

Construct Zero:

Using the Carbon Reduction
Code and the Performance
Framework

Introducing the Code and the Framework

Carbon Reduction Code

- The Code provides a framework for **organisations** to make a public commitment to and report on their progress towards achieving Net Zero.
- The Code has three parts:
 - Core commitments for all organisations
 - Core commitments for client organisations and further commitments to facilitate the transition to Net Zero
 - Core commitments for supply chain organisations and further commitments to facilitate the transition to Net Zero.
- There are three levels of compliance to the Code:
 - PLEDGER
 - SIGNATORY
 - CHAMPION
- Many organisations will first sign up at PLEDGER level and then work through to SIGNATORY and CHAMPION levels if/when possible.
- Others whose net zero carbon strategy is already quite mature will be able to sign up at SIGNATORY or CHAMPION levels right away.

Performance Framework

- The Framework sets out how **the sector** will commit to, and measure its progress towards, Net Zero.
- It will provide the CLC with a sector level dashboard on the sector's progress towards Net Zero and is aimed at motivating businesses to action and to help those outside the sector understand our progress.
- The CLC intends to collate data for the dashboard on a quarterly basis, drawn from sources which already aggregate it, known as data point owners. It will use this data to produce sector level indicators.
- The framework also identifies Project and Business Metrics which align to the sector level indicators, which have been issued for guidance to businesses and projects to consider when developing their own plans.

Comparing the Code and the Framework

Carbon Reduction Code commitments

All organisations

- organisational commitment to NZ by 2045, and the setting of a 2030 target

Client organisation commitments

- Carbon reduction targets and commitments in all procurement documents
- Carbon baseline and reduction targets for projects
- Improvements in measurement and reduction through the asset lifecycle
- Alignment of investment with the national NZ obligation
- Sharing best practice on carbon measurement and management, nature-based solutions and decarbonisation road-maps

Supply Chain organisation commitments

- Support suppliers' carbon measurement and reduction
- Contribute carbon performance data to a public database
- Work with clients to use the carbon hierarchy (eg no-build)
- Sharing best practice eg through the Supply Chain Sustainability School

Performance Framework commitments

- Nine priorities for the sector in three themes:
 - Transport – zero emission vehicles, MMC, built environment
 - Buildings – retrofitting, low carbon heat, energy performance
 - Construction activity – carbon measurement, design, materials
- The framework sets commitments and metrics for **the sector** for each of the priorities
- It will collate the sector level metrics quarterly from the data point owner organisations
- The sector level metrics will be reported to government and published on the CLC website, and used to assess progress and challenge the sector
- It also sets out key enablers for the sector
- The project and business commitments and metrics are issued for guidance and are aimed at providing direction for organisations to align to the nine priorities and accelerate progress and impact
- The business and project metrics are mainly output-focussed but also include:
 - A commitment to CPD and a requirement for carbon literacy for planning professionals
 - Skills training plans for low carbon heat organisations
 - Carbon literacy training for estimators, designers and project managers

Reporting requirements

Carbon Reduction Code reporting requirements

- The code requires that organisations will commit to setting out their plans to meet net zero by 2045, including annual targets.
- **Organisations** commit to publishing their plans and their progress against it, annually.

Performance Framework reporting requirements

- ConstructZero intends to collate data for the **sector level** dashboard on a quarterly basis, drawing data from sources which already aggregate it, known as data point owners.
- ConstructZero has, as part of developing the sector level dashboard, identified Project and Business Metrics which align to the sector level indicators. ConstructZero does not intend to measure these on a quarterly basis. These have been issued for **guidance to businesses and projects** to consider when developing their own plans.

How to use the Code and the Framework

The Code and the Framework are complementary and should be used together

The Code requires an **organisation** to set out its **approach** ('how') to procuring, measuring, investing and sharing best practice and requires carbon reduction targets to be set

The Framework requires data on a specified list of **sector level metrics** ('what') to be collected and reported to allow the performance of the **sector** to be monitored.

It also offers **guidance to organisations** and projects on metrics including training and skills targets

Organisations adopting the **Code** commit to an **approach** and to annual reporting against their plans.

Data point owners commit to reporting on sector level metrics to support the **Framework**.

Businesses and projects can follow the **Framework's guidance** on metrics to measure against.