

Webinar

Carbon Pricing Practitioner Workshops Part 1

Date: May 21, 2024

00:00:00 --> 00:00:01: Presentation ready for all of this.

00:00:02 --> 00:00:02: OK.

00:00:02 --> 00:00:04: Will you be sharing the slides then?

00:00:04 --> 00:00:05: I certainly will.

00:00:05 --> 00:00:07: As in when, As in read ready.

00:00:07 --> 00:00:08: Maybe just a couple more minutes.

00:00:11 --> 00:00:13: Yeah, we're all here quite promptly, so give it a

00:00:13 --> 00:00:14: couple of minutes.

00:00:14 --> 00:00:15: It's not even 10.

00:00:15 --> 00:00:16: Fuck yeah.

00:00:17 --> 00:00:25: I know my goodness, the the motivation for carbon pricing.

00:00:27 --> 00:00:28: Definitely.

00:00:41 --> 00:00:44: You can see there's a few more people coming in,

00:00:44 --> 00:00:46: so just give it a minute or so.

00:00:52 --> 00:00:54: He's red at the moment, wait till he gets green.

00:00:58 --> 00:01:00: Yes, hope everyone's doing well today.

00:01:01 --> 00:01:02: We'll get started shortly.

00:01:02 --> 00:01:04: We'll just give it a couple of minutes.

00:01:14 --> 00:01:17: I think there's a couple of people who might not

00:01:17 --> 00:01:19: be muted, so just in case if you would like

00:01:19 --> 00:01:20: to mute.

00:01:34 --> 00:01:37: I can see a few more people making their way

00:01:37 --> 00:01:37: in.

00:01:51 --> 00:01:53: Welcome everyone today.

00:01:54 --> 00:01:57: Just giving it a couple of more minutes and then

00:01:57 --> 00:01:58: we'll get started.

00:02:09 --> 00:02:12: Oh yes, I can see see the numbers ticking up.

00:02:12 --> 00:02:13: Morning, everyone.

00:02:19 --> 00:02:20: Morning.

00:02:25 --> 00:02:27: So we'll give it one more minute.

00:02:28 --> 00:02:31: I think 2 minutes passed and then started.

00:02:46 --> 00:02:47: Hope everyone's doing well today.

00:02:47 --> 00:02:48: Good morning.

00:02:49 --> 00:02:49: How are you?

00:02:51 --> 00:02:52: Very good.

00:02:52 --> 00:02:52: Thank you.

00:03:04 --> 00:03:07: And eight, I think we might be ready to start

00:03:08 --> 00:03:10: looking toward the a good number.

00:03:11 --> 00:03:12: Of course.

00:03:12 --> 00:03:13: Actually, Sophie, I've just noticed.

00:03:13 --> 00:03:15: Would you mind giving me sharing permission please?

00:03:19 --> 00:03:19: Thank you.

00:03:38 --> 00:03:39: Wonderful.

00:03:39 --> 00:03:40: Well, we'll start there.

00:03:40 --> 00:03:42: Well, good morning, everyone.

00:03:42 --> 00:03:45: Welcome and thank you for taking the time to join

00:03:45 --> 00:03:48: this session today on carbon pricing.

00:03:48 --> 00:03:51: Just got a very few opening words and then we'll

00:03:51 --> 00:03:53: get into the content of the session.

00:03:54 --> 00:03:57: This question today is recorded.

00:03:57 --> 00:04:01: So just a warning and pleased would ask you to

00:04:01 --> 00:04:04: mute yourselves just so we don't get too much brown

00:04:05 --> 00:04:07: noise into the virtual room.

00:04:08 --> 00:04:09: My name is Rebecca.

00:04:09 --> 00:04:13: I'm a consultant and I'm supporting the ULI carbon pricing

00:04:13 --> 00:04:14: initiative.

00:04:15 --> 00:04:18: And on the next slide, we'll have a brief agenda

00:04:18 --> 00:04:19: for the day.

00:04:21 --> 00:04:25: So we'll have some overviews into the Sea Change initiative,

00:04:25 --> 00:04:29: then into carbon pricing and why it matters, and then

00:04:29 --> 00:04:32: we'll have two first speakers.

00:04:32 --> 00:04:37: Afterwards, we'll be hearing more about the policy and

00:04:37 --> 00:04:41: context,

00:04:41 --> 00:04:46: followed by more about carbon pricing in real life and

00:04:46 --> 00:04:49: building the the business case, followed by AQ and A

00:04:49 --> 00:04:51: and then a summary with some of the recaps and

00:04:52 --> 00:04:56: a final wrap up.

00:04:52 --> 00:04:56: So without any further ado, I'll pass on to Sophie

00:04:56 --> 00:04:58: for the intro to Uli.

00:04:58 --> 00:04:59: Thank you.

00:05:00 --> 00:05:03: Thank you very much and yeah, thank you so much

00:05:03 --> 00:05:05: to everyone joining this call.

00:05:06 --> 00:05:09: We really appreciate it and we're really pleased you're you're

00:05:09 --> 00:05:10: here to learn more about it.

00:05:11 --> 00:05:13: For those of you who don't know me, I'm Sophie

00:05:13 --> 00:05:13: Chick.

00:05:13 --> 00:05:18: I run the Sea Change program and other ESG program,

00:05:18 --> 00:05:18: ULR.

00:05:20 --> 00:05:22: I think there's someone not on mute.

00:05:22 --> 00:05:24: If you wouldn't mind staying on mute, that would be

00:05:24 --> 00:05:25: great.

00:05:26 --> 00:05:28: So I'm just going to give you a very quick

00:05:28 --> 00:05:30: overview of the Sea Change program.

00:05:30 --> 00:05:32: It, I know a lot of you are very familiar

00:05:32 --> 00:05:34: with it, but there are some new faces on this

00:05:34 --> 00:05:36: call as well if you do have any further questions.

00:05:37 --> 00:05:38: Just let me.

00:05:38 --> 00:05:42: Know can we get to the next slide, please, Kate?

00:05:47 --> 00:05:50: So we are looking at achieving real change with sea

00:05:50 --> 00:05:50: change.

00:05:51 --> 00:05:55: We started this program 2 1/2 years ago and we

00:05:55 --> 00:05:58: set it up to help the industry speed up and

00:05:58 --> 00:06:00: scale up decarbonisation.

00:06:01 --> 00:06:04: So very focused point there.

00:06:04 --> 00:06:08: And we're looking at accelerating solutions that are going to

00:06:08 --> 00:06:10: transform our industry and protect our planet.

00:06:10 --> 00:06:13: And one of the ways you allow a position to

00:06:13 --> 00:06:15: do this is by bringing people together.

00:06:16 --> 00:06:18: And this is a, a really good example of this

00:06:18 --> 00:06:21: people from across the value chain and to connect us

00:06:21 --> 00:06:22: all together.

00:06:22 --> 00:06:26: And essentially we can all work together to achieve these,

00:06:26 --> 00:06:27: achieve these outcomes.

00:06:28 --> 00:06:32: And we're focusing on systems intervention to enable

00:06:33 --> 00:06:35: change.

00:06:33 --> 00:06:35: Now, the program wouldn't be possible without our partners

00:06:35 --> 00:06:36: and

00:06:35 --> 00:06:36: supporters listed here.

00:06:36 --> 00:06:38: So a huge thank you to them.

00:06:38 --> 00:06:41: And if anyone else is interested in joining, please do

00:06:41 --> 00:06:41: let me know.

00:06:42 --> 00:06:43: Next slide, please.

00:06:46 --> 00:06:49: So when we started this program, the first thing that

00:06:49 --> 00:06:51: we did is we wanted to understand what are the

00:06:52 --> 00:06:54: barriers to decarbonising real estate.

00:06:54 --> 00:06:57: And we went through a mapping exercise with Kate and

00:06:57 --> 00:06:59: her team to understand this.

00:06:59 --> 00:07:04: And we came out with 13 barriers and corresponding intervention

00:07:04 --> 00:07:07: points that are needed to decarbonise real estate.

00:07:07 --> 00:07:09: And you can see them listed here.

00:07:09 --> 00:07:12: Now, some of them are already being worked on by

00:07:12 --> 00:07:14: other industry organisations.

00:07:14 --> 00:07:17: Some still need industry action, but they're not quite right

00:07:17 --> 00:07:18: for you, a lie to focus on.

00:07:18 --> 00:07:21: So we chose these five that you can see in

00:07:21 --> 00:07:22: that dark green there.

00:07:22 --> 00:07:25: And one of these points that we're obviously focusing on

00:07:25 --> 00:07:27: today is the fact that we have a lack of

00:07:28 --> 00:07:28: carbon pricing.

00:07:29 --> 00:07:31: On to the next slide, please.

00:07:32 --> 00:07:35: And the way that we work with these intervention points

00:07:35 --> 00:07:38: and the way that we try and come up with

00:07:38 --> 00:07:40: the solutions is using it as a sea change, as

00:07:40 --> 00:07:42: an incubator for these barriers.

00:07:42 --> 00:07:45: So the first thing when you do is identify what

00:07:45 --> 00:07:49: the barrier is and what the corresponding intervention point is

00:07:49 --> 00:07:51: that's needed to overcome this.

00:07:52 --> 00:07:54: Once we've got that, we'll then prime the industry.

00:07:55 --> 00:07:58: So within our publications, at our meetings, at our

00:07:58 --> 00:08:01: conferences,

00:08:01 --> 00:08:04: we will be talking about this topic as well as

00:08:04 --> 00:08:05: all the one-on-one meetings that we have with many of

00:08:05 --> 00:08:09: you in the industry.

00:08:09 --> 00:08:11: And we'll begin to gather feedback, understand where the

00:08:11 --> 00:08:15: industry

00:08:15 --> 00:08:16: is and begin to gather an idea and also for

00:08:17 --> 00:08:19: those who aren't already aware in the industry, bring it

00:08:19 --> 00:08:23: to the industry's attention.

00:08:23 --> 00:08:26: We then get to the incubate stage.

00:08:26 --> 00:08:28: So this is when we're looking to Co create and

00:08:28 --> 00:08:28: incubate solutions with the industry.

00:08:28 --> 00:08:31: And I think again, this is a good example of

00:08:31 --> 00:08:33: this.

00:08:33 --> 00:08:36: Today, we're looking at working collectively.

00:08:36 --> 00:08:39: We're not coming up with solutions on our own.

00:08:39 --> 00:08:42: We're working with the industry to make sure solutions that

00:08:36 --> 00:08:39: we come up with are applicable across the value chain.

00:08:39 --> 00:08:42: And then finally, we want to scale these solutions to

00:08:42 --> 00:08:44: a create sort of achieve critical mass adoption.

00:08:45 --> 00:08:47: Kate, just final slide from me.

00:08:48 --> 00:08:51: So just want to note, note that we've got really

00:08:51 --> 00:08:53: strong visibility so far with sea change.

00:08:53 --> 00:08:56: The main focus area that we've worked on previously has

00:08:57 --> 00:08:59: been the transition risk guidelines.

00:08:59 --> 00:09:02: And you can see some of the the press coverage

00:09:02 --> 00:09:04: and results from this, the work that we did then

00:09:04 --> 00:09:07: they were launched last summer and also a few images

00:09:07 --> 00:09:10: from our Sea Change Summit that I'll give you more

00:09:10 --> 00:09:12: details about at the end of this call.

00:09:12 --> 00:09:14: It is worth noting we did put out a press

00:09:14 --> 00:09:17: release about this work that we're doing on carbon pricing

00:09:17 --> 00:09:18: a couple of weeks ago.

00:09:18 --> 00:09:20: We had a really good pick up from both the

00:09:20 --> 00:09:22: press and the industry on the back of that.

00:09:22 --> 00:09:24: And actually I know a few of you on this

00:09:24 --> 00:09:27: call are here because of that that press industry press

00:09:27 --> 00:09:29: release and seeing that announcement.

00:09:29 --> 00:09:32: So there is really a lot of support going on

00:09:32 --> 00:09:33: for this initiative.

00:09:34 --> 00:09:36: So that seems like a great point to and over

00:09:36 --> 00:09:39: to Kate to tell you what we're actually trying to

00:09:39 --> 00:09:41: do and and hoping to achieve.

00:09:41 --> 00:09:53: Thank you so much, Kate.

00:09:53 --> 00:09:54: You're just on mute.

00:09:56 --> 00:09:57: Well, hello there.

00:09:57 --> 00:09:58: Sorry about that.

00:09:58 --> 00:10:01: So thank you so much for whoever just put themselves

00:10:01 --> 00:10:01: on mute.

00:10:01 --> 00:10:02: Really helpful.

00:10:03 --> 00:10:05: And thank you, Sophie for the handover there.

00:10:05 --> 00:10:08: So real pleasure to be here as always.

00:10:08 --> 00:10:10: I do know many familiar faces on the call, but

00:10:10 --> 00:10:14: for those who don't know me, it's Kate Wolfenden work

00:10:14 --> 00:10:16: in 103 and it's an absolute pleasure to be able

00:10:16 --> 00:10:19: to support ULI on the Sea Change initiative.

00:10:20 --> 00:10:21: So yeah, I'm just going to lead you through the

00:10:21 --> 00:10:22: initiative background.

00:10:22 --> 00:10:24: What is carbon pricing and why it matters?

00:10:24 --> 00:10:27: So where on earth did carbon pricing come from for us?

00:10:27 --> 00:10:28:

00:10:28 --> 00:10:31: Well, as Sophie was just talking about when we started this work, one of the first things we did is

00:10:31 --> 00:10:33: we did a very intensive landscape scan in order to

00:10:33 --> 00:10:36: be able to identify what are the key barriers holding

00:10:36 --> 00:10:39: back at the industry.

00:10:39 --> 00:10:40:

00:10:40 --> 00:10:42: And of course carbon pricing and a lack of carbon

00:10:42 --> 00:10:45: pricing within the within the built environment came through loud

00:10:45 --> 00:10:46: and clear.

00:10:46 --> 00:10:49: We didn't prioritize it in the first instance, but we

00:10:49 --> 00:10:54: went into transition risk first because the quantification transition risk

00:10:54 --> 00:10:58: was absolutely and still remains to be fundamentally a priority

00:10:58 --> 00:10:59: focus at the time.

00:10:59 --> 00:11:01: But when we did go into transition risk, what of

00:11:01 --> 00:11:03: course came up carbon pricing.

00:11:03 --> 00:11:05: So when the industry asked time and time and time

00:11:05 --> 00:11:08: again about carbon pricing, we thought we should listen.

00:11:08 --> 00:11:10: And so that's why we then lifted the lid to

00:11:10 --> 00:11:12: have a little bit of a deeper look at what

00:11:12 --> 00:11:14: is going on from the carbon pricing perspective.

00:11:15 --> 00:11:17: So First off, when you actually look at it from

00:11:17 --> 00:11:19: a from when you look at carbon pricing on mass

00:11:19 --> 00:11:22: across multiple industries, the evidence is out there.

00:11:22 --> 00:11:25: So this is just one example from the US power

00:11:25 --> 00:11:29: sector, but you can what's been evidence in multiple industries

00:11:29 --> 00:11:33: is just even with the smallest incremental increase in carbon

00:11:33 --> 00:11:38: pricing across a sector can really shift emissions reductions quite

00:11:38 --> 00:11:39: sizably over time.

00:11:40 --> 00:11:42: So we sat with that and thought, well, that's really

00:11:42 --> 00:11:42: interesting.

00:11:42 --> 00:11:44: What's going on with the built environment in the real

00:11:44 --> 00:11:45: estate sector.

00:11:45 --> 00:11:47: So real estate as a as a portion of the

00:11:47 --> 00:11:50: built environment, you'll see over here on the far right

00:11:51 --> 00:11:54: hand side of this of this graph showing that actually,

00:11:54 --> 00:11:56: because it's not a, a link to a hardware bait

00:11:56 --> 00:12:00: industry and so therefore isn't instantly regulated, as we'll see

00:12:00 --> 00:12:03: over on the left hand side of this graph, it

00:12:03 --> 00:12:06: really is quite a laggard in terms of being able
00:12:06 --> 00:12:06: to adopt.
00:12:07 --> 00:12:08: So we wondered.
00:12:08 --> 00:12:09: So we wondered a little bit more on that and
00:12:10 --> 00:12:11: said, why on earth is that the case?
00:12:11 --> 00:12:14: What's holding back the sector in this with this tool
00:12:14 --> 00:12:17: that is genuinely really helpful in other industries?
00:12:17 --> 00:12:19: And part of that was a survey at the end
00:12:19 --> 00:12:20: of last year.
00:12:20 --> 00:12:23: And we surveyed the ULI network extensively, asked a whole
00:12:23 --> 00:12:27: series of questions related to transition risks and indeed
carbon
00:12:27 --> 00:12:28: pricing.
00:12:28 --> 00:12:30: And one of the key questions was what are the
00:12:30 --> 00:12:33: barriers for you to adopt and implement carbon pricing?
00:12:33 --> 00:12:34: And if you just have a look here, the ones
00:12:34 --> 00:12:36: that I really want to hone down on here is
00:12:36 --> 00:12:39: obviously we know data and regulation are a challenge and
00:12:39 --> 00:12:41: that remains the same across many sustainability initiatives.
00:12:41 --> 00:12:42: But go below that.
00:12:43 --> 00:12:46: Really what we're looking at in the top five barriers,
00:12:46 --> 00:12:48: it's lack of take up, lack of consensus and lack
00:12:49 --> 00:12:50: of understanding.
00:12:50 --> 00:12:52: You're like, oh, that's really interesting.
00:12:52 --> 00:12:53: So there is a pain point here.
00:12:53 --> 00:12:55: So then that's all well and good.
00:12:55 --> 00:12:57: We then said, well, what would you like us to
00:12:57 --> 00:12:57: do about it?
00:12:58 --> 00:13:00: And again, coming into those top three asks, obviously we
00:13:00 --> 00:13:03: can't wave our magic wand and get regulation for you.
00:13:03 --> 00:13:04: If we could, we would.
00:13:04 --> 00:13:07: But say that the top 2 after that was how
00:13:07 --> 00:13:09: can we as an industry work to be able to
00:13:09 --> 00:13:12: create some good guidance for you and how can we
00:13:12 --> 00:13:16: better deepen your understanding of carbon pricing
mechanisms.
00:13:17 --> 00:13:20: So with that insight, that triggered a whole year of
00:13:20 --> 00:13:23: being able to make carbon pricing a strategic research
priority
00:13:23 --> 00:13:24: for us.
00:13:24 --> 00:13:26: So during the course of that year, we did some
00:13:26 --> 00:13:27: extensive desktop research.
00:13:27 --> 00:13:29: Many of the people on the call here were involved

00:13:29 --> 00:13:30: in our one to one interview.

00:13:30 --> 00:13:32: So thank you so much for that.

00:13:32 --> 00:13:34: That really helped us pull together a really good landscape

00:13:34 --> 00:13:37: understanding of what's happening in carbon pricing and why it's

00:13:37 --> 00:13:39: being held back within the built environment in the real

00:13:39 --> 00:13:40: estate sector.

00:13:40 --> 00:13:43: We dove into 4 multi stakeholder workshops to be able

00:13:43 --> 00:13:45: to really get under the surface, to get beyond the

00:13:45 --> 00:13:48: sort of the stats into the human element of what's

00:13:48 --> 00:13:48: going on.

00:13:49 --> 00:13:52: And indeed, we then seeded the concept at that sort

00:13:52 --> 00:13:53: of C-Suite level.

00:13:53 --> 00:13:56: And then the wider industry by putting it into the

00:13:56 --> 00:13:58: extense, into the trend study that comes out every year

00:13:58 --> 00:14:01: at the Utilize Global Trends report, which many of you,

00:14:01 --> 00:14:03: I'm I'm sure will remember reading.

00:14:05 --> 00:14:07: So Fast forward to 2024, this is where we're at.

00:14:07 --> 00:14:09: We took all of that research and we took all

00:14:09 --> 00:14:11: of that insight and we took it to our steering

00:14:11 --> 00:14:13: committee at the end of last year and we said,

00:14:13 --> 00:14:14: look, carbon pricing is a problem.

00:14:15 --> 00:14:18: The industry seems to be willing, but unfortunately there isn't

00:14:18 --> 00:14:20: no right guidance and support to be able to help

00:14:20 --> 00:14:21: them through.

00:14:21 --> 00:14:22: What should we do about it?

00:14:22 --> 00:14:25: First off, the the steering committee, we're very supportive in

00:14:25 --> 00:14:27: being able to pursue this into the second year.

00:14:27 --> 00:14:30: But also there was a call for, wait a minute,

00:14:30 --> 00:14:34: every time we get another initiative, we find that there's

00:14:34 --> 00:14:37: a, there's a, a new level of fragmentation happening.

00:14:37 --> 00:14:39: Oh, there's a new initiative here, There's a new initiative

00:14:39 --> 00:14:39: here.

00:14:39 --> 00:14:42: You could really help us if you bring the industry

00:14:42 --> 00:14:45: together into a united position because one, that reduces our

00:14:45 --> 00:14:48: amount of activity that we need to do, but two,

00:14:48 --> 00:14:51: it sends a much stronger, stronger demand signal to the

00:14:51 --> 00:14:52: industry.

00:14:52 --> 00:14:55: So at the beginning of 2024, we reached out or

00:14:55 --> 00:14:57: it's actually towards the end of 2023, but it was

00:14:57 --> 00:15:00: 2024 when we really started structurally putting it together.

00:15:01 --> 00:15:04: And, and we are grateful to say we're now working

00:15:04 --> 00:15:07: with an amazing group of organizations within Europe on this
00:15:08 --> 00:15:09: very specific topic.
00:15:09 --> 00:15:14: So EPRA Green, IIGCC in Rev Ricks, of course, the
00:15:14 --> 00:15:18: wonderful ULI and indeed WBCSD as well.
00:15:18 --> 00:15:20: And it's together that we have committed to be able
00:15:20 --> 00:15:23: to deep dive into these topics together to emerge out
00:15:23 --> 00:15:25: with what we hope will be a recommended and united
00:15:25 --> 00:15:28: position and what would be the right step forward for
00:15:28 --> 00:15:30: carbon pricing for the industry.
00:15:31 --> 00:15:34: And together we Co created the idea of a three
00:15:34 --> 00:15:35: work stream program.
00:15:35 --> 00:15:37: So this is 2024 and onwards.
00:15:37 --> 00:15:38: There are three work streams.
00:15:38 --> 00:15:40: You're in the second one, but I'll walk you through
00:15:41 --> 00:15:41: each of them quickly.
00:15:42 --> 00:15:43: The 1st is the experts work stream.
00:15:43 --> 00:15:46: So that's actually the kick off workshop for that is
00:15:46 --> 00:15:47: happening later on today.
00:15:47 --> 00:15:49: We'd love to get your feedback into that workshop as
00:15:49 --> 00:15:50: well.
00:15:50 --> 00:15:53: That's all of those membership organizations you've
00:15:53 --> 00:15:57: mentioned that I've just mentioned on the previous slide have nominated leading
00:15:57 --> 00:15:58: experts.
00:15:57 --> 00:15:58: So what experts in this context is an is an
00:15:59 --> 00:16:02: organization or an individual with an organization has already
00:16:02 --> 00:16:03: implemented
00:16:02 --> 00:16:03: a carbon price.
00:16:03 --> 00:16:06: There was already in the weeds and understands what's
00:16:06 --> 00:16:08: happening
00:16:06 --> 00:16:08: there to be able to help best advise what the
00:16:08 --> 00:16:08: wider sector can do.
00:16:09 --> 00:16:11: And they are coming together to be able to and
00:16:11 --> 00:16:14: in a series of workshops similar to these to be
00:16:14 --> 00:16:16: able to devise up a recommended position and an option
00:16:16 --> 00:16:19: strategy strategy for the industry on carbon pricing.
00:16:19 --> 00:16:22: The second work stream you find yourself in now and
00:16:22 --> 00:16:24: is focusing on how do we support organizations that are
00:16:24 --> 00:16:28: willing and interested, but perhaps don't necessarily haven't
00:16:28 --> 00:16:30: themselves as further along the journey.
00:16:30 --> 00:16:32: So perhaps you don't have a carbon price.
00:16:32 --> 00:16:34: I know many people on this call are in the

00:16:34 --> 00:16:37: process of creating a carbon price and actually might even
00:16:37 --> 00:16:39: be taking it to investment committee that just happened or
00:16:39 --> 00:16:40: indeed just coming.
00:16:41 --> 00:16:42: So thank you for joining.
00:16:42 --> 00:16:44: And we work that that this work stream is going
00:16:44 --> 00:16:46: to focus on being able to deepen that understanding across
00:16:46 --> 00:16:47: the course of the year.
00:16:47 --> 00:16:49: And of course, the third work stream, if we've got
00:16:49 --> 00:16:52: the experts and the leaders and we've got the practitioners
00:16:52 --> 00:16:54: that are really dying to be able to follow in
00:16:54 --> 00:16:56: those footsteps or indeed curious to be able to follow
00:16:56 --> 00:16:57: in those footsteps.
00:16:57 --> 00:16:59: And one thing we really should commit to do is
00:16:59 --> 00:17:01: making sure that the leadership around the world is or
00:17:02 --> 00:17:04: around Europe is really clear on what's happening and why
00:17:04 --> 00:17:05: it's important.
00:17:05 --> 00:17:07: So that makes the job of the experts and the
00:17:07 --> 00:17:09: practitioners much easier in delivery.
00:17:09 --> 00:17:11: So those are the three work streams.
00:17:11 --> 00:17:13: We're working on them in 2024 and beyond.
00:17:13 --> 00:17:15: But just for a moment, I wanted to dive into
00:17:15 --> 00:17:18: the practitioner work stream because that's where we're
focusing on
00:17:18 --> 00:17:18: today.
00:17:18 --> 00:17:21: So you are in the 1st works workshop of this
00:17:22 --> 00:17:22: work stream.
00:17:22 --> 00:17:25: It's important to note we are stepping back because we've
00:17:25 --> 00:17:27: got a fair few new faces on the call today.
00:17:27 --> 00:17:29: So we really wanted to step down, step back to
00:17:30 --> 00:17:31: the basics to say what on earth is a carbon
00:17:32 --> 00:17:32: price?
00:17:32 --> 00:17:35: What's the difference between internal and external
mechanisms?
00:17:35 --> 00:17:37: What's the difference between shadow and fee paying?
00:17:38 --> 00:17:40: And then what is it take to build a case
00:17:40 --> 00:17:41: right at the beginning?
00:17:41 --> 00:17:43: Because many people haven't got that far yet.
00:17:43 --> 00:17:45: So we'll, we'll do that bit 1st and then in
00:17:45 --> 00:17:48: workshop 2, we'll move on to shadow carbon pricing and,
00:17:48 --> 00:17:51: and start working on some lower complexity case studies that
00:17:52 --> 00:17:54: you can relate to and relate back to your own
00:17:54 --> 00:17:54: practice.

00:17:55 --> 00:17:57: Before when we get to workshop 3 after the summer,

00:17:57 --> 00:18:00: we'll be starting to get into fee paying and starting

00:18:00 --> 00:18:02: to think about some of the really technical challenges you

00:18:02 --> 00:18:05: might be facing and some much higher complexity case studies.

00:18:06 --> 00:18:07: I think the real thing I wanted to share here

00:18:07 --> 00:18:09: is that you do have an incredibly important role on

00:18:09 --> 00:18:10: the call today.

00:18:10 --> 00:18:12: We have 53 participants on the call.

00:18:12 --> 00:18:16: If we could get 53 different organizations on this journey

00:18:16 --> 00:18:19: feeling more confident and capable and able to be able

00:18:19 --> 00:18:22: to adopt carbon pricing within their organization and we can

00:18:23 --> 00:18:25: go on to support you in future years to do

00:18:25 --> 00:18:25: that.

00:18:26 --> 00:18:29: We're moving towards that all important shift from early adopters

00:18:29 --> 00:18:30: to early majority.

00:18:30 --> 00:18:33: It's called by many a critical mass and it's at

00:18:33 --> 00:18:35: that point when we can really start to see an

00:18:36 --> 00:18:37: industry take hold of a movement.

00:18:37 --> 00:18:39: So that is our goal and you'd love to be

00:18:39 --> 00:18:41: able to take you on the journey to be able

00:18:42 --> 00:18:44: to help you get there right before we go in

00:18:44 --> 00:18:46: what I wanted to share and please use the chat

00:18:46 --> 00:18:47: function for this.

00:18:47 --> 00:18:49: I want to tell you a little bit about what's

00:18:49 --> 00:18:51: happening in the experts work stream later.

00:18:51 --> 00:18:54: And then also, yes, so ask, tell you, but then

00:18:55 --> 00:18:56: also ask me some questions.

00:18:56 --> 00:19:01: So First off, the work streams happening later this afternoon.

00:19:01 --> 00:19:03: Sorry, the first workshops happening later this afternoon.

00:19:03 --> 00:19:05: It's a big chunky 4 hour workshop.

00:19:05 --> 00:19:07: The target output by the end of all of the

00:19:07 --> 00:19:09: workshop is to be able to get that Co owned

00:19:09 --> 00:19:12: and Co developed recommended position on internal carbon pricing in

00:19:12 --> 00:19:13: a strategy for adoption.

00:19:14 --> 00:19:16: The first focus of the of the workshop today is

00:19:16 --> 00:19:19: based on the principles and scoping what is actually possible

00:19:19 --> 00:19:22: to achieve in this time frame, the purpose and behaviour

00:19:22 --> 00:19:24: change of carbon pricing?

00:19:24 --> 00:19:27: Do we need to differentiate between embodied and operational carbon?

00:19:27 --> 00:19:28: All that confuse things.

00:19:29 --> 00:19:31: Do we need to differentiate between the different people in

00:19:31 --> 00:19:34: the organized within the within a value chain because they

00:19:34 --> 00:19:36: might be more or less responsible and what is our

00:19:36 --> 00:19:37: relationship to offsetting?

00:19:38 --> 00:19:40: So that's the type of topics will be dealing with,

00:19:40 --> 00:19:41: but how you can feed in.

00:19:41 --> 00:19:43: So this is where the chat function comes in and

00:19:43 --> 00:19:45: we'd love you to be able to participate.

00:19:45 --> 00:19:47: I'm going to ask you these questions now at any

00:19:47 --> 00:19:49: point during the course of this webinar.

00:19:49 --> 00:19:51: Please feel free to put your thoughts into the chat

00:19:51 --> 00:19:52: function.

00:19:52 --> 00:19:55: We will store it and provide it to the experts

00:19:55 --> 00:19:58: later or to the the more advanced practitioners later.

00:20:00 --> 00:20:01: But I'll ask you again right at the end so

00:20:01 --> 00:20:03: we make sure we can wrap it up.

00:20:03 --> 00:20:05: So, but the first question is imagine you're going to

00:20:05 --> 00:20:08: leave these sessions and commit to implementing a carbon price

00:20:08 --> 00:20:09: in your company.

00:20:09 --> 00:20:12: In the next 12 to 18 months, what exactly would

00:20:12 --> 00:20:14: you need to make it happen?

00:20:14 --> 00:20:17: So that could be informational guidance, it could be targeted

00:20:17 --> 00:20:19: support to be able to underpin the business case, it

00:20:19 --> 00:20:21: could be a whole host of other things.

00:20:21 --> 00:20:24: Please do share your thoughts as we'd love to hear.

00:20:24 --> 00:20:27: And the second question is inside your organization specifically, what

00:20:27 --> 00:20:29: does the carbon price need to do to be able

00:20:29 --> 00:20:32: to help accelerate the decarbonisation process?

00:20:32 --> 00:20:35: Now for some, that might just be change investment decisions.

00:20:35 --> 00:20:37: You might be thinking it from a shadow perspective.

00:20:37 --> 00:20:39: For others, you might actually want to be able to

00:20:39 --> 00:20:41: raise money to be able to decarbonize the assets or

00:20:41 --> 00:20:43: it might be something a bit more technical than that.

00:20:43 --> 00:20:46: So please do any point during the course of this

00:20:46 --> 00:20:49: web and I'll share your thoughts and we will carry

00:20:49 --> 00:20:53: those forward into the into the session tomorrow, Right.

00:20:53 --> 00:20:53: OK.

00:20:53 --> 00:20:56: So on to what is carbon pricing and why does

00:20:56 --> 00:20:57: it matter?

00:20:57 --> 00:20:59: So again, stepping back to go forward, we're going to

00:20:59 --> 00:21:01: start with the very basics to be able to help

00:21:01 --> 00:21:01: us move forward.

00:21:02 --> 00:21:04: So First off, what on earth is a carbon price

00:21:04 --> 00:21:04: though?

00:21:04 --> 00:21:07: A carbon price is a financial mechanism that places a

00:21:07 --> 00:21:10: monetary value on carbon emissions and it's usually put on

00:21:10 --> 00:21:12: by a company industries that you may very well and

00:21:12 --> 00:21:13: increasingly associate.

00:21:13 --> 00:21:15: From an individual perspective.

00:21:16 --> 00:21:19: The principal aim is to be able to internalise external

00:21:19 --> 00:21:23: costs of greenhouse gas emissions and it's done through

00:21:23 --> 00:21:26: mechanisms such as taxes and emissions trading or in

00:21:26 --> 00:21:27: carbon

00:21:26 --> 00:21:27: offset programs.

00:21:28 --> 00:21:31: The purpose of it is to incentivise emission reduction and

00:21:32 --> 00:21:34: that and that in order to be able to transition

00:21:34 --> 00:21:36: to lower carbon solutions and practices.

00:21:36 --> 00:21:39: And indeed net 0 where it's where we want to

00:21:39 --> 00:21:42: get to and it's and it focuses on creating economic

00:21:42 --> 00:21:45: incentives for polluters to reduce their carbon footprint.

00:21:45 --> 00:21:50: So perhaps as an example, providing an economic incentive

00:21:50 --> 00:21:54: to

00:21:50 --> 00:21:54: choose a lower carbon material such as timber instead of

00:21:55 --> 00:21:57: let's say cement as an example.

00:21:57 --> 00:21:59: It could be any, any mix of those things or

00:21:59 --> 00:22:02: a lower carbon cement versus a higher carbon cement.

00:22:03 --> 00:22:06: So carbon pricing, there are largely 2 groups.

00:22:07 --> 00:22:09: So the first is you have external mechanisms and the

00:22:09 --> 00:22:11: second is internal mechanisms.

00:22:11 --> 00:22:13: So external mechanisms, we'll go into each of these in

00:22:13 --> 00:22:16: a bit more depth just briefly, but we will under

00:22:16 --> 00:22:19: that banner, you have such things as sort of regional

00:22:19 --> 00:22:22: or national schemes, such emission trading schemes such as

00:22:22 --> 00:22:22: the

00:22:22 --> 00:22:22: EUETS.

00:22:22 --> 00:22:25: And you also have national taxes or even local taxes.

00:22:25 --> 00:22:28: So like Germany and New York local law, from an

00:22:28 --> 00:22:32: internal perspective, we have different levels of being able to

00:22:33 --> 00:22:33: engage.

00:22:33 --> 00:22:36: So putting that monetary price maybe a shadow.

00:22:36 --> 00:22:37: So that means it's a price in theory.

00:22:37 --> 00:22:39: I'll come on to that in more detail or it

00:22:39 --> 00:22:40: might be an actual price be paying.

00:22:41 --> 00:22:44: And then under that banner, you often see the association

00:22:44 --> 00:22:46: with carbon offsetting, but we're going to talk a little

00:22:46 --> 00:22:48: bit more about that later as well.

00:22:49 --> 00:22:51: The key message here is that there are two types.

00:22:51 --> 00:22:53: We're not focusing on the external, although we will be

00:22:53 --> 00:22:55: aligning with it as a part of our work stream.

00:22:56 --> 00:22:58: We will be focusing on the internal carbon pricing.

00:22:58 --> 00:23:00: What do you have control over within your organization?

00:23:02 --> 00:23:03: Before we go on to there, let me just start

00:23:04 --> 00:23:05: on external mechanisms.

00:23:05 --> 00:23:08: So you're clear, two major types of external mechanisms.

00:23:08 --> 00:23:11: They are the highest level instruments that can be deployed

00:23:11 --> 00:23:14: by local, national or regional governments.

00:23:15 --> 00:23:17: But at a, a tax perspective, let's think about it

00:23:17 --> 00:23:20: from a local authority or national government perspective.

00:23:20 --> 00:23:23: Many of you might be familiar with the, the new

00:23:23 --> 00:23:25: tax that came in, I believe it was last year

00:23:26 --> 00:23:28: in Germany where it's ???25 per tonne on a heating

00:23:28 --> 00:23:31: of buildings, which is in able to, to help shift

00:23:31 --> 00:23:33: the urban environment in Germany.

00:23:33 --> 00:23:37: And then of course, perhaps one that's made more, Can

00:23:37 --> 00:23:41: you believe it carbon price headlines would be the New

00:23:41 --> 00:23:42: York local law 97.

00:23:42 --> 00:23:44: So seen, seen by many to be one of the

00:23:44 --> 00:23:48: most ambitious local local climate laws in the United States.

00:23:48 --> 00:23:52: And it applies a cap and trade approach to carbon

00:23:52 --> 00:23:55: emissions in the built environment in in New York and,

00:23:55 --> 00:23:59: and, and a non a not insignificant carbon price attached

00:23:59 --> 00:24:01: to it afterwards.

00:24:01 --> 00:24:04: So I think it's something like \$268 per tonne and

00:24:04 --> 00:24:07: then so that's your carbon taxes.

00:24:07 --> 00:24:09: And then from an emission trading scheme perspective, I

00:24:09 --> 00:24:12: think

00:24:12 --> 00:24:15: there's about 68 trading schemes, be they national or

00:24:15 --> 00:24:15: regional

00:24:16 --> 00:24:19: now around the world according to the last World Bank

00:24:19 --> 00:24:22: report.

00:24:23 --> 00:24:25: But these are imposed in order to be able to

00:24:25 --> 00:24:26: bring down the reduction of ratcheting or ratcheting down of

00:24:26 --> 00:24:26: emissions over time at a, at a regional or a

00:24:26 --> 00:24:26: national level.

00:24:26 --> 00:24:30: So placed on by a, a national or regional government,

00:24:30 --> 00:24:33: a cap is put in place and then the residual

00:24:33 --> 00:24:36: emissions are the cost that you, sorry, you buy the

00:24:36 --> 00:24:40: credits at a price and you can trade them internally.

00:24:40 --> 00:24:43: And the prime example of that, because we're working in

00:24:43 --> 00:24:46: Europe at the moment is the EUETS and the revision,

00:24:46 --> 00:24:46: the EUETS too.

00:24:47 --> 00:24:48: OK, So that's external.

00:24:48 --> 00:24:50: Now thinking about internal.

00:24:50 --> 00:24:53: So 2 mechanisms that we'll talk a lot about.

00:24:53 --> 00:24:54: So just to be clear, what we're talking about is

00:24:55 --> 00:24:55: the shadow carbon price.

00:24:55 --> 00:24:57: So as I said, it's when a company puts a

00:24:58 --> 00:25:00: price on each ton of CO2 emissions that they've used.

00:25:01 --> 00:25:02: And then it's used to be able to help inform

00:25:02 --> 00:25:03: decision making.

00:25:03 --> 00:25:05: So it doesn't actually turn into a cost per SE.

00:25:05 --> 00:25:08: It sits there as a shadow cost in your, your

00:25:08 --> 00:25:12: investment materials, be there to discounted cash flow, whatever it

00:25:12 --> 00:25:13: might be.

00:25:13 --> 00:25:15: So you do not pay money, you do not put

00:25:15 --> 00:25:17: it aside, but it helps you hedge against future risks

00:25:18 --> 00:25:20: as an example or policy, future policy coming down the

00:25:20 --> 00:25:23: line and you can actually start to fit to level

00:25:23 --> 00:25:26: up decisions between higher carbon and lower carbon solutions.

00:25:26 --> 00:25:29: And then a full fee paying carbon price is when

00:25:29 --> 00:25:32: you actually put that same price per tonne or, or,

00:25:32 --> 00:25:35: or indeed a different price, but a, a price on

00:25:35 --> 00:25:38: an emission per tonne, but it is then paid somewhere.

00:25:38 --> 00:25:41: Now I'm going to separate this from offsetting, we'll come

00:25:41 --> 00:25:42: on to next.

00:25:42 --> 00:25:43: So this is when you pay it.

00:25:43 --> 00:25:45: They might you pay it into an internal funds or

00:25:46 --> 00:25:47: you ring fence in some way.

00:25:47 --> 00:25:50: Now when you do this, the best practice is assumed

00:25:50 --> 00:25:54: to be OK, so we've allocated this, allocated this money

00:25:54 --> 00:25:57: and we will put it towards our decarbonisation or investment

00:25:57 --> 00:25:59: in sustainable innovation solutions.

00:26:00 --> 00:26:02: In theory this is your money.

00:26:02 --> 00:26:04: You don't have to put it into that, but that

00:26:04 --> 00:26:07: is the principle and the best practice that is professed.

00:26:09 --> 00:26:10: Finally, a word on offsetting.

00:26:10 --> 00:26:13: So First off, what is an offset?

00:26:13 --> 00:26:15: We all know what that is, but it's a measurable

00:26:15 --> 00:26:17: reduction, removal or avoidance of greenhouse gas.

00:26:18 --> 00:26:20: It's made by 1 entity to be able to compensate

00:26:21 --> 00:26:23: for emissions that are produced elsewhere.

00:26:23 --> 00:26:27: Various different schemes that you can apply to, to be

00:26:27 --> 00:26:30: able to do it at a gold standard being obviously

00:26:30 --> 00:26:33: the gold standard offsets invest in whole different ranges of

00:26:34 --> 00:26:35: projects around the world.

00:26:35 --> 00:26:38: It can be from renewable energy to a forestation to

00:26:38 --> 00:26:42: community based a forestation to methane capture, etcetera.

00:26:42 --> 00:26:44: We all know that there's been a particularly difficult time

00:26:44 --> 00:26:47: for carbon pricing of late due to the quality and

00:26:47 --> 00:26:49: consistency of those offsets, especially over the long term.

00:26:50 --> 00:26:53: Now, what's the really important points that we want to

00:26:53 --> 00:26:55: phrase to to make to make clear here is carbon

00:26:55 --> 00:26:58: offsets are not carbon pricing that they aren't the equivalent

00:26:58 --> 00:27:00: carbon offsets are often confused with it.

00:27:00 --> 00:27:02: They are not always the same thing.

00:27:02 --> 00:27:06: So often when we've had some early conversations with

00:27:06 --> 00:27:10: people

00:27:10 --> 00:27:13: their assumption is well that's so that is your that

00:27:13 --> 00:27:16: is the limit of what carbon pricing can do if

00:27:16 --> 00:27:19: you stop at the door of assuming that carbon pricing

00:27:19 --> 00:27:23: is just there to be able to price your residual

00:27:23 --> 00:27:26: emissions and then you offset them that is not what

00:27:26 --> 00:27:29: carbon pricing the whole of what carbon pricing is so

00:27:29 --> 00:27:33: we will go into this in more detail and and

00:27:33 --> 00:27:36: and and over the over the coming webinars but we

00:27:36 --> 00:27:40: just wanted to make that clear from the outset So

00:27:40 --> 00:27:44: often when we've had some early conversations with people,

00:27:44 --> 00:27:46: their

00:27:48 --> 00:27:48: assumption is, well, that's, so that is your, that is

00:27:48 --> 00:27:48: the limit of what carbon pricing can do.

00:27:48 --> 00:27:48: So we will go into this in more detail and,

00:27:48 --> 00:27:48: and, and, and over the over the coming webinars, but

00:27:48 --> 00:27:48: we just wanted to make that clear from the outset

00:27:48 --> 00:27:48: finally.

00:27:48 --> 00:27:50: And then just a little bit on why we would

00:27:50 --> 00:27:50: care.

00:27:50 --> 00:27:54: So obviously, really starting up at the at the top

00:27:54 --> 00:27:58: of the tree here, we are seeing greater investor pressure

00:27:58 --> 00:28:03: and we are seeing ever increasing ratcheting civic pressure as

00:28:03 --> 00:28:03: well.

00:28:03 --> 00:28:06: So major polluters that do belong within our value chain

00:28:06 --> 00:28:09: are feeling it the strongest right now.

00:28:09 --> 00:28:12: And we're seeing both lawsuits coming down the line.

00:28:12 --> 00:28:14: And then indeed civic action.

00:28:14 --> 00:28:15: And where does that go?

00:28:15 --> 00:28:16: That doesn't feel like it original.

00:28:16 --> 00:28:20: It hits US directly immediately, but well, it, it will

00:28:20 --> 00:28:22: come down the line and we're talking about it, it

00:28:23 --> 00:28:26: doesn't it, it's not necessarily straight into litigation, but it

00:28:26 --> 00:28:31: isn't around insurability and premiums are related to insurability, etcetera.

00:28:31 --> 00:28:34: So it comes down the line and, and indeed, sorry,

00:28:34 --> 00:28:36: investor selection and reputation as well.

00:28:37 --> 00:28:39: And then the other piece of why we should care,

00:28:39 --> 00:28:41: it's from a policy and regulation perspective.

00:28:41 --> 00:28:43: So we've talked a little bit about these today, but

00:28:43 --> 00:28:44: I just want to give you a little bit of

00:28:44 --> 00:28:45: the, oh, sorry, it's jumped one.

00:28:46 --> 00:28:46: Wait a minute.

00:28:48 --> 00:28:49: Sorry about that.

00:28:49 --> 00:28:49: I just jumped.

00:28:51 --> 00:28:53: It's from a policy and regulation perspective.

00:28:53 --> 00:28:55: So we we just wanted to speak a little bit

00:28:55 --> 00:28:56: about the trend here.

00:28:56 --> 00:29:01: So from a policy mechanism perspective, there are currently 68

00:29:01 --> 00:29:05: schemes globally and that's growing that that underneath that we

00:29:05 --> 00:29:09: have national and regional city tax taxes that are emerging

00:29:09 --> 00:29:10: as well.

00:29:10 --> 00:29:12: And then there's a whole suite of reporting mechanisms now

00:29:12 --> 00:29:15: that are guiding us towards 1, not only the identification,

00:29:15 --> 00:29:16: but the reduction of carbon emissions.

00:29:16 --> 00:29:18: And we've got them listed down at the bottom.

00:29:19 --> 00:29:22: CDP and Bresby are some of the leading examples that

00:29:22 --> 00:29:27: have that have carbon pricing disclosure included within the disclosure

00:29:27 --> 00:29:28: mechanisms.

00:29:30 --> 00:29:32: So finally and in summary, why does it matter and

00:29:32 --> 00:29:34: why are we here today to be able to help

00:29:34 --> 00:29:37: you do it well, it from a risk perspective, it

00:29:37 --> 00:29:39: helps you mitigate risks for future policy.

00:29:39 --> 00:29:42: It helps you adjust miss pricing in valuations.

00:29:42 --> 00:29:45: It helps you account for unrecorded current and future costs

00:29:45 --> 00:29:48: and internalize them sooner rather than later.

00:29:48 --> 00:29:51: It helps you with your stakeholder reputation and it helps

00:29:51 --> 00:29:53: in that long term view from civic action.

00:29:53 --> 00:29:56: And then from an opportunity perspective, as we all know,

00:29:56 --> 00:29:58: it incentivizes sustainable innovation.

00:29:58 --> 00:30:02: It raises funds for sustainable solutions and it accelerates the

00:30:02 --> 00:30:05: sustainable transition for your company.

00:30:06 --> 00:30:10: So with that, I'm going to hand over hopefully that

00:30:10 --> 00:30:11: was a useful summary.

00:30:12 --> 00:30:13: If you've got any questions, please do feel free to

00:30:14 --> 00:30:15: shoot them through in the chat and maybe I can

00:30:15 --> 00:30:16: answer them as we go.

00:30:16 --> 00:30:19: But instead, in the interest of time, I'm going to

00:30:19 --> 00:30:21: hand over to Rebecca so you can lead us into

00:30:21 --> 00:30:22: our far side chat.

00:30:22 --> 00:30:23: Thanks, Rebecca.

00:30:25 --> 00:30:25: Thank you, Kate.

00:30:26 --> 00:30:30: And inviting Murray to come off mute and following on

00:30:30 --> 00:30:33: from some of the survey results where one of the

00:30:33 --> 00:30:37: barriers at the top was around policy and also one

00:30:37 --> 00:30:40: of the next steps was around policy too.

00:30:40 --> 00:30:43: We're going to have a short set of questions and

00:30:43 --> 00:30:47: find out a little bit more about that policy context

00:30:47 --> 00:30:50: and drivers for the real estate industry.

00:30:50 --> 00:30:55: So I welcome Murray Bert from CWS to the Call.

00:30:56 --> 00:30:57: Are you there?

00:30:57 --> 00:30:59: Murray, please could you introduce yourself?

00:30:59 --> 00:30:59: Great.

00:30:59 --> 00:31:01: Thanks very much for inviting me.

00:31:01 --> 00:31:03: So I'm in the research team at at DWS who

00:31:03 --> 00:31:06: write papers to assist clients and understanding some of the

00:31:06 --> 00:31:09: investment opportunities across different asset classes.

00:31:09 --> 00:31:12: We work with our active and passive teams, but also

00:31:12 --> 00:31:15: our alternatives team and and real estate.

00:31:15 --> 00:31:18: And in particular, we've have a series of reports on

00:31:18 --> 00:31:22: European transformation, which is our theme for our

alternatives business

00:31:22 --> 00:31:25: and recently published a report on the Energy Performance and

00:31:25 --> 00:31:26: Buildings Directive.

00:31:26 --> 00:31:29: But I have been involved there was on, I hope

00:31:30 --> 00:31:33: to shape the IHECCS net 0 guidance for real estate

00:31:33 --> 00:31:37: previously before my colleague Sasha and Julie took over and

00:31:37 --> 00:31:39: and it's been updated recently.

00:31:40 --> 00:31:43: And I do have a background in in in cover

00:31:43 --> 00:31:47: markets, some of the early stages of a domestic offset

00:31:47 --> 00:31:50: scheme in in my home home country of Canada, but

00:31:50 --> 00:31:53: also is privileged to play a role in shaping the

00:31:54 --> 00:31:57: rules for the EU carbon market from 2013 to 2020

00:31:57 --> 00:31:59: on behalf of UK businesses.

00:31:59 --> 00:32:03: But we've been publishing reports on on the carbon market

00:32:03 --> 00:32:05: and and so happy to help you to provide for

00:32:05 --> 00:32:08: buy some view and also some some references for colleagues

00:32:08 --> 00:32:09: afterwards.

00:32:10 --> 00:32:11: Fantastic.

00:32:11 --> 00:32:14: Well, thank you for the intro and perhaps that's a

00:32:14 --> 00:32:16: good place to start.

00:32:16 --> 00:32:18: Kate already referenced the EUETS.

00:32:20 --> 00:32:22: Maybe you could very briefly give a bit of an

00:32:22 --> 00:32:23: update.

00:32:23 --> 00:32:26: Any future trends which are relevant for real estate relating

00:32:27 --> 00:32:27: to EUETS?

00:32:28 --> 00:32:28: Yes, definitely.

00:32:29 --> 00:32:32: So just to position the ETS, so there's both, 66%

00:32:32 --> 00:32:35: of global emissions are unpriced.

00:32:35 --> 00:32:37: They don't face any sort of carbon emissions.

00:32:37 --> 00:32:40: 15% of global emissions are actually have a negative carbon

00:32:40 --> 00:32:44: price because there have received fossil fuel subsidies and there's

00:32:44 --> 00:32:47: perhaps 18% of global emissions that are covered by some

00:32:47 --> 00:32:49: sort of carbon market or carbon price.

00:32:49 --> 00:32:52: But only 5% of global emissions have a sufficiently high

00:32:52 --> 00:32:53: carbon price.

00:32:53 --> 00:32:55: And this is due to the EUETS, but also a

00:32:55 --> 00:32:59: number of domestic energy taxes or carbon taxes, particularly in

00:32:59 --> 00:33:00: the in the Nordics.

00:33:01 --> 00:33:04: But but we should think about carbon pricing from what

00:33:04 --> 00:33:05: is the market price?

00:33:05 --> 00:33:06: What is the current price?

00:33:07 --> 00:33:10: What is the future price likely to be and perhaps

00:33:10 --> 00:33:12: doing scenario analysis around that.

00:33:12 --> 00:33:15: But also thinking about it from what is the cost

00:33:15 --> 00:33:18: of reducing your emissions ultimately, what is actually the cost

00:33:18 --> 00:33:22: of installing the technology and the carbon price that might

00:33:22 --> 00:33:25: be necessary to help justify that that decision and and

00:33:25 --> 00:33:26: keep a return on investment.

00:33:26 --> 00:33:29: And then also the social cost of of carbon, the

00:33:29 --> 00:33:32: damage cost which governments often use and increasingly used to

00:33:32 --> 00:33:35: say, look, this is this is actually the damage that's

00:33:35 --> 00:33:38: being caused and This is why we'd to justify for

00:33:38 --> 00:33:38: governments.

00:33:38 --> 00:33:39: Why?

00:33:39 --> 00:33:42: Why stronger common policies are are necessary.

00:33:42 --> 00:33:45: So, but the EUETS, it's a cap and trade scheme.

00:33:45 --> 00:33:46: So there's a cap.

00:33:46 --> 00:33:49: So there's a limit placed on the number of allowances,

00:33:49 --> 00:33:52: the number of emissions that are that are in the

00:33:52 --> 00:33:52: system.

00:33:53 --> 00:33:57: And European power companies and heavy industrial companies are subject

00:33:57 --> 00:33:59: to the to the carbon price and the scope for

00:33:59 --> 00:34:01: coverage has been increasing over time.

00:34:02 --> 00:34:06: So airline flights within the EU have to buy carbon

00:34:06 --> 00:34:11: allowances the beginning of this year, the shipping industry.

00:34:12 --> 00:34:16: So any ships travelling between European ports have to buy

00:34:16 --> 00:34:17: carbon allowances.

00:34:17 --> 00:34:20: And then for any to have ships be going between

00:34:20 --> 00:34:24: a European port and an international port have to buy

00:34:24 --> 00:34:28: allowances for half of the emissions for that, for that

00:34:28 --> 00:34:28: voyage.

00:34:29 --> 00:34:31: And that scope has been increasing over time.

00:34:31 --> 00:34:34: And then the stringency has been increasing over time.

00:34:35 --> 00:34:37: So in the middle of last year, the cap, so

00:34:37 --> 00:34:40: the rate at which the the number of emissions are

00:34:40 --> 00:34:45: falling each year, the government's agreed that that should strengthen.

00:34:45 --> 00:34:49: So the cap was decreasing at 2.2% per year.

00:34:49 --> 00:34:51: It's now decreasing at 4.3% per year.

00:34:52 --> 00:34:55: And I would expect that in future years, policy makers

00:34:55 --> 00:34:58: will further strengthen, further strengthen that rate.

00:34:59 --> 00:35:02: So after establishing the total number of allowances, you have

00:35:02 --> 00:35:05: to distribute them and, and how, who's, so who's responsible

00:35:05 --> 00:35:08: for, for reducing that, that those emissions.

00:35:08 --> 00:35:11: And it's primarily up to now it's been the power

00:35:11 --> 00:35:11: sector.

00:35:11 --> 00:35:14: So the power sector has to buy at auctions all

00:35:14 --> 00:35:18: the carbon allowances they need heavy industry can that are

00:35:18 --> 00:35:21: given free allowances to help protect their competitiveness.

00:35:22 --> 00:35:24: But they are receiving fewer free allowances over time.

00:35:25 --> 00:35:27: And they are also the route those free allowances are

00:35:28 --> 00:35:31: distributed based on benchmarks to give them an encouragement to

00:35:31 --> 00:35:34: to also improve within their particular sub industry.

00:35:35 --> 00:35:38: But one of the other new developments last year was

00:35:38 --> 00:35:41: the was the creation of the a carbon border tax.

00:35:41 --> 00:35:46: So the a carbon border adjustment mechanism or C BAM,

00:35:46 --> 00:35:51: which is helping to protect industrial competitiveness by any importer

00:35:51 --> 00:35:56: of carbon intensive materials to would be subject to this.

00:35:56 --> 00:35:59: But I think the EU, the EU ETS has been

00:35:59 --> 00:36:03: primarily helping to, to encourage renewable energy investments and, and

00:36:03 --> 00:36:05: that power sector decarbonization.

00:36:05 --> 00:36:07: And that will continue to be the case.

00:36:07 --> 00:36:12: But it is also increasingly encouraging industrial companies to invest

00:36:12 --> 00:36:15: in heat pumps for, for their industrial use or other

00:36:15 --> 00:36:18: electrification of of technologies.

00:36:18 --> 00:36:22: And, and we the price has been has been evolving

00:36:22 --> 00:36:26: and it has been a very high performing asset class

00:36:26 --> 00:36:27: over the past few years.

00:36:28 --> 00:36:30: The price sort of came down a little bit to

00:36:30 --> 00:36:32: the beginning of at the end of last year, the

00:36:32 --> 00:36:34: beginning of this year for a number of reasons.

00:36:34 --> 00:36:36: There was a little bit more, it was a bit

00:36:36 --> 00:36:39: warmer, a little bit more renewable energy being produced.

00:36:40 --> 00:36:43: But we expect that over the next few years the

00:36:43 --> 00:36:48: price will will increase particularly starting around 2027 and then

00:36:48 --> 00:36:51: rising up to perhaps a hundred ???100 + 120 a

00:36:51 --> 00:36:52: 130 by 2030.

00:36:52 --> 00:36:56: And so that price will feed through into power prices

00:36:56 --> 00:37:00: and increasingly into into into product prices for for different

00:37:00 --> 00:37:01: materials.

00:37:02 --> 00:37:07: But on that C bam, that international component, carbon intensive

00:37:07 --> 00:37:09: and energy intensive products.

00:37:09 --> 00:37:14: So steel, aluminium, cement, other, other and it even goes

00:37:14 --> 00:37:18: down to literally nuts and bolts because it's they're made

00:37:18 --> 00:37:21: out of steel and and metals.

00:37:21 --> 00:37:24: So it will apply to the cost of importing and

00:37:24 --> 00:37:28: buying nuts and bolts, but it will it, it will

00:37:28 --> 00:37:34: companies right now internationally are having to report their life

00:37:34 --> 00:37:38: cycle emissions for their for the plants that are based

00:37:38 --> 00:37:39: overseas.

00:37:39 --> 00:37:41: But then there are that are being used to produce

00:37:41 --> 00:37:42: products for Europe.

00:37:43 --> 00:37:46: And that's, and that's what they're in this two year

00:37:46 --> 00:37:47: reporting phase.

00:37:47 --> 00:37:50: And then in 2027, they will start to have to

00:37:50 --> 00:37:54: buy C BAM certificates, which will be linked to the

00:37:54 --> 00:37:54: EUETS price.

00:37:55 --> 00:37:59: And if companies are smart and starting to think about

00:37:59 --> 00:38:03: their, their potential future liability and the and the rising

00:38:03 --> 00:38:06: carbon price, they might start to hedge and, and buy

00:38:06 --> 00:38:07: into carbon pricing now.

00:38:09 --> 00:38:12: And and that does also a, a justification for, for

00:38:12 --> 00:38:15: investors to it isn't just a cost that's, that's being

00:38:15 --> 00:38:18: placed on, on investors as, as actually is an investment

00:38:18 --> 00:38:19: opportunity.

00:38:20 --> 00:38:24: And with our extractors passive investment business last

00:38:24 --> 00:38:28: year we

00:38:28 --> 00:38:31: launched one of the one of the first physically backed

00:38:31 --> 00:38:35: carbon exchange traded commodities and ETC.

00:38:35 --> 00:38:38: So giving investors the opportunity to buy directly into the

00:38:38 --> 00:38:40: EU carbon market and take advantage of that rising price

00:38:40 --> 00:38:44: and participate in that rising price.

00:38:44 --> 00:38:48: And also to to hedge their hedge their price risk

00:38:48 --> 00:38:51: potentially that that their public equity portfolios might be

00:38:51 --> 00:38:55: facing

00:38:51 --> 00:38:55: or indeed the, the risks that they might be facing

00:38:51 --> 00:38:55: in, in their real estate or real assets portfolios.

00:38:56 --> 00:38:59: So happy to to have further discussions with any interested
00:38:59 --> 00:39:01: colleagues about about that in more depth.
00:39:04 --> 00:39:05: Wonderful.
00:39:05 --> 00:39:06: Well, thank you so much, Murray.
00:39:06 --> 00:39:11: Really appreciate that additional context and background
about the external
00:39:11 --> 00:39:15: environment, about policy and some of those external drivers
for
00:39:15 --> 00:39:17: setting an internal carbon price.
00:39:17 --> 00:39:18: Much appreciated.
00:39:18 --> 00:39:20: The one, one thing I would add is, is that
00:39:20 --> 00:39:23: there is also approaching is sort of an ETS2.
00:39:23 --> 00:39:28: So in in 2027 companies that produce fuel.
00:39:28 --> 00:39:32: So for vehicles or for natural gas for heating will
00:39:32 --> 00:39:36: be subject to a separate but sort of similar, somewhat
00:39:37 --> 00:39:41: similar carbon price that that will initially might have a
00:39:41 --> 00:39:44: have a cap of around ???45 per tonne.
00:39:44 --> 00:39:47: But perhaps that will that will go up, but it'll
00:39:47 --> 00:39:50: be subject to the companies the the companies that are
00:39:50 --> 00:39:53: subject to it are are the fuel distributors.
00:39:53 --> 00:39:56: So the company is producing vehicle fuel and also fuel
00:39:56 --> 00:40:01: for for heating that's that's used by buildings in particular.
00:40:01 --> 00:40:03: So that will be another way that's that the carbon
00:40:03 --> 00:40:05: price starts to broaden over time.
00:40:06 --> 00:40:09: And, and then the one area of, of legislation and
00:40:09 --> 00:40:13: Green Deal legislation that the policy makers weren't able to
00:40:13 --> 00:40:15: agree on was the energy tax directive.
00:40:15 --> 00:40:18: This is dating back to 2003 and is actually not
00:40:18 --> 00:40:22: really very well aligned with climate policies.
00:40:22 --> 00:40:24: And, and there's a lot of perverse incentives.
00:40:24 --> 00:40:27: Electricity is overtaxed when we should be electrifying
everything.
00:40:27 --> 00:40:30: And, and we need to have lower taxes on electricity
00:40:30 --> 00:40:34: to, to incentivize heat pumps and electric vehicles so that
00:40:34 --> 00:40:38: potentially investors can play a role of encouraging
governments to,
00:40:38 --> 00:40:40: to reach agreement on, on that directive.
00:40:40 --> 00:40:43: Any tax needs to be unanimously agreed in, in Europe.
00:40:43 --> 00:40:45: So which is a which is a barrier, but it
00:40:46 --> 00:40:49: is an important factor for building the business case for
00:40:49 --> 00:40:52: for internal investments and such as insulation and and heat
00:40:52 --> 00:40:53: pumps.
00:40:55 --> 00:40:55: Absolutely.

00:40:55 --> 00:40:56: Well, thank you.

00:40:56 --> 00:40:59: So more to come and addressing some of those barriers

00:40:59 --> 00:41:01: which were referenced earlier.

00:41:02 --> 00:41:03: So yeah, much appreciated.

00:41:03 --> 00:41:04: Thank you.

00:41:04 --> 00:41:08: And now we'll turn to more of an internal view

00:41:08 --> 00:41:13: and hear more about getting started with a carbon price.

00:41:13 --> 00:41:17: So I'm delighted to speak with Martin Horseman, if he

00:41:17 --> 00:41:20: could take himself off mute from Rev Deco.

00:41:21 --> 00:41:25: And we'll hear more about the internal process.

00:41:25 --> 00:41:26: Martin, are you there?

00:41:27 --> 00:41:28: I'm here.

00:41:28 --> 00:41:29: Thank you for having me.

00:41:29 --> 00:41:33: It's it's, it's, it's nice to see all the progress

00:41:33 --> 00:41:35: going on and, and people joining.

00:41:35 --> 00:41:40: So I'm here to share some some of our experiences.

00:41:41 --> 00:41:41: Yes, please.

00:41:41 --> 00:41:42: That would be great.

00:41:42 --> 00:41:45: And maybe if we could start with an introduction to

00:41:45 --> 00:41:49: yourself, your role and what you do, your organization.

00:41:50 --> 00:41:50: Yeah.

00:41:50 --> 00:41:51: I'm Martin Rochman.

00:41:52 --> 00:41:53: I'm working for Redefco.

00:41:53 --> 00:41:59: We are an investment manager for investor clients and we

00:41:59 --> 00:42:03: have a lot of real estate in in retail, high

00:42:03 --> 00:42:08: suite retail parks and and we are just acquiring a

00:42:08 --> 00:42:11: lot of residential units as well.

00:42:12 --> 00:42:15: And well, it's, it's, it's interesting to be there as

00:42:15 --> 00:42:19: a sustainable development manager to, to help all the teams

00:42:19 --> 00:42:23: through Europe of Redefco portfolio to help them

00:42:24 --> 00:42:24: decarbonize the

00:42:24 --> 00:42:28: portfolio.

00:42:28 --> 00:42:28: And, and well, I, I see myself as, as, as

00:42:28 --> 00:42:32: a kind of a thing there for swapping left and

00:42:32 --> 00:42:36: right of, of all sorts of companies or, or contacts

00:42:36 --> 00:42:41: in my network who could help showcase or, or even

00:42:41 --> 00:42:44: consult on how to do these things.

00:42:44 --> 00:42:48: So it's really, it's really an interesting job to, to,

00:42:48 --> 00:42:50: to work across all of Europe.

00:42:53 --> 00:42:54: Absolutely.

00:42:54 --> 00:42:57: And maybe with the title on the slide, it'd be

00:42:57 --> 00:43:01: great to hear sort of where you are with the

00:43:01 --> 00:43:02: carbon price.

00:43:02 --> 00:43:04: I appreciate it might be quite early days and why

00:43:04 --> 00:43:07: you started to think about it or consider it internally.

00:43:08 --> 00:43:08: Yeah.

00:43:08 --> 00:43:11: I'm actually working on a carbon strategy for the for

00:43:12 --> 00:43:15: the company and it will include carbon pricing.

00:43:15 --> 00:43:19: We do not really need to convince our to, to

00:43:19 --> 00:43:24: convince our company of taking a, a carbon strategy and,

00:43:24 --> 00:43:29: and having it priced in because it's just well already

00:43:29 --> 00:43:33: been decided by, by the leadership team.

00:43:33 --> 00:43:36: So there's, there's we are already next step.

00:43:36 --> 00:43:39: And it, it comes now to a point that you

00:43:39 --> 00:43:42: need to know where the impact is and how you

00:43:42 --> 00:43:45: can work with that impact and, and analyse and, and

00:43:45 --> 00:43:47: take the right decision.

00:43:47 --> 00:43:50: So I think carbon pricing is, is, is a great

00:43:50 --> 00:43:54: tool to, to make you help take choices and, and,

00:43:54 --> 00:43:58: and make decisions in your investment proposals.

00:43:58 --> 00:44:00: And just to have some kind of a mirror business

00:44:01 --> 00:44:03: as usual or maybe business as used to be usual

00:44:03 --> 00:44:06: and, and get into a new business as usual, which

00:44:06 --> 00:44:10: does take into account that there there there is an

00:44:10 --> 00:44:12: effect of everything that you do in in in your

00:44:13 --> 00:44:13: business case.

00:44:16 --> 00:44:16: Yeah.

00:44:16 --> 00:44:17: Thank you.

00:44:17 --> 00:44:20: And I'm intrigued, so where did you start?

00:44:20 --> 00:44:24: Is there a particular area, a particular type of real

00:44:25 --> 00:44:26: estate or acquisitions?

00:44:27 --> 00:44:29: Just curious to hear more about how you got started.

00:44:30 --> 00:44:35: Yeah, it it, it started with of course joining the,

00:44:35 --> 00:44:38: the World Green Building Council.

00:44:40 --> 00:44:41: What's it called?

00:44:41 --> 00:44:45: The Commitment 0 carbon commitment.

00:44:45 --> 00:44:49: So we need to decarbonize our assets on the management

00:44:49 --> 00:44:53: by 20-30 and by 2040 even for scope 3 emissions.

00:44:53 --> 00:44:56: So that will be the emissions by the tenants that

00:44:56 --> 00:44:57: use our assets.

00:44:58 --> 00:45:01: And it's obvious that that the scope 3 is, is,

00:45:01 --> 00:45:05: is the largest chunk of what you need to achieve.

00:45:05 --> 00:45:08: But let's focus first on what we are responsible for

00:45:08 --> 00:45:09: as an owner.

00:45:10 --> 00:45:14: And then well, it starts with smart metering to know
00:45:14 --> 00:45:18: what is going around in, in energy intensity use of
00:45:18 --> 00:45:20: of these these assets.
00:45:20 --> 00:45:24: And then there's also an obligation for the embodied carbon
00:45:24 --> 00:45:29: that is involved in redevelopments, developments or even
acquisitions.
00:45:30 --> 00:45:34: So taking that into account, you have business cases where
00:45:35 --> 00:45:39: you will find that if you take a different approach
00:45:39 --> 00:45:44: on different materials, have a lot of sustainability measures,
it,
00:45:44 --> 00:45:47: it always becomes expensive.
00:45:47 --> 00:45:49: But why does it come become expensive?
00:45:50 --> 00:45:53: And I, I don't think I need to explain that
00:45:53 --> 00:45:57: that excavation and all the damage that does appear there
00:45:57 --> 00:46:01: and, and, and everything in, in the, in the process
00:46:01 --> 00:46:04: of, of, of producing products is, is not counted in,
00:46:05 --> 00:46:08: and it's just being paid by, well, everyone else.
00:46:09 --> 00:46:13: And, and it's, it's strange that, that you just have
00:46:13 --> 00:46:17: shareholders making, making a lot of profit on, on, on
00:46:17 --> 00:46:21: that work and then leave the garbage and, and, and
00:46:21 --> 00:46:24: the damage to, well, everyone else.
00:46:24 --> 00:46:27: And it it's obvious that we already pay for that
00:46:27 --> 00:46:28: through taxes.
00:46:28 --> 00:46:31: And I don't think that the taxes will be lower
00:46:31 --> 00:46:33: once we price it in and have a carbon tax
00:46:33 --> 00:46:33: at all.
00:46:33 --> 00:46:36: So everything will just become more expensive in the end.
00:46:36 --> 00:46:39: So I think it's it's good to have a sort
00:46:40 --> 00:46:43: of view on what is a moral choice instead of
00:46:43 --> 00:46:45: just a financial choice.
00:46:45 --> 00:46:48: And that's where it starts to find out why you
00:46:48 --> 00:46:51: should make your changes in a different way.
00:46:51 --> 00:46:56: And you should be prepared for new regulations coming up.
00:46:58 --> 00:47:00: So probably in, in the form of taxes.
00:47:00 --> 00:47:03: And if you will be taxed on the, on the
00:47:03 --> 00:47:07: carbon impact of your, of your company, then you better
00:47:07 --> 00:47:12: start now getting this, this, this carbon impact to decrease
00:47:12 --> 00:47:15: instead of keeping at the same pace.
00:47:15 --> 00:47:19: So I think it's it's quite logic to have something
00:47:19 --> 00:47:24: of a tool to start influencing your decision making in
00:47:24 --> 00:47:26: in your in your business.
00:47:28 --> 00:47:28: Absolutely.
00:47:28 --> 00:47:31: And we had Murray talk a little bit earlier about

00:47:31 --> 00:47:33: the external drivers.

00:47:33 --> 00:47:37: And I'm curious internally you mentioned already there was some

00:47:37 --> 00:47:38: buy in around this.

00:47:38 --> 00:47:42: But is there any further comments to make about how

00:47:42 --> 00:47:45: this can be used internally and creating that buy in

00:47:45 --> 00:47:49: or perhaps even any areas you faced and dealing with

00:47:49 --> 00:47:51: different departments internally?

00:47:53 --> 00:47:53: Yeah.

00:47:53 --> 00:47:56: So the, the, the strategy is still to be presented

00:47:56 --> 00:47:59: to the leadership team and and approved.

00:47:59 --> 00:48:03: And so I think to be honest that if you

00:48:03 --> 00:48:08: have if, if, if it will get to an external

00:48:08 --> 00:48:13: mechanism, then it will be something that is opposed to

00:48:14 --> 00:48:14: everyone.

00:48:15 --> 00:48:17: So it doesn't make you different from the rest.

00:48:17 --> 00:48:20: So I think you should definitely focus on the internal

00:48:20 --> 00:48:21: side.

00:48:21 --> 00:48:26: And well, sustainability has been an add on for well

00:48:26 --> 00:48:29: decades already, I would say.

00:48:30 --> 00:48:34: And it was always a sustainability team looking at certain

00:48:34 --> 00:48:39: figures and, and, and calculations to present in, in, in,

00:48:39 --> 00:48:43: in ACI report what we are, how we are performing.

00:48:44 --> 00:48:48: And the asset managers were sort of kept outside because

00:48:48 --> 00:48:52: they, they have their, their, their contracts to, to manage.

00:48:52 --> 00:48:56: And well, this was something that was extra, but it,

00:48:57 --> 00:48:58: it's not extra anymore.

00:48:58 --> 00:49:02: So what we have been doing for the well for

00:49:02 --> 00:49:06: a lot of years already is now becoming to be

00:49:06 --> 00:49:09: in the job of these asset managers.

00:49:09 --> 00:49:12: So it's not just the, the rental figures that they

00:49:12 --> 00:49:16: need to share to control, but they will also need

00:49:16 --> 00:49:19: to share your current energy intensities figures and, and we

00:49:20 --> 00:49:22: can then recalculate them to carbon.

00:49:22 --> 00:49:26: But it's really interesting to see that, that there was

00:49:26 --> 00:49:31: never a focus in, in managing assets on the performance

00:49:31 --> 00:49:34: of the assets in, in, in, in energy, in the

00:49:34 --> 00:49:36: energy consumption.

00:49:36 --> 00:49:38: So it's, it was always based on, on your rental

00:49:38 --> 00:49:41: income, which is of course really important because that's

00:49:41 --> 00:49:42: why

00:49:41 --> 00:49:42: you have the asset.

00:49:42 --> 00:49:45: But I think it's, it's crucial to see all sides

00:49:45 --> 00:49:49: of it so that you can really manipulate probably the,

00:49:49 --> 00:49:53: the asset as it is because you have more of

00:49:53 --> 00:49:56: an overview of everything that's going on.

00:49:56 --> 00:50:01: So we already embedded the, the these figures to be

00:50:01 --> 00:50:04: in the decision making paper.

00:50:04 --> 00:50:08: So when once you want to do an investment, you

00:50:08 --> 00:50:12: write a proposal and there's a business case and I'm

00:50:12 --> 00:50:16: now trying to get there a carbon case involved as

00:50:16 --> 00:50:16: well.

00:50:16 --> 00:50:20: And then when you have a proposal proposed to the,

00:50:20 --> 00:50:24: to the investment committee, you will get an approval on

00:50:24 --> 00:50:27: your business case and your carbon case.

00:50:27 --> 00:50:30: And then it will be hard to change because then

00:50:30 --> 00:50:34: you will have to get back to the investment committee

00:50:34 --> 00:50:37: to ask to, you know, to change your, your project.

00:50:37 --> 00:50:38: And it will be affecting both ways.

00:50:38 --> 00:50:42: So even sometimes it's, it's more expensive and, and once

00:50:42 --> 00:50:46: you do a tender for a project, it appears that

00:50:46 --> 00:50:49: that the steel prices go sky high or your concrete

00:50:49 --> 00:50:53: prices go sky high or it's your stimmer that goes

00:50:53 --> 00:50:53: sky high.

00:50:53 --> 00:50:56: And then you would like to see if it's, if

00:50:56 --> 00:50:59: you could make a different choice for, for the SSB

00:50:59 --> 00:51:00: and redeveloped.

00:51:01 --> 00:51:03: And then you have to recalculate everything.

00:51:04 --> 00:51:07: And it's, it's not as black and white as it

00:51:07 --> 00:51:11: seems because there's a lot going on there that if

00:51:11 --> 00:51:16: you have now, for instance, a timber frame, you already

00:51:16 --> 00:51:20: had one of these occasions was too expensive and they

00:51:20 --> 00:51:23: tried to, to, to cut down on cost.

00:51:23 --> 00:51:25: And then they, they switch to steel.

00:51:25 --> 00:51:28: And then it appears that the steel will bring you

00:51:28 --> 00:51:32: even more rental value because there's more square meters

00:51:32 --> 00:51:34: because

00:51:32 --> 00:51:34: you needed to have a lot of material in the

00:51:34 --> 00:51:37: timber framing, which makes it cut on both sides.

00:51:37 --> 00:51:40: So then it's a no brainer that you can't have

00:51:40 --> 00:51:44: to timber because it will just then your project will

00:51:44 --> 00:51:44: fail.

00:51:44 --> 00:51:48: And I think it's it's really important to know where

00:51:48 --> 00:51:52: the carbon is, where the impact is and to well

00:51:52 --> 00:51:54: to take wise decisions on that.

00:51:54 --> 00:51:58: And even if you are to use the materials that

00:51:58 --> 00:52:02: are known for a high carbon impacts, choose to implement

00:52:02 --> 00:52:05: them on a in a wise way in the design

00:52:05 --> 00:52:09: so that you can just dismantle everything and build it

00:52:09 --> 00:52:12: up again without damaging it.

00:52:12 --> 00:52:15: And and have proper records of what you put where

00:52:15 --> 00:52:18: in your building and how it's attached so you can

00:52:18 --> 00:52:19: detach it again.

00:52:19 --> 00:52:22: And it will save you a lot of failure cost

00:52:22 --> 00:52:25: as well, even in, in building, in construction, but also

00:52:25 --> 00:52:27: in in the management part of it.

00:52:27 --> 00:52:29: So when you do maintenance.

00:52:31 --> 00:52:32: Thank you, really interesting.

00:52:32 --> 00:52:35: And so to use it really as that input or

00:52:35 --> 00:52:37: tool to help strategic decision making.

00:52:38 --> 00:52:44: And perhaps you mentioned financial information, existing
established methods of

00:52:44 --> 00:52:47: managing financials and measuring.

00:52:48 --> 00:52:50: And I'm intrigued to get your take.

00:52:50 --> 00:52:53: One of the barriers that was mentioned earlier in the

00:52:53 --> 00:52:56: survey was around uncertainty or lack of data relating to

00:52:56 --> 00:52:56: carbon.

00:52:57 --> 00:52:59: And how did you deal with that?

00:52:59 --> 00:53:01: Is that something that you've come across so far?

00:53:03 --> 00:53:04: Well, we started just with cases.

00:53:04 --> 00:53:09: So we have an interesting case of a redevelopment where

00:53:09 --> 00:53:12: we could reuse a whole lot of the structure of

00:53:12 --> 00:53:16: a building, which made it possible to get to a

00:53:16 --> 00:53:18: really low carbon impact.

00:53:18 --> 00:53:21: Because if you do a study on where your impact

00:53:21 --> 00:53:23: is in, in an asset, if you are to build

00:53:23 --> 00:53:27: a new asset, then the, the, the structure and, and

00:53:27 --> 00:53:30: even the flooring of the structure would be I think

00:53:30 --> 00:53:34: the flooring only 40% of the whole building, the whole

00:53:34 --> 00:53:38: asset and then another 20% for the bearing structure in

00:53:38 --> 00:53:38: there.

00:53:39 --> 00:53:42: And then you will have about 20% for your facade.

00:53:42 --> 00:53:43: And that's why you.

00:53:43 --> 00:53:46: So if you don't have to create a new structure

00:53:46 --> 00:53:49: and flooring, it will save you a lot of carbon.

00:53:50 --> 00:53:53: If you are to build a new one, then then

00:53:53 --> 00:53:56: it's really up to making the right choices to make

00:53:56 --> 00:54:00: it all be constructed for reuse so that you can

00:54:00 --> 00:54:03: profit in the D section of of of the the

00:54:03 --> 00:54:05: life cycle, the carbon life cycle.

00:54:06 --> 00:54:10: And it starts with, if you start with a standing

00:54:10 --> 00:54:14: asset and you are going to change the asset, then

00:54:14 --> 00:54:18: there will be parts coming from the standing assets which

00:54:19 --> 00:54:22: you could probably have for reuse or recycling.

00:54:22 --> 00:54:26: So that's where you can have some kind of a

00:54:26 --> 00:54:28: credit before you start.

00:54:28 --> 00:54:32: But when you start with with with a Greenfield, then

00:54:32 --> 00:54:35: you will just be adding carbon in the in the

00:54:35 --> 00:54:36: start.

00:54:36 --> 00:54:38: So that's that's why more it's more carbon intensive.

00:54:39 --> 00:54:43: So it's really depends on the fields you're active in.

00:54:43 --> 00:54:48: And we have a lot of retail high streets assets

00:54:48 --> 00:54:51: and we will not be demolishing them.

00:54:51 --> 00:54:54: We will be probably restructuring, redeveloping them.

00:54:55 --> 00:54:58: And that would well that would make it a bit

00:54:58 --> 00:55:02: more easy to have a low carbon impacts design.

00:55:03 --> 00:55:06: But still, you need to convince people that that you

00:55:06 --> 00:55:09: can't just tear it all down and build up new

00:55:09 --> 00:55:09: again.

00:55:12 --> 00:55:14: Yes, really interesting.

00:55:14 --> 00:55:16: So I think sort of look at look at what

00:55:16 --> 00:55:19: you have in the portfolio and and where you can

00:55:19 --> 00:55:22: get started and where it's most effective and with carbon

00:55:22 --> 00:55:25: emissions and calculating those carbon emissions.

00:55:26 --> 00:55:28: Again, I was just curious if there was any uncertainty

00:55:28 --> 00:55:30: you came across there while you're measuring and how you

00:55:30 --> 00:55:30: dealt with it.

00:55:31 --> 00:55:34: Maybe it was like another area of measurement where

00:55:34 --> 00:55:37: perhaps

00:55:34 --> 00:55:37: have to deal with those uncertainties.

00:55:37 --> 00:55:42: Well, we, we started with requirements for new designs.

00:55:42 --> 00:55:45: So you have to meet CRAM targets and you have

00:55:45 --> 00:55:48: to meet CRAM 2040 targets and that's for operational

00:55:49 --> 00:55:53: carbon.

00:55:49 --> 00:55:53: And because the assets that you will be redeveloping today

00:55:53 --> 00:55:57: will be handed over just before 20-30 or maybe even

00:55:57 --> 00:56:01: just past 20-30 and somewhere around 2033 the the CRAM

00:56:01 --> 00:56:05: target level of 2040 will be reached for most of

00:56:05 --> 00:56:06: the asset type classes.

00:56:06 --> 00:56:08: So that's a no brainer.

00:56:08 --> 00:56:11: And then if you if you get to the embodies

00:56:11 --> 00:56:15: carbon part, I think it has been calculated that you

00:56:15 --> 00:56:19: need to get within the borders of around 150 kilograms

00:56:19 --> 00:56:23: per square meter, which is reasonably low.

00:56:23 --> 00:56:27: And we just set the requirements on 200 kilograms and

00:56:27 --> 00:56:30: to see what, what the design teams would come up

00:56:30 --> 00:56:34: with just to see if they could comply either complain

00:56:34 --> 00:56:38: why they couldn't and then get to a certain level

00:56:38 --> 00:56:39: that we could accept.

00:56:40 --> 00:56:44: And we also had a new build project and there

00:56:44 --> 00:56:49: was a lot of resistance on, on the target because

00:56:49 --> 00:56:51: they just couldn't do it.

00:56:52 --> 00:56:55: And they just said, well, we, we will refer to,

00:56:55 --> 00:56:58: to a lattice scheme of 650, maybe 700, which would

00:56:58 --> 00:57:01: be feasible because that's best practice.

00:57:01 --> 00:57:03: And I said, well, that's best practice of what we

00:57:03 --> 00:57:06: are capable of today based on best practices of the

00:57:06 --> 00:57:08: last couple of years.

00:57:08 --> 00:57:10: And I would like you to develop something to the

00:57:11 --> 00:57:12: best practices of 2028.

00:57:13 --> 00:57:15: And that's where it got really confusing for them.

00:57:16 --> 00:57:19: But we still managed to get to to to a

00:57:19 --> 00:57:22: reasonable low 1 lower than than Letty.

00:57:23 --> 00:57:25: It still has to be defined.

00:57:25 --> 00:57:30: But I think just having the conversation and yeah, we'll

00:57:30 --> 00:57:34: try to the count of people with, with, with, with

00:57:34 --> 00:57:38: requirements that are really hard to, to get, helps us

00:57:38 --> 00:57:43: learn and helps the, the other, well, the other, the,

00:57:43 --> 00:57:47: the consultants as well to, to have the right questions

00:57:47 --> 00:57:48: to us.

00:57:48 --> 00:57:50: And if we can't answer the questions, we'll have to

00:57:50 --> 00:57:51: find the answer together.

00:57:51 --> 00:57:54: So it is after all it's it's a job of

00:57:54 --> 00:57:57: working together on these type of questions.

00:57:59 --> 00:57:59: Absolutely.

00:57:59 --> 00:58:03: So some learning by doing and the importance of

00:58:03 --> 00:58:04: collaboration

00:58:04 --> 00:58:06: in this space too.

00:58:06 --> 00:58:06: And maybe final question also, please.

00:58:06 --> 00:58:10: Yeah, the most important they start start registering

00:58:10 --> 00:58:10: everything you

00:58:10 --> 00:58:10: do.

00:58:10 --> 00:58:14: So if you make, for instance, building passports where you

00:58:14 --> 00:58:17: have everything in there to make, to make a whole

00:58:17 --> 00:58:20: life carbon assessment on your, your, your asset.

00:58:20 --> 00:58:23: And you will have all the information needed.

00:58:23 --> 00:58:26: And, and even if you are not to, to start

00:58:26 --> 00:58:29: with carbon pricing or in any way, if, if you

00:58:29 --> 00:58:33: just, if you managed to have the information on your

00:58:33 --> 00:58:37: assets and, and some kind of a taxation comes in,

00:58:37 --> 00:58:41: then you will have your, your, your, your baseline.

00:58:41 --> 00:58:43: And you can start with it.

00:58:43 --> 00:58:46: And you do not have to start at the moment.

00:58:46 --> 00:58:48: It's it's being imposed.

00:58:51 --> 00:58:51: Exactly.

00:58:51 --> 00:58:53: So yeah, getting that.

00:58:54 --> 00:58:57: So pre assessment before things move mandatory.

00:58:57 --> 00:59:01: And just a quick comment for everyone, please, if you

00:59:01 --> 00:59:05: do have any questions for Martin, for Murray or for

00:59:05 --> 00:59:08: others, please feel free to put them in the chat.

00:59:09 --> 00:59:13: We'll also open in case there's questions people want to

00:59:13 --> 00:59:16: raise verbally to and Martin.

00:59:16 --> 00:59:20: Just maybe one final section question before we go into

00:59:20 --> 00:59:24: Q&A, which was just zooming back out again.

00:59:24 --> 00:59:29: How did this support more wider initiatives or other

00:59:29 --> 00:59:31: developments

00:59:29 --> 00:59:31: in your organization?

00:59:31 --> 00:59:34: So how did thinking and considering this carbon price

00:59:34 --> 00:59:37: support

00:59:34 --> 00:59:37: some of those wider strategic initiatives?

00:59:39 --> 00:59:42: Well, I, I think it's too early to say that

00:59:42 --> 00:59:46: there's been a wider effect, but you can imagine that

00:59:46 --> 00:59:49: if, if you have this strategy approved by your leadership

00:59:49 --> 00:59:53: team and, and the carbon prices in, even if it's

00:59:53 --> 00:59:57: low, it doesn't matter because every developer that that gets

00:59:57 --> 01:00:00: a cut on this on, on this business case tries

01:00:00 --> 01:00:03: to get this cut as as low as possible because

01:00:03 --> 01:00:05: it's just like, it's like a game then so.

01:00:06 --> 01:00:08: Maybe it helps by, by gamifications.

01:00:09 --> 01:00:12: I think it's really interesting that they will be eager

01:00:12 --> 01:00:14: to to get to the lowest cut possible.

01:00:14 --> 01:00:15: So I think it will work in the end.

01:00:15 --> 01:00:18: Even if it's low, it shouldn't be too low obviously.

01:00:18 --> 01:00:21: But if you would like a real, real, real price,

01:00:21 --> 01:00:24: then then it will become, well, true pricing is is

01:00:25 --> 01:00:27: just a different, different type.

01:00:27 --> 01:00:30: It it will be probably 100 times as much as

01:00:30 --> 01:00:34: you would expect it to be today as a carbon

01:00:34 --> 01:00:35: price.

01:00:35 --> 01:00:38: So well probably it will get to some kind of

01:00:38 --> 01:00:42: ETS level where you well which is a sort of

01:00:42 --> 01:00:44: accepted level by industry.

01:00:47 --> 01:00:50: Now coming back to your question is that if you

01:00:50 --> 01:00:53: have a strategy for, for carbon, you could imagine that

01:00:53 --> 01:00:56: you could have a strategy like that for all the

01:00:56 --> 01:00:58: S and, and G types of, of ES and G.

01:00:58 --> 01:01:01: So once there's more clearance on how to measure it

01:01:01 --> 01:01:04: and, and if there's, there's an acceptable standard by the

01:01:04 --> 01:01:07: industry of measuring, then you can embed that in the

01:01:07 --> 01:01:10: strategy and you can start use KP is to improve

01:01:10 --> 01:01:11: yourself.

01:01:11 --> 01:01:13: So you just need to get to a plan to

01:01:13 --> 01:01:16: check act cycle to, to be able to tell where

01:01:16 --> 01:01:18: you are now, what you plan to do about it.

01:01:18 --> 01:01:20: And if you succeeded in, in doing so.

01:01:20 --> 01:01:23: And once you have succeeded, you can look back at

01:01:23 --> 01:01:25: where you started and think, OK, we can do a

01:01:25 --> 01:01:27: next step and we can do even better than that.

01:01:28 --> 01:01:30: But if you lack the data, then then well, you

01:01:30 --> 01:01:31: lack your base.

01:01:31 --> 01:01:34: So if you don't have a baseline and, and that's

01:01:34 --> 01:01:35: where it starts.

01:01:35 --> 01:01:38: So I think you, you really need to start measuring

01:01:38 --> 01:01:41: and to start gathering data on, on your assets or

01:01:41 --> 01:01:42: how they're performing.

01:01:43 --> 01:01:46: And that doesn't mean that you have to take your,

01:01:46 --> 01:01:51: your standing portfolio through an assessment on the carbon

01:01:52 --> 01:01:53: embodies

01:01:52 --> 01:01:53: carbon of these buildings.

01:01:54 --> 01:01:56: But I think every time that you will do a

01:01:56 --> 01:01:59: redevelopment of an assets that you will have to do

01:01:59 --> 01:02:02: a due diligence on what will I be retrieving from

01:02:03 --> 01:02:06: the assets and what will I be changing and everything

01:02:06 --> 01:02:08: I retrieve, can I do that in a way that

01:02:08 --> 01:02:12: is being recycled, reused or whatever, just to make sure

01:02:12 --> 01:02:15: that your carbon impact is as low as possible.

01:02:15 --> 01:02:18: So it even starts before your design stage and then

01:02:18 --> 01:02:22: you will get to your, your production and and construction

01:02:22 --> 01:02:23: phase and then the use phase.

01:02:23 --> 01:02:26: And, and you've got to be aware that the embodied

01:02:26 --> 01:02:28: carbon, I think this is an important one.

01:02:28 --> 01:02:33: The embodied carbon that you invest in, in, in an

01:02:33 --> 01:02:36: asset at, at day one is going to predict the

01:02:36 --> 01:02:42: level of all your redevelopments and refurbishment in the, in,

01:02:42 --> 01:02:44: in the future coming.

01:02:44 --> 01:02:47: So if you will have a refurbishment every 15 years,

01:02:47 --> 01:02:52: we've we've done a calculation with UN Studio that there,

01:02:52 --> 01:02:55: there is about to be quarter of of your initial

01:02:55 --> 01:02:59: carbon impact by the structure or the OR the whole

01:02:59 --> 01:03:03: asset actually that you have to invest again after 15

01:03:03 --> 01:03:05: years and after 15 years again.

01:03:05 --> 01:03:10: So actually after 60 years, you've invested twice the initial

01:03:10 --> 01:03:15: carbon impact and that will be significantly higher than your

01:03:15 --> 01:03:17: than your operational carbon.

01:03:18 --> 01:03:20: And I think that that's an important one to notice.

01:03:20 --> 01:03:23: So if you have a low carbon start, then you

01:03:23 --> 01:03:26: will have low carbon refurbishments and redevelopments.

01:03:26 --> 01:03:30: But if you have it all glued together and poured

01:03:30 --> 01:03:33: together, then you will have to make a lot of

01:03:33 --> 01:03:36: damage to, to change it and you have to add

01:03:36 --> 01:03:38: a lot of joints again.

01:03:39 --> 01:03:42: And if you just keep on repeating that it's, it's

01:03:42 --> 01:03:43: going to stay like that.

01:03:43 --> 01:03:46: So your your initial choices that you make in in

01:03:46 --> 01:03:49: the in the in the first day before even before

01:03:50 --> 01:03:52: you start drawing something on the paper.

01:03:53 --> 01:03:56: It is is is actually the setting the standard for

01:03:56 --> 01:03:59: the rest of the life cycle of this asset.

01:04:01 --> 01:04:01: Yeah, indeed.

01:04:01 --> 01:04:05: So I'm thinking about that end to end operational, embodied

01:04:05 --> 01:04:05: and so on.

01:04:05 --> 01:04:10: And thank you very much to Martin for those questions

01:04:10 --> 01:04:11: and answers.

01:04:13 --> 01:04:15: I can see there's some questions in the chat and

01:04:15 --> 01:04:19: maybe before going into the questions in the chat, and

01:04:19 --> 01:04:21: we can also reply to some of those afterwards and

01:04:21 --> 01:04:25: share them afterwards, maybe just to see if anyone has

01:04:25 --> 01:04:27: any questions to raise in the room.

01:04:27 --> 01:04:31: If so, please could you raise a hand and then
01:04:31 --> 01:04:32: we'll turn to you.
01:04:32 --> 01:04:34: Just give it a moment.
01:04:40 --> 01:04:44: If not, I'll give it one second then Martin, I
01:04:44 --> 01:04:48: can see there's a bit of questions in the chat
01:04:48 --> 01:04:51: for you and one of those was looks.
01:04:52 --> 01:04:53: Like there's a, there's a hand.
01:04:54 --> 01:04:54: OK.
01:04:55 --> 01:04:55: Anna.
01:04:57 --> 01:05:00: Yeah, the handles for a question, so I don't know
01:05:00 --> 01:05:02: if you prefer me to write in the chat.
01:05:02 --> 01:05:02: Or.
01:05:02 --> 01:05:04: To ask directly.
01:05:05 --> 01:05:06: Please ask directly.
01:05:07 --> 01:05:07: OK.
01:05:09 --> 01:05:12: So Martin, thank you very much for the explanation.
01:05:12 --> 01:05:17: I had a question regarding the embodied carbon because it
01:05:17 --> 01:05:21: also raised was raised in previous meetings.
01:05:22 --> 01:05:28: Have you created or defined different considerations to
01:05:28 --> 01:05:34: approach the
01:05:34 --> 01:05:39: embodied carbon measurement or strategies of reduction for
01:05:39 --> 01:05:41: your new
01:05:41 --> 01:05:45: assets compared to sorry for your existing assets before
01:05:45 --> 01:05:45: even
01:05:45 --> 01:05:48: they undergo any renovation?
01:05:48 --> 01:05:52: How do you approach this element in the assets already
01:05:52 --> 01:05:57: there?
01:05:57 --> 01:06:03: Since it's an element that because of their age or
01:06:03 --> 01:06:06: time of development works not available or not calculated.
01:06:06 --> 01:06:08: Have you defined a specific approach to start integrating
01:06:08 --> 01:06:12: these
01:06:12 --> 01:06:16: imported carbon and part of calculation consideration in your
01:06:16 --> 01:06:20: existing
01:06:20 --> 01:06:24: assets even before they undergo any renovation?
01:06:24 --> 01:06:28: Not particular for assets that are standing and are untouched,
01:06:28 --> 01:06:32: but it is a common requirement, has become a common
01:06:32 --> 01:06:35: requirement since I joined Redefco that we do in urban
01:06:35 --> 01:06:38: mining scan before starting redevelopment of an asset.
01:06:38 --> 01:06:40: And sometimes there's already plans for the asset.
01:06:40 --> 01:06:43: While there's, there's, there's still a tenant in and we
01:06:43 --> 01:06:46: might not even know if, if the tenant might change
01:06:46 --> 01:06:49: or if there comes a break or not.
01:06:49 --> 01:06:52: But sometimes it's, it's good to just see what the

01:06:40 --> 01:06:42: potential of an asset is.

01:06:42 --> 01:06:46: And then you could start with this, this urban mining

01:06:46 --> 01:06:48: scan just to find out how is it built?

01:06:48 --> 01:06:50: What, what's the structure like?

01:06:50 --> 01:06:54: If we would like to change it, what, what are

01:06:54 --> 01:06:59: the, the limits that you, that you have for regulations

01:06:59 --> 01:07:03: And what should we change to the essay to make

01:07:03 --> 01:07:05: it crime target 2040 proof.

01:07:05 --> 01:07:09: So insulation values, your, your facade, your roof structure,

01:07:10 --> 01:07:11: that

01:07:11 --> 01:07:14: sort of things.

01:07:14 --> 01:07:17: And if you are prepared for that, then you know

01:07:17 --> 01:07:20: what to do with, with the, with the offtake of,

01:07:20 --> 01:07:25: of, of the asset that you are going to change.

01:07:25 --> 01:07:32: And of course, we, we have a lot of retail

01:07:32 --> 01:07:38: High Street assets that are only, oh, maybe AAA locations

01:07:38 --> 01:07:43: and it's, it's, they're in most, I think most assets

01:07:43 --> 01:07:47: are even quite old to maybe even listed.

01:07:47 --> 01:07:47: So that makes it really hard to, to really change

01:07:47 --> 01:07:52: the assets.

01:07:52 --> 01:07:53: So it's, it's then also hard to, to make it

01:07:53 --> 01:07:56: Paris proof.

01:07:56 --> 01:07:59: So if it isn't possible, well, you, you will end

01:07:59 --> 01:08:02: up with a debit and then you'll have to do

01:08:02 --> 01:08:05: some offsetting not right that that's what it is.

01:08:05 --> 01:08:08: So I think that even if you have to change

01:08:08 --> 01:08:11: it, make an urinary scan and then if you have

01:08:11 --> 01:08:12: all the changes, do it in a way that that

01:08:12 --> 01:08:17: it's reversible.

01:08:17 --> 01:08:21: So it means that it started with kind of a

01:08:21 --> 01:08:24: data set elaboration and guidelines to approach the new and

01:08:24 --> 01:08:27: existing so that it can feed also then in parallel

01:08:27 --> 01:08:31: the carbon strategy with a pricing next to.

01:08:31 --> 01:08:35: Because if if the acid is in use, then

01:08:35 --> 01:08:40: it doesn't make make make sense to to to do

01:08:40 --> 01:08:43: an assessment on the embodied carbon of the existing

01:08:43 --> 01:08:44: structure

01:08:44 --> 01:08:46: because it's just unknown what you are to do with

01:08:46 --> 01:08:48: it.

01:08:48 --> 01:08:50: So if only if you have plans and you know

01:08:50 --> 01:08:53: what you will touch and and if you will touch

01:08:53 --> 01:08:53: it, what the impact would be.

01:08:53 --> 01:08:53: Thank you.

01:08:54 --> 01:08:55: Welcome.

01:08:55 --> 01:08:56: Thank you.

01:08:56 --> 01:08:59: And there's some questions in the chat.

01:08:59 --> 01:09:01: I'll just try and summarize.

01:09:01 --> 01:09:04: But I think Martin, again, it's for you, it was

01:09:04 --> 01:09:06: question around comparability.

01:09:06 --> 01:09:10: So if you have different geographies, different regions perhaps in

01:09:10 --> 01:09:13: one country, how you deal with those different geographies?

01:09:13 --> 01:09:15: Is it a uniform price?

01:09:16 --> 01:09:18: If not, is it comparable?

01:09:18 --> 01:09:19: How are you thinking about that?

01:09:22 --> 01:09:27: Up to a certain level, it will be local regulations.

01:09:27 --> 01:09:30: So I think that's just what it is.

01:09:30 --> 01:09:33: So you if you if it comes to your business,

01:09:33 --> 01:09:37: your whole portfolio, then you just choose for yourself.

01:09:37 --> 01:09:43: So you choose a price that would match the decision

01:09:43 --> 01:09:48: making efforts and and and then if there comes a

01:09:48 --> 01:09:52: taxation from a different from an external.

01:09:55 --> 01:09:57: Just to turn yourself on mute, please.

01:10:00 --> 01:10:00: Great.

01:10:03 --> 01:10:06: So it's yeah, it's just you have to make a

01:10:06 --> 01:10:10: choice for yourself or your organization because the external parts

01:10:10 --> 01:10:12: you can't influence.

01:10:12 --> 01:10:14: So you have to take your decisions once it once

01:10:14 --> 01:10:18: it's internal, you take your decisions on your internal choices

01:10:18 --> 01:10:19: that you've made.

01:10:20 --> 01:10:24: And it is true that that even even the life

01:10:24 --> 01:10:29: cycle assessments are different in different countries within Europe.

01:10:29 --> 01:10:33: So sometimes it's 50 years, sometimes it's 60 years, sometimes

01:10:33 --> 01:10:34: it's 75 years.

01:10:34 --> 01:10:37: But in the end, I, I, I've done a short

01:10:37 --> 01:10:41: calculation for one, one asset that, that, that I just

01:10:41 --> 01:10:43: wanted to know about.

01:10:43 --> 01:10:46: And it appears that it may be at 12 to

01:10:46 --> 01:10:51: 13% that, that you're off on, on your carbon impacts.

01:10:52 --> 01:10:55: If, if you calculate 50 to 60 years or 60

01:10:55 --> 01:10:56: to 75 years.

01:10:56 --> 01:11:00: So if you can compare it with 60, which is

01:11:00 --> 01:11:04: the, the, the standard on the, the embodied carbon, you

01:11:04 --> 01:11:07: might have a plus or a minus of maybe 1213%.

01:11:07 --> 01:11:10: So I think that could be acceptable because it's, it's

01:11:10 --> 01:11:12: as vague as, as, as you know.

01:11:12 --> 01:11:15: So I think you, you don't need to take well,

01:11:15 --> 01:11:20: specific regulations or specific calculations to sort of make it

01:11:20 --> 01:11:21: comparable.

01:11:21 --> 01:11:24: I think it's, it's just that if you have a,

01:11:24 --> 01:11:27: a standard strategy and, and you apply it to all

01:11:27 --> 01:11:30: the assets, then it will help you benchmark them.

01:11:30 --> 01:11:34: And everything that's external is just external.

01:11:34 --> 01:11:34: You have to deal with it.

01:11:38 --> 01:11:39: Yeah, thank you.

01:11:39 --> 01:11:45: And again, just opening up, if there's anyone on the

01:11:45 --> 01:11:51: call who would like to raise a hand, please jump

01:11:51 --> 01:11:56: in and ask a question, if not, Murray.

01:11:56 --> 01:11:59: There is a question in the in the shed, Rebecca.

01:12:00 --> 01:12:00: Thank.

01:12:00 --> 01:12:02: You Another one from Trent.

01:12:03 --> 01:12:04: Thank you.

01:12:04 --> 01:12:08: And yes, again, I think it's a question for yourself,

01:12:08 --> 01:12:09: Martin.

01:12:09 --> 01:12:13: So it was a question on deriving the carbon price

01:12:13 --> 01:12:18: and whether that was based on estimated cost intervention
for

01:12:18 --> 01:12:23: a particular asset, the portfolio and how to deal with

01:12:23 --> 01:12:29: variations in cost, so whether that was maintenance or
decarbonisation.

01:12:29 --> 01:12:32: So just maybe to summarize thinking about cost and how

01:12:32 --> 01:12:34: to set that carbon price cost.

01:12:35 --> 01:12:35: Yeah.

01:12:36 --> 01:12:40: Well if you would get to a true pricing system,

01:12:40 --> 01:12:44: you might end up with prices around 2000 plus per

01:12:44 --> 01:12:49: tonne, which is probably not being implemented in your for

01:12:49 --> 01:12:52: your internal decision making.

01:12:52 --> 01:12:57: So that's why I think it's, it's more more logical

01:12:57 --> 01:13:01: to to sort of start with with a lower sort

01:13:01 --> 01:13:03: of accepted level like ETS.

01:13:03 --> 01:13:07: So you could think of prices from 45 to to

01:13:07 --> 01:13:09: ???100 per tonne probably.

01:13:10 --> 01:13:14: Just remember it's, it's a benchmark for trying to change

01:13:14 --> 01:13:15: decision making.

01:13:15 --> 01:13:20: It it's not really related to, to, to true cost

01:13:20 --> 01:13:24: because it's, it's not being standardised.

01:13:24 --> 01:13:28: If through pricing would be the case, then we would

01:13:28 --> 01:13:33: not need this, this, this carbon pricing exercise because it's

01:13:33 --> 01:13:37: just something that needs to be assessed on every product

01:13:37 --> 01:13:38: that you buy.

01:13:38 --> 01:13:40: What is it being made from?

01:13:40 --> 01:13:42: What resources have been used?

01:13:42 --> 01:13:44: Is it is it possible to reuse it?

01:13:44 --> 01:13:49: So basically everything that is cradle to cradle and certified

01:13:49 --> 01:13:54: would then be the the lowest priced products ever.

01:13:54 --> 01:13:58: And today you will see that it's, it's probably a

01:13:58 --> 01:14:01: little bit more expensive to have a, a, a really

01:14:01 --> 01:14:06: good renewable resource based products than the standard one that's

01:14:06 --> 01:14:09: being produced for take make waste.

01:14:09 --> 01:14:11: So I think we are, we are still not there

01:14:11 --> 01:14:15: on the circular economy to have things really priced in.

01:14:15 --> 01:14:18: So that's why I think you should just focus on

01:14:18 --> 01:14:21: your decision making internally and and base your price on

01:14:21 --> 01:14:22: that.

01:14:22 --> 01:14:25: And what I did make some some kind of a

01:14:25 --> 01:14:28: calculation on one asset just to get a grip on

01:14:28 --> 01:14:29: the figures.

01:14:29 --> 01:14:33: And if you then account for 60 years with four

01:14:33 --> 01:14:38: refurbishments and you count the embodied carbon at initial year

01:14:38 --> 01:14:42: zero and then you're $4 * 1/4$, then you get

01:14:42 --> 01:14:45: to two times the embodied carbon.

01:14:45 --> 01:14:49: If you then would take a cycle of 60 years,

01:14:49 --> 01:14:54: cram 2040 targets, then you would end up with a

01:14:54 --> 01:15:00: carbon, carbon intensity and body carbon intensity of around 75

01:15:00 --> 01:15:02: kilograms per square meter.

01:15:02 --> 01:15:07: And if you then get to your, if you would

01:15:07 --> 01:15:12: then build to a lattice standard of 650 which is

01:15:12 --> 01:15:18: considered low, then you are exceeding it by 575 kilograms.

01:15:18 --> 01:15:23: So if you were to price that you would probably

01:15:23 --> 01:15:27: end up with a carbon price of around 350 or

01:15:27 --> 01:15:30: ???400 per kilogram, no per tonne.

01:15:31 --> 01:15:34: And I think that, but that's just specific for this

01:15:35 --> 01:15:35: case.

01:15:35 --> 01:15:37: So it could be if I would be making different

01:15:37 --> 01:15:41: calculations for different asset types in different situations,

01:15:41 --> 01:15:44: there will

01:15:44 --> 01:15:46: be a different price and then it's not comparable anymore.

01:15:46 --> 01:15:49: It's like your business case.

01:15:49 --> 01:15:52: You would like to have your IRR on always on

01:15:52 --> 01:15:56: the, on the same, based on the same line of,

01:15:56 --> 01:15:56: of costs and expenses and, and, and, and your rental

01:15:56 --> 01:16:00: income.

01:16:00 --> 01:16:04: Because if you differ the, the, the basis of your,

01:16:04 --> 01:16:07: of your calculations, then it's not comparable anymore.

01:16:07 --> 01:16:10: And then your investment committee will never be able to,

01:16:10 --> 01:16:12: to, to approve or only be able to disapprove because

01:16:12 --> 01:16:16: they can't just benchmark it.

01:16:16 --> 01:16:19: So it's really important that you have a standard and

01:16:19 --> 01:16:22: and the baseline to get back to so that it's

01:16:22 --> 01:16:26: benchmarkable for, for your, your whole organization.

01:16:26 --> 01:16:28: Thank you, Martin, really helpful.

01:16:28 --> 01:16:30: And I can see there's a few more questions in

01:16:30 --> 01:16:31: the chat, so we will get to them, maybe not

01:16:31 --> 01:16:33: in this call, but another time.

01:16:33 --> 01:16:36: So thank you very much for that.

01:16:36 --> 01:16:38: Maybe just a perspective on that, on that question, I

01:16:38 --> 01:16:41: think it's look at to look at the, the ultimate

01:16:41 --> 01:16:44: damage cost that like this is the social cost of

01:16:44 --> 01:16:47: carbon and the US government set to \$190.00 per tonne

01:16:47 --> 01:16:50: for US tonne as as their sort of policy cost

01:16:50 --> 01:16:51: of, and it doesn't include all the types of damages

01:16:51 --> 01:16:54: that that happened.

01:16:54 --> 01:16:57: And then looking at what is like that technology cost

01:16:57 --> 01:17:00: that, that Martin was seeing, like what is the cost

01:17:00 --> 01:17:03: to decarbonize your buildings and the type of buildings, older

01:17:03 --> 01:17:07: buildings, newer buildings, and, and what, because that is,

01:17:07 --> 01:17:11: that's

01:17:11 --> 01:17:13: what the requirements of the energy performance building

01:17:13 --> 01:17:17: structive and

01:17:17 --> 01:17:20: efficiency directives ultimately are going towards, even

01:17:20 --> 01:17:23: though they're still,

01:17:23 --> 01:17:25: they need to be implemented in, in member states.

01:17:25 --> 01:17:28: And then like looking at what are, what are the

01:17:28 --> 01:17:30: sort of the trajectories for the EUETS, the, the ETS

01:17:30 --> 01:17:33: too, and where they could, they could head to and

01:17:33 --> 01:17:36: where energy tax reform, if it, if it's done by

01:17:36 --> 01:17:39: member states, could also could also do.

01:17:39 --> 01:17:42: And, and then how that affects your tenants.

01:17:30 --> 01:17:32: And, and if, if prices are going up in, in

01:17:32 --> 01:17:35: inefficient building and you're just passing on the cost to

01:17:35 --> 01:17:37: tenants, maybe they would didn't decide to move.

01:17:37 --> 01:17:39: And so as a, as a way to, to retain

01:17:39 --> 01:17:41: your tenants as part of that, that strategy.

01:17:41 --> 01:17:44: So, and then on the embodied carbon, I think it's

01:17:44 --> 01:17:47: be, it's important to look at the sort of the

01:17:47 --> 01:17:48: political context.

01:17:49 --> 01:17:53: There was an Antwerp declaration by many heavy, heavy industry

01:17:53 --> 01:17:56: in, in Europe calling for competitiveness to be a car

01:17:56 --> 01:18:00: core part of, but also considering green and, and and

01:18:00 --> 01:18:03: the transition for the next EU Commission.

01:18:04 --> 01:18:06: But one of their recommendations was that customers of, of,

01:18:06 --> 01:18:08: of energy intensive companies could support.

01:18:08 --> 01:18:11: And so we are as the real estate industry are

01:18:11 --> 01:18:15: buying and buying products, products and services from the construction

01:18:15 --> 01:18:16: industry.

01:18:16 --> 01:18:18: So how can, how can we play a role in

01:18:18 --> 01:18:21: helping them decarbonize in, in different ways.

01:18:22 --> 01:18:25: So there, there's some initiatives in, in that area, but

01:18:25 --> 01:18:26: could be, could be strengthened.

01:18:27 --> 01:18:28: So thanks.

01:18:29 --> 01:18:32: Yeah, I, I would expect industry to price in carbon

01:18:32 --> 01:18:33: taxes anyway.

01:18:33 --> 01:18:36: So you will be paying for them and it, it,

01:18:36 --> 01:18:38: it, I think they will be the first ones to

01:18:38 --> 01:18:41: be hit because it's, it's the largest chunk.

01:18:41 --> 01:18:44: And we've got a lot of assets that are standing

01:18:44 --> 01:18:49: assets and actually brownfield developments will be the largest part

01:18:49 --> 01:18:53: of, of developments and redevelopments and not really the, the,

01:18:53 --> 01:18:55: the just new build.

01:18:55 --> 01:18:58: So it's, it's definitely having to do with what we've

01:18:58 --> 01:19:00: got now and what I've.

01:19:00 --> 01:19:02: Already I've already seen a sell side report looking from

01:19:02 --> 01:19:04: a major investment bank.

01:19:04 --> 01:19:06: So looking at the cement industry and like what is

01:19:06 --> 01:19:09: if you've got a more efficient cement plant and do

01:19:09 --> 01:19:12: they have a better carbon management strategy for their for

01:19:12 --> 01:19:13: their EU carbon allowances?

01:19:14 --> 01:19:17: They're buying when the prices were low, then they will

01:19:17 --> 01:19:20: be advantage or compared to a competitor or an importer

01:19:20 --> 01:19:24: more carbon intensive and they'll have to likely put up

01:19:24 --> 01:19:26: their their their cement prices to.

01:19:27 --> 01:19:27: So who are you?

01:19:27 --> 01:19:30: Who are you ultimately contracting for cement for with?

01:19:33 --> 01:19:33: Yeah.

01:19:33 --> 01:19:37: Thank you very much and really appreciate the insights, both

01:19:37 --> 01:19:38: Murray and Martin.

01:19:38 --> 01:19:42: And we'll collect those questions in the chat and get

01:19:42 --> 01:19:43: back to you.

01:19:43 --> 01:19:47: And let's have sort of two final slides to recap

01:19:47 --> 01:19:49: some of what we've heard today.

01:19:52 --> 01:19:56: And hopefully this will also help support some of the

01:19:56 --> 01:19:58: rationale and business case.

01:20:00 --> 01:20:04: And maybe actually before we go to those slides, just

01:20:04 --> 01:20:07: very briefly, Martin, I just wondered if you had any

01:20:07 --> 01:20:10: sort of final short words if you wanted to add

01:20:10 --> 01:20:12: anything at this stage.

01:20:14 --> 01:20:18: Oh, not really good at in in short answers.

01:20:19 --> 01:20:20: Just just start, be brave.

01:20:20 --> 01:20:25: Just start with doing so start registering and start analysing

01:20:25 --> 01:20:28: what you're working on and create a vision for what

01:20:28 --> 01:20:31: it could be within the next five years.

01:20:31 --> 01:20:35: And just keep it simple and, and once you get

01:20:35 --> 01:20:40: your experiences, then you can make it more, more well

01:20:40 --> 01:20:43: integrated and, and maybe more complex.

01:20:43 --> 01:20:47: But that's, that's probably the best thing to do just

01:20:47 --> 01:20:50: to make it into small chunks which are easy to

01:20:50 --> 01:20:53: understand and easy to well to, to pass on to

01:20:53 --> 01:20:55: others within your company.

01:20:55 --> 01:20:57: Because if you make it too complex, you want to

01:20:57 --> 01:21:01: do everything in one step, you will probably not get

01:21:01 --> 01:21:01: there.

01:21:02 --> 01:21:03: Wonderful.

01:21:03 --> 01:21:03: Thank you.

01:21:03 --> 01:21:05: And Mallory may be the same to you.

01:21:05 --> 01:21:07: Just a quick response.

01:21:07 --> 01:21:09: Anything you just wanted to add as a final sum

01:21:09 --> 01:21:10: up?

01:21:10 --> 01:21:10: Yeah.

01:21:10 --> 01:21:13: I think also it's it's what you're doing internally and

01:21:13 --> 01:21:16: affecting your decision making, but it's also our external voices

01:21:16 --> 01:21:17: as an industry towards policymakers.

01:21:18 --> 01:21:21: The EU after the elections will be debating at a

01:21:21 --> 01:21:22: 2040 climate target.

01:21:22 --> 01:21:25: And then I think they need to restart debate on

01:21:25 --> 01:21:29: energy tax reform to build the business case for further

01:21:29 --> 01:21:30: electrification.

01:21:31 --> 01:21:34: And investors could and should be more active in that

01:21:34 --> 01:21:34: area.

01:21:34 --> 01:21:37: The Net zero asset owner Alliance has been calling for

01:21:37 --> 01:21:40: asset managers to be more active on, on policy to

01:21:40 --> 01:21:43: change the rules of the game and, and by investigating

01:21:43 --> 01:21:46: carbon pricing and internal and, and policies, that gives you

01:21:46 --> 01:21:50: the foundation for becoming more active in, in, in policy

01:21:50 --> 01:21:53: and communicating what types of policies are more effective to,

01:21:53 --> 01:21:55: to bring in, bring in investment.

01:21:55 --> 01:21:58: And that's I think an important message for the, the,

01:21:58 --> 01:22:00: the, the Sea Change programme in general.

01:22:01 --> 01:22:01: Thanks.

01:22:02 --> 01:22:02: Indeed.

01:22:02 --> 01:22:03: Well, thank you both.

01:22:04 --> 01:22:07: And then turning to those slides and it echoes some

01:22:07 --> 01:22:08: of what we've heard already.

01:22:08 --> 01:22:11: So we'll go through relatively briefly.

01:22:11 --> 01:22:13: But firstly on the drivers.

01:22:14 --> 01:22:17: So I've heard about some of the external drivers including

01:22:18 --> 01:22:21: policy named as one of the barriers but is incoming

01:22:21 --> 01:22:22: and ratcheting up.

01:22:23 --> 01:22:29: We also heard about pricing, the externality, the negative externality

01:22:29 --> 01:22:33: of carbon and bringing that long term view, which currently

01:22:33 --> 01:22:39: often isn't priced into short term decision making, influencing and

01:22:39 --> 01:22:44: looking at strategy internally by applying an internal carbon price

01:22:44 --> 01:22:47: to decisions and giving that lens.

01:22:47 --> 01:22:50: So an additional business lens that can influence some of

01:22:50 --> 01:22:51: those decisions.

01:22:52 --> 01:22:55: And also the importance of getting started.

01:22:55 --> 01:22:59: And on the next slide, I just have some of

01:22:59 --> 01:23:04: the final summing up and I'm here just carrying some

01:23:04 --> 01:23:05: of the thoughts.

01:23:05 --> 01:23:09: So the importance of getting started, it will expand, it

01:23:09 --> 01:23:13: will evolve over time, ensuring transparency and having that balanced.

01:23:13 --> 01:23:17: So that means talking about what you're doing, estimates, assumptions,

01:23:17 --> 01:23:20: but also talking about areas for improvement, things which are

01:23:20 --> 01:23:21: going well.

01:23:22 --> 01:23:26: And finally looking at this as many other different strategic

01:23:26 --> 01:23:29: issues where there is an element of uncertainty.

01:23:29 --> 01:23:32: And it's about trying to understand and have some of

01:23:32 --> 01:23:36: those decisions brought into the short term by looking at

01:23:36 --> 01:23:39: some of those long term views and things that may

01:23:39 --> 01:23:41: happen in the future.

01:23:41 --> 01:23:44: So the importance of thinking about this internally and using

01:23:45 --> 01:23:48: it for strategic decision making, maybe thinking about it in

01:23:48 --> 01:23:51: the way that we think about other types of business

01:23:51 --> 01:23:53: issues have some uncertainty.

01:23:54 --> 01:24:00: And with that, I'll hand back to Sophie ULI.

01:24:01 --> 01:24:02: Sophie, over to you.

01:24:03 --> 01:24:04: Hey, thank you so much.

01:24:05 --> 01:24:08: I hope you've all found this session as interesting and

01:24:09 --> 01:24:10: as informative as I have.

01:24:10 --> 01:24:13: And as we've said throughout it, please do get in

01:24:13 --> 01:24:13: touch.

01:24:14 --> 01:24:19: We want this to be a really collaborative initiative that

01:24:19 --> 01:24:20: we're doing.

01:24:20 --> 01:24:22: So we've got those questions that we asked.

01:24:22 --> 01:24:24: Any other follow up questions, thoughts, things that you want

01:24:24 --> 01:24:26: us to have a look at, things that would be

01:24:26 --> 01:24:27: helpful to go over?

01:24:28 --> 01:24:29: Do you get in touch?

01:24:29 --> 01:24:30: Just some key dates for you.

01:24:31 --> 01:24:33: If we could go to the next slide, please, Kate.

01:24:34 --> 01:24:37: So you should already have in your Diaries the date

01:24:37 --> 01:24:39: for Workshop 2 and workshop three.

01:24:39 --> 01:24:41: We've got one in June, 1 in September.

01:24:41 --> 01:24:43: If they're not in your Diaries, please get in touch

01:24:43 --> 01:24:44: and let me know.

01:24:45 --> 01:24:48: Also worth noting, if there's people that you think would

01:24:48 --> 01:24:52: be interested in this initiative who aren't on the call,

01:24:52 --> 01:24:56: colleagues or, you know, peers in your industries, again,

we'd

01:24:56 --> 01:24:59: like this to be as collaborative as possible.

01:25:00 --> 01:25:01: Do get in touch.

01:25:01 --> 01:25:04: And then we have our date for the Sea Change

01:25:04 --> 01:25:05: Summit in October.

01:25:05 --> 01:25:07: So we're going to be in Barcelona this year on

01:25:07 --> 01:25:10: the 17th of October and we really hope you can

01:25:10 --> 01:25:10: join us.

01:25:10 --> 01:25:13: I, we are working on getting the, the joining link

01:25:13 --> 01:25:16: in the website up and running should be with you

01:25:16 --> 01:25:17: in a, in a week's time.

01:25:17 --> 01:25:19: And I will send, send you all a follow up

01:25:19 --> 01:25:22: message because that is where we're going to be launching

01:25:22 --> 01:25:24: the findings of the work that we're doing over the

01:25:24 --> 01:25:25: next five months.

01:25:26 --> 01:25:28: So we would really love to see all of you

01:25:28 --> 01:25:31: there and hopefully be really helpful for you as well

01:25:31 --> 01:25:33: to see the output of this work that we're doing.

01:25:34 --> 01:25:37: And then just to also note, we have our main

01:25:37 --> 01:25:42: Europe ULI conference coming up very shortly in June in

01:25:42 --> 01:25:44: a few weeks time.

01:25:44 --> 01:25:46: There is still enough time to get tickets if you

01:25:46 --> 01:25:47: haven't already.

01:25:47 --> 01:25:49: So we hope see as many of you there as

01:25:49 --> 01:25:50: possible.

01:25:50 --> 01:25:53: We are doing some workshops for sea change while we're

01:25:53 --> 01:25:56: there as well and some sort of smaller workshops.

01:25:56 --> 01:25:58: 1 is on carbon pricing.

01:25:58 --> 01:26:01: We're also doing one on the preserved tool which is

01:26:01 --> 01:26:05: looking at transition risk and valuation and also an owner

01:26:06 --> 01:26:07: occupier alignment.

01:26:07 --> 01:26:09: So if you are interested in any of those workshops,

01:26:09 --> 01:26:12: again, you can sign up if you're already attending the

01:26:12 --> 01:26:15: conference, but lots of opportunities to get involved.

01:26:15 --> 01:26:18: We hope to see you all at these various events

01:26:18 --> 01:26:19: and hear from you soon.

01:26:20 --> 01:26:23: I think that is everything from me other than than

01:26:24 --> 01:26:26: to just say like huge thank you for taking the

01:26:26 --> 01:26:29: time out and and joining us today and and we'll

01:26:29 --> 01:26:31: see you all very soon.

01:26:31 --> 01:26:32: Thank you very much.

01:26:37 --> 01:26:37: Wonderful.

01:26:37 --> 01:26:38: Thank you, everybody.

01:26:38 --> 01:26:38: Thank.

01:26:38 --> 01:26:39: You, everybody.

01:26:39 --> 01:26:40: Have a great day.

01:26:41 --> 01:26:41: Thank you.

01:26:42 --> 01:26:42: Thank you very.

01:26:42 --> 01:26:43: Much bye.

01:26:56 --> 01:26:58: There's still some interesting questions I think in the in

01:26:58 --> 01:26:59: the chat.

01:27:00 --> 01:27:03: Yeah, yes, we're going to stay on so we can

01:27:03 --> 01:27:04: lift those out actually.

01:27:06 --> 01:27:06: Yeah.

01:27:08 --> 01:27:09: Thank you so much.

01:27:09 --> 01:27:12: That was a really helpful and really insightful.

01:27:13 --> 01:27:14: Yeah.

01:27:14 --> 01:27:16: I think people really got a lot from it based

01:27:16 --> 01:27:17: on the on the feedback.

01:27:17 --> 01:27:18: So thank you you're.

01:27:20 --> 01:27:20: Welcome.

01:27:20 --> 01:27:23: Yeah, it's, you know, and if it's all new, then

01:27:24 --> 01:27:27: why not share your experiences so other people can, can,

01:27:27 --> 01:27:29: can live up with it?

01:27:29 --> 01:27:32: So you have to make your own choices anyway.

01:27:34 --> 01:27:35: Amazing.

01:27:35 --> 01:27:36: Wonderful.

01:27:36 --> 01:27:38: Just in the process of trying to copy all this.

01:27:38 --> 01:27:41: I've got some more.

01:27:41 --> 01:27:42: Have you got them all?

01:27:42 --> 01:27:42: Marrow.

01:27:43 --> 01:27:47: In the recording, but worth copying down just in case.

01:27:47 --> 01:27:48: I have.

01:27:48 --> 01:27:49: I have everything in the Word document.

01:27:49 --> 01:27:53: Every questions, every answers, everything is in the Word document.

01:27:53 --> 01:27:54: Right now.

01:27:54 --> 01:27:56: I have a version with everything I will send to

01:27:56 --> 01:27:57: you right away.

01:27:58 --> 01:27:59: Amazing.

01:27:59 --> 01:28:00: And I've got some just because.

01:28:00 --> 01:28:02: The only thing is I don't know whether it picks

01:28:02 --> 01:28:04: up on yours because I've had some private messages of

01:28:04 --> 01:28:05: the questions as well.

01:28:05 --> 01:28:06: The private no.

01:28:06 --> 01:28:07: The the ones that are.

01:28:07 --> 01:28:07: Just.

01:28:07 --> 01:28:08: Private to you.

01:28:08 --> 01:28:10: Doesn't doesn't show to me.

01:28:10 --> 01:28:13: So if any of you as a private message with

01:28:13 --> 01:28:17: the question will be amazing just to to send over.

01:28:17 --> 01:28:19: Take them down before we before we leave.

01:28:19 --> 01:28:20: OK, It's wonderful.

01:28:21 --> 01:28:21: All right.

01:28:21 --> 01:28:24: Well, thank you so much and thank you very much,

01:28:24 --> 01:28:25: Martin for staying on as well.

01:28:25 --> 01:28:28: We will be taking these questions and feeding them into

01:28:28 --> 01:28:31: the the next round of meetings as well.

01:28:31 --> 01:28:33: So very much appreciated.

01:28:33 --> 01:28:37: Great if you want feedback on beforehand and just send

01:28:37 --> 01:28:39: them over and I will take a look on how

01:28:40 --> 01:28:42: I would answer them so we could have a chat

01:28:43 --> 01:28:43: about it.

01:28:44 --> 01:28:45: Yeah, it might be nice.

01:28:45 --> 01:28:48: I'm going to do a follow up e-mail to everyone,

01:28:48 --> 01:28:51: including like the recording because I'll send it to you.

01:28:51 --> 01:28:54: There was a, a longer list, although I'd say the

01:28:54 --> 01:28:57: attendance was pretty good from the people on the list.

01:28:58 --> 01:29:00: But I'm going to do a follow up with the

01:29:00 --> 01:29:02: recording so everyone's got a copy of it.

01:29:02 --> 01:29:04: And perhaps we could include some of the questions that

01:29:04 --> 01:29:06: we haven't been able to answer if you were happy

01:29:06 --> 01:29:07: with that, Martin.

01:29:07 --> 01:29:10: And I'll include things like the Sea Change Summit once

01:29:10 --> 01:29:11: we've got that link.

01:29:11 --> 01:29:12: So it'll probably be next week.

01:29:12 --> 01:29:14: It's not nothing urgent.

01:29:15 --> 01:29:17: So that might be a nice way to sort of

01:29:17 --> 01:29:19: include those if if you're happy to, so we, we

01:29:19 --> 01:29:22: can e-mail those over to you, the ones that we

01:29:22 --> 01:29:23: didn't get round to on the call.

01:29:25 --> 01:29:26: I even saw some question on that.

01:29:26 --> 01:29:29: What if there's no regulations and there's there's no fees

01:29:29 --> 01:29:29: and whatever?

01:29:29 --> 01:29:33: So but just take your bold steps and just do

01:29:33 --> 01:29:34: it.

01:29:34 --> 01:29:36: It's what I did form a job.

01:29:39 --> 01:29:43: Yeah, I I almost got fired at the airport for

01:29:43 --> 01:29:49: organising a true pricing workshop by PwC in on the

01:29:49 --> 01:29:50: airport.

01:29:50 --> 01:29:56: So our CFO was not amused and and she called

01:29:56 --> 01:30:03: the business units to stop it funny years ago.

01:30:04 --> 01:30:08: Gosh, gosh, no, that would be lovely.

01:30:08 --> 01:30:10: If if, if we could put some little that's some

01:30:10 --> 01:30:12: follow up questions in that that mail out.

01:30:12 --> 01:30:13: I think they'd appreciate them.

01:30:13 --> 01:30:14: Yeah.

01:30:14 --> 01:30:16: Talk to you later today then probably.

01:30:16 --> 01:30:17: We will meet.

01:30:17 --> 01:30:18: You next time indeed see.

01:30:19 --> 01:30:19: You again?

01:30:19 --> 01:30:19: Yeah.

01:30:19 --> 01:30:20: Enjoy lunch.

01:30:21 --> 01:30:21: OK.

01:30:21 --> 01:30:22: Thank you.

01:30:22 --> 01:30:24: Yeah, that's top priority after this.

01:30:25 --> 01:30:26: Bye later.

01:30:26 --> 01:30:27: Bye.

01:30:27 --> 01:30:28: OK, see you later.

01:30:28 --> 01:30:28: Bye.

01:30:29 --> 01:30:29: Bye.

01:30:37 --> 01:30:37: Hello.

01:30:37 --> 01:30:37: Hi.

01:30:38 --> 01:30:39: Hello I.

01:30:39 --> 01:30:40: Think, I think I'm going to drop off.

01:30:40 --> 01:30:42: I think it went well.

01:30:44 --> 01:30:46: Maybe we've got the debriefs tomorrow as well so I

01:30:46 --> 01:30:47: can get a bit more into.

01:30:47 --> 01:30:50: Yeah, we've got the debriefs with the wider with the

01:30:50 --> 01:30:51: wider organization.

01:30:51 --> 01:30:51: Yeah.

01:30:51 --> 01:30:54: So I think yes, I feel like there's more.

01:30:54 --> 01:30:57: There's, there's a, there's a crying for more technical

01:30:58 --> 01:31:00: questions.

01:31:00 --> 01:31:01: So I think they're it's like they're sort of pushing

01:31:01 --> 01:31:02: for a little bit further.

01:31:01 --> 01:31:02: So I think we just need to, I think that's

01:31:03 --> 01:31:03: fine.

01:31:03 --> 01:31:05: We can just respond to it in the follow-ups and
01:31:05 --> 01:31:07: in the in the next the next ones.

01:31:08 --> 01:31:11: I think it's what you've been saying Kate, in that
01:31:11 --> 01:31:13: there, there may be a few people on the call
01:31:13 --> 01:31:16: who who it was new for, but there's a lot
01:31:16 --> 01:31:18: of people in there who already know a lot about
01:31:18 --> 01:31:18: it.

01:31:19 --> 01:31:21: So it is difficult to get there.

01:31:21 --> 01:31:24: I think this will have worked as a really good
01:31:24 --> 01:31:27: intro into the topic and then it it does mean
01:31:27 --> 01:31:30: that we've got more scope to go more into some
01:31:30 --> 01:31:32: detail for the next workshops.

01:31:33 --> 01:31:36: So yeah, I think that that should be really good.

01:31:37 --> 01:31:38: Yeah, it made me think as well.

01:31:38 --> 01:31:41: And you know, when they're building the case stuff, the
01:31:41 --> 01:31:43: paper you're doing separately, is there scope for that to
01:31:43 --> 01:31:44: be a how to?

01:31:45 --> 01:31:47: Because if we could do like, because I was just
01:31:47 --> 01:31:49: thinking, but what we're doing with UNGC at the moment
01:31:49 --> 01:31:50: is, is a webinar series.

01:31:50 --> 01:31:51: And we do.

01:31:51 --> 01:31:54: And in the format of that webinar series, we do
01:31:54 --> 01:31:56: a how to at the beginning and then we then
01:31:56 --> 01:31:58: we hear from the late leaders on the ground.

01:31:58 --> 01:32:01: And I wonder whether for like the shadow carbon pricing
01:32:01 --> 01:32:01: next.

01:32:01 --> 01:32:03: It's like a how to, this is how you do
01:32:03 --> 01:32:03: it.

01:32:03 --> 01:32:05: And we can have like maybe a couple of 1
01:32:05 --> 01:32:06: to ones beforehand.

01:32:06 --> 01:32:08: So we make sure that we get it bang on,
01:32:08 --> 01:32:09: but this is a how to on how you do
01:32:09 --> 01:32:12: carbon pricing, shadow carbon pricing then OK.

01:32:12 --> 01:32:14: So let's hear from people on the ground and the
01:32:14 --> 01:32:15: particular complexities they're facing etcetera.

01:32:16 --> 01:32:18: Similarly on the then when we go to the fee
01:32:18 --> 01:32:20: pay and get more technical.

01:32:20 --> 01:32:23: But the one thing we haven't necessarily done on this
01:32:23 --> 01:32:26: one, but we could do in retrospect with your paper
01:32:26 --> 01:32:27: is a how to.

01:32:27 --> 01:32:29: So it's not just building the case as in like
01:32:29 --> 01:32:31: you know how we did with transition risks paper, it

01:32:31 --> 01:32:32: was like here's the case.

01:32:32 --> 01:32:33: This is what we think.

01:32:33 --> 01:32:36: It's like literally how do you build the case, if

01:32:36 --> 01:32:36: that?

01:32:36 --> 01:32:38: It seems to be that's what they're crying for.

01:32:38 --> 01:32:41: Like practical, like, OK, I get it, I get that,

01:32:41 --> 01:32:42: I get that stuff.

01:32:42 --> 01:32:44: What I really need to know is how on earth

01:32:44 --> 01:32:47: do I persuade my investment director?

01:32:47 --> 01:32:48: And it's that bit.

01:32:48 --> 01:32:49: And I wonder whether we've got scope for that within

01:32:49 --> 01:32:51: that paper or is it or is it pitched to

01:32:51 --> 01:32:52: something different?

01:32:52 --> 01:32:52: Well.

01:32:53 --> 01:32:55: I so I guess it's the why it's pitched as

01:32:55 --> 01:32:58: AY carbon pricing, which I think for a lot of

01:32:58 --> 01:33:01: people is still the starting point, but it's almost there's

01:33:01 --> 01:33:03: a bit of overlap, isn't there?

01:33:03 --> 01:33:08: Because often the how it starts with like really understanding

01:33:08 --> 01:33:11: the why, if that makes sense.

01:33:11 --> 01:33:14: And and sort of getting that by for people to

01:33:14 --> 01:33:18: understand why and getting the buy in at the senior

01:33:18 --> 01:33:21: level is almost the first step of how to do

01:33:21 --> 01:33:21: it.

01:33:22 --> 01:33:24: I mean it, are we not going to have more,

01:33:24 --> 01:33:28: I guess the outcomes that we're going to publish at

01:33:28 --> 01:33:29: Sea change Summit?

01:33:29 --> 01:33:33: Will that not be more on, could that not include

01:33:33 --> 01:33:35: a sort of how to at that point?

01:33:35 --> 01:33:36: Because I see what you mean.

01:33:36 --> 01:33:40: It would be a helpful thing, but I I think

01:33:40 --> 01:33:43: it needs to sit somewhere, but it's I.

01:33:43 --> 01:33:46: Wonder if just to brainstorm, what if I do that,

01:33:46 --> 01:33:48: if I can get like a one to one or

01:33:48 --> 01:33:52: something in before or somebody who's done it, Why don't

01:33:52 --> 01:33:54: I make that the the thing in June at the

01:33:54 --> 01:33:56: sea change Summit?

01:33:56 --> 01:33:57: And then if we record it, we can send it

01:33:58 --> 01:34:00: around to people afterwards because it's literally I just need

01:34:00 --> 01:34:00: a 1 to 1.

01:34:00 --> 01:34:02: So somebody can explain to me how they properly did

01:34:02 --> 01:34:02: it.

01:34:03 --> 01:34:05: And then we could just do a session on.

01:34:05 --> 01:34:08: OK, so how to specifically how do you do it?

01:34:09 --> 01:34:12: And would that be the June workshop or the June session at the conference?

01:34:12 --> 01:34:14:

01:34:15 --> 01:34:17: June, sorry, let's say that we'll stick to our usual principle on this.

01:34:17 --> 01:34:18:

01:34:18 --> 01:34:20: So we'll go shadow and fee paying, but I mean just that you will like you will I see change conference.

01:34:20 --> 01:34:22:

01:34:22 --> 01:34:23:

01:34:23 --> 01:34:26: Sorry, you will live annual conference in a few weeks.

01:34:27 --> 01:34:27: I'll get there.

01:34:27 --> 01:34:28: I'll get there.

01:34:28 --> 01:34:30: I know, I know this is not going on.

01:34:31 --> 01:34:33: Yeah, no, I mean, I think we haven't really talked about what the session for that will look like.

01:34:33 --> 01:34:35:

01:34:35 --> 01:34:39: Yeah, I'm, I haven't yet had a chance to look @ups for it or anything, but let's have a look at who's in the room and work out whether that would be appropriate.

01:34:39 --> 01:34:42:

01:34:42 --> 01:34:46:

01:34:46 --> 01:34:47:

01:34:48 --> 01:34:52: But otherwise, I think it's something, if not, we could always do it as a webinar, you know, post the Sea change conference as a sort of follow up and have it as something that we, because I think we have it as something, but it's online that we can then record.

01:34:52 --> 01:34:55:

01:34:55 --> 01:34:58:

01:34:58 --> 01:35:01:

01:35:01 --> 01:35:04:

01:35:04 --> 01:35:05:

01:35:05 --> 01:35:07: Then we can put it up as a like a how to and it can go up on the website and etcetera, etcetera.

01:35:07 --> 01:35:10:

01:35:10 --> 01:35:12:

01:35:13 --> 01:35:16: But yeah, there's no reason why we couldn't do both, to be honest.

01:35:16 --> 01:35:16:

01:35:18 --> 01:35:19: Yeah, yeah.

01:35:19 --> 01:35:20: Well, let's, let's have a chat with him.

01:35:20 --> 01:35:21: But why don't we add it to our agenda next week?

01:35:21 --> 01:35:21:

01:35:21 --> 01:35:24: Because we've still got time and I can definitely call up somebody who's already done one.

01:35:24 --> 01:35:25:

01:35:26 --> 01:35:27: Even Olivia.

01:35:27 --> 01:35:28: Olivia would love doing that.

01:35:28 --> 01:35:30: We'd love a chat about how to so I could have a chat with him and then we'll work.

01:35:30 --> 01:35:33:

01:35:33 --> 01:35:33: We'll work something out.

01:35:34 --> 01:35:35: And what was the other thing I was going to

01:35:35 --> 01:35:35: say?

01:35:36 --> 01:35:37: Yeah, just flagging.

01:35:37 --> 01:35:39: We've got the steering committee next.

01:35:39 --> 01:35:40: Is it next week?

01:35:41 --> 01:35:42: So if you want anything from me, let me know.

01:35:44 --> 01:35:48: Yes, I think well, a lot of the steering committee

01:35:48 --> 01:35:50: are on this, on these calls.

01:35:50 --> 01:35:52: A lot of that meeting is going to be on

01:35:52 --> 01:35:53: the preserve talks.

01:35:53 --> 01:35:56: I think we will have the critical meeting, but it

01:35:56 --> 01:35:59: would still be good, I think just to give them

01:35:59 --> 01:36:01: an update of where we are on carbon pricing and

01:36:01 --> 01:36:02: banks stuff.

01:36:03 --> 01:36:06: But I don't think we'll have very long for that,

01:36:06 --> 01:36:09: especially as last time we didn't get through a lot

01:36:09 --> 01:36:10: of the a lot of the content.

01:36:10 --> 01:36:13: So I think because they've all been involved in the

01:36:13 --> 01:36:16: carbon, I think almost everyone from the steering committee

01:36:16 --> 01:36:17: is

01:36:16 --> 01:36:17: in one group or another.

01:36:17 --> 01:36:18: We've tried to make sure.

01:36:19 --> 01:36:22: So it'd just be a very short update, but I'll

01:36:22 --> 01:36:24: get on to the I'll get on to that.

01:36:25 --> 01:36:25: The agenda.

01:36:25 --> 01:36:26: Well, I just thought I'd plug it.

01:36:27 --> 01:36:28: No, no, no, definitely it won't do.

01:36:28 --> 01:36:30: It's nothing long from you.

01:36:30 --> 01:36:33: I think if anything, we'll just do a, I don't

01:36:33 --> 01:36:35: worry about, you know, 5 minutes or so on, just

01:36:35 --> 01:36:38: this is where we're at and, and use it to

01:36:38 --> 01:36:42: really focus on preserve maybe Berlin and maybe some

01:36:42 --> 01:36:42: education

01:36:42 --> 01:36:42: stuff.

01:36:42 --> 01:36:44: I think ideally that's what we would do.

01:36:47 --> 01:36:49: Well, if there's someone you just give me the trigger.

01:36:49 --> 01:36:51: It only takes me, you know, 10 minutes to make

01:36:51 --> 01:36:51: those slides.

01:36:51 --> 01:36:53: But just let me know and then I can make

01:36:53 --> 01:36:53: sure I've got the point.

01:36:55 --> 01:36:55: Great.

01:36:55 --> 01:37:00: Well, I was like 2 hours last time and yeah,

01:37:00 --> 01:37:01: perfect.

01:37:01 --> 01:37:03: I think that went really well.

01:37:03 --> 01:37:06: I'm really pleased with the attendance and hopefully we'll see
01:37:06 --> 01:37:08: some more people soon.
01:37:09 --> 01:37:09: Amazing.
01:37:10 --> 01:37:11: Look forward to it.
01:37:11 --> 01:37:14: All right then later, have a nicer bye bye.
01:37:14 --> 01:37:15: Catch you later, bye bye bye.

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