



# RETAILER/LANDLORD NET ZERO BUILDING PROTOCOL



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## WHAT IS THE PROTOCOL

In April 2021 the BRC launched its *Climate Action Roadmap*. This commitment, signed by 77 large retailers, sets out the industry's ambition to reach Net Zero by 2040, ten years ahead of the Government's target for the UK as a whole. As part of this, the Roadmap commits signatories to a target of reaching Net Zero in scope 2 emissions by 2030.

The Net Zero objective is to be achieved through five distinct 'Pathways', each focusing on a different area of retailers' activity. Pathway 2 sets out retailers' ambition to operate energy efficient sites powered by renewable energy.

This Protocol is the first step of this Pathway and is designed to help retailers and landlords work together to improve building energy efficiency and bring building emissions to Net Zero across retail estates. It has been developed following input and feedback from BRC retail members and landlords.

The intention is that retailers (as both tenants and landlords) and landlords sign up to these principles at the point of signing a new lease. Over time, we will expect some of the principles below to be reflected in the clauses of new leases (where appropriate), and complemented by other sector-wide changes, such as businesses' own commitments to reduce carbon emissions in general and Government requirements for increased building energy efficiency.

This Protocol is only the beginning of the realisation of the ambition in Pathway 2. The BRC will continue to work with retailers and landlords to develop and embed this practice in the coming years and will support industry-wide engagement in the development of these principles.



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## 1. IMPROVING ENERGY EFFICIENCY

Principle: Providing relevant and appropriate building data between landlords and retailers that enables:

- Demonstrative improvements in energy performance and renewable energy generation/procurement (on and off-site) of both building fabric and services (including fit-outs) and through building management practices;
- Improved visibility of energy use at both building and occupancy levels;
- Simplification and standardisation of data requests between landlords and retailers;
- Agreed and aligned energy efficiency targets; and
- Adoption of technology to automate and improve data quality and coverage.

Principle: Incentivising investment in energy efficiency through:

- Investment in building fabric and systems installed in estates to higher EPC rating (landlords);
- Shared investment in LED lighting, air conditioning, and other similar measures, where likely to outlast duration of a lease;
- Investment in energy efficiency and recovery of costs through lower service charges;
- Agree timescales and cost ownership for store closures, if necessary, to carry out any works;
- Assess energy losses, including within communal or shared spaces;
- Review lease requirements that impact energy usage, such as keeping the lights on, and seek to agree improvements; and
- Reduced reinstatement obligations at lease end where they relate to energy efficiency of the building.



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## 2. MOVING TO RENEWABLE ENERGY (GENERATION AND PROCUREMENT)

**Principle: Working collaboratively to share the costs and benefits to increase on-site renewable generation that:**

- Considers the length of leases, upfront costs, apportioning the benefits, and service charges;
- Accounts for the energy demand/profile of occupiers;
- Enables resilience against Grid failure; and
- Creates the appropriate building infrastructure to enable on-site generation (e.g. structural integrity of buildings, provision of external space for additional plant and machinery).

**Principle: Building infrastructure and on-site generation**

- Jointly explore feasibility, condition and energy demand/profile of buildings for on-site generation, and resilience to grid failure;
- Where appropriate, ensure roofs are in a satisfactory condition for solar generation with completion of feasibility assessments;
- Landlords to positively consider proposals for external plant and machinery to facilitate renewable energy generation;
- Remove barriers relating to the return of the building to original state where it is changed for renewable energy or energy efficiency purposes;
- Review impact on leases, insurance and liability to mitigate adverse operational impacts;
- Explore ways to incentivise each party to move a building to renewable energy.

**Principle: Supporting procurement of off-site renewable generation by:**

- Aligning with industry best practice to include green tariffs that meet industry criteria;
- Collaborating on opportunities that support/enable Power Purchase Agreements;
- Sharing information on existing energy providers, including details of the type of green tariffs, cost and location of meters serving the property.

**Principle: Supporting each party in seeking innovative solutions or measures that supports either the implementation of additional energy efficiency measures and/or on-site renewable generation.**

**Principle: Exploring ways to use a site to integrate nature-based solutions that also enable localised carbon sequestration and improved bio-diversity both within and surrounding buildings.**

<sup>1</sup>Scope 2 emissions are indirect emissions from the generation of purchased electricity, steam, or heating and cooling that is consumed by the reporting company

<sup>2</sup>Pathway 2 of the BVRC's Climate Action Roadmap

<sup>3</sup> 'Estates' means all premises occupied by retailers including stores, offices and distribution/logistics

<sup>4</sup>As defined by BEIS in the *Digest of UK Energy Statistics*

<sup>5</sup>*Renewable Energy Procurement & Carbon Offsetting Guidance for Net Zero Carbon Buildings*, UK Green Building Council, 2021