

# Leading the way:

## Sustainability insights from leading built environment businesses

### Executive summary

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As a charity with a clear and ambitious mission to radically improve the sustainability of the built environment, it's essential for UKGBC to understand our members' commitments and track their continual progress. Through this we can start to gain an understanding of where we need to focus our activities and provide members with the support they require to transform their businesses.

Our Gold Leaf member community represents those aspiring to sustainability leadership. By joining at this level, they give us a mandate to challenge their approach, and encourage the adoption of bold ambitious commitments to change. This report demonstrates that, regardless of the political turmoil in recent times, some of UKGBC's Gold Leaf members are starting to catch up with out of sector sustainability leaders. The trend towards setting long-term science based targets, net positive commitments in relation to carbon and biodiversity, and ambitions to put the built environment at the heart of a circular economy all reflect a powerful collective vision.

*Hirigoyen*

Julie Hirigoyen, CEO, UK Green Building Council

UKGBC's latest report, Leading the Way - Sustainability insights from leading built environment businesses, highlights the findings of research conducted into the sustainability commitments and performance of 52 Gold Leaf members in August 2017. The main report draws out some of the

key findings from the research, highlights emerging business trends and common themes, provides examples of best practice in the industry, and makes a number of specific recommendations to ensure that the industry accelerates towards a sustainable built environment. The issues researched include:

| Theme  | Leadership topics researched   |
|--|--|
|  <b>Climate change</b>          | <ul style="list-style-type: none"> <li>• Science based targets.</li> <li>• Climate change adaptation.</li> <li>• Embodied carbon.</li> <li>• Renewable energy.</li> <li>• Commitment to net zero or net positive.</li> </ul> |
|  <b>Resource use</b>            | <ul style="list-style-type: none"> <li>• Re-use and elimination of resources.</li> <li>• Circular economy.</li> </ul>  |
|  <b>Nature and biodiversity</b> | <ul style="list-style-type: none"> <li>• Biodiversity strategy.</li> <li>• Net improvement.</li> </ul>   |
|  <b>Health and wellbeing</b>    | <ul style="list-style-type: none"> <li>• Health &amp; wellbeing strategy.</li> <li>• Monitoring impacts.</li> </ul>  |
|  <b>Socio-economic impact</b>   | <ul style="list-style-type: none"> <li>• Moral or social purpose.</li> <li>• Net positive social impact.</li> </ul>  |

## Research findings and trends relating to Gold Leaf member commitments

The following section provides a snapshot of the findings across the five themes. It sets out positive progress that UKGBC Gold Leaf members are making in each of the issues researched. The research also highlights areas that require further improvement and progress. For example, addressing the urgency associated with climate change, the challenges associated with diminishing resources and biodiversity and the impact the built environment has on people. Underpinning this analysis are best practice examples taken from across the Gold Leaf membership. This repository of examples will continually grow and serve as a useful reference for learning and awareness raising within the wider industry.



### Climate change

#### Positive progress

- 79% have set a public carbon reduction commitment.
- 42% have a commitment for climate change risk assessments to be undertaken on all projects.
- 53% of clients are measuring and reducing embodied carbon.

#### Areas for improvement

- 15% have committed to adopt science based targets in the future. One is aiming for net zero energy developments and two are aiming for net positive carbon businesses.
- 13% measure and have set an embodied carbon target, half are clients.
- 35% procure 100% green energy.

#### Best practice examples

**Bennetts** has created a public report to explain the methodologies and targets used for their official Science Based Targets submissions, to share lessons and enable other SMEs to follow in committing to science based targets.

**Landsec** has a science based target to reduce GHG emissions by 40% per square metre by 2030, from a 2014 base-year, achieving an 80% carbon intensity reduction by 2050.

**Lendlease** has a global target for 100% of Lendlease assets, offices and projects to be assessed for climate change impacts and have a resilience and adaptation plan in place by 2020.



### Resource use

#### Positive progress

- 100% are undertaking some activities aligned to the circular economy model.
- 92% specify some form of reuse and recycled content of materials on a project.
- 48% have a zero waste to landfill commitment.

#### Areas for improvement

- 10% are targeting zero waste and none have a specific reuse target.
- 8% have commitments to apply off-site construction techniques.
- 37% have set (varying levels of) a public waste reduction target.

#### Best practice examples

**JLL** has recently set a high-level target that, 'by 2020, we will support the UK's transition to a circular economy through our services, our workforces and our public affairs activities.'

**SEGRO** deconstructed an entire warehouse and rebuilt it, saving 25% on the cost of a new building and allowed for a 56% reduction of embodied carbon.

**Skanska** has set its Deep Green target to achieve Zero Waste, Zero Unsustainable Materials and Zero Hazardous Materials.



## Nature and biodiversity

### Positive progress

- 54% have a biodiversity strategy in place.
- 21% are committed to delivering no net loss, net gain or net positive biodiversity.

### Areas for improvement

- Confusing approaches to net positive and net gain of biodiversity.
- 2 client organisations have commitments relating to net positive or net gain.
- 19% have signed up as members of the Natural Capital Coalition.

### Best practice examples

**Balfour Beatty** was the first contractor to achieve a 25% net biodiversity gain in the rail sector on the £6.4m Tanners Hill Project in 2013, using the DEFRA biodiversity metric. The success of this led to Network Rail implementing the methodology on the Thameslink Rail Programme.

**Barratt Developments** is seeking to create a “net positive impact” on biodiversity and ecology across its development portfolio.

**WSP** seeks to achieve biodiversity net gain in all its work.



## Health and wellbeing

### Positive progress

- 61% have a specific health and wellbeing strategy in place.
- 31% have defined health and wellbeing indicators and are tracking their impact.

### Areas for improvement

25% are monitoring the health and wellbeing impacts of their own office and/or among occupiers and customers.

### Best practice examples

**Aggregate Industries’** “Healthy You” programme actively encourages employees to lead healthier lives and openly talk about mental health and wellbeing. The company has identified childhood obesity as a major health challenge in one of the communities where they operate and has developed a community engagement programme working with young children to encourage enjoyment in sports activities.

**Akzo Nobel**, replaced over 250 hazardous substances, exceeding regulatory requirements, in response to public concern.

**British Land** has stated a commitment to “create places that promote health, improve productivity and increase enjoyment”.



## Socio-economic impact

### Positive progress

- 100% of product manufacturers have committed to contribute positively towards society.
- 37% have committed to contribute positively towards society.

### Areas for improvement

- 29% have articulated an explicit moral or social purpose as part of the organisations vision.
- 23% of companies have linked their sustainability strategy to the UN Sustainable Development Goals (UNSDG).

### Best practice examples

**Derwent London** aims to carry out socio-economic assessments on all major projects once occupied for more than 12 months to establish net impact/benefit of the development.

**Morgan Sindall** adopted the Local Multiplier 3 tool which measures the contribution of its activities towards local economies. The long-term target for Morgan Sindall is to deliver £1.5bn of social value.

**Wilmott Dixon** set a target to ‘enhance the life chances of 3000 young people by 2015’, which was exceeded by 14%. They have now extended the target to 10,000 by 2020.

# Conclusion

This Sustainability 360 Review has demonstrated that UKGBC Gold Leaf members are clearly making progress on this important journey towards a sustainable built environment. Many are setting bold commitments relating to sustainability, but there remains a long way to go if the sector is to address the scale of the challenges captured by UKGBC’s State of Sustainability in the UK Built Environment project. The step change required will involve much more mainstream adoption of challenging commitments identified in this research including:

- Set a commitment and adopt science base targets.
- Aim for zero carbon or ideally zero energy or net positive developments.

- Measure and reduce embodied carbon – Scope 3.
- Procure renewable energy or ideally produce onsite renewable energy.
- Aim for zero waste and set bold ambitions around Circular Economy.
- Aim for no net loss biodiversity in developments, ideally net positive.
- Set a health and wellbeing strategy for developments and organisations.
- Measure and track health and wellbeing of occupants.
- Set the organisational vision and values to have an ethical and social purpose.
- Link the organisational strategy to the UN Sustainable Development Goals.

*At UKGBC, we want sustainable development to become second nature – the obvious and only option for mainstream property and construction activities. With this in mind we aim to influence change amongst professionals, businesses, places and the built environment sector as a whole. Through research like this, we aim to challenge and empower our members and others in the sector to take immediate action. We will continue to convene key stakeholders together for a better built environment.*

**Julie Hirigoyen**  
CEO UK Green Building Council



UK Green Building Council  
The Building Centre  
26 Store Street  
London WC1E 7BT

T 020 7580 0623  
E [info@ukgbc.org](mailto:info@ukgbc.org)  
W [ukgbc.org](http://ukgbc.org)

