

New Membership Requirement Rollout FAQs:

Q: What are the new membership requirements?

In order to be a **member** of UKGBC, ALL businesses (large and small) must have a Board approved corporate-wide commitment to climate action. UKGBC is not at this stage prescribing the scope of emissions covered or a date by which these should be balanced to net zero, but it will be actively advocating for these to be aligned with the UNFCC-backed Race To Zero criteria, which include halving emissions by 2030 and achieving net zero emissions as soon as possible and by 2050 latest.

In order to be a **Gold Leaf member** of UKGBC, an organisation must join the UNFCCC-backed Race To Zero Campaign. All organisations recognised by Race To Zero are committed to the same overarching goal: halving emissions by 2030 and achieving net zero emissions as soon as possible, and by 2050 latest.

Q: How long does a member have to comply with these new requirements?

All business and Gold Leaf members will be invited to submit their corporate-wide commitment to climate action to UKGBC at the time of their 2021/2022 membership renewal, alongside a completed template summarizing its scope that will be sent to them upon renewal. If they do not yet have such a commitment, they will be expected to agree and submit one by the time of their 2022/2023 renewal at least.

Q: Why is UKGBC adding these new requirements now?

We won't reach zero emissions in time if we don't start moving today - as a central part of our recovery from Covid-19, which has brought us face to face with long-standing system risks. It's far easier and cheaper to tackle systemic risks upfront, and mitigate their worst impacts, than to wish them away. Prevention is better than cure. Yet today, the biggest barrier we face in achieving net zero is delay, not denial.

The Paris Agreement sets the roadmap for reaching that final net zero destination, with pit stops every five years, starting in 2020. COP26 in 2021 is a critical milestone in that journey. For it to succeed, governments and states need to be convinced that businesses (large and small), investors, cities and universities are already showing leadership by setting out plans for a fast transition to net zero and collaborating across their supply chains to deliver this in practice.

With this in mind, UKGBC is issuing an urgent call to all its members to take action and align their organisations to 1.5C emissions reduction trajectories in line with science as soon as possible.

Q: Why has UKGBC chosen to focus on Climate Action as opposed to other impact areas which are also important?

In the year of climate action and COP26, UKGBC is calling on its members to make stronger, more credible climate commitments, and take immediate action towards net zero carbon.

We recognize the importance of all the impact areas we work on – including climate resilience, nature and biodiversity, resource efficiency, health and wellbeing, and social value. Yet we also feel that climate action through rapid carbon emissions reductions from the built environment is one of the most urgent priorities that will also affect, and is inextricably linked to, all these other social and environmental issues.



Given the dynamic nature of our changing context, we will review these expectations of membership on a regular basis and consider extending existing requirements, and/or introducing further requirements in line with other impact areas for example, climate resilience, biodiversity net gain etc.

Q: Who has UKGBC consulted with to define these new requirements?

We have discussed these new membership requirements extensively with the UKGBC Board of Trustees, Members Advisory Group and other individuals within our membership – and made changes to our approach based on their recommendations. The board and members advisory group were unanimous in their support for introducing new climate-action related requirements of our members. In Feb 2021, UKGBC conducted an all-member survey and >80% members agreed that UKGBC should require minimum sustainability commitments from members (e.g. commitment to net zero carbon by 2050) as a condition of membership.

Q: Given the pressures on members from COVID19, is this a good time to be introducing new membership requirements?

We have been extremely mindful of the challenging economic circumstances our members find themselves in, and we will continue to support our members throughout the COVID19 pandemic. At the same time, we see sustainability expectations on our members continue to increase as a result of the pandemic. We consider business action on climate to be a pre-requisite for commercial success, so we consider these new requirements to help future-proof UKGBC members in the face of rapidly changing market expectations.

We are giving all fee-paying members at least 12 months from the point of their next renewal to demonstrate compliance to the new requirements. We believe this gives members sufficient time to make and disclose corporate-wide commitments to climate action.

Q: What happens if my business needs more time to meet the new requirements?

Should an organisation feel unable to make such a corporate commitment by the time of its 2022/2023 renewal, it will be invited to apply for an extension or an exemption (stating supporting rationale). UKGBC's Executive Leadership Team and Board of Trustees will be consulted in determining the most appropriate course of action.

Q: What happens if my organisation cannot meet the new requirements?

We cannot guarantee to provide membership value to any organisation that does not have some form of commitment to address its climate change impacts and transition to a net zero carbon economy.

Q: Does my commitment have to be publicly available, and displayed on the UKGBC Climate Commitment Platform?

The UKGBC <u>Climate Commitment Platform</u> is an online platform enabling organisations to profile their climate ambitions and headline targets. It is underpinned by a climate leadership model which points out what strong climate commitment looks like for different types of organisations owning, occupying or developing buildings broadly placed under the following three categories:

- 1. Direct Control: emissions from a company's own operations (scope 1 and 2 emissions).
- 2. Value Chain: emissions outside of a company's direct control, however which it has the ability to influence (scope 3 emissions).



3. Advocacy & Influence: key activities that a company should undertake to stimulate wider market transformation and system change.

At UKGBC, we hope to showcase all corporate member commitments to climate action on the <u>Climate Commitment Platform</u> in due course. To enable this, we will be issuing business members with a profile template capturing key information about their corporate commitment to climate action upon renewal. But this in itself is not a pre-requisite of UKGBC membership per se.

Q: Why is UKGBC driving its members towards the UNFCCC Race To Zero Campaign and not any other initiatives?

UKGBC believes that Race To Zero is the most credible net zero carbon alliance.

Race To Zero is a global campaign to rally climate leadership from businesses, cities, regions, universities and investors for a healthy, resilient, zero carbon recovery that prevents future threats, creates decent jobs and unlocks inclusive, sustainable growth. All organisations recognized by Race To Zero are committed to the same overarching goal: halving emissions by 2030 and achieving net zero emissions as soon as possible and by 2050 latest.

UKGBC is contributing to the Race To Zero by driving our members to join the campaign. We are excited to help accelerate the Race.

Q: I am a large company, what is the most common way to join the Race To Zero?

Most large companies join the Race To Zero through Business Ambition for 1.5°C. Business Ambition for 1.5°C run by the Science Based Targets Initiative is the main Race To Zero partner for businesses. To join the initiative, businesses need to (i) set 1.5°C aligned Science Based Targets or (ii) set a net zero by 2050 commitment and interim Science Based Targets

Further information here ('How to Join Race To Zero') and BA 1.5 application form ('commitment letter') here.

Q: I am a small company (<500 employees), what is the most common way to join the Race To Zero?

Most smaller companies join the Race To Zero through the SME Climate Hub. SME Climate Hub run by the ICC, WMB and Exponential Roadmap is the main Race To Zero partner for small and medium businesses. To join the initiative, businesses need to commit to (i) half GHG emissions by 2030 and (ii) reach net zero before 2050 and (iii) disclose progress on a yearly basis.

Further information here ('How to Join Race To Zero') and here.

Q: What are all of the different initiatives to join the Race To Zero?

The following initiatives provide a route for individual businesses/entities to join the growing movement towards Race To Zero:

- Investors: Net-Zero Asset Owners Alliance
- Businesses: <u>Business Ambition for 1.5 C Our Only Future</u>, <u>The Climate Pledge</u> and <u>Exponential</u> Roadmap Initiative
- Small and Medium-sized enterprises: SME Climate Hub
- Certified B Corporations: <u>B Corporation</u>
- Chambers of Commerce: International Chamber of Commerce Chambers Climate Coalition



Cities: <u>Deadline 2020</u>, <u>Science Based Targets for Cities</u> and <u>ICLEI- Local Governments for Sustainability</u>

• Regions/States: <u>Under2Coalition</u>

Universities: Global Universities and Colleges for the Climate, Second Nature

See full list of ways to join the Race To Zero here.

Q: Why should businesses join the Race to Zero?

In addition to a stamp of credibility, there is the need for us to achieve convergence in our net zero efforts, not double counting / duplicating and this is what Race to Zero aiming to achieve. Further, large businesses are uniquely placed to send a strong ambition signal to policy makers and wider supply chain by being in the campaign.

Q: If my parent company has joined the Race to Zero, are we automatically included as a UK subsidiary?

This depends on the structure of your company's GHG emissions inventory. Generally, the SBTi recommends committing at a group level where possible. However, there are cases where a subsidiary operates and reports independently, and therefore commits themselves. The SBTi follows the GHG
Protocol Corporate Standard on this (further information on p.13 of the SBTi Corporate Manual).

Q: What is the 50% reduction by 2030 based on?

Companies must reduce their emissions in a way that is needed to achieve halving of global emissions by 2030. This does not mean each company needs to reduce their emissions by 50%. To calculate your own interim reduction target, the <u>SBTi tool</u> is available. The peer review group is going to publish a specific document in the next 2-3 weeks on helping companies to assess what is their fair share.

Q: What is Race to Zero's position on offsetting between 2021 and 2030 in achieving Race to Zero targets?

The priority is on immediate abatement and any neutralisation of residual emissions must transition to permanent removals offsets. Further clarification on offsetting can be found here.

Q: Why is UKGBC driving its members to sign up to the WorldGBC Net Zero Carbon Buildings Commitment?

UKGBC is calling for all its members to target action on their own buildings by signing up to the World GBC Net Zero Carbon Buildings Commitment

- WorldGBC's <u>Net Zero Carbon Buildings Commitment</u> promotes and inspires leadership action
 towards the breakthrough outcome of achieving net zero operational carbon buildings by 2030
 for all buildings within direct control of the organisation, and advocating for all buildings to be
 net zero operational carbon by 2050 via core business activities. The critical priority in meeting
 this commitment is to dramatically reduce energy demand, transition away from fossil fuels,
 procure renewable energy and credible offsets as a last resort.
- By signing up to the NZCB Commitment, a company commits to owning and occupying buildings
 that operate at net zero carbon emissions by 2030. To achieve this, the business has to measure,
 disclose and assess its annual building related energy usage and carbon emissions, and
 implement a decarbonisation plan across its portfolio. Firms are expected to have their energy



- and carbon reductions third party verified, and to demonstrate leadership in the built environment industry's transition to net zero carbon buildings.
- The NZCB Commitment itself is a frontrunner initiative to the Race To Zero so signatories to the Commitment will be demonstrating their actions to go further, faster to accelerate the race to zero emissions by 2050.

Q: How do I sign up for the WorldGBC Net Zero Carbon Buildings Commitment?

See here for an FAQ specifically related to this Commitment and detailed steps for joining.

New signatories to the Commitment are announced at the end of each month, we must submit the Joining Form to WorldGBC before the 15th of the month to be included in the end of month announcement. If this is missed, you will simply be added to the following month's announcement.

Q: How will UKGBC track whether or not members are meeting these requirements?

UKGBCs membership, Advancing Net Zero and Gold Leaf 360 teams will be the gatekeepers for tracking compliance with the new requirements for standard and Gold Leaf members. The process for this will be adjusted as we induct more members, triggered by the membership renewal.

Q: Will UKGBC provide support to help my business reach the minimum requirements?

UKGBC is doubling up on the support it provides to its members in making ambitious new commitments to climate action and implementing these in practice. Examples of the many ways that members can benefit from UKGBC support include:

- Attending relevant events 12th May 2021 Countdown to COP26: <u>Catalysing industry action</u> and Catalysing occupier action
- Participating in L&D courses 3rd June 2021 <u>Net Zero Guidance on Renewables and Offsets</u> and 22nd June 2021 <u>Delivering Net Zero Commitments</u>
- Receiving regular communications and net zero carbon updates sign up here to be included on our Advancing Net Zero special interest group
- Attending our <u>NZCB Commitment Forum</u> for signatories only