IEMA Policy Update

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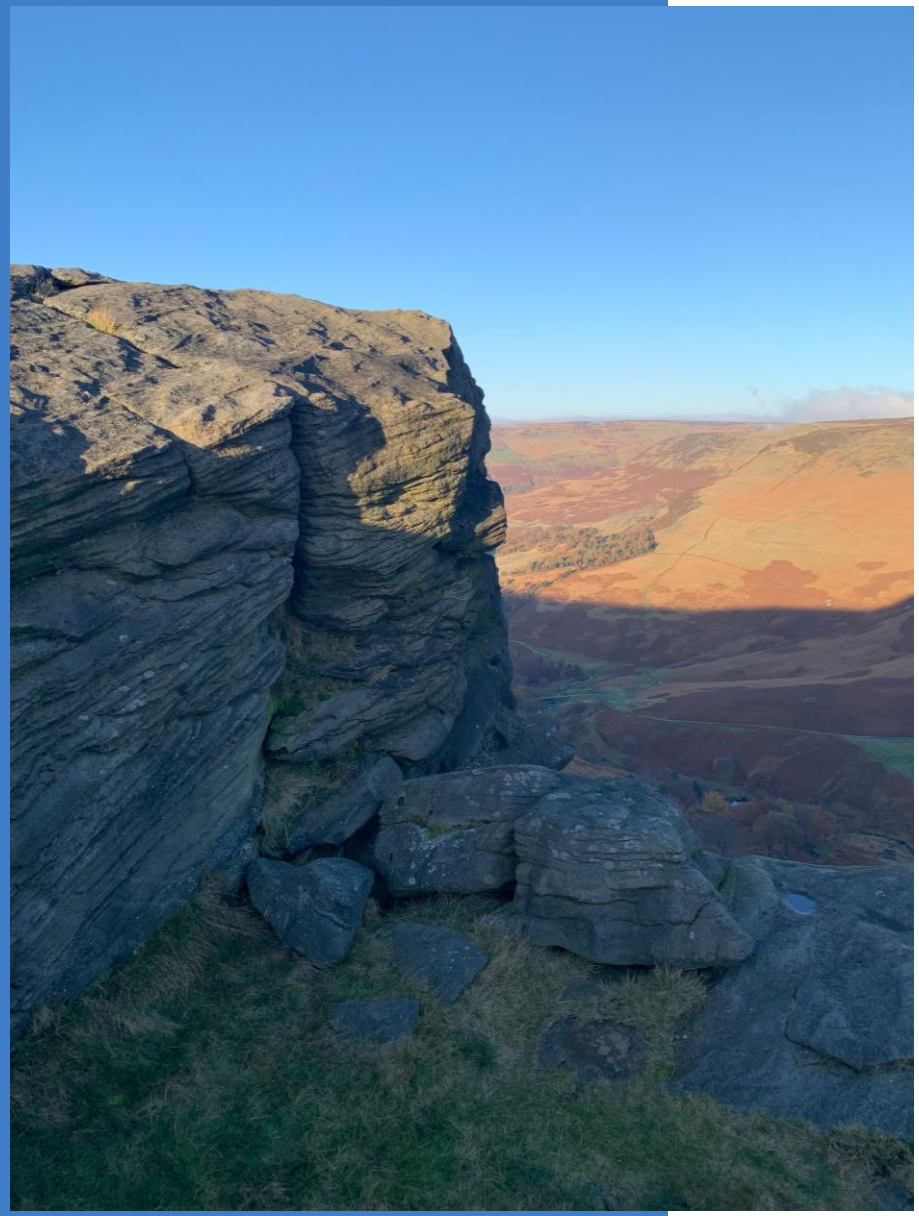
IEMA Transforming the world to sustainability



Overview

1. Climate Change
    a. CCC- Delivering a reliable decarbonised power system
    b. Net Zero Growth Plan
    c. Transition Plan Taskforce
    d. GHG Protocol Review
    e. Climate Litigation
2. Budget 2023 – through a sustainability/green investment/climate change lens
3. Environment Act implementation
    a. Targets framework and EIP
    b. Policy Statement on Environmental Principles
    c. OEP
4. Other
    a. International Standards

Global risks ranked by severity over the short and long term

	2 years	10 years
1	Cost of living crisis	Failure to mitigate climate change
2	Natural disasters and extreme weather	Failure of climate change adaptation
3	Geoeconomic confrontation	Natural disasters and extreme weather
4	Failure to mitigate climate change	Biodiversity loss and ecosystem collapse
5	Erosion of social cohesion and social polarisation	Large-scale involuntary migration
6	Large-scale environmental damage incidents	Natural resource crises
7	Failure of climate change adaptation	Erosion of social cohesion and social polarisation
8	Widespread cyber-crime and cyber security	Widespread cyber-crime and cyber security
9	Natural resource crises	Geoeconomic confrontation
10	Large-scale involuntary migration	Large-scale environmental damage incidents

Source: World Economic Forum (2023) Global Risks Report

Climate Change

A reminder - Key Government Priorities

Energy Security

- Geopolitical issues
- Growing UK economic reliance on digitisation and electrification as transition from fossil fuels (transport, banking, telecoms etc)

Climate Change

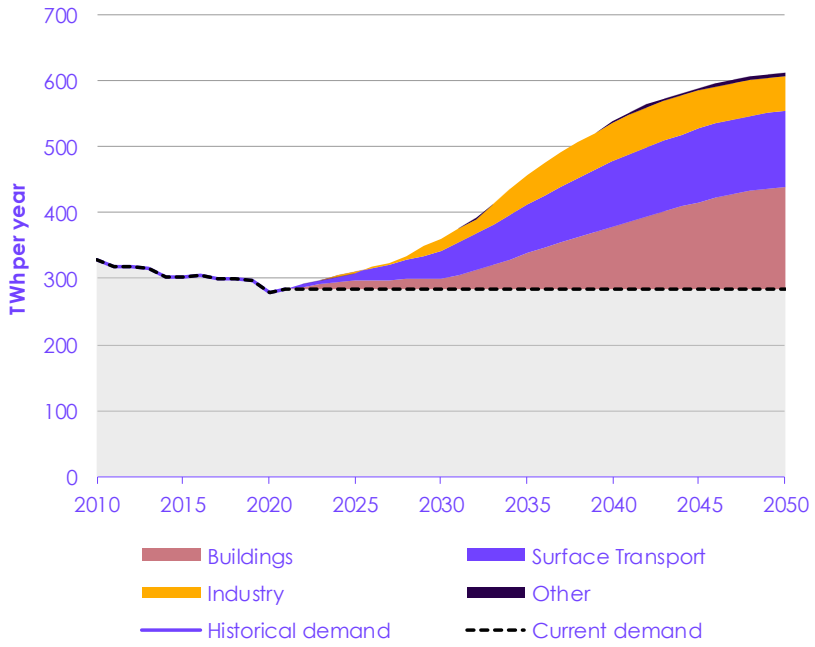
- 6th Carbon Budget – 78%
- 2030 NDC – 68%
- Decarbonising power generation by 2035 (note: Labour policy for 2030)
- Energy-system resilience to climate change

Cost & Affordability

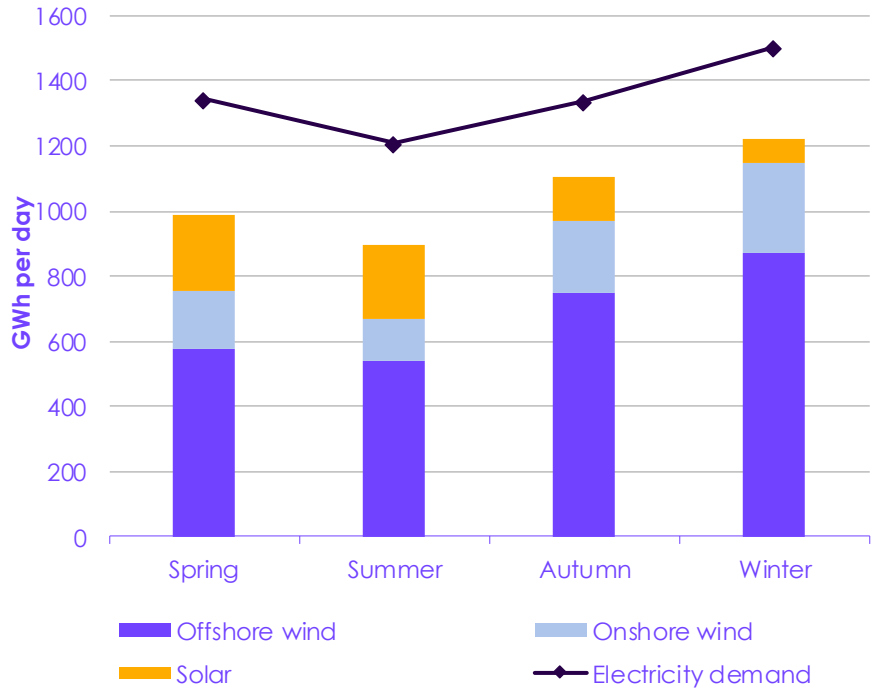
- Cost of living crisis; fuel poverty, inflation
- Infrastructure investment requirements
- International competitiveness

Delivering a reliable decarbonised power system by 2035 – CCC Report

Electricity Demand – balanced pathway

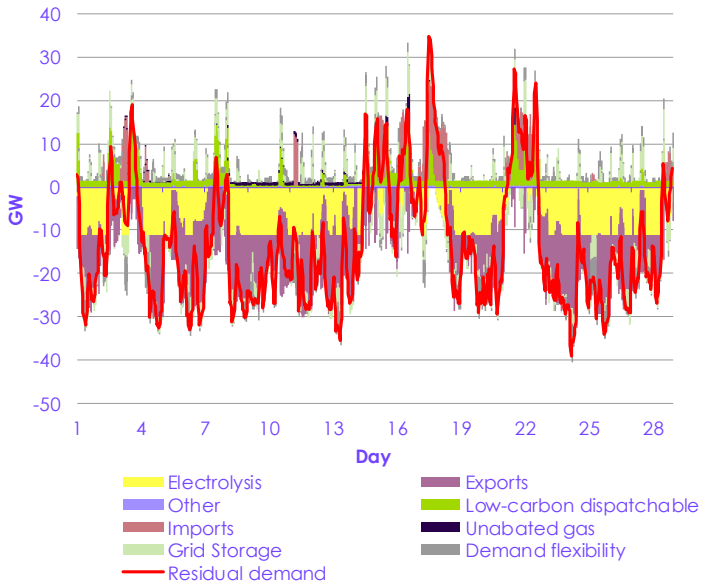


Seasonal Demand and Renewable Generation in 2035

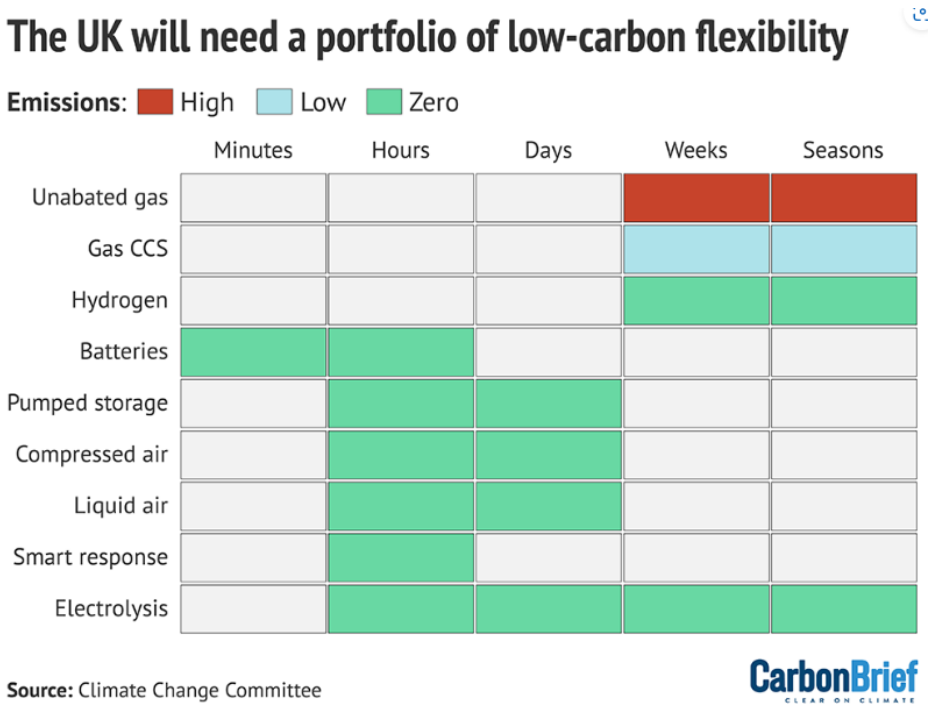


Delivering a reliable decarbonised power system by 2035 – CCC Report

Meeting the highest 4 week residual demand in 2035 (i.e. demand after renewables)



Bridging the gap between 'inflexible supply' (renewables, nuclear) and demand



Flexible technologies for electricity supply and demand, according to the timescales they can operate over and their carbon emissions, shaded from green (zero carbon) through to red (high carbon). Source: CCC. Figure by Tom Prater for Carbon Brief.

Key Issues

....we've got to get on with it: remove blockers, unlock enablers!!!!

Speed

- Consenting & approvals
- Financing
- Deployment

Certainty

- Policy pathways ...choices and decisions (e.g. hydrogen, gas CCS)
- Political – Labour party proposals for net zero power by 2030

Skills

- Skills transition pathway (e.g. lead times for hydrogen, nuclear)
- Distribution (clusters, generic)
- Labour market capacity

Other Important Climate Change Developments

Net Zero Growth Plan

- Net Zero Strategy – unlawfully adopted…new plan required by end of March 2023
- Reflect aspects of the Skidmore review – Govt response post-March
- Trajectory to 6th Carbon budget
- Skills recognised as a key issue

Transition Plan Taskforce

- Disclosure Framework and Implementation Guidance – consultation closed Feb'23….call to action to publish plans
- Additional support being considered: tools, metrics, and datasets to support analysis of transition plans; verification and assurance of transition plans; translation of transition plans into financial analysis

GHG Protocol Review

Survey of Users – 4 key areas:

- Corporate Accounting and Reporting Standard
- Scope 2 Guidance
- Corporate Value Chain (Scope 3) Standard and Scope 3 Calculation Guidance
- Market-based accounting approaches

IEMA - GHG Protocol Guidelines Open to Improvement

Growth in climate-related litigation

In the UK & Internationally, the number and scope of climate-related litigation is growing.

Governments

National target not reflecting commitment made in Paris Agreement (Netherlands 2019)

Net Zero Strategy not consistent with binding target (UK June22)

Companies & Directors

Client Earth bringing case against Shell's Board of Directors for failing to move away from fossil fuels fast enough (Feb23)

Finance & Investors

Financial Conduct Authority – over scrutiny of prospectus for new oil field (Feb23)

BNP Paribas – being challenged that lending strategy inconsistent with Paris Agreement (Feb23)

Projects

Supreme Court hearing later in 2023 on Surrey Hills oil extraction

Cumbrian Coal Mine (2022)

Budget 2023

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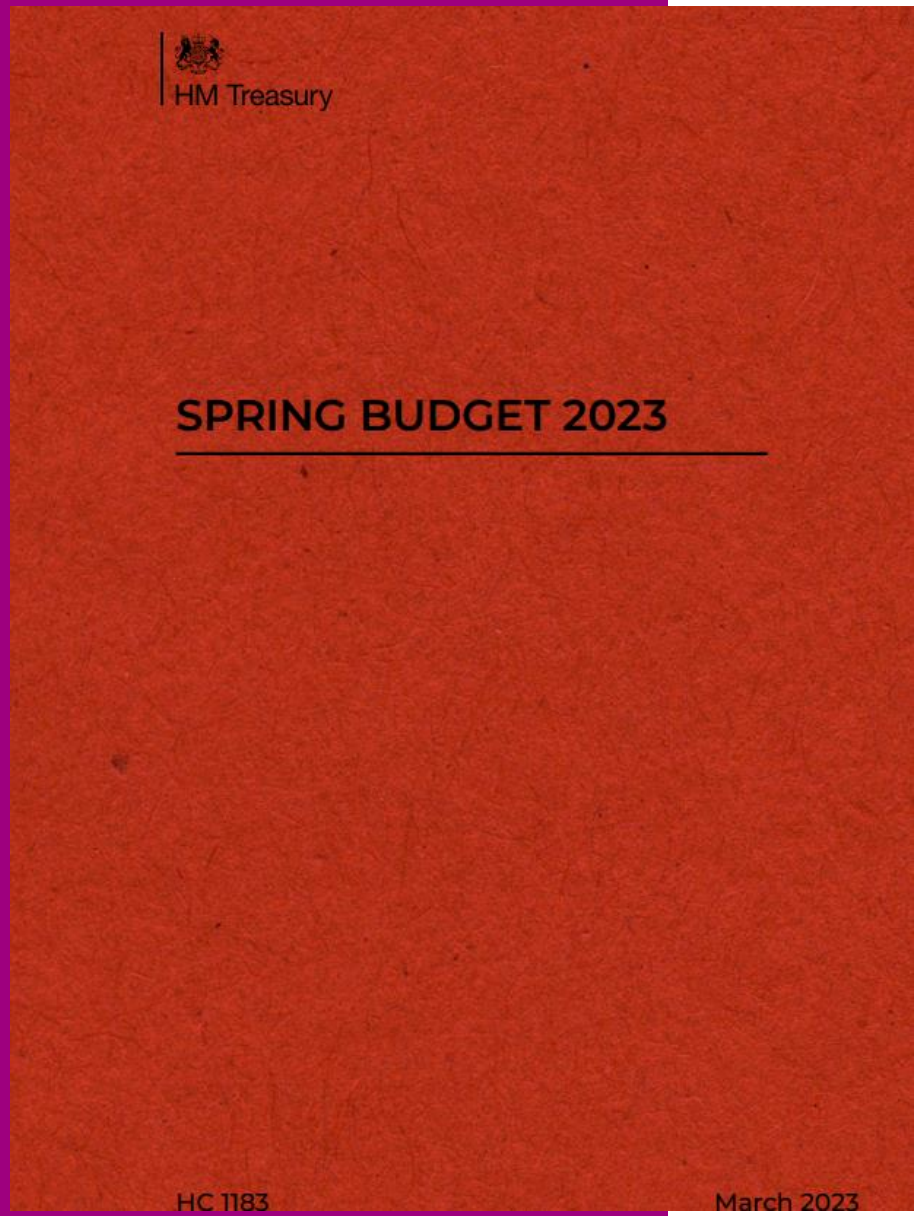


Budget Headlines

....wait for Net Zero Growth Plan...."Green Day"

i. £20bn of support for CCUS projects over the next 20 years

ii. 12 high-potential knowledge-intensive growth clusters across the UK each with £80m – green technology one of 5 key priorities; conditionality that plans must support net-zero& long-term environmental targets and be climate resilient

iii. Climate change agreements – extended by 2ys

iv. 100% capital allowances (potentially good for renewables that are high-capex & low op-ex)

v. Great British Nuclear (GBN) tasked with progressing nuclear ne-build & SMRs. Nuclear will also be included in the 'green taxonomy' to support private investment

vi. Green Gilts first launched Sept21– £331.4bn in the first 2 rounds, another £10bn planned for 23/24 (green gilt proceeds are allocated against eligible green spend as defined in the UK Government Green Financing Framework)

vii. Nature-based solutions confirmed as within the remit of the UK Infrastructure Bank (as well as climate change)

Environment Act

New Legally-Binding Environmental Targets

Area	Target
Biodiversity	By the end of 2030, we will halt the decline in species abundance.
	By the end of 2042, we will increase species abundance so that it is greater than in 2022 and at least 10% greater than in 2030.
	By the end of 2042, we will restore or create in excess of 500,000 hectares of a range of wildlife-rich habitats outside protected sites, compared to 2022 levels.
	By the end of 2042, we will improve the GB Red List Index for species extinction compared to 2022 levels.
Marine	Ensure that 70% of designated features in Marine Protected Areas (MPAs) are in favourable condition by 2042, with the remainder in recovering condition.
Woodland	Increase tree canopy and woodland cover to 16.5% of total land area by 2050.
Air quality	By the end of 2040, we will achieve a maximum Annual Mean Concentration Target (AMCT) of 10 micrograms of PM2.5 or below per cubic metre (µg/m3).
	By the end of 2040, we will reduce population exposure to PM2.5 by 35% compared to 2018 levels.
Water	Reduce nitrogen, phosphorus and sediment pollution from agriculture into the water environment by 40% by 31 December 2038, compared to a 2018 baseline.
	Reduce phosphorous loadings from treated wastewater by 80% by 31 December 2038, against a 2020 baseline.
	Halve the length of rivers polluted by harmful metals from abandoned mines by 31 December 2038, against a baseline of around 930 miles (or 1,500km).
	Reduce the use of public water supply in England per head of population by 20% from the 2019 to 2020 baseline reporting year figures, by 31 March 2038.
Resource and waste	By 31 December 2042, the total mass of residual waste excluding major mineral wastes in a calendar year does not exceed 287 kg per capita.

Environmental Improvement Plan 2023

Our apex goal

Goal 1:
Thriving plants and wildlife

Improving environmental quality

Goal 2:
Clean air

Goal 3:
Clean and plentiful water

Goal 4:
Managing exposure to chemicals and pesticides

Improving our use of resources

Goal 5:
Maximise our resources, minimise our waste

Goal 6:
Using resources from nature sustainably

Improving our mitigation of climate change

Goal 7:
Mitigating and adapting to climate change

Goal 8:
Reduced risk of harm from environmental hazards

Improving our biosecurity

Goal 9:
Enhancing biosecurity

Goal 10:
Enhanced beauty, heritage, and engagement with the natural environment

Interim Targets in EIP (1)

Area	Target
Biodiversity	To restore or create 140,000 ha of a range of wildlife-rich habitats outside protected sites by 31 January 2028, compared to 2022 levels.
	All SSSIs will have an up-to-date condition assessment by 31 January 2028.
	50% of SSSIs to have actions on track to achieve favourable condition by 31 January 2028.
Marine	For 48% of designated features in MPAs to be in favourable condition, with the remainder in recovering condition, by 31 January 2028.
Woodland	Increase tree canopy and woodland cover by 0.26% of land area (equivalent to 34,000 hectares) by 31 January 2028.
Air quality	By the end of January 2028: • The highest annual mean concentration in the most recent full calendar year must not exceed 12 µg/m3 of PM2.5. • Compared to 2018, the reduction in population exposure to PM2.5 in the most recent full calendar year must be 22% or greater.
	By the end of 2030 the highest AMCT must not exceed 10 ug/m3 of PM2.5.

Interim Targets in EIP (2)

Area	Target
Water	Reduce nitrogen, phosphorus and sediment pollution from agriculture to the water environment by 10% by 31 January 2028.
	Reduce nitrogen, phosphorus and sediment pollution from agriculture to the water environment by 15% in catchments containing protected sites in unfavourable condition due to nutrient pollution by 31 January 2028.
	Reduce phosphorous loadings from treated wastewater by 50% by 31 January 2028, against a 2020 baseline.
	Construct 8 mine water treatment schemes and 20 diffuse interventions to control inputs of target substances to rivers by 31 January 2028.
	Reduce the use of public water supply in England per head of population by 9% by 31 March 2027 and 14% by 31 March 2032.
	Reduce leakage by 20% by 31 March 2027 and 30% by 31 March 2032
Resource and waste	By 31 January 2028, the total mass of residual waste excluding major mineral wastes in the most recent full calendar year does not exceed 437 kg per capita.
	By 31 January 2028, the total mass of residual waste excluding major mineral waste in the most recent full calendar year does not exceed 25.5 million tonnes.
	By 31 January 2028, the total mass of municipal residual waste in a year does not exceed 333 kg per capita.
	By January 2028, the total mass of residual municipal waste in the most recent full calendar year does not exceed: • 64 kg per capita for food waste. This is equivalent to a 50% reduction from 2019 levels. • 42 kg per capita for plastic waste. This is equivalent to a 45% reduction from 2019 levels. • 74 kg per capita for paper and card waste. This is equivalent to a 26% reduction from 2019 levels. • 10 kg per capita for metal waste. This is equivalent to a 42% reduction from 2019 levels. • 7 kg per capita for glass waste. This is equivalent to a 48% reduction from 2019 levels.

Key Issues and points to note

1. The ‘how’ has yes to be work out for many of the targets/interim targets – we’ll keep people updated
2. The EIP contains a range of new commitments established through the framework of legally binding targets….however, policy commitments in the existing 25yr plan remain in place.
    a) E.g. big focus on Biodiversity Net Gain in the EIP and recent policy announcements, but the policy commitment to wider Environmental Net Gain established in the 25yr plan remains.
3. There’s a lack of ‘line of sight’ for businesses to be able to align their own sustainability strategies with the targets/interim-targets

   Q – what would help you to be able to align/contribute to the targets?
4. OEP pressing Defra to ensure timescales (targets and actions) are adhered to (e.g. Chemicals Strategy)
5. Policy Statement on Environmental Principles – finalised….but effective from November 2023
6. OEP has filed an application with the Supreme Court for permission to intervene in the appeal of R (Finch) v Surrey County Council. The Supreme Court will consider whether Surrey County Council (SCC) acted lawfully by not requiring the development’s environmental impact assessment (EIA) to assess the impact of greenhouse gas emissions resulting from the future combustion of oil produced by the new oil wells.

Standards

International Standards

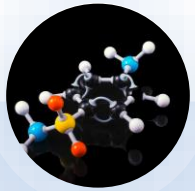
New mandate for Climate Change Co-ordination Committee; plus a new ESG Co-ordination Committee established

MSS SDGs

New project committee established: 'Management system for UN Sustainable Development Goals – Requirements for any organization

ISO 14001 Revision

- Decision taken to make amendments
- Focus on HLS (inc. specific references to climate change), interpretive annex, clarifying existing requirements (inc. "taking a life cycle perspective)
- Work to commence in 2023
- ISO 14002:xx – climate change; resources and waste



Hydrogen

Hydrogen technologies / Hydrogen at scale and horizontal energy systems / Methodology for determining the greenhouse gas emissions associated with the production and transport of hydrogen

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