

Road Map to Net Zero

By Rosie Hudson at 

There's a gap between the industry ambition for achieving net zero by 2050 and an actionable plan for achieving this goal which we highlighted in our previous article about the Contractors Declare initiative. This is an opportunity for positive change. We believe a Road Map to Net Zero is key to helping companies develop in line with the Declare movement pledge. To provide a better idea of what is missing, this article illustrates some of the strongest features of the Road Maps that we have reviewed and supplements our '5 Top Tips' with examples of best practice from the industry.

Why is a Road Map needed?

It is no longer good enough to simply declare that you want to achieve net zero by 2050 – this is a goal that every company should be striving for and we know that that the industry is under pressure to do so.

Whilst it is an admirable goal, as we approach the year 2050 a more robust answer must be given for how this will be achieved. We believe a Road Map is essential for delivering this.

At the time of writing, we have only been able to find a publicly available Road Map (for achieving their sustainability goals) for two of the major contractors who founded Contractors Declare, Skanska and Canary Wharf Group. By making a Road Map publicly available, companies are held more accountable by other stakeholders and the general public.

Defining your Road Map

To define your Road Map, you're going to need to sit down and ask some questions:

- Where do you want to be?
- How do you think you'll get there?

As you develop your answers to these questions, here are 5 Top Tips for you to include in your Road Map:

1. Clear staging
2. Alignment with business objectives
3. A process for funding
4. Engagement of supply chain
5. Transparency

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British Land have published a 'pathway to net zero' in their '2030 Sustainability Vision'. This is a great example of clear staging in a Road Map where they have set interim targets and incorporated an interim strategy review. Whilst higher granularity is desirable, setting 5-year interim targets on the journey to 2050 is a great starting point.

Step 1: Clear Staging

Breaking down the vision into smaller chunks makes it more manageable and therefore more feasible to achieve.

A good Road Map to Net Zero needs to include key milestone dates. Setting interim targets and review points is a critical part to any performance management system and therefore is key to ensuring that your company stays on the right path and is able to take stock and adjust the trajectory as technology and industry demands change.

A company with clear staging is likely to move faster towards achieving net zero carbon (and even positive carbon) through being clearer about the changes and new processes required to hit interim targets. This has numerous benefits from becoming a reputable sustainable leader in the sector to attracting more investment and winning more work.

SKANSKA

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Skanska have used a slightly different approach for staging by grouping objectives for eight focus areas. They have used a qualitative means to measure progress for annual carbon reductions in each area by categorising objectives from 'establishing' through 'progressing' to 'embedding'.

They have also recognised that the Road Map should be subject to annual review in order to identify the best opportunities for continual improvement.

2

Transition Fund

British Land have introduced an innovative way to financially incentivise the carbon targets they are striving for. Namely, they have introduced a **£60 per tonne** self-levied carbon price on developments. The finance raised from this will be used to purchase accredited carbon offsets in the first instance, with the balance being used to retrofit existing assets. This forms an essential part of the Road Map they have published from 2020 onwards.



Establishing

Progressing

Embedding

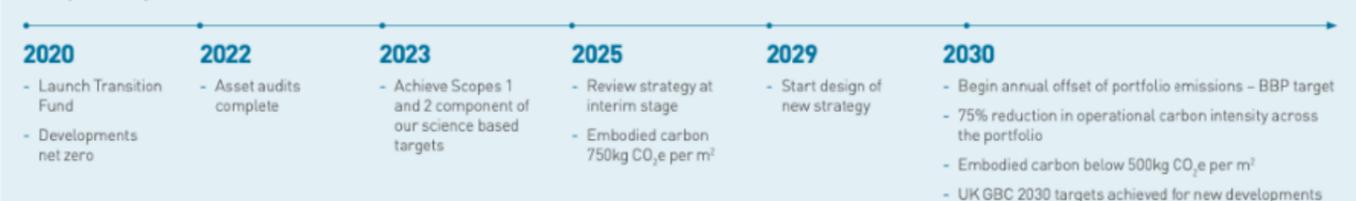
Objective Progress Staging by Skanska

Step 2: Alignment with business objectives

If your sustainability goals and hence your Road Map do not align with critical business objectives such as profitability, safety or growth, then the chances of progressing towards net zero are very slim. No matter how strongly you feel about sustainability, it needs to make business sense and therefore a link needs to be (even artificially) created by some form of carrot or stick.

Despite the 2013 Infrastructure Carbon Review clearly linking a reduction in carbon with a reduction in cost, companies do not seem to have recognised this to be true and it remains a major obstacle on the journey to net zero. This is a barrier to progress because the link between carbon cutting and cost cutting is not direct, with teams not necessarily seeing the direct benefit of doing so.

Our pathway to net zero



Internally imposed financial incentives, such as carbon pricing at British Land, may be the key to sparking change with respect to business alignment by clearly discouraging carbon emission production. Though it creates an artificial link between carbon emissions and cost, it can be clearly communicated and easily understood across the business and it is therefore a crucial step for the industry to take.

Ultimately, reducing the amount of materials used and waste accumulated will cut cost for a contractor, and contribute to the desired embodied carbon and emissions reductions. This has clear business value, supplemented by the social value of an improved reputation within the industry.

Step 3: A process for funding

Alignment with business objectives enables this next step of identifying and allocating funding. Defining your Road Map will require investment in new places when you consider what you need to deliver on your goals. This does not mean you suddenly need to free up a larger portion of the budget, but you may need to divert it from other areas or move it forward in time.

Funding does not need to be generated all at once. However, a clear, communicated and actionable process for delivering funding to initiatives that deliver your Road Map is required. The lack of a process for funding is currently an obstacle to progress in many companies. Innovations exist that could help companies on their journey to net zero, but it is often not clear whether there is a budget for these innovations, nor who is responsible for these purchasing decisions.

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Skanska have incorporated a focus area in their Road Map for 'Financial and commercial solutions'. They are establishing an internal whole life carbon investment fund for low carbon solutions and aim to ensure that opportunities for carbon investment are always considered by project teams.

A good Road Map should include a clear process for securing funding for innovations and initiatives that help reach net zero carbon alongside including a clearly identified responsible person. This will empower the workforce to instigate sustainable and responsible change.

3



Volker Wessels have declared that 2020-2030 will be their 'Decade for Action'. As part of their 3 pillars for sustainability – People, Planet & Purpose – they have created a framework which not only encourages employees to initiate sustainable change, but they provide sustainability training to Procurement teams across the business. By doing so they hope to formalise their approach to Sustainable Procurement with the implementation of ISO 20400 across the business.



4

As part of the Road Map, Canary Wharf Group are aiming to be in the position to demonstrate that they have contributed to all 17 Sustainable Developments Goals across the **entire supply chain**.

Step 4: Engagement with supply chain

As the decisions we make as a business affect not only our immediate employees and clients but our supply chain too, a good Road Map should clearly consider how and where efforts will be made to engage the whole supply chain. This will help to foster a community of collaboratively working towards an industry-wide goal, as is pledged in the Contractors Declare movement.

The boundaries of responsibility are often blurred when it comes to carbon emissions, or the reporting of any sustainability metric. A lack of clear accounting allows responsibility to be pushed up or down the supply chain which causes confusion and makes it difficult for the industry to progress towards net zero. Therefore, a key part of your Road Map needs to consider how these changes and aspirations impact your supply chain's activities, and where there are opportunities not only to collaborate but to help them to upskill and achieve their carbon targets

4



In Volker Wessels' 'Decade for Action', they have created a framework which acknowledges the need to engage with their supply chain to support their own ambitions in the space.

They have recognised the implicit social value in having a sustainable supply chain and have embedded the approach by aiming to offer education, training and consultation with their supply chain and clients to instil best practice. By incorporating metrics into their Road Map, they aim to measure the success of supply chain partnership. Whilst this captures formal interactions, they also acknowledge that success is also only possible by their own internal culture reflecting the desire to share this message.

Step 5: Transparency

The final key step in delivering impact with your Road Map is to share it – internally and externally. This step is easily missed off the end but is arguably one of the most important.

It's crucial the Road Map is clearly communicated across the business. This allows employees at all levels to understand it, scrutinise it, buy into it and have a clear understanding of how their contribution to the company aligns with the bigger picture.

External visibility is also crucial. This not only enables third parties to offer support and opportunities to help you deliver your Road Map, it also creates accountability with your client, investors, peers and potential employees. This approach engenders trust, demonstrating that while embedding sustainability must be an evolving process, providing transparency empowers company and industry alignment and stimulates a collective ambition to deliver real change.

We believe in practicing what we preach! In our next piece, we will be publishing our own *Qflow Road Map to Net Zero* following the practical advice given in this blog.

Qflow enables a positive shift in the way teams collect and use environmental data on live construction sites.

By providing projects with highly granular data on materials coming on to site and waste going off, teams can proactively manage environmental risk and develop a real time image of their carbon impact. This data can not only inform sustainability targets, but also align key business objectives such as quality, productivity and profitability.

To explore how Qflow can help you capture and get value from your data, reach out to our discovery team on info@qualisflow.com.