



RETROFIT CREDITS

Unlocking additional funding
for housing retrofit



What is the programme about?



Funding for retrofit



Better homes for residents



Driving decarbonisation

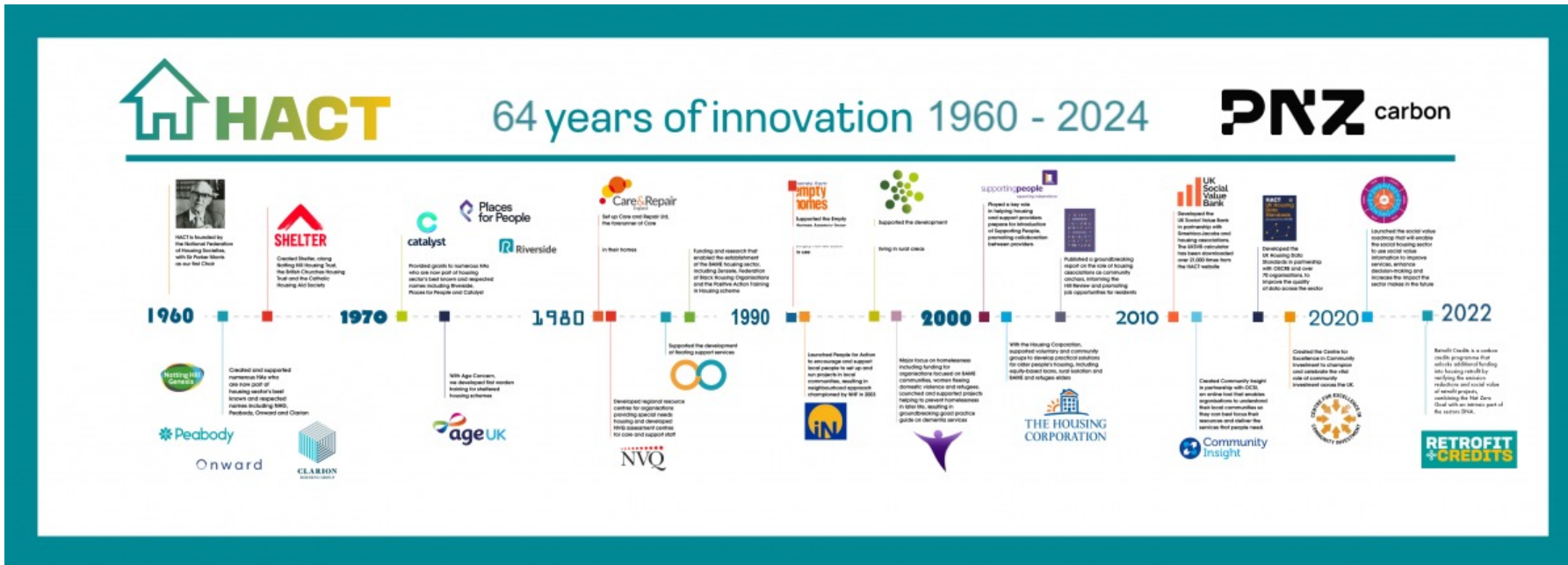
RETROFITCREDITS is a new service that unlocks investment in social housing retrofit by verifying the emission reductions and social value of retrofit projects.

Housing accounts for nearly 20% of total UK carbon emissions. The UK has the oldest and draughtiest housing stock in Europe – upgrading it will be a major factor in whether we reach net zero carbon emissions by 2050.

There are approximately 20 million homes in the UK that will still be in use in 2050 and will need a form of retrofit to make them compliant with net zero targets. The cost of this retrofit is said to be over £100 billion of that is just the social housing sector and with over 6.7 million UK households are estimated to live in fuel poverty, and this number is projected to rise

UK businesses and organisations (or those with emissions in the UK) funded the reduction of 14.9 million tonnes of emissions by investing in projects outside their carbon footprint. That's more than the total emissions of the social housing sector. Yet none of that investment is currently directed to retrofit projects in the sector.

RETROFITCREDITS connects this investment in decarbonisation projects, with the housing sector's increasing retrofit ambitions, by originating carbon credits backed by the emission reductions and social value.



What makes it different?



Social Value: RETROFITCREDITS incorporates social value measures into the credit value - demonstrating that retrofit not only reduces greenhouse gas emissions in the long term but also creates social value for residents and communities.



UK Impact: RETROFITCREDITS presents a unique opportunity for businesses with UK operations to have a positive impact on the lives of residents in the communities they operate.



Innovative: RETROFITCREDITS is the only carbon crediting project for housing retrofit globally to be listed under the Verified Carbon Standard, the world's leading certification programme for emission reduction projects.



How it works

1

DECARBONISATION

Local authorities enrol housing stock where retrofit works could improve the thermal efficiency of the home and/or reduce the carbon intensity of the heating source

2

CALCULATE REDUCTIONS AND SOCIAL VALUE

PNZ Carbon calculates the potential emission reductions and projected funding from **RETROFITCREDITS**

HACT calculates the social value generated by the retrofit works using the UK Social Value Bank

The social housing provider uses the projected funding to inform their investment case for retrofit activities

3

CREDITS & SALE

Once retrofit works are complete, PNZ Carbon verifies the emission reductions and originates Verified Carbon Units (**RETROFITCREDITS**)

PNZ Carbon and HACT manage the sale of the **RETROFITCREDITS**

The local authority receives payment for the emission reductions and social value created

18x
Each tonne of CO₂e reduced is eligible for up to 18 years of crediting to 2042

Pilot



6716

Pilot homes



1481

Pilot credits



£107,426

Income from pilot



£867,635

Social value from pilot

2023



15,502

2023 homes



8,125

2023 credits



£690,625

Income from 2023



£4,704,375

Social value from 2023

Lifetime



25,865

Lifetime homes (to date)



£29,750,000

Proj. lifetime income

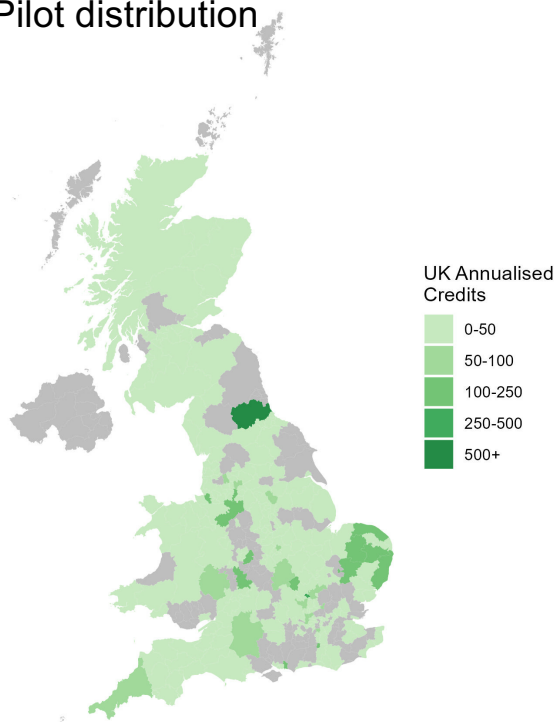


350,000

Proj. lifetime credits

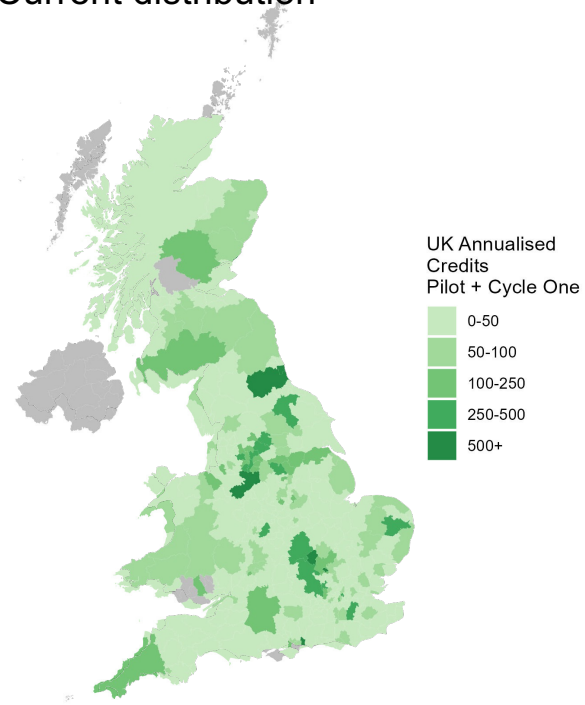
Location of Retrofit Credits in the UK

Pilot distribution



384 postcodes

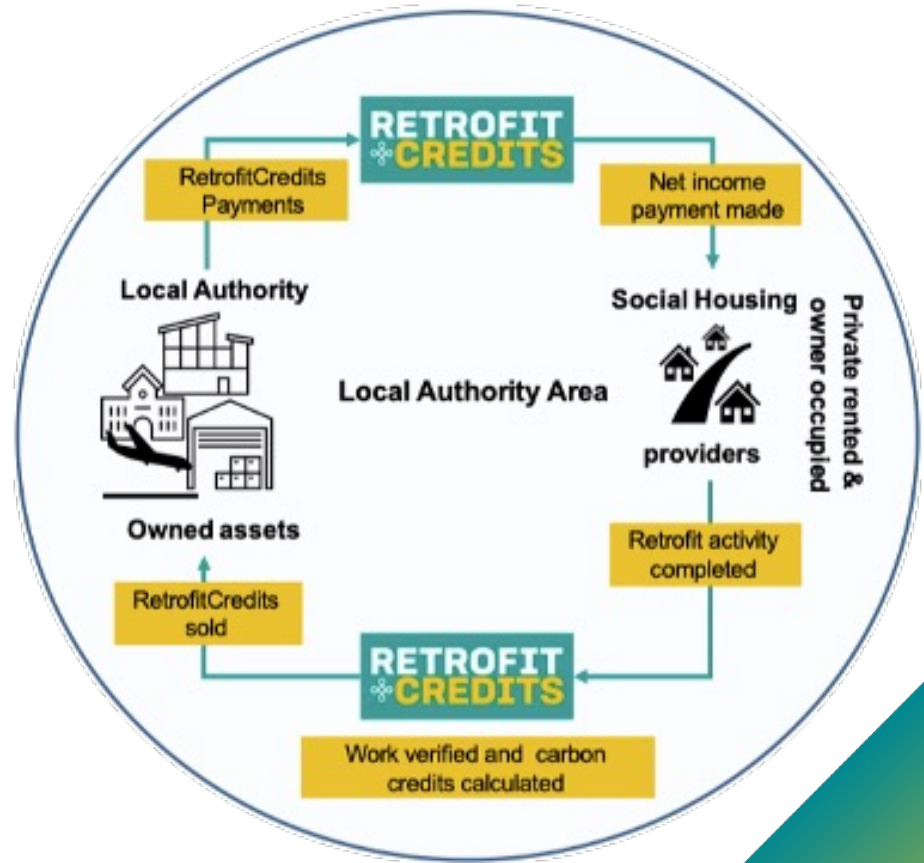
Current distribution



1,237 postcodes

The Retrofit Credits service

1. Housing Providers identify and enrol social housing stock requiring retrofit works.
2. Once works are complete, PNZ Carbon validates carbon reduction and HACT validates social value from retrofit projects.
3. Retrofit credits are sold to buyers.
4. Proceeds from credit sale support ongoing retrofit projects.



RETROFIT CREDITS

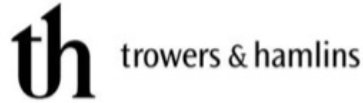
Supporters

nationalgrid

The Economist Group



RAIL SAFETY AND STANDARDS BOARD



Ibstock
At the heart of building

hunters



KNAUFENERGY
solutions

The PSC

All securing significant portions of Retrofit Credits from the pilot and beyond

Other organisations, including **Chirpy Heat, Igloo, Power Circle and Kinovo**, have also shown their support of Retrofit Credits

RETROFIT CREDITS

Use for NFRC and members

- Encouraging Energy-Efficient Roofing Upgrades
- Promoting Sustainability
- Supporting Workforce Training
- Boosting Economic Growth
- Meeting Requirements
- Enhancing Building Performance
- Awareness Campaigns
- Supporting Research and Development
- Strengthening Industry Standards



For roofing organisations, the monetisation of Retrofit Credits in social housing represents a mix of opportunities. By aligning with sustainability goals, offering energy-efficient solutions, and tapping into new funding streams, organisations can expand their market presence. However, they will need to stay on top of evolving policies and market demands to fully capitalise on the growing trend toward retrofitting and energy-efficient housing.

RETROFIT CREDITS

Recognition



The Voluntary carbon markets (VCMs) have the potential to facilitate a Net Zero transition, but there is need for greater integrity, including the credibility of project claims and impacts on local communities.

High-integrity VCMs can drive significant emissions reductions and accelerate investments in clean technologies, but they must be built on solid principles. This includes ensuring supply integrity through credible emissions reductions, and demand integrity by requiring companies to decarbonise their own operations before investing in carbon credits. We are all encouraged to support these standards and establish a robust assurance ecosystem to ensure accountability.

(Paraphrasing) Mark Carney former Governor of the Bank of England

Thank you

RETROFIT CREDITS

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