

Business Manifesto for Delivering Net Zero Carbon in London

Produced by the Net Zero London Working Group



Developed in
partnership with



Foreword

Climate change is the defining issue of our generation. From shifting weather patterns threatening food production, to rising sea levels increasing risks of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Without drastic action now, adapting to these impacts in future will be more difficult and costly.

Net Zero is a statutory target set by the Climate Change Act 2008 for a 100% reduction of UK greenhouse gas emissions by 2050. At this year's party conference, the Prime Minister committed to pushing forward the green economy, which, in his words "will create hundreds of thousands if not millions of jobs." In the same speech he committed to dramatically increasing wind energy by 2030 and creating 60,000 jobs.

Clearly progress will need to accelerate to meet ambition, and now is the time to encourage the Government to follow the lead of our cities and regions. Several London boroughs have declared a climate emergency and are adopting Net Zero targets. The Mayor of London, Sadiq Khan, has set out an ambition to put London on a par with Scandinavian capitals by making it Net Zero by 2030

if re-elected next year, alongside a new green deal for London in its recovery from the pandemic.

Accelerating Net Zero will require businesses, government, communities, and individuals to all play their part. The next ten years will be crucial, but the pathway ahead isn't yet as clear as it needs to be.

The business community is already playing a significant role in responding to the climate challenge. Across sectors, business is looking at its own carbon footprint, investing in new technologies and services to help reduce emissions and adapting business models to transition to green fleets and zero carbon buildings.

But this is far from sufficient. More can and must be done if we are to achieve a Net Zero target.

This manifesto sets out the ambitious commitments and actions required by business to help meet the capital's decarbonisation challenge.

Responsible investment is widely understood as the integration of environmental, social and governance (ESG) factors into investment processes and decision-making. Business is recognising that climate action has the potential to deliver social value through a 'just transition' that benefits the most vulnerable in society. Business can also use its influence to help employees, customers and suppliers to decarbonise.

Business cannot do it alone – collaboration with central and local government is critical.

While the challenges are global, the solutions are inherently place-based. This manifesto also sets out the **key areas where better business collaboration and coordination with London's government can make significant progress towards a decarbonised economy over the next mayoral term.**

The mayoral elections in 2021 are a pivotal moment for the capital and a timely opportunity to mobilise support for the necessary action to deliver a green recovery and apply pressure for ambitious action.

Business stands shoulder to shoulder with political leaders and Londoners in its desire for bold and positive change.



Rachel Skinner
Executive
Director, WSP



Jasmine Whitbread
Chief Executive,
London First

Building back a greener and fairer London



The Committee on Climate Change (CCC) has said that reaching Net Zero will be technically feasible but highly challenging. It will require sustained policy interventions across several sectors – many of which will be complex, costly and time-consuming.

The challenges are significant. The annual cost of decarbonising London (homes and infrastructure alone is £4.8bn - £6.1bn) dwarfs the current annual budget of the Mayor of London (£4.4bn), and like many other global cities the powers and resources of the Mayor are limited. While the Mayor provides

strategic direction, much of the responsibility for delivering tailored solutions to address climate action lie with the boroughs.

COVID-19 and its economic impact will put pressure on budgets and reduces revenues, but equally the pandemic has presented a moment to rethink our approach to climate. As London considers its recovery, there is an opportunity to build a more resilient, sustainable, and low-carbon future. Recovery from the pandemic offers a rare opportunity to jump-start a green recovery with more and better jobs, and healthier and more resilient communities.

Meeting the climate challenge will require innovation and collaboration between the public and private sector to set out a clear pathway to Net Zero Carbon and a sustainable economy for the future. No single agency or organisation can deliver the required system changes in isolation.

Rather, London's government, business from across sectors, civil society and individual Londoners will all need to be mobilised if we are to make material progress towards a decarbonised economy over the next mayoral term and achieve the target by 2030. The 2021 mayoral elections are a pivotal moment

and an opportunity to align everyone around a shared goal.

London First and WSP convened business leaders from across the capital's sectors to look at what's needed from business, and what business needs from government, to accelerate the delivery of the Net Zero agenda within a London context. The Net Zero London Working Group steering this work is made up of the capital's major employers who bring a wealth of expertise and knowledge from their industries.

The aim of the group was to explore the policy areas and actions required to reach this ambitious goal and discuss how business can play an integral role. The focus throughout has been on collaboration – signposting good work already underway and offering support and amplification where possible.

The result of these discussions is this **Business Manifesto for Delivering Net Zero Carbon in London**, which sets out the ambitious commitments and actions required by business to meet the capital's decarbonisation challenge, and the key priorities for London's government over the next mayoral term.

We're asking London
Business to...



Commit to Climate Action Plans (CAP) that are transparent and standardised



Use climate action to address inequality and benefit all communities



Support other business and help suppliers and customers to achieve Net Zero

We're asking London's
Mayor to...



Set out a clear pathway to achieving London's Net Zero goals



Promote investment in Net Zero



Help Londoners make informed choices and decisions on Net Zero

We're asking London **Business** to...



Commit to Climate Action Plans (CAP) that are transparent and standardised

A Climate Action Plan (CAP) is a strategy document that outlines a collection of measures to mitigate climate change and reduce greenhouse gas emissions.

We need common agreement about how Climate Action Plans (CAP) are reported in order to improve transparency and encourage healthy competition between businesses.

- ✓ Have a CAP that commits to achieving Net Zero by 2050, with short and medium-term deliverables aligned to Mayoral terms
- ✓ Improve the transparency and standardisation by aligning CAP to Task Force on Climate-related Financial Disclosures (TCFD) and Science Based Target Initiative (SBTi)



Use climate action to address inequality and benefit all communities

A 'just transition' for workers and communities was included as part of the 2015 Paris Agreement on climate change.

The social value created by climate actions should be a key indicator of success. Businesses' Climate Action Plans should take account of inequality and consider social priorities and distributional effects.

- ✓ Consider 'just transition' as part of CAP ahead of COP26, in line with the interim recommendations of the IPPR Environmental Justice Commission
- ✓ Embed Net Zero in wider reporting of corporate social value
- ✓ Work with Citizens UK through the Net Zero London Working Group to make London the first 'just transition' city so that climate action tackles inequality and benefits low-income communities.

CITIZENS UK are running a community and citizen led campaign to transform London into the first 'just transition' city in the UK. They are currently undertaking a listening exercise with over 400 leaders from 20 different organisations.



Support other business, and help suppliers and customers to achieve Net Zero

Business needs to collaborate and find efficiencies by working together, creating opportunities for firms to learn from each other.

We know that businesses are at different points on the Net Zero journey – particularly during the COVID-19 recovery phase – and therefore it is important not to make unrealistic demands on those still in 'survival mode'. Through better collaboration, businesses can tailor CAP to individual and sectoral needs.

- ✓ Incentivise their supply chains and support customers to commit to and act on Net Zero
- ✓ Support initiatives that are helping to create a shared database of best practice, such as Goal 13 Impact Platform

GOAL 13 IMPACT PLATFORM is a collaboration with CBI, Chapter Zero and Deloitte to create an open data platform that captures company insights into achieving Net Zero. The aim is be a resource to 'matchmake' organisations who are working on similar initiatives and challenges.

We're asking London's **Mayor** to...



Set out a clear pathway to achieving London's Net Zero goals

While climate challenges are global, the solutions are inherently place-based.

A clear starting point, journey plan and end point for London are needed to accelerate progress towards a Net Zero economy, through London's recovery from COVID-19 and over the next local government and Mayoral term.

We're asking London's Mayor to take a strong leadership role by convening all parts of London's government to facilitate collaboration around common goals, metrics and shared objectives with a focus on:

- ✓ Developing a clear model of how carbon emissions in London are measured
- ✓ Setting shorter-term deliverables and measurable social outcomes at sectoral level
- ✓ Leveraging public procurement to fast track Net Zero solutions



Promote investment in Net Zero

In addition to the significant government funding that will be required, clear routes for private investment will also need to be incentivised.

London should seek to leverage government funding and mobilise green finance to drive an inclusive Net Zero transition through innovative funding.

- ✓ Support innovation and tech entrepreneurs through grant funding / accelerator programmes e.g. create a Green Innovation Challenge
- ✓ Explore with business the potential to pool carbon offset payments to create a London retrofit fund
- ✓ Help to mobilise institutional investors, for example by convening a Green Finance Summit in 2021
- ✓ Explore the creation of a London Green Municipal bond market open to all councils
- ✓ Continue to work with the LPFA (London Pension Fund Authority) to encourage London boroughs to follow the GLA lead and prioritise a Net Zero friendly investment strategy



Help Londoners make informed choices and decisions on Net Zero

The CCC indicates that over 50% of the solutions require both technical solutions and social change. Research has shown that behavioural solutions mitigate 20 to 37 percent of global emissions*. The adoption of sustainable behaviours is a key component of solving the climate change challenge.

- ✓ Co-fund with business a Londoner facing media and advertising public information campaign to promote making green choices
- ✓ Celebrate success by running a Carbon Heroes campaign in the capital to showcase great examples of citizen action
- ✓ Work with Department for Education to make climate change science a mandatory part of the curriculum, and work with London's universities to promote climate change science

* <https://rare.org/wp-content/uploads/2019/02/2018-CCNBC-Report.pdf>

Next steps

This report is the first output of the Net Zero London Working Group. It sets out the actions required by business to meet the capital's decarbonisation challenge and the key priorities for London's government over the next mayoral term. This is only the first step. We intent to develop a longer work programme through 2021 and over the next mayoral term.

How can you get involved?

We want to speak with any organisation or enterprise with an interest in decarbonisation and the green recovery.

Please visit londonfirst.co.uk/what-we-do/londons-sustainable-future, or email dlutton@londonfirst.co.uk to find out more.



Contributors

London First would like to thank our Chair, Rachel Skinner, and the team at WSP, as well as those who contributed their insights and resource to this work.

Abellio – Emily James
AECOM – Robert Spencer
AlixPartners – Peter Gawith
Arcadis – Anusha Shah
Arup – Ben Smith
Ashurst – James Nierinck
Barings – Neil Godfrey
Barratt Homes – Alastair Butcher
Bloomberg Associates – Jake Elder
British Land – Cressida Curtis
BT Group – Neil Aitken
Canary Wharf Group – Andy Haigh
Catalyst Housing Limited – Stephen Edwards
CBRE Ltd – Stephen Kent
Clyde & Co – Nigel Brook
Compass Group – Carolyn Ball
Cory Riverside Energy – Helen Murphy
Deloitte – Hannah Routh
Derwent – John Davies
ENGIE – Kirti Rudra
ExCeL London – Lucy Merritt
FTI Consulting – Helen Nowicka
Grant Thornton – Will McWilliams
Great Portland Estates – Janine Cole
Grosvenor Britain & Ireland – Tor Burrows
Heathrow Airport Ltd – Matt Prescott
Iceni Projects Ltd – Dan Jestico
Jacobs – Zoe Haseman
JLL – Sophie Walker

Landsec – Edward Dean
Legal & General – John Godfrey
Lendlease – Paul King
Lloyds Banking Group – Gary Lapthorn
London City Airport – David Leach
LSE – Professor Nick Robins
MACE – Fiona McWilliams
Macquarie Group – Laura Thompson
Montagu Evans – Kevin White
Mott MacDonald – Clare Wildfire
Multiplex – Eva Gkenakou
Natwest – Rishi Madlani
Peabody – Richard Ellis
PLP Architecture – Hala El Akl
Prologis – Robin Woodbridge
PwC – Emma Cox
Bosch – Eman Martin-Vignerte
Savills UK Limited – Lizzie Jones
SEGRO – Neil Impiazzi
Siemens plc – Will Wilson
Telford Homes – Andrew Day
The Crown Estate – Jane Wakiwaka
The Howard de Walden Estate – Laura Jockers
The Portman Estate – Rosa Han
Turley – James Blake
Turner & Townsend – Richard McWilliams
UK Power Networks – Mark Adolphus
Unite Students – James Tiernan





London First is a membership group which campaigns to make London the best city in the world to do business.

Our membership comprises over 200 leading employers across a wide range of sectors. We convene and mobilise business leaders to tackle the key challenges facing our capital.

We have been instrumental in establishing a **Mayor of London**, pioneered **Teach First**, driven the campaign for **Crossrail**, lobbied for government action on airport capacity, leading to the approval of a new **Heathrow** runway and achieved a win for business when Government announced a review of the **Apprenticeship Levy**.

Now we are focusing on key priorities to keep our capital working for the UK: people, homes and transport.



As one of the world's leading engineering professional services consultancies,

WSP brings clarity and vision to complex challenges. Our team of technical specialists and strategic advisers across the UK is part of a talented global family of expertise. Together, we ensure innovative solutions solve complex problems for our clients and the communities we serve, meeting both the needs of today and addressing the challenges of the future.

As the largest environmental consultancy in the UK, WSP takes pride in leading the way as we collectively tackle the climate emergency.

[@WSP_UK](https://wsp.com/en-GB)

WSP contributors to this report

Rachel Skinner
Executive Director

Charles Malissard
Head of Media & Public Affairs

London First contributors to this report

David Lutton
Laurel Hart
Victoria Poku-Amanfo

londonfirst.co.uk

[@london_first](https://twitter.com/london_first)