

DISCUSSION DOCUMENT

Sector-wide Net Zero plans

A FRAMEWORK FOR SUPPORTING DELIVERY OF NET ZERO,
INNOVATION AND GROWTH



OVERVIEW

Sector-wide net zero plans are a powerful tool for helping businesses transition to net zero. They provide the line of sight and 'staircase' businesses need to plan, invest and innovate so they can transition their business models smoothly in line with a just transition, capturing the immense opportunities available. Trade associations are increasingly adopting a leadership role using their unique convening position, insight and ready-made networks to support businesses within the sectors they represent to co-produce sector-wide plans.

This document aims to share the emerging picture of sector plans to get ideas and feedback from stakeholders in developing the overall approach. It is therefore presented as a discussion document.

It is vital that these plans align with and reinforce the Government's overall strategy for achieving net zero across the economy, and we will therefore look to work with the Government to define the role for sector-wide plans within the Government's Net Zero Strategy.

DISCUSSION QUESTIONS

Have we fully captured the rationale for sector-wide plans?

What criteria should sector plans meet to be recognised as a credible mechanism for supporting delivery?

What other areas of the economy should be covered by sector plans?

Should sector plans be expanded to cover other environmental goals?

How should government work in partnership with sector plans?

Please share your ideas and feedback on these questions and the overall approach by 3 September 2021 [here](#).

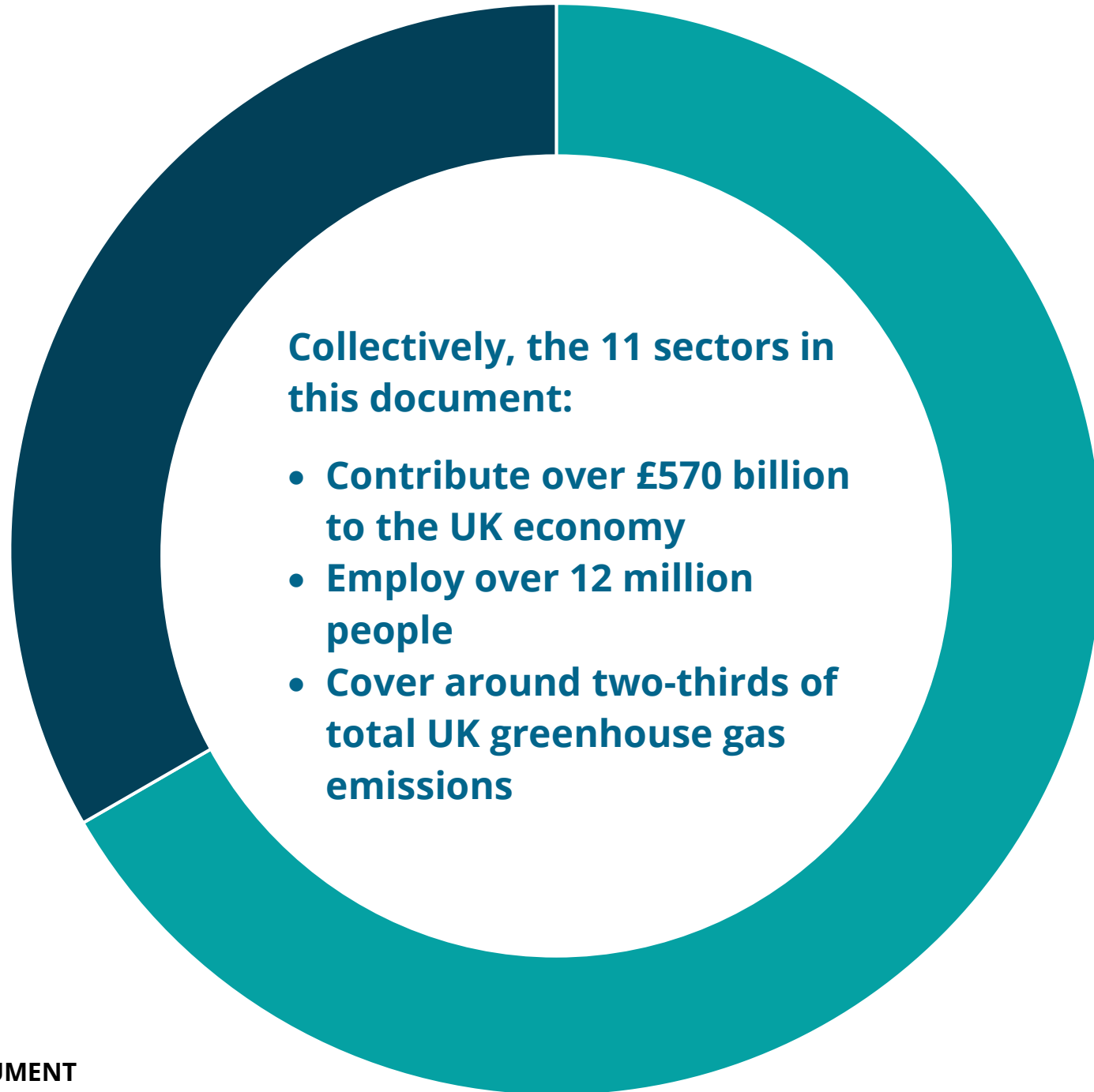


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THE RATIONALE FOR SECTOR-WIDE PLANS

Climate Change is the challenge of our time and responding will require businesses to fundamentally transform how they operate. Government has set ambitious targets to drive the overall pace of change and will set out in its Net Zero Strategy how the main building blocks of society will adapt to meet the 2035 and 2050 goals. As policy and market rules change those who wait too long could risk high costs, stranded assets and potentially becoming obsolete if locked into fossil-fuel based activities.

The opportunities for UK businesses to develop the solutions needed for a net zero economy are immense. Already the global market for low carbon goods and services is over £3 trillion pa, with estimates that the UK sector could grow by 11% every year to 2030. This will only increase as major economies around the world commit to net zero, for example with China and Japan committing to net zero in recent months.

Businesses need to plan ahead to transition successfully and capture the innovation and growth dividend available. Leading trade associations are leveraging their unique position as sector convenors to set out clear pathways and to guide the granular actions needed to decarbonise smoothly and successfully, pooling capacity and supporting their whole sectors. They come together through the Broadway Initiative to help embed government policy and share best-practice.

Importantly, we see Net Zero as a space for collaboration. From supporting government with the information and insight it needs from business, to supporting smaller businesses on the transition, we are helping find the synergies and opportunities that make the transition as effective and efficient as possible. We're also working with the Council for Sustainable Business, who are developing carbon road-map dashboards for several sectors, to strengthen sectoral action.

However, this is a nascent approach. These 'green shoots' will only endure and succeed if they are set within the framework of the Government's overall Net Zero Strategy, with ongoing dialogue about issues like dates, governance and collaboration on barriers. This discussion document intends to open the conversation about the role of sector wide plans in government's delivery strategy.

Have we fully captured the rationale for sector-wide plans?

EARNING CREDIBILITY: KEY CRITERIA

The public and environmental community turn a healthy critical eye to business led approaches. On one hand the scale of industrial transformation required by Net Zero undoubtedly requires business ownership and leadership. On the other, countless examples are given of voluntary approaches that have not delivered as hoped. Net Zero is of course not optional; nevertheless, we clearly need robust criteria for sector plans to ensure they become a useful approach within the legal and policy framework set by government.

Drawing from the approach taken by UNFCCC and other peers, key criteria for sector plans should be:

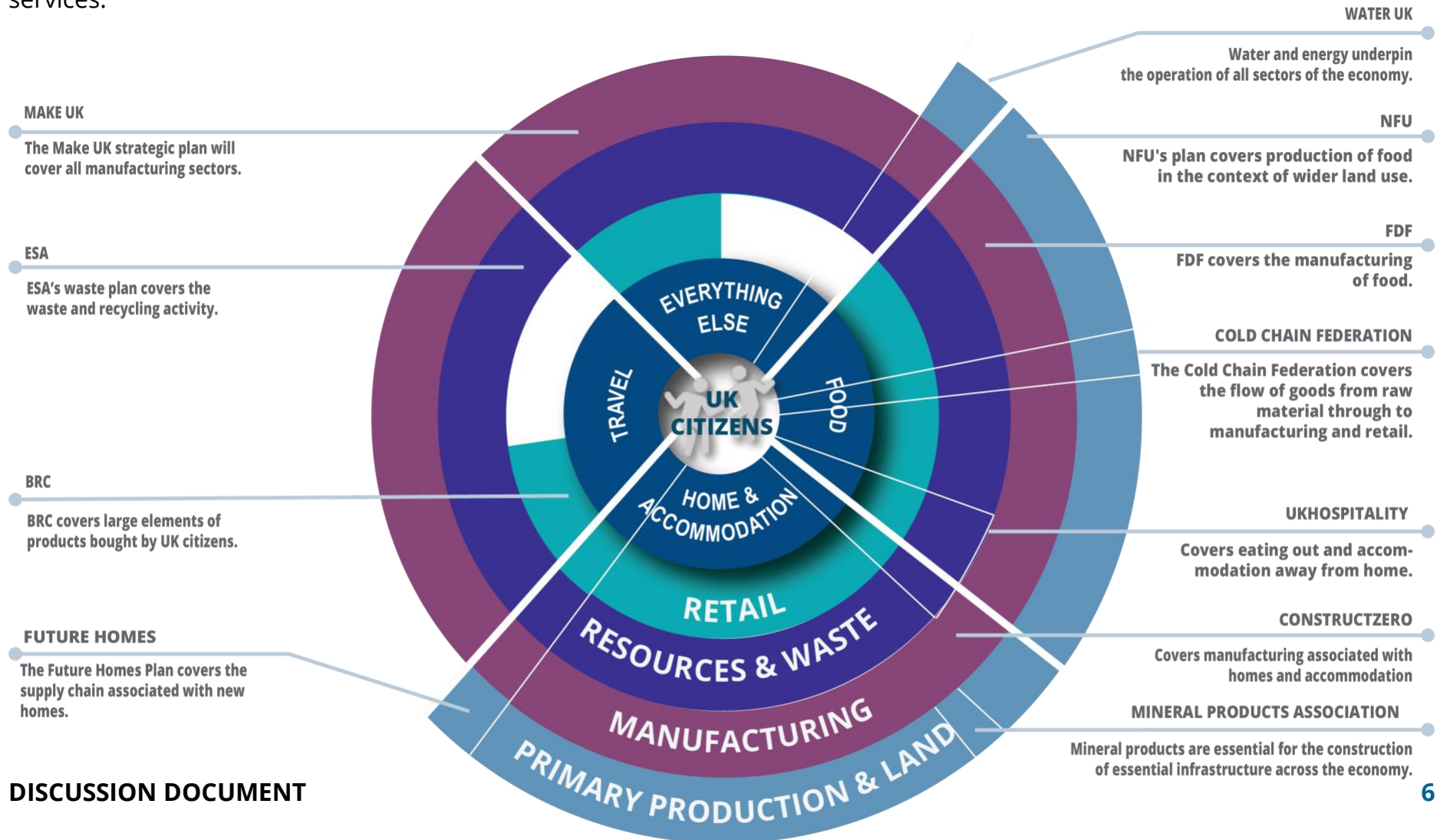
- 1. Alignment to Net Zero** – clear milestones in line with, or in advance of, the Government’s overall Net Zero Strategy. Plans should set out how their sector will play their part in achieving the 6th Carbon Budget, especially where early action is needed long before 2035 or 2050 dates.
- 2. Sector-wide coverage** - this is about supporting whole sectors not just the leaders. The plan therefore needs to have been developed with a wide cross section of the sector including consideration of how the smallest businesses can be supported to transition to net zero.
- 3. A clear roadmap and plan** – articulation of the interim milestones, steps and enabling actions required to get meet the overall sectoral dates, with immediate action wherever possible and challenge of the status quo.
- 4. Critical commitment mass** – demonstrated commitment to deliver against the plan from a critical mass within the sector. The sector plan should be open for anyone in the sector to participate in. The extent of sector support should be stated in the plan.
- 5. Delivery accountability** – transparent emissions and progress reporting at sector level should be an early objective. A contact point for senior stakeholders and a means of monitoring and reporting on the plan and intervening if progress is off track.

It is not necessarily the case that all sector plans currently meet these criteria but as a starting point these criteria will help facilitate an objective understanding of existing plans and a basis for building on them.

What criteria should sector-wide plans meet to be recognised as a credible delivery mechanism?

THE EMERGING PICTURE

This diagram aims to show how much of the economy is currently covered by the sector plans included in this document from the perspective of the household. Activities responsible for GHG emissions fall into one of four categories: food, home and accommodation, travel and everything else. The diagram also shows key stages of the goods and services lifecycle as some sectors namely BRC (retail), Make UK (manufacturing) ESA (waste and recycling) cover all goods and services.



PROGRESS TO DATE ON SECTOR PLANS

	Net zero commitment date	Plan announced	Commitment made	Plan released
British Retail Consortium Climate Action Roadmap	2030-2035 for stores and logistics, 2040 for products	●	●	●
Cold Chain Federation: The Road to Net Zero	TBC	●		
ConstructZero	TBC	●		
Environmental Services Association	2040	●	●	●
Food and Drink Federation	2040	●	●	Before COP26
HBF Future Homes Taskforce	2025 for homes in use 2050 for all aspects of the business	●	●	July 2021
MAKE UK	TBC	●		Before COP26
Mineral Products Association	2050	●	●	●
National Farmers Union: Achieving Net Zero by 2040	2040	●	●	
UKHospitality	TBC	●		Before COP26
Water UK	2030	●	●	●



BRC CLIMATE ACTION ROADMAP



SCOPE	UK retail industry
COMMITMENT	2040 Net Zero
MILESTONES	2030 net zero for retailers' UK electricity use ('Scope 2' emissions) 2035 net zero for UK fuel, gas and refrigerant use ('Scope 1' emissions). 2040 net zero for all products sold in the UK ('Scope 3' emissions).
KEY ELEMENTS	<ol style="list-style-type: none">1. Placing GHG at the heart of business decisions2. Operating efficient sites powered by renewable energy3. Moving to low carbon logistics4. Sourcing sustainably5. Helping employees and customers live low carbon lifestyles
STAKEHOLDER COMMUNITY	Retailers, supply chain partners, governments, customers
DELIVERY STRUCTURE	BRC has established working groups of retailers to deliver on the Roadmap
REPORTING	Roadmap will be reviewed annually BRC will support the industry to track and report its progress.
STATE OF PROGRESS	Roadmap launched November 2020 75+ leading retailers supported the Roadmap by Summer 2021.
KEY STATISTICS	Current footprint is 215 MtCO ₂ e emissions from full product value chains. ¹ The retail sector covers more than 300,000 separate retail businesses, employs over 3 million people, and had an economic output of £97.0 billion in 2020, ²

The full BRC Climate Action Roadmap is available from [here](#)

¹ <https://brc.org.uk/media/677373/climate-action-roadmap-executive-summary-apr21.pdf>

² <https://commonslibrary.parliament.uk/research-briefings/sn06186/>



COLD CHAIN FEDERATION: THE ROAD TO NET ZERO



SCOPE	Core cold chain activities in the UK – namely temperature-controlled vehicles and warehouses
COMMITMENT	TBC
MILESTONES	TBC
KEY ELEMENTS	<ul style="list-style-type: none"> Reducing the energy needed for cooling Technological advances to reduce direct emissions Supply-chain wide collaboration Developing better ways to manage energy and waste heat Powering remaining cooling load from sustainable sources
STAKEHOLDER COMMUNITY	Through this process the Cold Chain Federation will work collaboratively with partners to explore the path to a net zero cold chain - from individual businesses and industry leaders to trade associations, charities and NGOs.
DELIVERY STRUCTURE	TBC
REPORTING	TBC
STATE OF PROGRESS	A setting the scene document has been released as the basis for the Cold Chain Federation's engagement within and outside the industry to define what net zero cold chain means, and to identify knowledge gaps and opportunities for collaboration.
KEY STATISTICS	The cold chain can account for a relatively small proportion of the total carbon emissions from whole supply chains. Eg New Zealand lamb consumed in the UK, ~ 80% of total emissions is from agriculture, 5% from transportation and just 3% from processing (including storage). ³

Further information about the Cold Chain Federation's Plans is available from [here](#)

³ <https://www.coldchainfederation.org.uk/road-to-net-zero/>



CONSTRUCTZERO

SCOPE	A cross-industry approach to drive carbon out of all parts of the construction sector.
COMMITMENT	TBC
MILESTONES	TBC
KEY ELEMENTS	9 priorities relating to transport, buildings and construction activity.
STAKEHOLDER COMMUNITY	Manufacturing and design through to construction and operation of assets.
DELIVERY STRUCTURE	Constructzero has a critical role to play in bringing people together to consolidate collective actions and plans for the sector
REPORTING	Construct Zero is consulting with industry on a Performance Framework in order to measure the sector's performance.
STATE OF PROGRESS	ConstructZero launched March 2021. ConstructZero website launched June 2021. Over 58 UK construction businesses have already signed-up to Race to Zero
KEY STATISTICS	There are three areas, collectively representing over 40% of UK emissions, which are relevant to the construction sector. These are: Transport, Buildings and Construction activity. ⁴ The construction sector produced close to 14 Mt CO ₂ e of greenhouse gas emissions in 2019 ⁵ . In 2018, the construction contributed £117 billion to the UK economy and employed 2.4 million people. ⁶

Further information is available from [here](#)

⁴ <https://www.constructionleadershipcouncil.co.uk/wp-content/uploads/2021/03/Construct-Zero-Summary-Document.pdf>

⁵ <https://www.ons.gov.uk/economy/environmentalaccounts/datasets/ukenvironmentalaccountsatmosphericemissionsgreenhousegasemissionsbyeconomicsectorandgasunitedkingdom>

⁶ <https://commonslibrary.parliament.uk/research-briefings/sn01432/>



ENVIRONMENTAL SERVICES ASSOCIATION



SCOPE	UK recycling and waste management sector All greenhouse gas emissions; Scope 1, 2 and 3.
COMMITMENT	Net Zero by 2040
MILESTONES	<ol style="list-style-type: none"> 1. All on-site fuels to be 100% zero emissions by 2040. 2. Energy efficiency improvements at recycling plants and transfer stations of at least 2% per year from 2021 to 2040. 3. Divert all organic waste from landfill by 2030. 4. All waste transport vehicles to be 100% zero emissions by 2040. 5. All Energy from Waste facilities to be fitted with CCUS where feasible by 2040. 6. All new plants to be built with CCUS or to be CCUS ready from 2025. 7. Increase capture of methane emissions from landfill to 85% by 2030.
KEY ELEMENTS	Invest in recycling infrastructure Decarbonise non-recyclable waste treatment Zero emissions transport and fuel use.
STAKEHOLDER COMMUNITY	The plan covers the whole recycling and waste management sector. The plan's development has involved the breadth of the sector in dialogue with government, the supply chain and customers.
DELIVERY STRUCTURE	The ESA board will monitor performance and oversee delivery against the targets.
REPORTING	Performance against targets and the sector GHG account will be included in ESA's annual report. The strategy will be reviewed every 5 years.
STATE OF PROGRESS	Net Zero Strategy published on 30 June 2021. Executive summary ⁷ . Full report ⁸
KEY STATISTICS	Waste management contributes around 8% to total UK greenhouse gas emissions.

⁷ <http://www.esauk.org/application/files/7316/2496/7294/ESA-Net-Zero-Exec-Summary.pdf>

⁸ <http://www.esauk.org/what-we-say/publications/net-zero-strategy-report-registration-form>



FOOD AND DRINK FEDERATION

SCOPE	Food and drink manufacturing. Scope 1, 2 and 3 emissions
COMMITMENT	Net Zero by 2040
MILESTONES	Report and FDF handbook for achieving net zero to be released at COP26.
KEY ELEMENTS	Key elements will be the commitment, the roadmap, reporting arrangements and a handbook to guide businesses on the measures/actions they can take across the value chain to reduce their carbon footprint.
STAKEHOLDER COMMUNITY	The roadmap is on behalf of the food and drink sector.
DELIVERY STRUCTURE	TBC
REPORTING	Recognised need to consolidate reporting requirements.
STATE OF PROGRESS	Ambition to reach net zero by 2040 announced April 2021 Full roadmap to be launched at COP26
KEY STATISTICS	The food and drink industry is the UK's largest manufacturing sector, contributing £29 billion to the economy annually and employing over 440,000 people. ⁹

⁹ <https://www.fdf.org.uk/fdf/business-insights-and-economics/facts-and-stats/>

HOME BUILDERS FEDERATION and the FUTURE HOMES TASK FORCE



SCOPE	New homes
COMMITMENT	Sector-wide plan to meet Net Zero and environmental targets on accelerated timeframes in line with dates below.
MILESTONES	<p>High quality homes that are zero carbon ready and sustainable by 2025. Places and developments that are consistently low carbon, nature-rich, resilient, healthy and beautiful before 2025.</p> <p>Production and construction methods that are Net Zero and sustainable by 2050 with substantial progress by 2025 and 2030. Businesses operations in line with the Race to Zero: Net Zero by 2050 with a 50% reduction by 2030.</p>
KEY ELEMENTS	Key aspects of the roadmap for reaching net zero are: to redesign homes to be zero carbon ready by 2025; remove emissions from materials and construction progressively by 2050; to design developments that support low carbon living and remove emissions from wider business operations.
STAKEHOLDER COMMUNITY	The homebuilding sector mainly through the Home Builders Federation and other groups represented on the Construction Leadership Council. All other stakeholder groups involved in development including supply chain, skills, energy infrastructure, utility providers, conservation bodies, government and local government.
DELIVERY STRUCTURE	The Future Homes Hub is being established to oversee delivery.
REPORTING	The Future Homes Hub will report on delivery.
STATE OF PROGRESS	Future Homes Task Force will report in July 2021, with establishment of the Hub in September 2021

Further information available from [here](#)



MAKE UK

SCOPE	Major manufacturing 'sub-sectors' Scopes 1, 2 and 3
COMMITMENT	Likely 2050 but will depend on the sector
MILESTONES	TBC
KEY ELEMENTS	TBC
STAKEHOLDER COMMUNITY	Roadmap is being developed on behalf of the sector. Make UK will consult with their members as well as other sector associations to ensure a coordinated and aligned approach.
DELIVERY STRUCTURE	TBC
REPORTING	TBC
STATE OF PROGRESS	Will be launched at COP26 in November.
KEY STATISTICS	The manufacturing sector accounts for close to 50 Mt of GHG emissions in the UK. ¹⁰ The manufacturing sector employs over 2.7 million people in the UK and has an annual output of £191 billion. ¹¹

¹⁰ <https://www.makeuk.org/news-and-events/news/post-covid19-industry-ready-to-take-on-net-zero-challenge>

¹¹ <https://www.makeuk.org/insights/publications/uk-manufacturing-the-facts-2020-21>



MINERAL PRODUCTS ASSOCIATION



SCOPE	UK Concrete and Cement Industry	
COMMITMENT	Net Zero by 2050	
MILESTONES	TBC	
KEY ELEMENTS	Decarbonised electricity Transport Low carbon cements and concretes	Fuel switching Carbon capture, usage and storage Carbonation Thermal mass
STAKEHOLDER COMMUNITY	Delivering beyond net zero requires our industry, all levels of Government and the wider construction, energy and transportation sectors to work together.	
DELIVERY STRUCTURE	TBC	
REPORTING	TBC	
STATE OF PROGRESS	Roadmap published 2020	
KEY STATISTICS	The mineral products industry generates £5.8 billion GVA and employs 81,000 people. ¹² Emissions were 7.3 Mt in 2018. ¹³	

More information available [here](#)

¹²https://www.mineralproducts.org/MPA/media/root/Publications/2021/Profile_of_the_UK_Mineral_Products_Industry_2020_Spread.pdf

¹³ https://www.mineralproducts.org/MPA/media/root/Publications/2020/MPA-UKC-Roadmap-to-Beyond-Net-Zero_Oct20.pdf



NATIONAL FARMERS UNION: ACHIEVING NET ZERO BY 2040



SCOPE	Farming sector
COMMITMENT	Net Zero by 2040
MILESTONES	TBC
KEY ELEMENTS	Improving farming's productive efficiency Improving land management and changing land use to capture more carbon Boosting renewable energy and the wider bioeconomy
STAKEHOLDER COMMUNITY	Partnership working – with government, with industry, with academics
DELIVERY STRUCTURE	TBC
REPORTING	TBC
STATE OF PROGRESS	Achieving Net Zero report released. Pilot proposals under development to demonstrate measures and develop monitoring and reporting tools.
KEY STATISTICS	UK farms emit 45.6 Mt of greenhouse gas emissions annually. UK farming contributed £8.5 bn GVA, with a workforce of ~476,000. ¹⁴

More information available [here](#)

¹⁴ <https://www.nfuonline.com/nfu-online/news/report-21117-contributions-of-uk-agriculture/>



UKHOSPITALITY



SCOPE	UK hospitality businesses
COMMITMENT	Carbon net zero
MILESTONES	TBC
KEY ELEMENTS	Reductions in energy, water, waste and supply chain emissions
STAKEHOLDER COMMUNITY	Working with the Zero Carbon Forum.
DELIVERY STRUCTURE	UKHospitality and the Zero Carbon Forum will be working together to compile a plan to move the hospitality sector towards carbon net zero
REPORTING	TBC
STATE OF PROGRESS	Industry roadmap to be published September 2021
KEY STATISTICS	The UK Hospitality sector generates £130 billion a year and employs over 3 million people. ¹⁵

¹⁵ <https://committees.parliament.uk/writtenevidence/10403/html/>

WATER UK NET ZERO 2030

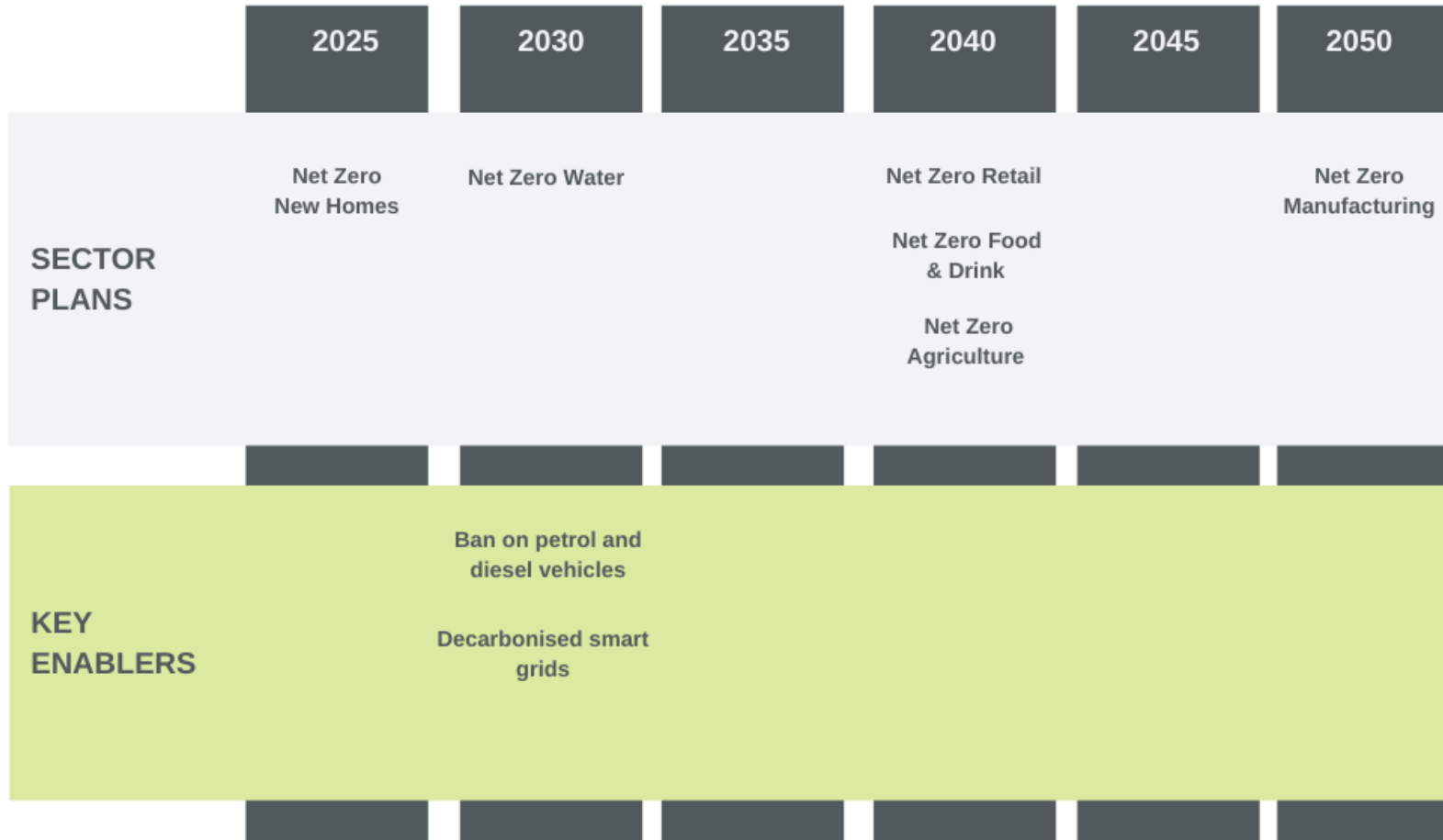
SCOPE	Water sector	
COMMITMENT	Net zero by 2030 (in England) and 2040 (Scotland and Wales)	
MILESTONES	Individual company plans published July 2021.	
KEY ELEMENTS	Restoring native habitats Green has production Renewable power Process emissions	Water and energy savings Low emissions vehicles Targeting innovation Offsetting residual emissions
STAKEHOLDER COMMUNITY	Water companies in the UK	
DELIVERY STRUCTURE	All water companies in the UK contributed to and are guided by the sector routemap. An Expert Panel in place to advise the industry on its detailed plans, hold the sector to account on its performance, and ensure annual reports provide stakeholders with detailed insight into our progress towards net zero in 2030.	
REPORTING	Standardised GHG reporting requirements for operational emissions for companies' Annual Performance Reports. Publish an annual sector-wide emissions report alongside individual company plans (July 2021) Work towards accreditation in 2021 for operational emissions reporting from a recognised standard Publish an annual sector-wide emissions report alongside individual company plans (July 2021)	
STATE OF PROGRESS	Plan released in November 2020.	
KEY STATISTICS	The water sector produces 2.4 m tonnes of CO ₂ e per annum, and employs 127,000 people. ¹⁶	

More information available from [here](#)

¹⁶ <https://www.euskills.co.uk/about/our-industries/water/>

CONVERGING DATES

This diagram starts to provide an overview of key dates across sector plans. We will develop the document further during summer 2021 including to identify common transition dates for shared activities.



NEXT STEPS TO DEVELOP THE APPROACH

- Share this document for discussion – July-September 2021
- Establish formal communications with government - Q3/Q4 2021
- Develop the complete picture of plans and dates and where feasible look to align dates – Q3/Q4 2021
Encourage the development of strategic plans in big sectors with high emissions and complex supply chains. For example, the Constructzero plan through the Construction Leadership Council and a farm to fork food plan through the Food and Drink Sector Council. During 2021.
- Develop priority areas for collaboration including for example electrification of fleet and decarbonisation of heat. Q3/Q4 2021
- Develop a communications plan for COP26 and beyond to amplify sector leadership and develop a positive and shared vision of net zero. Q3/Q4 2021
- Expand to cover environmental targets, if supported by government. From 2022 onwards.

ASKS OF GOVERNMENT

- BEIS should ensure the Government's Net Zero Strategy 1) sets the most efficient overall framework and pathway to Net Zero 2) recognises the role of industry led sector plans to establish the practical steps required to meet the government's strategy and 3) commits to working collaboratively to help align sector plans with the government's strategy.
- HM Government should establish a central point within BEIS for sector plans, lead contact points within the sponsor department for each sector plan and lead contact points for the critical departments needed to help unblock progress and capture opportunities such as DEFRA, MHCLG, DFT and HMT.
- BEIS should be in dialogue with sector leaders on the framework for sector plans, including to review criteria for credible sector plans and to help guide the development of a coherent and consistent set of sector plans.
- HM Treasury should be in dialogue with sector leaders about how a Just Transition is achieved so that net zero is funded and benefits distributed fairly across society taking account of distributional effects.

How should sector plans relate to the Government's Net Zero framework?