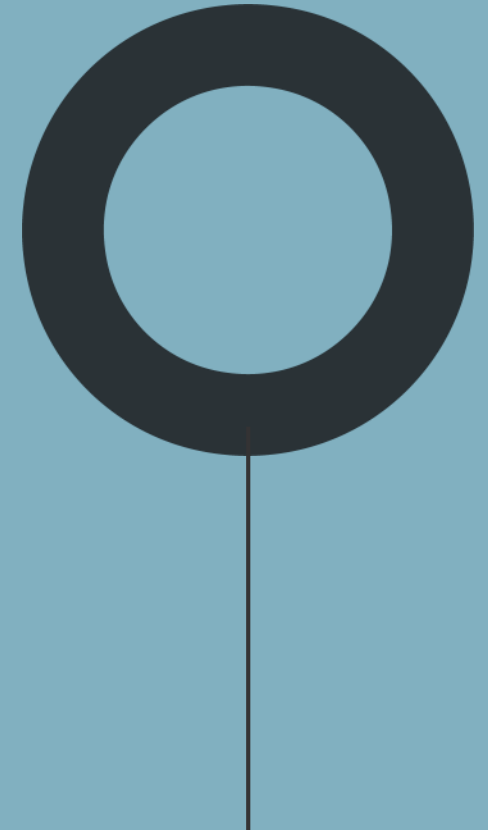
#### 3. Government department.

Policies in place to support sustainability outcome but no individual responsibility.

Negotiated change to assurance process to enhance governance.

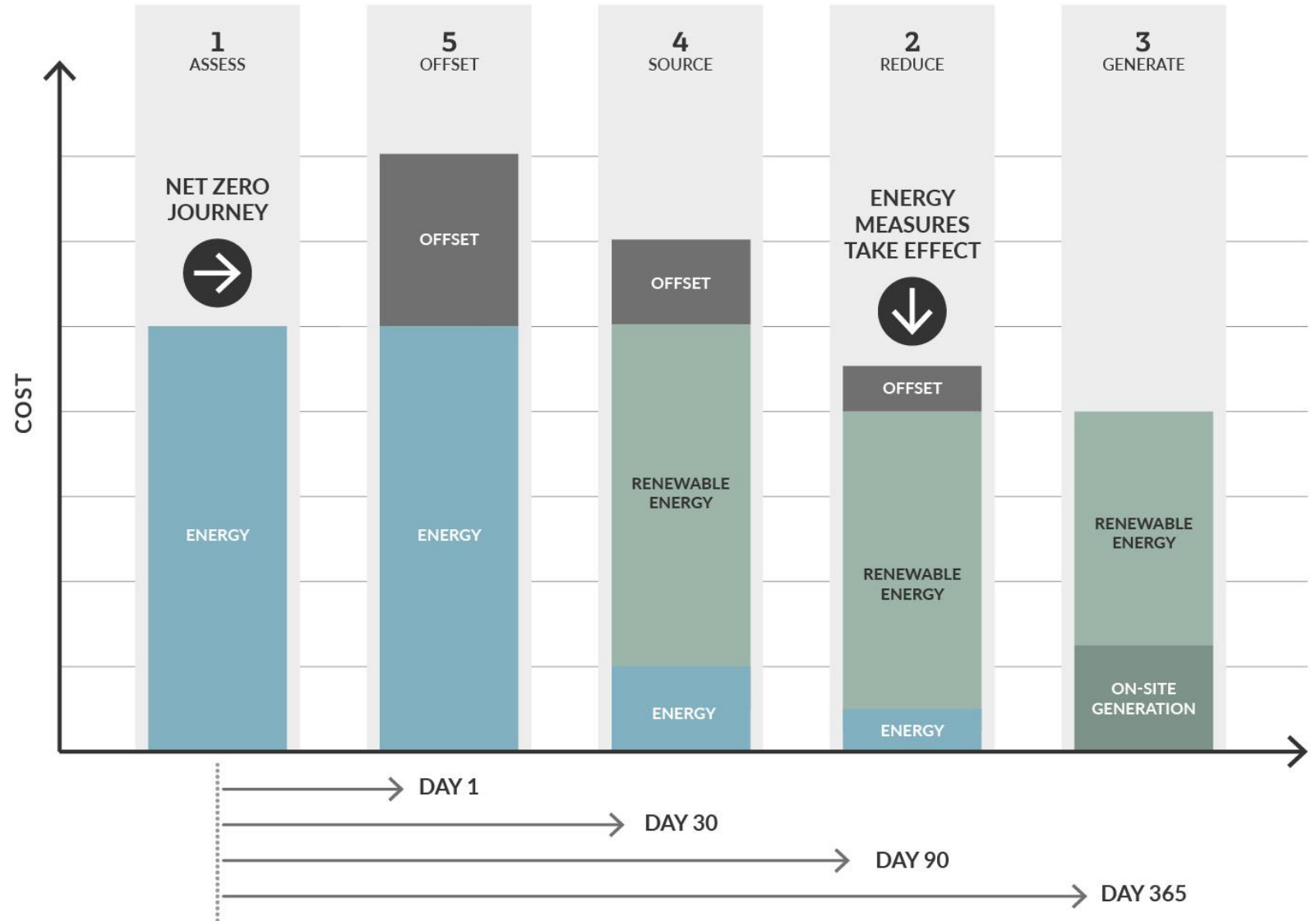
**All senior management must provide annual assurance of compliance with relevant sustainability policy.**

**Governance.**  
**As a tool to make carbon**  
**management more effective.**





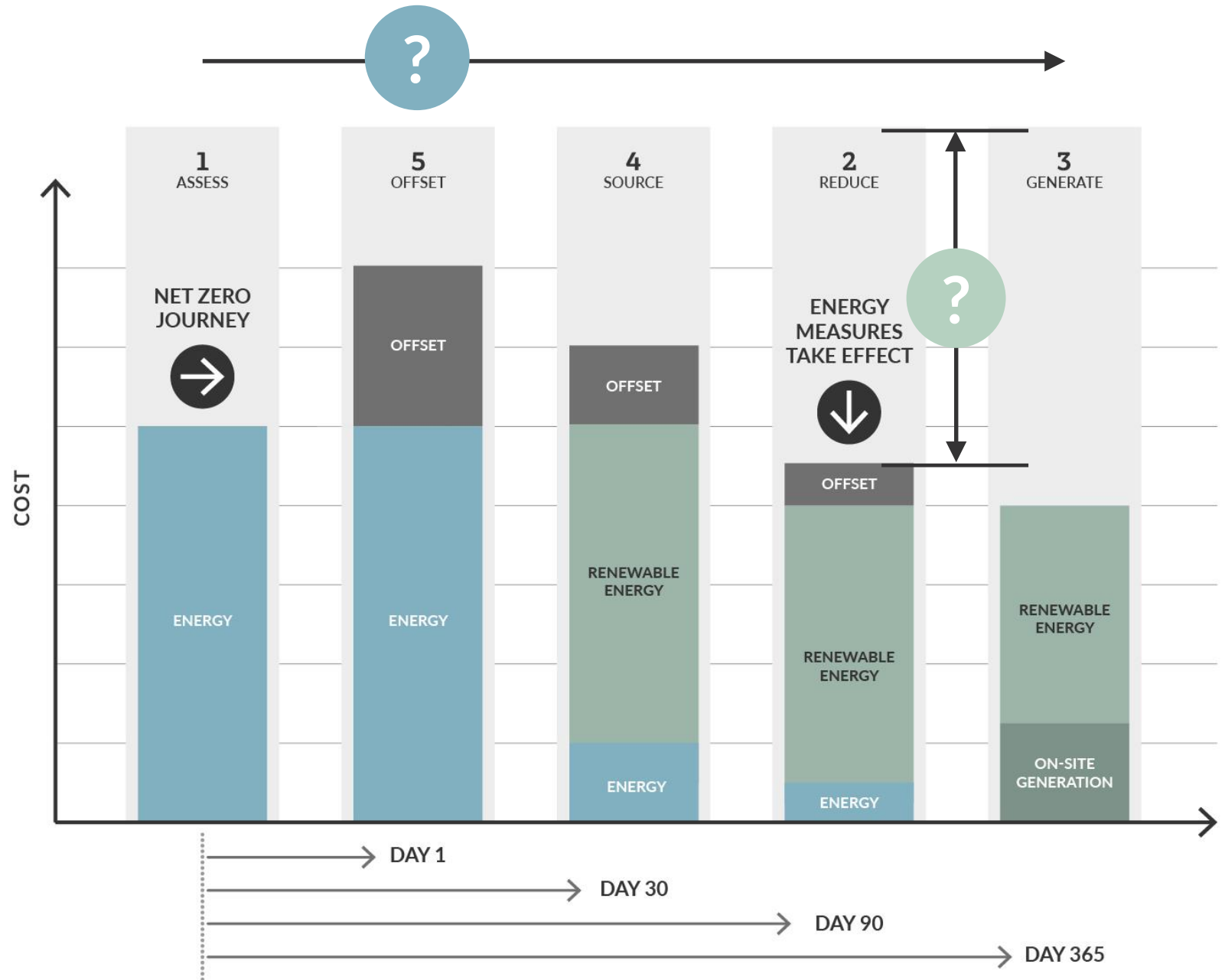
# Making it meaningful. Net zero - step by step.



# Getting to net zero. Credible and meaningful.

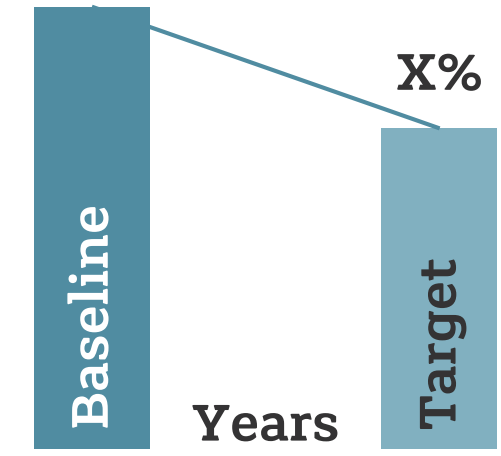
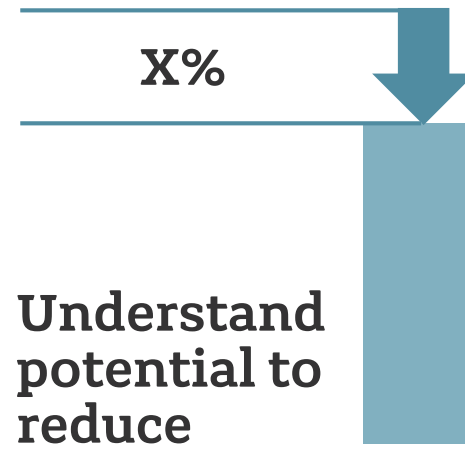
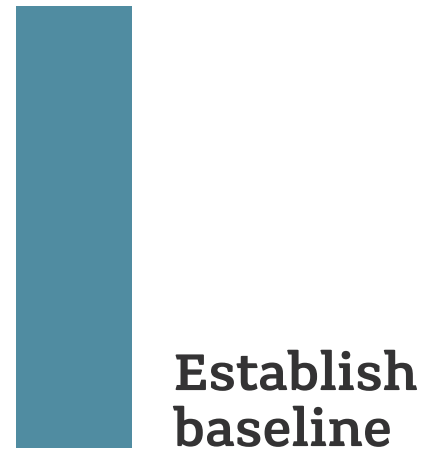
? Is it credible?

? Is it meaningful?



# How far is far enough?

## Target setting.



**“I am convinced we continue to pollute because we are not fully informed of the consequences of our actions.”**

GRETA THUNBERG  
CLIMATE CHANGE ACTIVIST

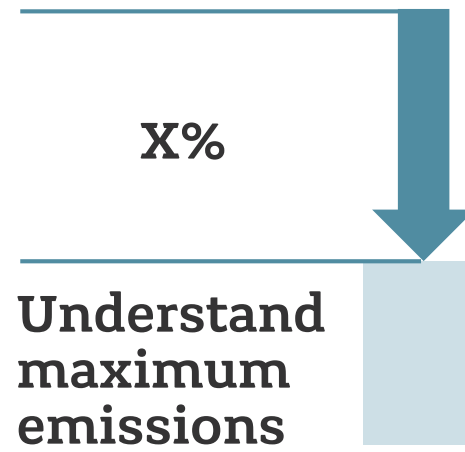




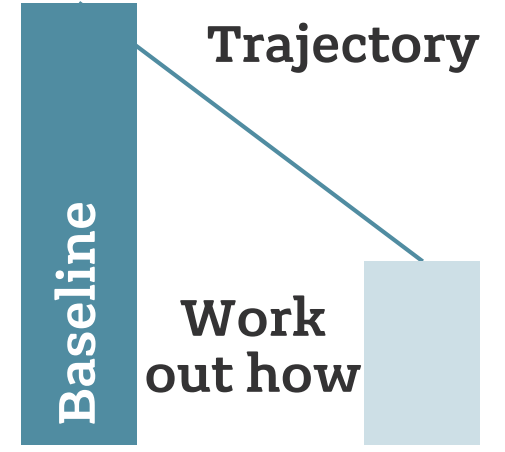
# How far is far enough? Follow the science.



1.



2.



3.

## Delivering a carbon management plan. Making it credible and meaningful.

1.

### University clients.

Published carbon management plans and reporting setting out approved strategy.

Transparency allows organisations to be held to account by external stakeholders.

2.

### University clients.

Overlay science based trajectory on Business As Usual projection.

Identifies target year emissions, helps limit cumulative emissions, and allows estimation of offsetting costs.

3.

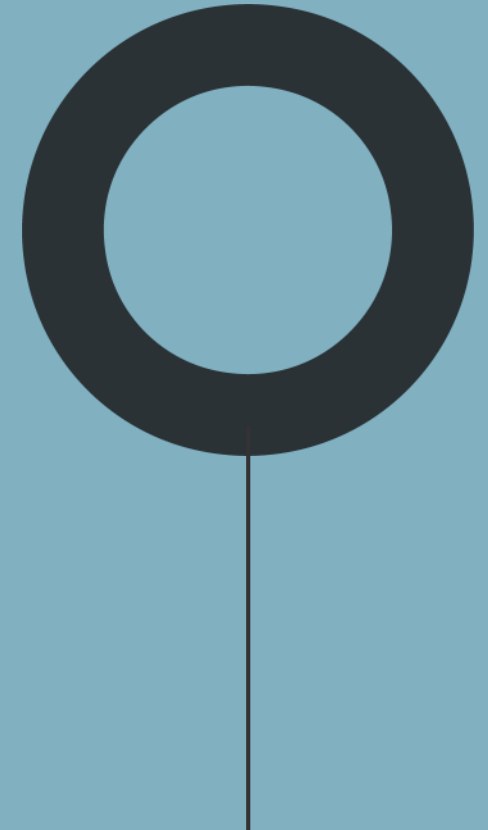
### Industry leadership.

Part of UKGBC Task Group on renewable energy and offsetting.

Developing principles and guidance for industry to ensure net zero carbon claims are credible and meaningful.

**Governance.**

**As a safeguard to net zero claims being credible and meaningful.**



## Governance.

### Two ways to enhance carbon management.

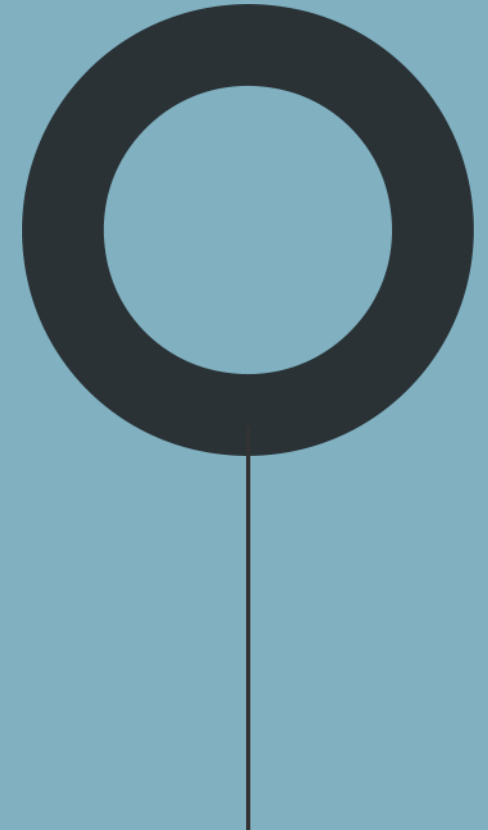
#### **As a tool to make carbon management more effective.**

Governance can extend the reach of those responsible for delivering on carbon.

#### **As a safeguard to net zero claims to be credible and meaningful.**

Governance is essential to making net zero claims credible, meaningful, and maximising benefits.

# From risk management To value creation.



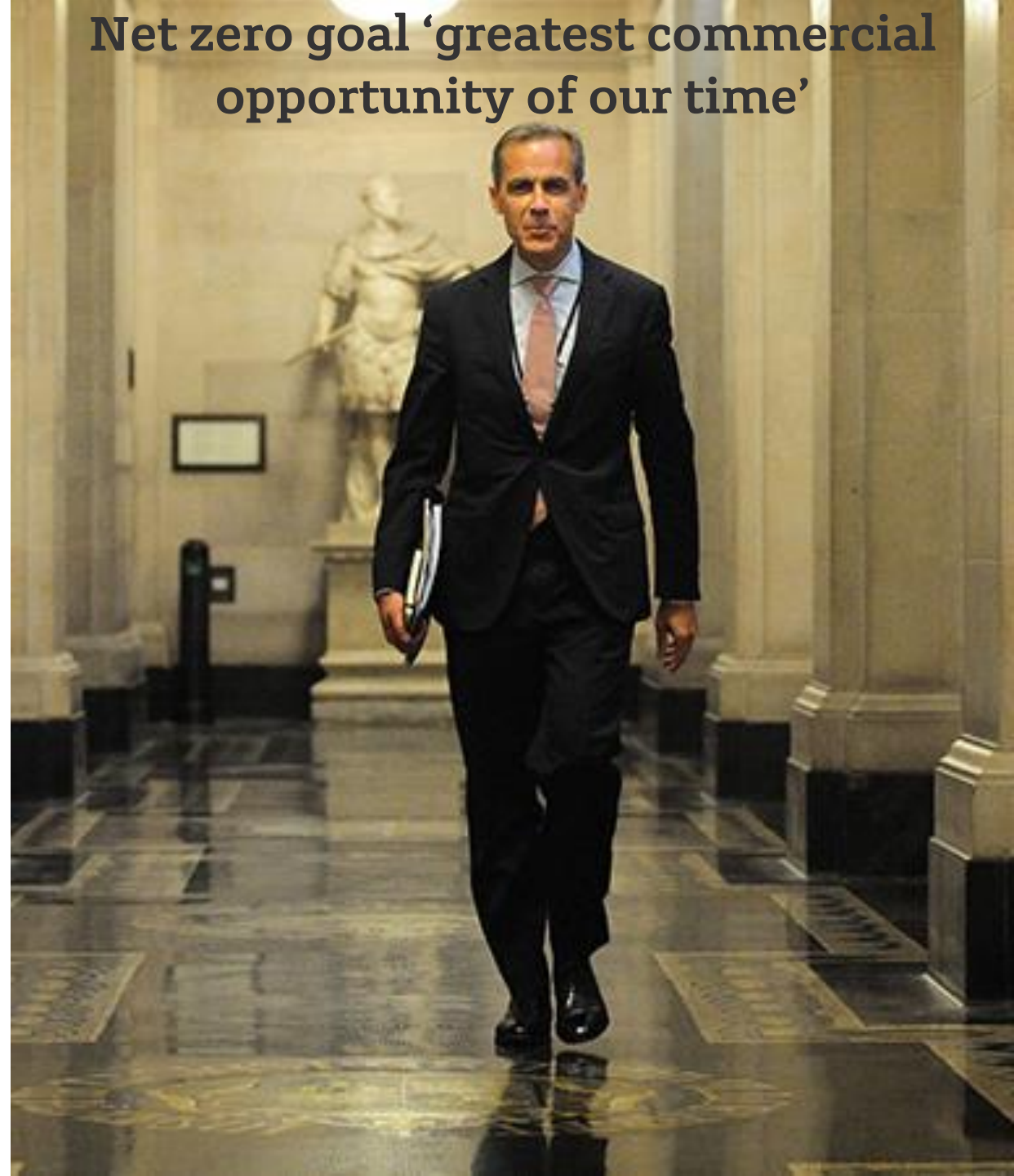
# Zero Carbon. Challenge and opportunity.

**Mark Carney, Former Governor of  
Bank of England**

Companies and industries that are not moving towards zero-carbon emissions will be punished by investors and go bankrupt.

*“There will be industries, sectors and firms that do very well during this process because they will be part of the solution,”*

**Net zero goal ‘greatest commercial  
opportunity of our time’**



# Sustainability. Evolving drivers.

## Finance & investment.

- UN Sustainable Development Goals
- TCFDs (Taskforce on climate-related disclosures) | GRESB (Global Real Estate Sustainability Benchmark) | GRI (Global Reporting Initiative)
- Science Based Targets | BBP Climate Commitment
- Sustainable finance (Sust. Linked Loans, Green Loans, etc.)
- Streamlined Energy & Carbon Reporting
- Minimum Energy Efficiency Standards (MEES)



OPPORTUNITY

REQUIREMENT



# ESG is shaping investment value.



**93%**

Investors now include ESG criteria in investment decisions

**68%**

Take into account GHG emissions management of potential acquisitions

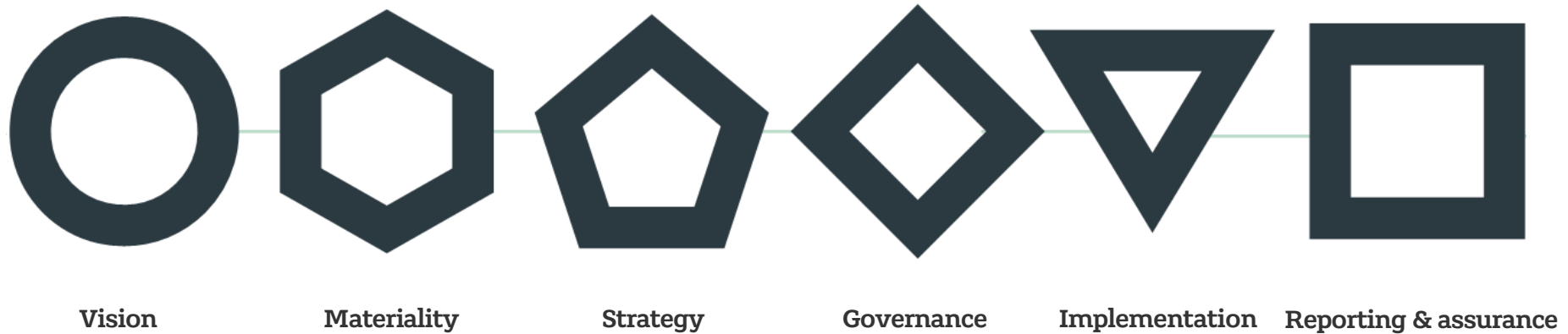
**80%**

Consider building sustainability benchmarking data in investment decisions

# The Framework.

## Net zero / carbon management.

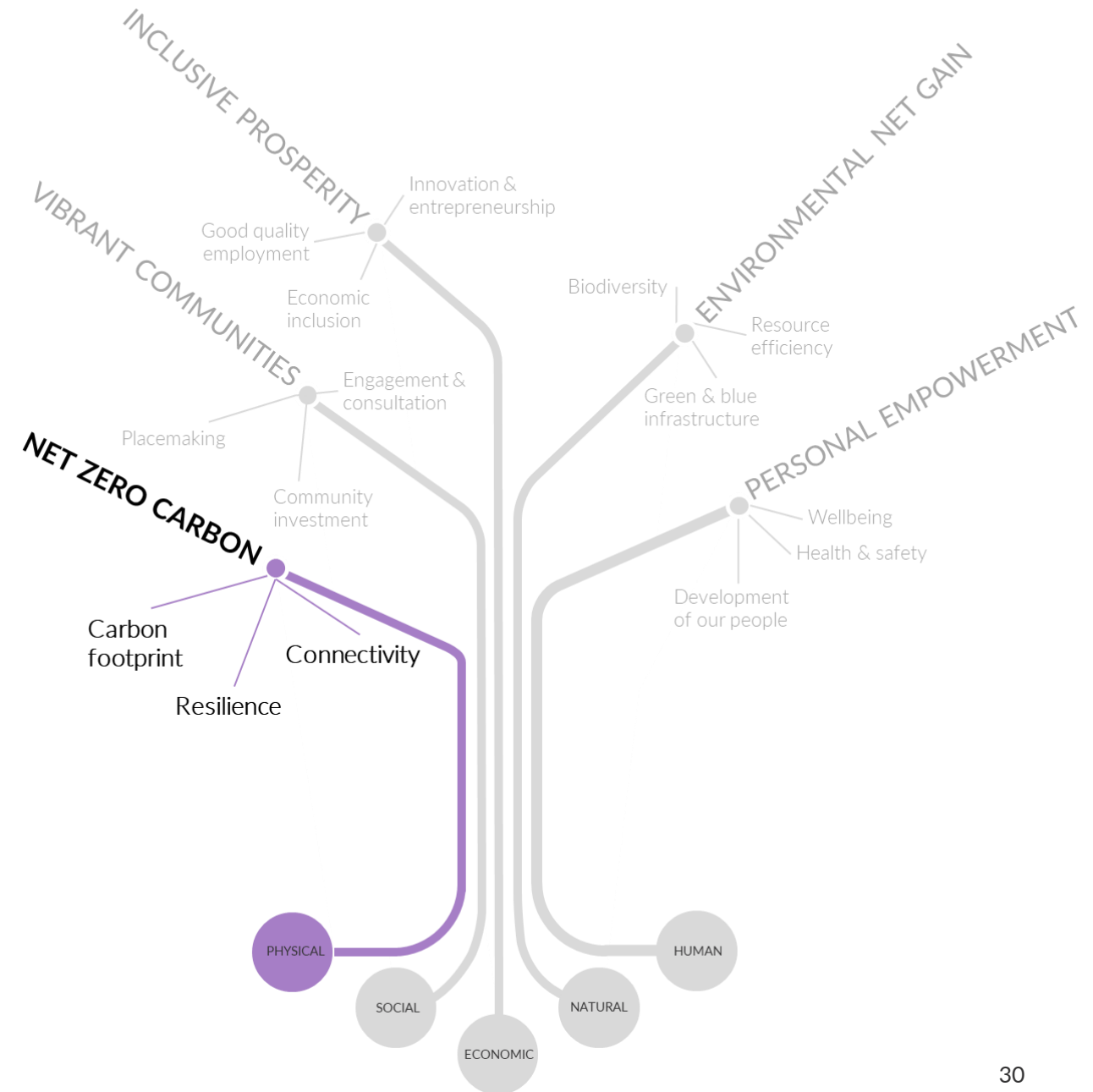
The sustainability framework can be used to guide organisations from establishing a vision to defining policies and supporting strategies, and governance and accountability approaches that make sure things happen.



# ESG Framework.

## An example.

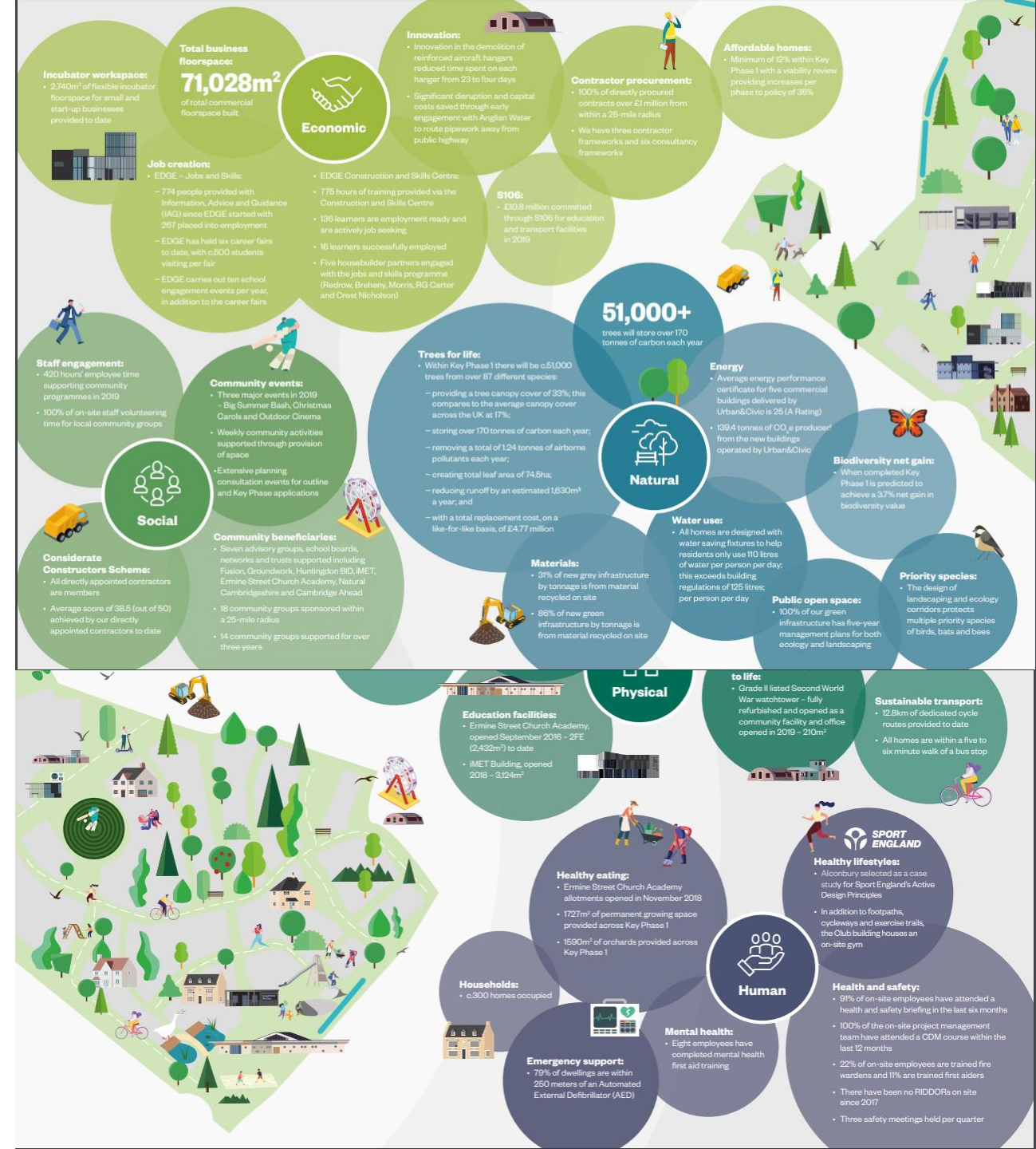
- Defined clear sustainability objectives, performance measures and targets
- Alignment between business goals, stakeholder expectations and societal needs
- Achieving net zero carbon identified as an overarching objectives.
- Working on specific action plans and pathways to respond on portfolio particularities and asset type.



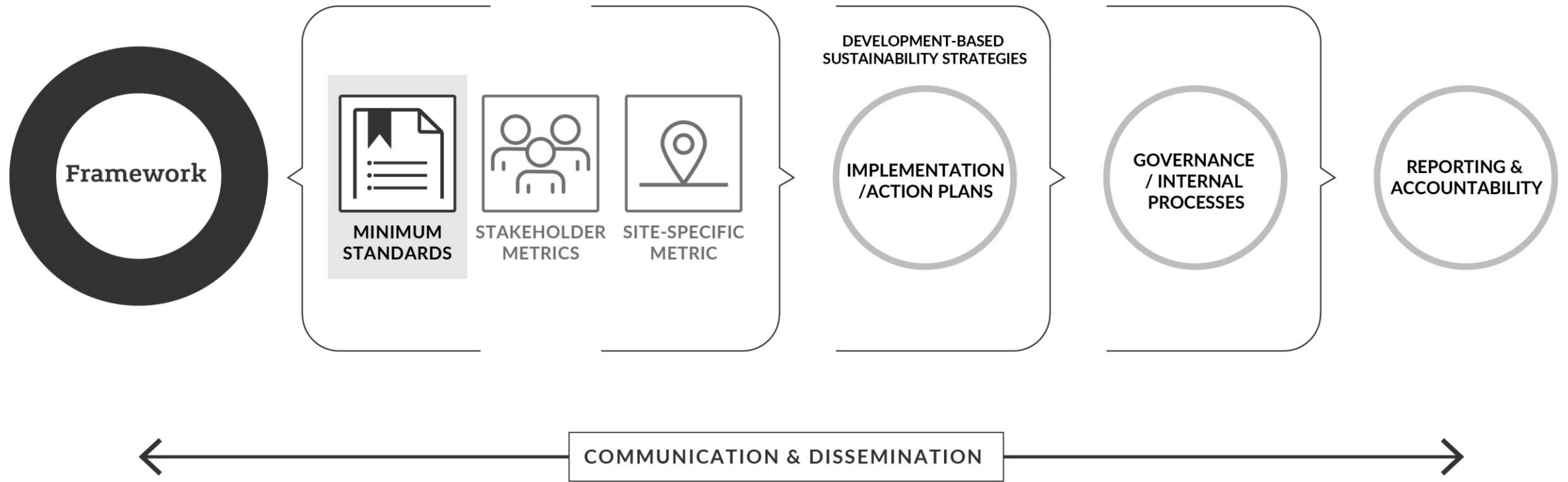


# Metrics & reporting Responding to context.

- Control, guide and influence approach
- Definition of metrics responding to specific context and opportunities arising from each project/ site.
- Working collaboratively with stakeholder to agree on specific commitments.
- Benchmarking and assessments
- Reporting integrated in Annual Report. Progress performance on annual basis



# Effective strategy Designed for implementation



**ESG.**  
**The opportunity.**





**Thank you.**  
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