

The carbon transition playbook

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Webinar



EPRA



JLL

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AGENDA

- Introduction
- Report Context & Objectives
- Market Context
- Methodology
- Initiatives Analysis
- Case Studies
- Conclusion
- Q&A

Download the playbook here



Report context & objectives

As global carbon reduction efforts become more intricate, this report provides crucial insights into the evolving landscape of initiatives impacting the real estate sector.

Objectives:

- Provide a detailed comparative overview of Global and European carbon initiatives.
- Offer clarity to EPRA members on the current landscape of carbon reduction efforts.
- Equip members with practical insights for informed decision-making tailored to their own objectives.



Market context

Climate change awareness, regulations and stakeholders' needs are the key factors driving the increase in the number of carbon-related initiatives in the real estate sector

1

Climate Change Awareness

The sector faces mounting pressure to reduce its substantial carbon footprint as part of global efforts to cut emissions by 43% by 2030 in line with the Paris Climate Agreement.

2

Growing Regulations

Governments are introducing mandatory ESG disclosure rules for companies, including real estate firms, to promote transparency and aid the transition to a net zero economy.

3

Investor Demand

Investors are prioritising sustainability in their decision-making, recognising both the risks of carbon-intensive assets and the value of long-term resilience.

4

Tenant Expectations

Tenants are actively seeking low-carbon spaces that align with their own sustainability goals.

Methodology (1/2)

Initiatives selection

We reviewed a wide range of global and regional initiatives and focus in on those that:

- Are already in place
- Are relevant to the real estate industry
- Have an emphasis on carbon

While the primary focus of this report centres around global and European initiatives, it also includes a selection of country-level initiatives suggested by EPRA member.



Methodology (2/2)

Categorisation of Initiatives used in the report is unique to EPRA

Commitments

A formal promise or pledge made by an organisation, government, or individual. It signifies dedication to specific actions or goals.

Guidelines

Recommendations, advice, or suggested practices that inform decision-making. Unlike frameworks and standards, guidelines do not enforce strict rules, allowing for flexibility in implementation.

Regulations

A legally binding rule or requirement imposed by authorities (e.g., government agencies). Compliance is mandatory, and penalties may apply for non-compliance.

Framework

A flexible structure or guidance system that sets out principles, best practices, and approaches to help achieve specific goals. It provides direction without imposing rigid requirements.

Label

A certification that signifies that a building meets certain predefined criteria.

Standard

A well-defined set of rules, specifications, or criteria derived from frameworks. It translates the guidance provided by frameworks into actionable requirements, establishing a baseline for performance, quality, or compliance.

Global and European initiatives covered

The report provides a detailed analysis of the short-listed initiatives

Commitments

CLIMATE GROUP
EP100

CONCRETE
ZERO

Paris Aligned Asset
Owners

NET ZERO ASSET
MANAGERS
INITIATIVE



WORLD
GREEN
BUILDING
COUNCIL

NET ZERO CARBON
BUILDINGS



Net Zero
Asset
Owner
Alliance

Guidelines



Global Alliance
for Buildings and
Construction

Roadmap for Buildings
and Construction



Urban Land
Institute

Transition Risk Assessment



WORLD
GREEN
BUILDING
COUNCIL

EU POLICY WHOLE
LIFE CARBON
ROADMAP FOR
BUILDINGS

Regulations



EU EPBD

Framework



IIGCC

Net Zero
Investment
Framework

Label



CARBON
CERTIFICATION



Standard



GREENHOUSE
GAS PROTOCOL



G R E S B



Whole Life
Carbon
Assessment



SCIENCE
BASED
TARGETS



Partnership for
Carbon Accounting
Financials

Covering attributes, practical insights, and comparative analysis of all initiatives within each category

	Initiative name	ConcreteZero (C)
General	Geographic scope	Global
	Compliance type	Voluntary
	EPRA category	Commitment
	Effective date	2022
Core attributes	Origin	The Climate Group in partnership with the WorldGBC
	Goals	Commit organisations to¹⁾ <ul style="list-style-type: none"> Using 50% less emission concrete by 2025 Using 50% less emission concrete by 2030 Using 100% net zero concrete by 2050

[illegible]

Insights - Common challenges, Common opportunities & benefits

Synergies With Other Initiatives

Case Studies

The 16 case studies feature 12 initiatives from a diverse group of EPRA members across Europe, covering REITs, construction and property development firms, and specialised real estate entities.

Challenges:

- Discrepancies around a common definition of net zero
- Complexities surrounding implementation
- Decarbonising carbon-heavy industry
- Data collection and tools needed
- Sourcing low carbon materials
- Finding appropriate sustainable solutions when there is low market availability
- Lack of alignment between countries
- Scope 3 emissions not clearly defined
- Gathering EPDs data for all materials

Successes:

- Enables comparability
- Gained understanding of areas for improvement
- Multiple decarbonisation pathways can be implemented at an asset-level
- Identification and minimisation of risk exposure
- Positive impact on asset value, a more prime tenant selection, and improved environmental performance
- Getting ahead of legislation
- Bringing together end users of concrete to send market signals to suppliers
- Support carbon reductions such as embodied carbon reduction



Conclusions

The report considers emerging trends, challenges, and recommendations, clarifying the path forward for real estate stakeholders.

EXPANDING CARBON SCOPES

The inclusion of scope 3 signifies a shift toward a comprehensive life cycle approach to carbon accounting, necessitating rigorous data collection and tenant engagements.

EMBODIED CARBON CHALLENGES

While LCA are a critical step in accurately capturing these emissions, the variety of calculation and benchmarking approaches used across the market leads to inconsistencies in carbon accounting and reporting.

TRANSPARENCY AND ASSURANCE

Often required by the initiatives, third-party verification ensures the credibility and reliability of reported data, boosting transparency and accountability.

GROWING FOCUS ON ENERGY EFFICIENCY

Initiatives are increasingly shifting their focus from decarbonisation to energy efficiency and measures to improve energy efficiency lead to significant reductions in a building's carbon footprint.

FINANCIAL CHALLENGES

Funding the transition to net zero carbon buildings is challenging as real estate companies grapple with the sizeable upfront costs associated with implementing sustainability measures.

GREEN BUILDING PERFORMANCE GAP

The gap arises due to optimistic assumptions made during the design phase, which often do not account for real-world operational conditions.

INCREASING ALIGNMENT

The alignment with the 1.5°C targets stipulated by the Paris Agreement reduces the burden on real estate companies by providing a consistent and unified approach to reducing emissions.

PORTFOLIO-LEVEL DISCLOSURES

Reflect the understanding that effective decarbonisation requires a holistic approach, encompassing entire property portfolios rather than individual asset.

Q&A

Thank you!

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