

# Sustainable Construction to tackle climate change

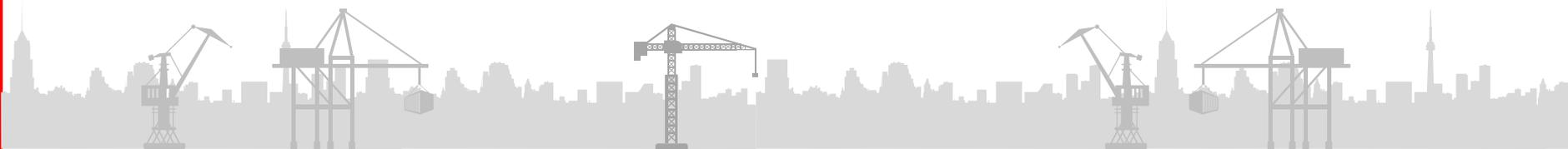
## **FIEC** Vision of Sustainability

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# Managing Sustainability

In the EU construction represents:

- **6%** of total **employment**
- **13 million workers**
- more than **3 million companies**
  
- **40%** of the EU's total **energy consumption**
- **36%** of its greenhouse gas **emissions**
  
- about **25-30%** of all **waste** generated



# 3 Pillars of Sustainability

In an industry context made of an extensive **supply chain** and a wide **stakeholders'** community - a **holistic approach** based on 3 pillars is required :

- ✓ **environmental**
- ✓ **social**
- ✓ **economic**



FIEC commitment towards :

- ✓ **UN *Sustainable Development Goals***
- ✓ ***Paris Agreement***
- ✓ ***European Green Deal***



# Sustainability – 10 key objectives



**FIEC publication** presenting our  
**Strategic Vision** on **Sustainability**

## 10 key objectives

1. **Determine** sustainability **areas** that are most relevant to the company; start measuring its impact.
2. **Set** ambitious sustainability **targets** at process, product and business level.
3. Introduce **sustainable design guidelines** to be applied in your works.

# Sustainability – 10 key objectives

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4. Define a **sustainable supply strategy** to reduce sustainability impacts in the overall supply network. Include emissions and other sustainability requirements in orders and **monitor performance**.
5. Foster **community engagement** around worksites and participate in industry initiatives around **best practices** and **partnerships**.
6. Introduce **low-carbon governance** to align with internal incentives.
7. Set targets to improve corporate **welfare** and **well-being** training.
8. Develop **diversity, equity** and **inclusion trainings**; start gender-pay-gap reporting and develop a *Social Sustainability Action Plan*.
9. Establish and apply **health and safety management** standards.
10. Strengthen employees' **education and training, upskilling** graduates and apprentices.

# The Project of Ance and BCG

## the objectives



A detailed analysis of the international, European and national context on decarbonisation



An overview of the main sources of CO2 emissions from the construction sector in Italy



Defining guidelines for companies' NET zero strategy



The different levels of ambition of companies for the NET zero strategy: identification of objectives and levers to be used

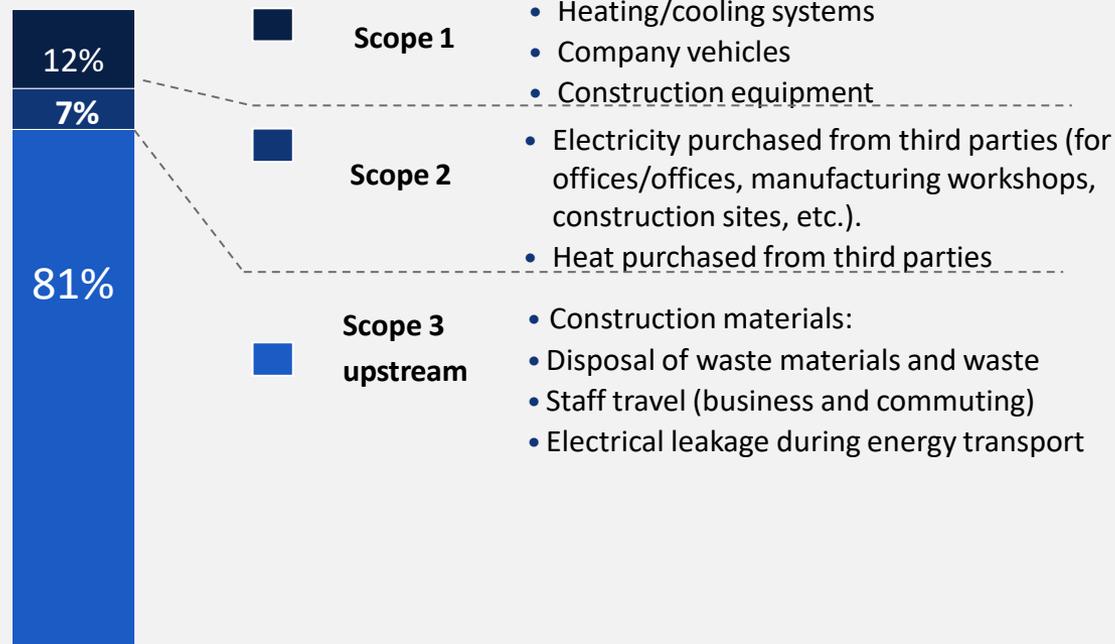


Creating an operational calculation tool to support companies in defining their NET zero strategy

# The construction sector emits approx. 11% of the total CO<sub>2</sub> emissions

## Relevant emission components of the sector

46 GtCO<sub>2</sub>e<sup>1</sup>



Construction

1) Baseline emissions estimate for the Italian Construction sector, 2019, GtCO<sub>2</sub>e

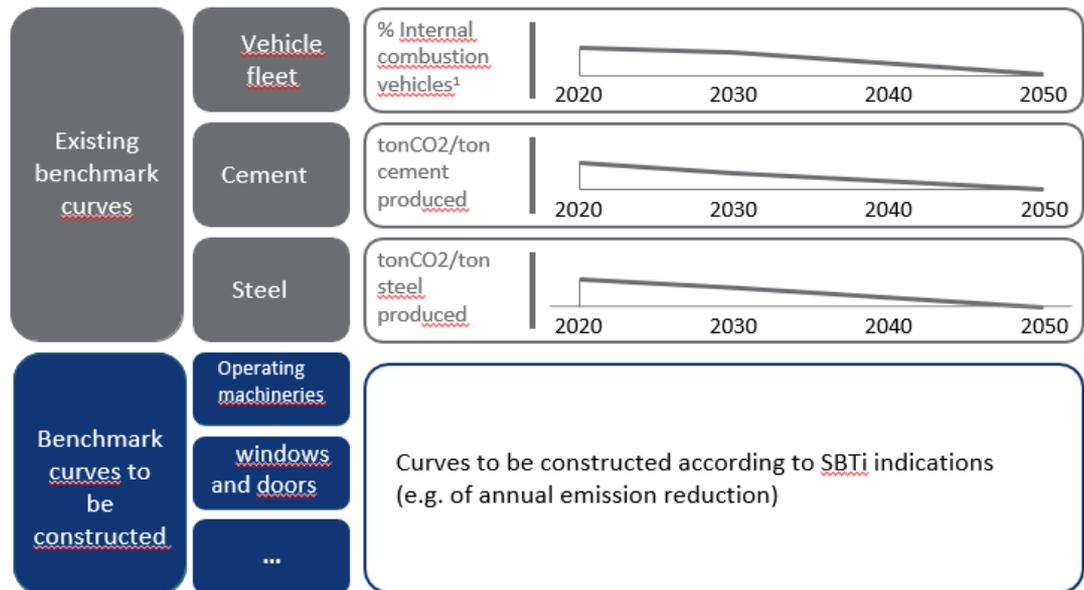
**81 %** of emissions in the sector come from the supply chain

of these, **65%** come from materials such as concrete, steel, aluminum and plastic

# The benchmark curve

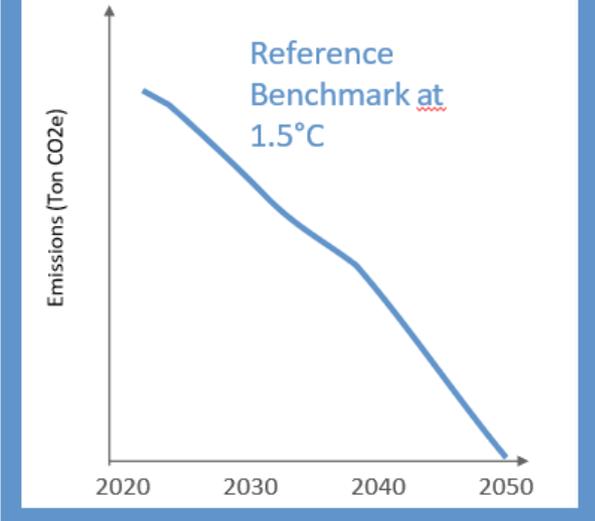
How is the **benchmark curve** constructed? By aggregating the curves of the main emission components of the company's baseline

Reference curves are taken at 1.5°C per component....



Source: IEA, BCG analysis

...and then added together to construct the benchmark at 1.5° C of the company

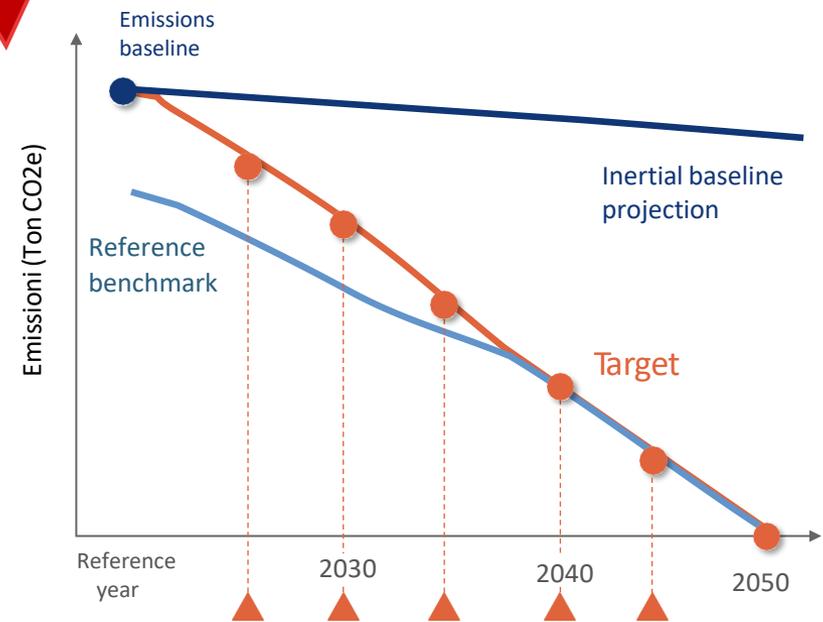


# Definition of the objectives

The construction of the **benchmark curve** indicates the gap to be bridged for each company

Each company will have to choose "how to close the gap" (level of ambition) and ...

set its own objectives aligned to the benchmark



# Next steps

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- Defining our transition pathway for construction companies towards decarbonisation
- Determining a Federation's benchmark curve for all construction companies, including small and medium ones.
- Taking into account our needs and constraints and setting realistic milestones towards the main objectives



# Impact of the war in Ukraine

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- EU and national energy dependence and mix
- Uncertainties and the risks related to prices increases and availability of products/materials
- Companies are hesitating to put forward bids in public procurement and are also stopping worksites
- Clients are postponing their investments and suspending on-going contracts

**Recovery and Resilience plans and EU Green Deal are at risk**

# Highlights

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Sustainability is not an option, it has to be integrated in structures and processes



Ensure adequate legislative framework, right conditions and feasible objectives



Need to cooperate with stakeholders and provide support along value chain, no one should be left behind

# Thank you for your attention

