

## How to Embed Sustainability to Achieve Climate Goals

**Minimising the environmental impact of the built environment has never been more important, and our industry is taking action to address it. However, the challenge is often how best to embed sustainability into a project to ensure it delivers on environmental targets.**

With the deadline for the UK to achieve net zero now only 25 years away and an interim target of an 81% cut in emissions by 2035, there is increased pressure to make widespread changes. This is particularly true for our industry as the UK Green Building Council (UKGBC) estimates that the built environment is responsible for about 25% of all UK carbon emissions.

Sustainability is driving changes in regulations and standards, but it has also become a focus for many organisations across the sector with a view to achieving their own environmental goals. There are several ways that clients can ensure that sustainability is integrated into the project.

### **Sustainability in procurement**

It is now increasingly being recognised that sustainable goals can be achieved more easily when they are a focus from the very earliest stages. This is true regardless of whether the aim is a reduced impact during construction or better performance of the building in operation. Therefore, it is important to make this a focus of the procurement strategy, including the criteria for supply chain partner selection. Looking for professional services providers and contractors



that have the same commitment to sustainability and a proven track record in this area is an essential consideration.

### **Collaborative contracts**

Another important factor in delivering sustainable outcomes on a project is adopting collaborative contracts, such as the NEC4 suite of contracts. This was one of the key findings of our recent Transforming Construction report, which provides an in-depth look at the factors driving change in our industry. 80% of the industry professionals surveyed agreed that collaborative contracts lead to better environmental outcomes. This is because collaborative working makes it simpler to achieve project objectives, including environmental ones, as it encourages all parties to work in the best interests of the project. Collaboration also makes it easier to implement the innovations and technologies that are often required to build sustainably.

### Early contractor involvement

Another way that sustainability can be successfully embedded into the project is through early contractor involvement (ECI). Contractors will typically have the most extensive knowledge and experience of the sustainable materials and technologies available. Therefore, bringing these partners in early in the process can be very valuable in helping clients to understand what is possible and how the environmental objectives can be achieved in the most effective way.

An ECI approach can be easily implemented when using the NEC4 Engineering and Construction Contract (ECC) through the use of secondary clause Option X22. This has been developed for use with ECC Option C (target price with activity schedule) and ECC Option E (cost reimbursable contract) and provides a clear two-stage (design and construction) approach.



### Sustainability focused contract clauses

One of the simplest ways to build environmental targets into a construction contract is through the use of specially developed optional clauses, such as NEC Option X29. This enables clients to specify the project's environmental requirements in the scope and provides a climate change plan that contractors can use to set out their strategy for achieving the objectives. There is a huge opportunity for more projects to utilise these as the Transforming Construction report found that only 15% said they are very aware of these clauses.

### Incentivise low carbon solutions

For clients that operate long term partnerships with contractors for maintenance and upgrade works, it is important to look at how the embodied carbon of this work can be minimised. In these situations, it may be worth considering how compensation can be structured in a way that incentivises contractors to only recommend new construction when there is no better option. If existing assets can be optimised or their lifespan extended with minimal additional work, then the embodied carbon of the asset over its lifetime can be reduced. However, this more solutions-focused approach is only possible if there is a financial benefit of doing so for the contractor. This can be achieved through the strategic use of contract clauses, such as NEC Option X20, which allows key performance indicators (KPIs) to be set, with associated financial compensation.

Sustainability is now an essential consideration for all projects. Embedding these objectives into the project through the correct approach to procurement, collaboration and compensation can help ensure the organisation's goals are met.

To find out more about how NEC Contracts can help achieve environmental objectives visit [www.neccontract.com](http://www.neccontract.com)