



**Annex**

**A16.04 Environmental Benchmarking  
December 2019**

As a part of the NGGT Business Plan Submission

To develop the Environmental Action Plan industry benchmark was carried out to ensure the plan was ambitious and reasonable. A summary of the benchmarking is included in the table below:

Target (What)	Benchmark RIIO-2
Reduce carbon emissions from leaks	<ul style="list-style-type: none"> <li>On 22 November 2017, eight companies signed a set of Guiding Principles on <a href="#">Reducing Methane Emissions across the Natural Gas Value Chain</a>.</li> </ul>
General business carbon reduction	<ul style="list-style-type: none"> <li>Scottish Power Networks has a carbon reduction target of 80% reduction by 2030 and a carbon neutrality target by 2050 There is no specific mention of SF6 targets</li> <li>SSEN plans to set a science based target for their electricity transmission business</li> <li></li> </ul>
Reduce carbon emissions from operational transport	<ul style="list-style-type: none"> <li>TenneT want to have carbon neutral substations, offices and mobility by 2020</li> <li>EV100 is a global initiative committed to accelerating the transition to electric vehicles (EVs) Utilities like EDF, EON, BT, Delta and Heathrow are members</li> </ul>
Reduce carbon emissions from our business mileage	<ul style="list-style-type: none"> <li>Jacobs and Motts (infrastructure companies) have a set a corporate policy for employees to choose rail first and justify when there is a requirement to use a car</li> </ul>
Purchase 100% of electricity we use from renewables	<ul style="list-style-type: none"> <li>RE 100 - 10% of FTSE 100 companies already committed</li> <li>It is now an expectation from CDP in order be in the A-List (highest scoring the area for leadership).</li> </ul>
Achieve carbon neutral construction	<ul style="list-style-type: none"> <li>Skanska have set a carbon neutral construction target by 2045 (this includes construction and whole business) in 2018.19.</li> <li>From 2013, 56 leading organisations pledged to cut carbon in infrastructure, of which 80% have improved their carbon maturity. PAS 2080 was published in 2016 as a key output of the ICR.</li> <li>Heathrow have committed to a carbon neutral expansion</li> </ul>
Extend the life of equipment by refurbishment	<ul style="list-style-type: none"> <li>Resources and waste strategy published by UK Gov refers to this</li> </ul>
Reducing the waste intensity of our construction projects year on year	<ul style="list-style-type: none"> <li>Waste intensity for construction is an established standard for buildings.</li> <li>BREEAM 2018 contains targets on waste intensity</li> <li>We want to prolong the lives of the materials and goods that we use, and move society away from the inefficient 'linear' economic model of 'take, make, use, throw'.</li> </ul>

Target (What)	Benchmark RIIO-2
On construction projects, we will achieve zero waste to landfill with increasing recycling & composting rates year on year	<ul style="list-style-type: none"> <li>• The Resources and Waste Strategy for England states the UK's ambition to become a leader in resources efficiently and reducing the amount of waste</li> <li>• BREEAM 2018 include targets on this</li> </ul>
We will recycle our operational waste	<ul style="list-style-type: none"> <li>• EU Circular Economy Package, target of 65% recycling of municipal waste (household and small businesses) by 2035</li> </ul>
Increase the amount of recycled materials used on construction projects	<ul style="list-style-type: none"> <li>• Cross rail achieved 36%</li> </ul>
Implement circular economy principles across the business.	<ul style="list-style-type: none"> <li>• The Ellen McArthur Foundation CE100 is a group of businesses that aim to provides a pre-competitive space to learn, share knowledge, and build new collaborative approaches.</li> <li>• Waste to Wealth Working group set up by BITC is looking at circular economy in the build environment. We are members.</li> </ul>
Increase environmental value of non-operational land by 2% per annum against a Natural Capital/ Biodiversity baseline (90 hectares)	<ul style="list-style-type: none"> <li>• We sit in the Natural Capital Task Force run by the EIC (Environmental Industries Commission).</li> <li>•</li> </ul>
Deliver Net Gain in environmental value (including biodiversity) on all construction projects (including those delivered by third parties)	<ul style="list-style-type: none"> <li>• Net Gain is increasingly being incorporated by businesses, as net gain in construction is being put in planning.</li> </ul>
Senior management accountability to environmental performance	<ul style="list-style-type: none"> <li>• SSE, and Shell have stated they will do this</li> </ul>
An engaged workforce on environmental	<ul style="list-style-type: none"> <li>• IEMA guidance on behaviour change being fundamental to deliver a fair/sustainable transition</li> </ul>

Target (What)	Benchmark RIIO-2
issues that lead by example	
Be an environmental leader for the energy industry	<ul style="list-style-type: none"> <li>• This is an expectation for a sustainable business</li> </ul>
Sustainability is fully embedded in our decision making	<ul style="list-style-type: none"> <li>• TenneT uses a carbon price of \$30 per tonne.</li> <li>• We also sit in the Accounting 4 Sustainability (A4S) who promote carbon pricing</li> <li>• Exxon is using \$80 per tonne,</li> <li>• Shell is using \$40 per tonne,</li> <li>• Centrica is using \$29 per tonne.</li> </ul>
Transparency to stakeholders on sustainability performance	<ul style="list-style-type: none"> <li>• This is an expectation for a sustainable business</li> </ul>
Educate the public more on environmental issues through our education centres, community events and the role of energy and its impact	<ul style="list-style-type: none"> <li>• This is a best practice</li> </ul>
We will work collaboratively with the other Transmission Operators throughout T2 to develop a consistent approach to capital carbon management & Net gain/Natural Capital	<ul style="list-style-type: none"> <li>• This has been identified by the TO's as the right thing to do</li> </ul>

Since the July 2019 draft business plan some additional benchmarking has taken place around our proposals. This is included within our Environmental Action Plan main annex A16.01.