



UK Net Zero Carbon Buildings Standard

STAKEHOLDER ENGAGEMENT UPDATE

10 SEPTEMBER 2024



The Institution of
StructuralEngineers



RIBA 
Architecture.com



SOM

Stakeholder Engagement Activities

Overview



Call for Evidence

3

Months

4000

Projects

One-one Consultations

18

Months

1000

Organisations

Technical Consultation

3

Months

524

People

Workshops

6

Months

226

People

Stakeholder Engagement - Call for Evidence

Overview



800

Projects embodied
carbon data

3200

Projects metered
operational energy
(large datasets)

200+

Projects metered
operational energy
(individual projects)

Stakeholder Engagement Activities

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Stakeholder Engagement One-one Consultation

Overview - List of Organisations Consulted



Anglia Ruskin University
Alliance of Sustainable Building Products
Association of British Insurers
Association of Real Estate Funds
British Council for Offices
BENews
Birmingham City Council
British Banking Association
British Retail Consortium
British Standards Institute
Building Magazine
Building Services Research and Information Association
Carbon Intelligence
Carbon Trust
Chancery Lane Project
Chartered Institute of Building
Chartered Institute of Housing
Climate Bond Initiative
Climate Change Committee
CO2nstructZero
Commercial Real Estate Finance Council Europe
Construction Leadership Council
CoreNet
CRREM
Department for Business and Trade
Department of Levelling Up, Housing and Communities
Department for Energy Security and Net Zero

Department for Transport
Energy Systems Catapult
European Association of Investors in Non-listed Real Estate Vehicles
Financial Conduct Authority
Future Homes Hub
Futurebuild
Global Alliance for Buildings and Construction
Green Alliance
Green Construction Board
Green Finance Initiative
Green Property Alliance
Heriot Watt University
Homes England
House Builders Federation
Housing Forum
Infrastructure Projects Authority
Institute of Environmental Management and Assessment
Institute of Workplace and Facilities Management
Institutional Investors Group on Climate Change
International Finance Corporation (World Bank)
Investment Property Forum
Laudes Foundation
Law Society
Lawyers for Net Zero
Legal Sustainability Alliance
Loan Market Association
National Housing Federation

Stakeholder Engagement One-one Consultation

Overview - List of Organisations Consulted



Net Zero Carbon Forum
Net Zero Now
Net Zero Asset Managers Alliance
Ocean Media (Unlock Net Zero)
Partnership for Carbon Accounting Financials
Pensions for Purpose
Property Industry Alliance
Royal College of Art
Royal Town Planning Institute
SBTi: Science-Based Targets Initiative
Scottish Futures Trust
Social Market Foundation
Surrey County Council
The Good Economy
UK Foreign, Commonwealth and Development Office
UKBCSD
UK Research and Innovation
UK Sustainable Investment and Finance Association
UKSPA
United Nations Environment Programme Finance Initiative
Unlock Net Zero
Urban Land Institute
Whole Life Carbon Network
World Business Council for Sustainable Development
World Green Building Council
Zero Waste Scotland

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Stakeholder Engagement - Technical Consultation

What kind of questions did we ask?



Do you agree with the working assumption that the Standard will apply only to a whole building?

Should the end point (2050) operational energy limits be the same for new and existing buildings & retrofits?

Do you agree with the proposals put forward for the operational energy and embodied carbon metrics?

Are the proposed target ranges for on-site renewable generation broadly right (i.e. ambitious, but reasonable)?

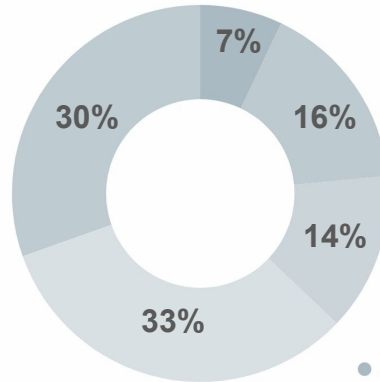
Stakeholder Engagement - Technical Consultation Respondents



90% UK based

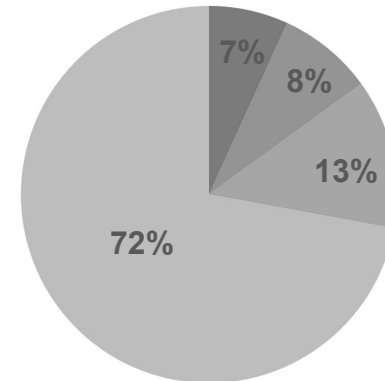


Type of Respondents



- Academia, Government, NGOs and thinktanks
- Building owners, agents, investors and lenders
- Contractor and supply chain
- Design teams
- Energy modellers

Prior Involvement in the Project



- Yes, part of a Task Group
- Yes, part of a Sector Group
- Yes, I provided data
- No

Stakeholder Engagement - Technical Consultation

Respondents



90% UK based



Key Focus Areas from the Consultation

The Role of
Offsetting

Whole
Building
approach

Components
of the
Standard

Verification
Updates

Stakeholder Engagement Activities

Overview



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Stakeholder Engagement Workshops

Context



Objective:

- Update on the latest status of the Standard's development
- Explain what verification of the Standard will entail
- Ask for feedback on the overarching themes around ambition, integrity, progression, accountability & conformity and evolution
- Establish any potential red flags

Stakeholder Engagement Workshops

Context



25

Workshops of

2

Hours Each



Stakeholder Engagement Workshops

Context



300

Total Attendees

226*

Direct Responses

*Key takeaway analysis is based on these responses.



Stakeholder Engagement Workshops

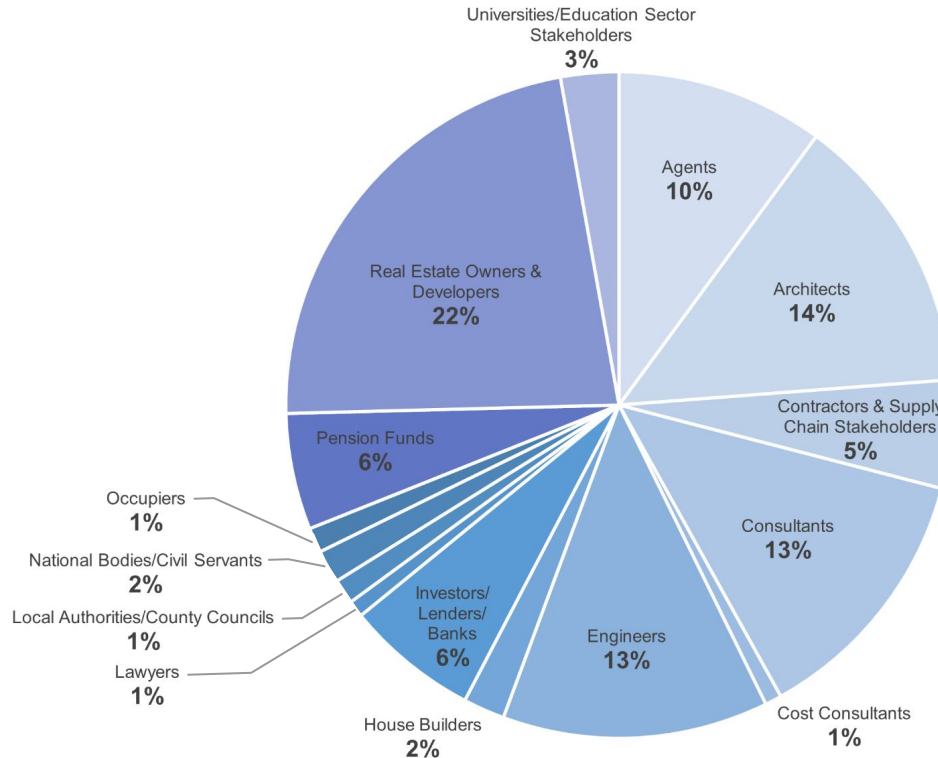
Fifteen Affinity Groups



1. Agents
2. Architects
3. Contractors & Supply Chain Stakeholders
4. Consultants (e.g. Deloitte, Systemiq, Verco)
5. Cost Consultants
6. Engineers
7. House Builders
8. Investors/Lenders/Banks
9. Lawyers
10. Local Authorities/County Councils
11. National Bodies/Civil Servants
12. Occupiers
13. Pension Funds
14. Real Estate Owners & Developers
15. Universities/Education Sector Stakeholders

Stakeholder Engagement Workshops

Fifteen Affinity Groups - Overall Representation Breakdown



Stakeholder Engagement Workshops

Fifteen Affinity Groups



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15. Universities/Education Sector Stakeholders

*not included in the analysis' results

Stakeholder Engagement Workshops

Engagement Format & Analysis Process



Format: Roundtable Discussions

(15-20 people)

Analysis: Stakeholder Engagement
Lead's Assessment of Feedback
with help of ChatGPT



Stakeholder Engagement Workshops

Overview Word Cloud



Stakeholder Engagement Workshops

Six Questions asked to All the Stakeholders



1. How would you envisage using the Standard in your organisation?
2. **Ambition:** On day one, should the Standard seek to be achievable for the many or empower leading buildings to chart the course?
3. **Integrity:** Are you comfortable with the approach we are taking to setting the limits within the Standard? Are we missing anything?
4. **Progression:** How do you feel about a single target (2050) implemented right away, instead of incremental/ratcheting targets?
5. **Accountability & Conformity:** The Standard proposes ongoing verification of Net Zero Carbon performance in-use. Do you agree that this is essential, and how simple do you think it will be to comply with this?
6. **Evolution:** The Standard will develop over time as the national carbon budget adjusts to achieve the 1.5°C pathway. How could this affect your organisation?

*Overarching themes previously identified for feedback

Stakeholder Engagement Workshops

Key Takeaways - Results' Grouping



The Biggest Challenges around Net Zero Carbon

The Biggest Opportunities with the Standard

We will use the Standard to ...

There is a/an ...

Stakeholder Engagement Workshops

Overview Word Cloud - Challenges



Stakeholder Engagement Workshops

Key Takeaways - 3 Biggest Challenges



Complexity of Implementation

Pension Fund Managers	Real Estate Owners & Developers	Architects	Engineers	Universities/ Education Sector Stakeholders	Local Authorities/ County Councils
Complexity of Implementation due to Lack of Resources	Complexity of Carbon Accounting & Limited Resources	Complexity of Implementation due to Varied Scales of Projects	Challenge around Feasibility of Setting Targets	Complexity of Implementation due to Lack of Expertise	Complexity of Implementation due to Lack of Standardisation in Building Regulations

Engagement with Third-Parties

Agents	Contractors & Supply Chain Stakeholders	Occupiers
Engagement with Tenants	Collaboration with Relevant Parties	Reporting to Lenders

Certification Independence

Consultants*	Investors/Lenders/Banks
Certification Independence	Certification & Compliance with Global Initiatives

*Examples: Deloitte, Systemiq, Verco

Stakeholder Engagement Workshops

Overview Word Cloud - Opportunities



Stakeholder Engagement Workshops

Key Takeaways - 5 Biggest Opportunities



Influence on Policies

Local Authorities/ County Councils	Real Estate Owners & Developers	Consultants*
Influencing Policy	Influencing Policies & Corporate Strategies & Gaining Market Advantage	Influencing Policy to Maximise Benefits for Climate Resilience

Unlocking Investment

Investors/Lenders/Banks	Occupiers
Unlocking Incentives, Streamlining Reporting & Fostering Collaboration	Unlocking Lending

Innovation

Agents	Contractors & Supply Chain Stakeholders
Innovation for Advancing New Technologies & Methods	Innovation for Practising Sustainably & for Growing Business

Leadership/Reputation

Pension Fund Managers	Universities/ Education Sector Stakeholders
Sustainability Leadership & Visibility	Reputation & Meeting Student Demands

Clarity on Targets

Architects	Engineers
Gaining Clarity on Targets & Pathways for Net Zero	Reducing Confusion on Targets & Driving Continuous Improvement

*Examples: Deloitte, Systemiq, Verco

Stakeholder Engagement Workshops

We will use the Standard to:



1 Strategic Alignment & Policy Integration:

- align with global initiatives & standards (e.g. CRREM)
- inform policy-making (with cross-Industry evidence)
- include embodied carbon in RFPs

2 Market Differentiation & Competitive Advantage:

- differentiate in the leasing market
- greenify portfolios
- eliminate greenwashing

3 Compliance & Accountability:

- demonstrate compliance with industry-wide recognised benchmarks
- emphasise occupier accountability
- prove clarity to funders

4 Design & Operational Impact:

- influence energy cycles & specifications in building design & operations
- close building performance gaps
- enable better navigation through net zero journey

5 Stakeholder Engagement & Communication:

- help engage clients better
- prove clarity to funders
- address student demands

Stakeholder Engagement Workshops

Five Key Messages Shared by All the Affinity Groups



- General readiness and willingness to use the Standard

1 importance of **ongoing verification at in-use**

2 challenge of **setting & implementing targets & timeline** of achieving net zero carbon (particularly for existing buildings)

3 opportunity for **innovation, collaboration & market leadership**

4 need for **clarity & transparency in setting limits & standards** (i.e. clear methodology, reporting standard & certification processes)

5 need for **clear communication, education & support** for successful adoption & implementation across all sectors

Stakeholder Engagement Workshops

A Few Stakeholder Quotes



"The Standard helps provide a clear framework for investment decisions and aligns well with our ESG goals."

– Aviva

"Setting the standard and achieving it will encourage others to follow, and we should highlight those who lead the pathway, as examples."

– Daikin

UK Net Zero Carbon Buildings Standard

What is Next?



Key Dates:

- Stakeholder Engagement Update Webinar → 10th September 2024
- Launch of “Pilot Version” of the Standard → End of September 2024

Ways to Engage:

- Online Survey for General Feedback (alongside the Pilot Launch)
- Pilot Project Programme → Q1-Q3 2025

Future Publications:

- Version 1.0 of the Standard → Late 2025

What to Expect from the September (Pilot) Launch



The **UK Net Zero Carbon Buildings Standard** - Technical Specification

- Technical Details on how a building should meet the Standard; what limits and targets it needs to meet; the evidence needed to demonstrate this; and how it should be reported.
- In other words, it's a **Technical Specification for the Standard**.

This version will not include details on how to verify that a project conforms to the Standard (although it does include an overview). We will be preparing this alongside Verification Administrators, who we will be appointing through an open tender process

Adopting this Pilot Version and **preparing to measure and report against each of the metrics** is the perfect way to prepare buildings for verification, once this becomes available.

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