

**Factsheet: Net zero** 

### What is it?

Net zero is the term commonly used to describe a neutral balance between the greenhouse gases (GHGs) produced and the amount removed from the atmosphere. This state is also referred to as carbon neutral.

### Why is it important?

The reduction in net greenhouses gases (net zero) is important because it is the best way we can reduce global warming.

# How does it affect our profession?

Governments around the world have made commitments to be net zero by specific deadlines:

- England and Wales by 2050
- Scotland by 2045 (and 75% by 2030)

In addition, companies and organisations have set targets to achieve net zero by specific deadlines and are also looking to their supply chains to follow this lead.

The FM sector can positively influence GHG emissions and help achieve these net zero ambitions.

# **Background and context**

It is widely recognised that climate change is being triggered by higher levels of GHGs in the atmosphere. Their name derives from the greenhouse effect they create by warming the Earth's surface and the air above it. The most common GHGs are carbon dioxide and methane.

Carbon dioxide is the most dangerous and abundant GHG, which is why cutting carbon emissions or seeking low-carbon alternatives can limit climate change.

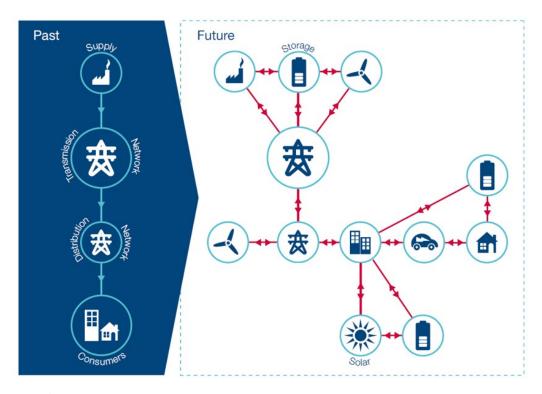
To achieve net zero we need to consider:

- reducing the emissions we are sending into the atmosphere from building operations, transport, and so on
- removing GHG emissions from the atmosphere by capturing carbon created before it is released, or by planting more trees.

Around the world, governments and energy companies are generating more energy from renewable sources such as wind and solar. Customers (behind the meter) are also able to



generate and store energy for their own consumption or export to the grid, thereby contributing to a net zero overall position.



(Adjusted) The changing roles of networks Decarbonisation, decentralisation and digitisation are transforming the GB electricity system – National Grid

## Legislation, policy and standards (UK and global)

Since the Kyoto Protocol was adopted on 11 December 1997 (ratified on 16 February 2005), the international community - made up of the 192 signatories - committed to limit and reduce GHG emissions in accordance with agreed individual targets.

The UK has been a leader in the introduction of legislation, passing the <u>The Climate Change Act 2008</u>, which committed the UK to an 80% reduction in carbon emissions (relative to 1990 levels), to be achieved by 2050.

The 2008 act introduced a carbon unit, a carbon unit limit, a carbon budget, a monitoring and reporting system, and a carbon trading scheme. In essence, this is a system of control and penalty, or taxation, imposed on all businesses in the UK. So, whilst the Government committed to a voluntary international treaty, it enshrined these voluntary commitments into law in order to force compliance.

## Best practice, insight, guidance and resources

Examples of net zero best practice can be found at:

- Government Property Agency: Net Zero and Sustainability, Design Guide Net Zero Annex (August 2020)
- National Audit Office: Achieving net zero (December 2020)
- UK Green Building Council: Advancing Net Zero (April 2021)



## **United Nations Sustainable Development Goals**

Net zero is directly related to the <u>UN's Sustainable Development Goal 13</u>: 'Take urgent action to combat climate change and its impacts'.

## Governance, metrics and KPIs

Consistent metrics and KPIs for the measurement and disclosure of GHG emissions are still to be determined.

Good governance requires top-level corporate responsibility for tacking climate change and how the responsibility is assigned. Financial reporting should acknowledge climate change as a potential financial risk and disclose the materiality of that risk.

### **Vertical considerations**

- Space/culture/technology
- Tool level: Strategic (priority setting, lifecycle, financials, governance, investment ESG, SDG) vs implementation, checklist,
- Format(s), channels and platform

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