

# Webinar

## Carbon Pricing Practitioner Workshops Part 2

Date: June 18, 2024

00:00:06 --> 00:00:06: Wonderful.

00:00:06 --> 00:00:09: OK, so first up, an absolute pleasure to see so

00:00:09 --> 00:00:11: many faces on the call today.

00:00:11 --> 00:00:12: Thank you so much for joining.

00:00:12 --> 00:00:14: See a few familiar faces as well.

00:00:14 --> 00:00:16: So that's a really good sign.

00:00:16 --> 00:00:20: And hopefully, as we go through these workshops, we can

00:00:20 --> 00:00:23: bring more and more deeper understanding to the carbon pricing

00:00:23 --> 00:00:24: debate.

00:00:24 --> 00:00:26: So thank you very much for joining us.

00:00:26 --> 00:00:30: I'm just going to lead in this session to begin

00:00:30 --> 00:00:33: and then I'll be handing over to both Sophie and

00:00:33 --> 00:00:34: Rebecca.

00:00:34 --> 00:00:35: But just to give you a bit of a heads

00:00:35 --> 00:00:37: heads up on what exactly we're going to talk about

00:00:37 --> 00:00:38: today.

00:00:38 --> 00:00:40: So obviously I'll just do a little bit of a

00:00:40 --> 00:00:42: what to expect right now, after which I'll hand over

00:00:42 --> 00:00:45: to Sophie, who'll do a little bit of an introduction

00:00:45 --> 00:00:47: to sea change for those couple of new faces on

00:00:47 --> 00:00:47: the call.

00:00:47 --> 00:00:49: And then I'll just give you a little bit of

00:00:49 --> 00:00:52: an update on what we've been doing since the last

00:00:52 --> 00:00:52: time we saw you.

00:00:53 --> 00:00:56: After which we will hand over to Bex, who's going

00:00:56 --> 00:00:59: to wear her CFO of sustainable finance from HSBC hat

00:00:59 --> 00:01:02: and give us a real deep dive into what carbon

00:01:02 --> 00:01:07: pricing means in practice from a finance professionals perspective.

00:01:07 --> 00:01:10: And then after which we have the good fortune of  
00:01:10 --> 00:01:13: two lovely individuals joining us to give us both a  
00:01:13 --> 00:01:17: real estate example of carbon pricing and then a non  
00:01:17 --> 00:01:18: real estate example.  
00:01:18 --> 00:01:21: So really getting insights from both sides there.  
00:01:21 --> 00:01:23: And we will facilitate AQ and A with the speakers  
00:01:24 --> 00:01:24: at the end.  
00:01:24 --> 00:01:26: That's where my voice will show up again.  
00:01:26 --> 00:01:27: Sorry in advance for that.  
00:01:28 --> 00:01:30: And then we will summarise and do key takeaways before  
00:01:31 --> 00:01:33: I hand back over to Sophie to do next steps.  
00:01:34 --> 00:01:36: But Speaking of Sophie, maybe I can pass over to  
00:01:36 --> 00:01:38: you now to share a little bit about SEA.  
00:01:38 --> 00:01:40: Change, Yeah, great.  
00:01:40 --> 00:01:41: Thank you, Kate.  
00:01:41 --> 00:01:44: I think most of you are familiar with with this,  
00:01:44 --> 00:01:48: but just a reminder that this carbon pricing workshops and  
00:01:48 --> 00:01:51: and all of the work we're doing on carbon pricing  
00:01:51 --> 00:01:54: sits under our ULI Sea Change programme, which is our  
00:01:54 --> 00:01:57: program we've been running for 2 1/2 years now to  
00:01:57 --> 00:02:00: focus on how to decarbonise the built environment.  
00:02:00 --> 00:02:03: So this is one of the streams that we're looking  
00:02:03 --> 00:02:05: at and a huge thank you as always to our  
00:02:06 --> 00:02:08: sponsors and and partners for this program.  
00:02:09 --> 00:02:11: Otherwise it wouldn't be possible.  
00:02:11 --> 00:02:14: I also just wanted to flag if we could go  
00:02:14 --> 00:02:18: to the next slide that we have our Sea Change  
00:02:18 --> 00:02:21: Summit coming up on the 17th of October.  
00:02:21 --> 00:02:23: It's at the World Trade Centre in Barcelona.  
00:02:23 --> 00:02:27: I've sent hopefully all of you joining information, but this  
00:02:28 --> 00:02:31: is when we're going to be releasing the, the findings  
00:02:31 --> 00:02:36: of this work and and hopefully launching some principles  
around  
00:02:36 --> 00:02:38: carbon pricing at the summit.  
00:02:38 --> 00:02:40: So should be really exciting in terms of the outcome  
00:02:40 --> 00:02:42: of all of this work and, and a lot of  
00:02:42 --> 00:02:45: the participation that, that a lot of you have had.  
00:02:45 --> 00:02:48: So yes, we'd, we'd love for you to to join  
00:02:48 --> 00:02:49: us there.  
00:02:49 --> 00:02:51: If you have any questions on that or see change  
00:02:51 --> 00:02:53: in general, just let me know.  
00:02:53 --> 00:02:54: I'm going to pass back to Kate.

00:02:54 --> 00:02:55: Thank you.

00:02:55 --> 00:02:55: Well.

00:02:57 --> 00:02:57: Thank you, Sophie.

00:02:58 --> 00:03:00: OK, so I'm just going to give you just a

00:03:00 --> 00:03:03: little brief update and some key takeaways from the expert

00:03:03 --> 00:03:03: Worksheam.

00:03:03 --> 00:03:06: So First off, we didn't want to take you back

00:03:06 --> 00:03:08: through the work streams today, but as you know, we

00:03:08 --> 00:03:10: have been doing them so far.

00:03:10 --> 00:03:12: We did our first workshop in May very much focused

00:03:12 --> 00:03:14: on that sort of how to build the case.

00:03:14 --> 00:03:16: So if you missed that, please do find it.

00:03:17 --> 00:03:19: We can make sure that you have that recording that

00:03:19 --> 00:03:21: will help you guide into this session.

00:03:22 --> 00:03:23: But so those have been really good.

00:03:23 --> 00:03:26: Thank you very much for your input and contributions.

00:03:26 --> 00:03:29: We have got another the carbon pricing webinar on the

00:03:29 --> 00:03:32: 17th of September that's we're going to go a level

00:03:32 --> 00:03:35: deeper in terms of complexities of carbon pricing there.

00:03:35 --> 00:03:37: So feel free to come on the journey and dive

00:03:37 --> 00:03:38: in deeper.

00:03:38 --> 00:03:39: On the 17th of September.

00:03:39 --> 00:03:41: We left a good, a good amount of time because

00:03:41 --> 00:03:43: everybody's on holiday and rightfully you should be.

00:03:44 --> 00:03:47: And then of course, as, as Sophie mentioned, we would

00:03:48 --> 00:03:50: love to see you in Barcelona on the 17th of

00:03:50 --> 00:03:51: October too.

00:03:53 --> 00:03:55: So yeah, I just wanted to flag as well as

00:03:55 --> 00:03:57: you know, there is a parallel work stream running to

00:03:57 --> 00:04:00: this practitioners work stream, which is where we're devising

00:04:00 --> 00:04:03: what

00:04:03 --> 00:04:03: would be a united position for carbon pricing for the

00:04:03 --> 00:04:03: industry.

00:04:03 --> 00:04:06: I'm going to go to the next slide shortly to

00:04:06 --> 00:04:08: be able to share what our findings are so far

00:04:09 --> 00:04:11: so that you have a clearview on what we're, what

00:04:11 --> 00:04:12: we're working on.

00:04:12 --> 00:04:14: But my, my, my query here or my or my

00:04:15 --> 00:04:17: ask to you really is when I go through this

00:04:17 --> 00:04:20: slide, if anything burns in your mind or I really

00:04:20 --> 00:04:23: wish that this expert group we're dealing with this or,

00:04:23 --> 00:04:26: oh, I think you're missing something here, then we'd love

00:04:26 --> 00:04:28: for you to be able to pop that in the  
00:04:28 --> 00:04:28: chat.  
00:04:28 --> 00:04:30: We will be monitoring the chat.  
00:04:30 --> 00:04:31: We will remind you at the end as well.  
00:04:32 --> 00:04:35: But if you just share it and we'll make sure  
00:04:35 --> 00:04:38: it gets through to that expert expert work stream as  
00:04:38 --> 00:04:41: well, and we'll do our best to cover it.  
00:04:41 --> 00:04:43: So thank you in advance.  
00:04:43 --> 00:04:45: So yeah, in terms of wait a minute, it's just  
00:04:45 --> 00:04:46: going to that, right?  
00:04:46 --> 00:04:49: So yeah, in terms of the expert work stream, as  
00:04:49 --> 00:04:51: that happened sort of roughly a couple of days after  
00:04:51 --> 00:04:54: the practitioners work stream and we fed in your comments  
00:04:54 --> 00:04:55: on the last round.  
00:04:55 --> 00:04:56: So thank you very much for that.  
00:04:57 --> 00:04:59: We had I think it was about 15 or 16  
00:04:59 --> 00:05:03: different representatives from different pages, different  
stages of the of  
00:05:03 --> 00:05:04: the value chain, which was great.  
00:05:05 --> 00:05:09: And we came to a some early understanding on areas  
00:05:09 --> 00:05:12: where we all had common agreement.  
00:05:12 --> 00:05:14: And then we also had some areas where we'll be  
00:05:14 --> 00:05:17: focusing on in more detail in this second work stream,  
00:05:17 --> 00:05:20: which I'm sorry, second workshop, which is happening  
tomorrow.  
00:05:20 --> 00:05:22: So just to give you a bit of a highlight  
00:05:22 --> 00:05:24: for now on the areas where we have the common  
00:05:24 --> 00:05:25: agreement.  
00:05:25 --> 00:05:28: First off, largely right at the top of the tree,  
00:05:28 --> 00:05:30: carbon pricing is more than just putting a price on  
00:05:30 --> 00:05:31: carbon.  
00:05:31 --> 00:05:33: It is to be considered a strategic tool.  
00:05:35 --> 00:05:39: The next is carbon pricing and and guidance associated with  
00:05:39 --> 00:05:40: it is not.  
00:05:40 --> 00:05:42: That is not enough in its own right and dedicated  
00:05:42 --> 00:05:45: attention needs to be paid to the business case.  
00:05:45 --> 00:05:46: We heard that loud and clear.  
00:05:46 --> 00:05:49: For those of you that were present at the workshop  
00:05:49 --> 00:05:52: in the June conference last week as well, we realized  
00:05:52 --> 00:05:55: that the best thing that we can do at the  
00:05:55 --> 00:05:57: moment is come up to this level of principles.  
00:05:57 --> 00:06:01: So set this, create a set of universal principles.

00:06:01 --> 00:06:04: We're moving away from the term global to universal so  
00:06:04 --> 00:06:07: that it doesn't have any connotations associated there and we  
00:06:07 --> 00:06:10: think that would be a very manageable goal for all  
00:06:10 --> 00:06:13: of the organisations that are working with us to be  
00:06:13 --> 00:06:15: able to get to in this stage.  
00:06:15 --> 00:06:17: So that's what we're focusing on, that's what we're working  
00:06:18 --> 00:06:20: towards by the Sea Change Summit and that we'll get  
00:06:20 --> 00:06:23: all of the organisations and indeed organisations like your  
00:06:23 --> 00:06:25: own  
00:06:23 --> 00:06:25: and the Experts Group supporting, if you so wish.  
00:06:26 --> 00:06:29: We will differentiate from the carbon offsetting topic.  
00:06:29 --> 00:06:32: It's a very, very heated and complex topic.  
00:06:32 --> 00:06:36: So we will, we will explain where carbon pricing is  
00:06:36 --> 00:06:40: different and make that really clear from the outside.  
00:06:40 --> 00:06:43: We will make sure that this work connects into policy  
00:06:43 --> 00:06:43: makers.  
00:06:43 --> 00:06:46: So when we are ready and we have got our  
00:06:46 --> 00:06:49: principles and we're and we have unity and agreement  
00:06:49 --> 00:06:52: across  
00:06:49 --> 00:06:52: all the organisations, we will start engaging with policy, but  
00:06:52 --> 00:06:53: we're not ready yet.  
00:06:55 --> 00:06:58: And then finally just going a level down in terms  
00:06:58 --> 00:07:00: of the insights, one of the sort of in the  
00:07:00 --> 00:07:03: how insights that came out in this first session was  
00:07:03 --> 00:07:04: data quality.  
00:07:04 --> 00:07:07: And very often one of the first barriers to progress  
00:07:07 --> 00:07:09: is that, oh, we don't have the data quality.  
00:07:09 --> 00:07:12: And so it was really considered as a principal level  
00:07:12 --> 00:07:15: that data quality should not necessarily hold you back where  
00:07:15 --> 00:07:18: proxies, for example, in body carbon benchmarks already  
00:07:19 --> 00:07:20: exist.  
00:07:19 --> 00:07:20: Now we have a whole series.  
00:07:20 --> 00:07:22: So these are the sort of the first out of  
00:07:22 --> 00:07:26: the gate principles that we would include in our work  
00:07:26 --> 00:07:27: or how we might go about it.  
00:07:27 --> 00:07:30: We are actually diving into a whole series of them  
00:07:30 --> 00:07:31: tomorrow as well.  
00:07:31 --> 00:07:35: Everything from a deeper dive into embody carbon and and  
00:07:35 --> 00:07:38: operational carbon through to how we might go to go  
00:07:38 --> 00:07:39: about adopting it.  
00:07:39 --> 00:07:41: So we will share progress in the next round.  
00:07:41 --> 00:07:43: But if anything burning comes to mind for you in

00:07:43 --> 00:07:45: relation to these topics or you think we should be  
00:07:45 --> 00:07:47: focusing on something, please pop it in the chat and  
00:07:47 --> 00:07:49: we will make sure we consider it.  
00:07:50 --> 00:07:52: But for now, I think it would be probably best  
00:07:52 --> 00:07:56: to pass to the very wonderful Rebecca Self to understand  
00:07:56 --> 00:07:59: a little bit more about the accountants perspective for carbon  
00:07:59 --> 00:08:00: pricing.  
00:08:00 --> 00:08:04: And I'll stop sharing so you can see her face.  
00:08:05 --> 00:08:08: Thanks Kate, and hello to everyone.  
00:08:08 --> 00:08:10: I hope you're doing well today.  
00:08:10 --> 00:08:13: So as a reminder, I'm a consultant.  
00:08:13 --> 00:08:16: I'm supporting ULI and One O 3 as part of  
00:08:16 --> 00:08:18: the carbon pricing work stream.  
00:08:19 --> 00:08:22: But historically in the past, I was ACFO that was  
00:08:23 --> 00:08:26: a HSBC and I was the CFO of sustainable finance,  
00:08:26 --> 00:08:32: which was various different divisions and geographies and  
00:08:32 --> 00:08:34: products and  
00:08:32 --> 00:08:34: services within the bank globally.  
00:08:35 --> 00:08:39: I'm a member of the Chartered Institute of Management  
00:08:39 --> 00:08:42: Accountants  
00:08:39 --> 00:08:42: and up until recently, I was a board member of  
00:08:42 --> 00:08:46: the Financial Services faculty at the Chartered Institute of  
00:08:46 --> 00:08:48: Accountants  
00:08:46 --> 00:08:48: of England and Wales.  
00:08:48 --> 00:08:53: And for today, seeing as finance departments and  
00:08:48 --> 00:08:53: accountants are  
00:08:53 --> 00:08:57: such a key stakeholder for this work, I just wanted  
00:08:57 --> 00:09:01: to share for about 10 minutes just some perspectives before  
00:09:02 --> 00:09:06: we get into the case studies from an accountant perspective.  
00:09:07 --> 00:09:12: And also perhaps just to briefly mention as part of  
00:09:12 --> 00:09:15: the work that I was involved in in the past  
00:09:15 --> 00:09:20: with sustainable finance, some of that did touch real estate.  
00:09:21 --> 00:09:25: So for example, there were green loans and green bonds  
00:09:25 --> 00:09:30: and various data dictionaries which defined using criteria  
00:09:30 --> 00:09:35: such as  
00:09:30 --> 00:09:35: lead and BRIAM and certification and also funding available  
00:09:35 --> 00:09:41: preferential  
00:09:35 --> 00:09:41: levels for items such as decarbonisation, retrofitting, air  
00:09:41 --> 00:09:41: conditioning and  
00:09:41 --> 00:09:41: so on.  
00:09:42 --> 00:09:46: I'm not touching any of that in any detail today,  
00:09:46 --> 00:09:49: but just to just to mention it, there'll be 3  
00:09:50 --> 00:09:52: parts that I'll talk to today.

00:09:53 --> 00:09:55: It's not exhaustive.

00:09:56 --> 00:10:01: It's relatively general and from my own perspective, and it's quite generic.

00:10:01 --> 00:10:02:

00:10:02 --> 00:10:05: And then we'll get into the more detailed case studies afterwards.

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00:10:06 --> 00:10:11: And the three main parts will be firstly talking about defining a price, secondly, the process internally, and then lastly,

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00:10:16 --> 00:10:21: linkages to other areas that accountants and finance teams may be interested in.

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00:10:23 --> 00:10:27: So firstly, starting with defining a price, well, often carbon, if I think from a finance professional perspective, it's considered

00:10:28 --> 00:10:32:

00:10:32 --> 00:10:36: to be a negative externality, which frankly doesn't have a price.

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00:10:36 --> 00:10:40: So pollution, but often doesn't have some form of price that's in a model.

00:10:40 --> 00:10:41:

00:10:42 --> 00:10:45: From an economics perspective, price is set using demand and supply and then these externalities being some other thing that happens outside of that.

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00:10:49 --> 00:10:50:

00:10:50 --> 00:10:55: And from an accountant's perspective, prices are often set looking at your costs internally and then applying some form of margin or hopefully a margin and hoping that the marginal revenue is more than your marginal cost.

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00:11:07 --> 00:11:12: And again, quite often carbon currently, not always, but currently does not come into those equations.

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00:11:15 --> 00:11:18:

00:11:18 --> 00:11:23: So when defining what the price should be from an accountant perspective, having some form of reference or a basis of preparation for the finance team or working with them to develop 1.

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00:11:32 --> 00:11:36:

00:11:36 --> 00:11:41: So defining that price is really important to have that reference material. And to give some examples that could include reference to external benchmarks like EUETF, it could include a reference to cost to abate, it could include some particular literature.

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00:11:46 --> 00:11:50:

00:11:50 --> 00:11:54: So for example, I have worked with some organisations who have their own academic literature which they request and

often

00:11:54 --> 00:11:58: sponsor, that will start to define a carbon price for

00:11:58 --> 00:11:59: them.

00:11:59 --> 00:12:03: So there's various different ways of defining it that's input

00:12:03 --> 00:12:07: into some sort of reference documents that can also be

00:12:07 --> 00:12:12: applied uniform, so one single price across an entire organization.

00:12:13 --> 00:12:17: But certainly for many organisations are quite diverse portfolios diverse

00:12:17 --> 00:12:19: by product, by business geography.

00:12:20 --> 00:12:24: And so there can be variances as well, but that's

00:12:24 --> 00:12:26: become slightly more complex.

00:12:26 --> 00:12:32: And again, any assumption, variances, differences in an organization can

00:12:32 --> 00:12:36: be included in that brace to the prep reference document.

00:12:37 --> 00:12:41: It's also important and Kate touched on it up front

00:12:41 --> 00:12:44: to include where there are any estimates or assumptions in carbon accounting, very normal.

00:12:44 --> 00:12:46:

00:12:48 --> 00:12:53: And from an accountant perspective, just making sure that any

00:12:53 --> 00:12:59: caveat, any footnotes are included in both internal documents, but

00:12:59 --> 00:13:01: also external.

00:13:01 --> 00:13:06: And that includes where there's uncertainty, which very often there

00:13:06 --> 00:13:09: is in, in carbon accounting scope 1-2 and three.

00:13:11 --> 00:13:13: So that's a little about setting prices, though.

00:13:14 --> 00:13:19: Then secondly, getting into the process, well, price is only

00:13:19 --> 00:13:22: really useful if you do something with it.

00:13:23 --> 00:13:26: So it's not just setting a price, but it's also

00:13:26 --> 00:13:27: doing something.

00:13:28 --> 00:13:32: And from a finance team perspective, there's a lot of

00:13:32 --> 00:13:36: time and effort spent on preparing and using and reporting

00:13:36 --> 00:13:38: infernally PNL.

00:13:38 --> 00:13:41: So income statements for the different divisions, different products and

00:13:41 --> 00:13:42: so on.

00:13:42 --> 00:13:47: But that information is often good looking in nature.

00:13:47 --> 00:13:50: It's historical, it's looking at what what's happened in the

00:13:50 --> 00:13:50: past.

00:13:51 --> 00:13:54: So it can aid decision making, but it doesn't have

00:13:54 --> 00:13:57: that forward-looking piece all the time.

00:13:57 --> 00:14:00: So really then what we start to think about is

00:14:00 --> 00:14:01: forecast.

00:14:02 --> 00:14:05: And there are a few areas where I've seen this

00:14:05 --> 00:14:10: and looking at future cash flows and where carbon pricing

00:14:10 --> 00:14:12: can influence those future cash flows.

00:14:13 --> 00:14:17: So firstly, that would be investment committees where there's

00:14:17 --> 00:14:19: decisions

00:14:17 --> 00:14:19: being taken to spend or not and usually a wide

00:14:20 --> 00:14:22: variety of people around the table, including ACFO.

00:14:23 --> 00:14:28: But it could also be strategic committees looking through

00:14:28 --> 00:14:30: businesses,

00:14:28 --> 00:14:30: looking at future strategy.

00:14:31 --> 00:14:35: And in there, there are various financial models, various cash

00:14:35 --> 00:14:37: flows which are presented.

00:14:37 --> 00:14:41: It could include discounting, cash flow analysis, internal rates

00:14:41 --> 00:14:45: of

00:14:41 --> 00:14:45: return, other types of modelling really depends on the

00:14:45 --> 00:14:46: organization

00:14:45 --> 00:14:46: to forecast in the future.

00:14:47 --> 00:14:51: And just like interest rates or inflation or economic conditions,

00:14:52 --> 00:14:53: this is just another.

00:14:53 --> 00:14:55: So it's some form of basis of prep as mentioned

00:14:55 --> 00:14:56: earlier.

00:14:57 --> 00:15:02: And in those internal forecasts I've seen two things.

00:15:02 --> 00:15:08: Firstly, negative cash flows, so an increase in cost

00:15:08 --> 00:15:13: associated

00:15:08 --> 00:15:13: with applying a carbon price and that's often where there's

00:15:14 --> 00:15:18: the higher or the more carbon intensive parts of a

00:15:18 --> 00:15:23: portfolio or parts of a property really the state portfolio

00:15:24 --> 00:15:25: for instance.

00:15:25 --> 00:15:29: So that's on the negative side and those negative cash

00:15:29 --> 00:15:30: flows.

00:15:31 --> 00:15:34: But also I've been carbon pricing come in to some

00:15:35 --> 00:15:38: of those forecasts on the green side of a business.

00:15:39 --> 00:15:45: So for example, looking at potentially preferential financing

00:15:45 --> 00:15:49: options, so

00:15:45 --> 00:15:49: that could be sustainability link loans or so on, if

00:15:49 --> 00:15:53: there's a greener portfolio of properties or so on.

00:15:54 --> 00:15:59: Or assuming that because of carbon prices has been

00:15:59 --> 00:16:05: applied,

00:15:59 --> 00:16:05: there's perhaps less retrofitting in the future or increased

00:16:05 --> 00:16:08: demand

00:16:05 --> 00:16:08: those greener properties in the future.

00:16:08 --> 00:16:12: So again, it's a series of assumptions and looking at

00:16:12 --> 00:16:17: both those potential negative cash flows and potential

beneficial cash

00:16:17 --> 00:16:21: flows based on a carbon price and detailing what those

00:16:21 --> 00:16:24: are in some sort of preparation.

00:16:25 --> 00:16:29: And also many accountants will be running sensitivity analysis to

00:16:29 --> 00:16:33: start flexing and running different scenarios to see how that

00:16:33 --> 00:16:36: will perform using some of those tools.

00:16:37 --> 00:16:38: So that was the second piece.

00:16:38 --> 00:16:42: And then very lastly was to talk about some of

00:16:42 --> 00:16:47: the the linkages with other areas from a finance perspective.

00:16:48 --> 00:16:53: So firstly was the ISSB, that's the International Sustainability Standards Board.

00:16:53 --> 00:16:54: Board.

00:16:54 --> 00:16:59: It's a set of external reporting requirements that's international.

00:16:59 --> 00:17:02: They'll then be national country by country adoption.

00:17:02 --> 00:17:05: For instance, in Australia that's happening now, it's due to

00:17:05 --> 00:17:08: happen in the UK, Canada, Hong Kong and so on.

00:17:08 --> 00:17:15: And that has external mandatory reporting requirements and it's linked

00:17:15 --> 00:17:21: to IFS, to accounting standards for carbon, but also for

00:17:21 --> 00:17:27: carbon pricing, including the price per metric tonne and how

00:17:27 --> 00:17:30: it's used internally if it is.

00:17:31 --> 00:17:35: So the link there with those external reporting requirements, also

00:17:35 --> 00:17:40: with climate transition plan which some companies are starting to

00:17:40 --> 00:17:43: look at now there's a linkage there and carbon pricing

00:17:44 --> 00:17:47: could be mentioned explicitly in those external plans.

00:17:48 --> 00:17:51: And to give an example where the Unilever in their

00:17:51 --> 00:17:56: 2024 climate transition plan, they explicitly reference that they're a

00:17:56 --> 00:18:00: member of the Carbon Price Leadership Coalition.

00:18:00 --> 00:18:03: They have an internal carbon price which is a shadow

00:18:03 --> 00:18:05: price of seventy U.S.

00:18:05 --> 00:18:06: dollars.

00:18:07 --> 00:18:11: But interestingly, they note, although this isn't the binding target

00:18:11 --> 00:18:14: for them, so in fact, their binding target is the

00:18:14 --> 00:18:19: emission reductions that they've committed to their emission reduction targets,

00:18:19 --> 00:18:22: they still use this internally because it sends a signal.

00:18:23 --> 00:18:26: So I think that's also just something to consider around

00:18:26 --> 00:18:28: how this can be used internally.

00:18:29 --> 00:18:33: And then finally, for those people and CFO finance teams  
00:18:33 --> 00:18:38: as well who are talking to banks, investors, there's different  
00:18:38 --> 00:18:43: ways again carbon pricing can be used and different  
disclosures  
00:18:43 --> 00:18:48: requirements coming up 1 to briefly mention that perhaps  
lesser  
00:18:48 --> 00:18:51: known is the green asset ratio.  
00:18:51 --> 00:18:56: So banks including for example ING in the Netherlands I  
00:18:56 --> 00:19:01: was looking at most recently, are required from this year  
00:19:01 --> 00:19:05: to split their balance sheets into green and brown using  
00:19:05 --> 00:19:06: the EU taxonomy.  
00:19:07 --> 00:19:10: And there's a set of definitions behind that.  
00:19:11 --> 00:19:14: It also pops out with a ratio and for real  
00:19:14 --> 00:19:20: estate in particular that's been assumed using various  
different Nete  
00:19:20 --> 00:19:25: codes or industry sector codes and also EPC ratings.  
00:19:26 --> 00:19:31: So the increasing requirements, disclosure requirements  
which are binding for  
00:19:31 --> 00:19:35: some of those financial providers and a set of resources  
00:19:35 --> 00:19:39: that can be really helpful in this regard.  
00:19:39 --> 00:19:44: If you're talking to finance team accountant or perhaps you  
00:19:44 --> 00:19:48: are, one is a 4S and that's a with the  
00:19:48 --> 00:19:54: number 4S accounting for sustainability have dedicated  
resources.  
00:19:54 --> 00:19:59: They're a charity for finance teams, for accountants,  
including on  
00:19:59 --> 00:20:00: carbon pricing.  
00:20:01 --> 00:20:04: So that was a little bit just to share from  
00:20:04 --> 00:20:07: an accountant from a finance perspective on the how.  
00:20:07 --> 00:20:11: And now we're going to hear from people who are  
00:20:11 --> 00:20:15: doing this in practice, in their organization and.  
00:20:16 --> 00:20:22: The fast of those two people is from the real  
00:20:22 --> 00:20:26: estate, so giving Shane a moment.  
00:20:28 --> 00:20:29: To unmute myself.  
00:20:29 --> 00:20:30: Excellent.  
00:20:31 --> 00:20:32: Good to see you.  
00:20:32 --> 00:20:34: I can can take a breath as well.  
00:20:35 --> 00:20:38: So Shane, great to see you and perhaps when we  
00:20:38 --> 00:20:42: as we start this piece, maybe you could introduce yourself,  
00:20:42 --> 00:20:43: who you are and what you do.  
00:20:44 --> 00:20:44: Yeah.  
00:20:46 --> 00:20:49: My name is Shane Caldwell and I'm the Head of  
00:20:49 --> 00:20:51: Sustainability at I put real estate in Dublin.

00:20:52 --> 00:20:56: I put real estate are an Irish real estate fund.  
00:20:56 --> 00:20:59: All our assets are located in Ireland specifically actually in  
00:21:00 --> 00:21:01: in the Dublin market.  
00:21:01 --> 00:21:05: We have a mix of office, retail and logistics assets,  
00:21:06 --> 00:21:10: predominantly office, but by value probably about 67 or 8%  
00:21:10 --> 00:21:14: of our fund is in office market and about 20%  
00:21:14 --> 00:21:18: in the logistics and then the balancing in in the  
00:21:18 --> 00:21:20: retail sector.  
00:21:22 --> 00:21:23: So yeah, that's just a little bit of background.  
00:21:24 --> 00:21:25: I could go on, but I'll stop there.  
00:21:27 --> 00:21:27: Well, thank you.  
00:21:27 --> 00:21:31: And then thinking of carbon pricing, So what did you  
00:21:31 --> 00:21:35: do and and which part of the portfolio did you  
00:21:35 --> 00:21:36: start with?  
00:21:37 --> 00:21:37: Yeah.  
00:21:37 --> 00:21:40: Well, for from our perspective, I suppose where it started  
00:21:40 --> 00:21:43: was in September of 2020, we became a signatory of  
00:21:43 --> 00:21:47: the World Green Building Council's advancing Net 0  
commitment.  
00:21:48 --> 00:21:53: So that was I suppose a signal externally and internally  
00:21:53 --> 00:21:56: that we wanted to achieve Net 0 carbon in terms  
00:21:56 --> 00:22:00: of theory of our, our portfolio, which is under our  
00:22:00 --> 00:22:05: direct controls that that area that we directly manage.  
00:22:05 --> 00:22:07: And also in terms of the, we have, we had  
00:22:07 --> 00:22:11: a development pipeline there across office and logistics.  
00:22:11 --> 00:22:13: So any of the we want to ensure that the  
00:22:13 --> 00:22:16: assets that we're developing, we're reducing the amount of  
and  
00:22:16 --> 00:22:19: body carbon as much as possible and that those assets  
00:22:19 --> 00:22:21: that we build can operate at Nets of carbon.  
00:22:22 --> 00:22:24: So that was kind of the the start of some  
00:22:24 --> 00:22:26: of this journey going back almost four years ago now.  
00:22:28 --> 00:22:30: After making that what kind of commitment we wanted to  
00:22:30 --> 00:22:32: turn that aspiration into an action plan.  
00:22:32 --> 00:22:36: So we took a bit of time over the next  
00:22:36 --> 00:22:40: 12 months, we developed our net 02030 carbon pathway.  
00:22:41 --> 00:22:44: And I guess one of the tools, one of the  
00:22:44 --> 00:22:48: many tools that we identified throughout that process, which  
involved  
00:22:48 --> 00:22:51: a lot of workshopping with our team was that we  
00:22:51 --> 00:22:55: would use an internal carbon price which we would levy  
00:22:55 --> 00:22:58: on the embodied carbon associated with our developments.  
00:23:00 --> 00:23:04: So that was I guess where we started off from

00:23:05 --> 00:23:10: and was the area of our organization which we decided  
00:23:10 --> 00:23:11: to focus on.  
00:23:11 --> 00:23:14: And I guess just to give a bit of context  
00:23:14 --> 00:23:18: to that, like when we, you know, we've been reporting  
00:23:18 --> 00:23:22: on our annual carbon footprint for a number of years  
00:23:22 --> 00:23:27: and what we had, you know, with our development pipeline  
00:23:27 --> 00:23:31: up to 6070% some years was associated with the embodied  
00:23:31 --> 00:23:33: carbon with our development project.  
00:23:33 --> 00:23:37: So that was really the the material part of our  
00:23:37 --> 00:23:41: carbon footprint and we really wanted to target that upfront.  
00:23:44 --> 00:23:44: Thank you.  
00:23:44 --> 00:23:48: And so you mentioned this focused on the embodied carbon  
00:23:48 --> 00:23:52: and a sort of perspective focusing also on Ireland, if  
00:23:52 --> 00:23:53: I understand well.  
00:23:55 --> 00:23:59: And how did you deal with were there any local  
00:24:00 --> 00:24:05: taxes or external regulations that were already in place?  
00:24:05 --> 00:24:08: How did you deal with that internal versus external piece?  
00:24:09 --> 00:24:09: Yeah.  
00:24:10 --> 00:24:12: Well, I guess a couple of things there.  
00:24:13 --> 00:24:18: At the time there were, there is no legislation regulation  
00:24:18 --> 00:24:23: that that's imposing a, a carbon price, but there's a  
00:24:23 --> 00:24:27: lot of signals there in terms of, you know, a  
00:24:27 --> 00:24:32: lot of this is about addressing transition risk and risk  
00:24:32 --> 00:24:37: associated with carbon in, in, in your portfolio.  
00:24:38 --> 00:24:41: And as part of our pathway, we did identify that  
00:24:41 --> 00:24:45: you know the carbon would is going to be priced  
00:24:45 --> 00:24:49: in or is likely to be priced in either through  
00:24:49 --> 00:24:54: regulation going perhaps from an Irish context down through  
00:24:54 --> 00:24:57: EU or as we are seeing more recently as well,  
00:24:57 --> 00:25:02: perhaps at city level or local authority level almost rather  
00:25:02 --> 00:25:03: than national level.  
00:25:04 --> 00:25:08: So as we operate primarily in the Dublin region, we  
00:25:08 --> 00:25:12: know we're closer to the ground that there is consideration  
00:25:12 --> 00:25:15: around idea of of a carbon levy.  
00:25:16 --> 00:25:19: But what influenced our decision at the time was when  
00:25:19 --> 00:25:21: we were when we were resetting their carbon price and  
00:25:21 --> 00:25:24: sorry I must mention our carbon price, The price that  
00:25:24 --> 00:25:26: we set was ???80 per tonne of carbon.  
00:25:26 --> 00:25:30: And some of the factors that influenced that was back  
00:25:30 --> 00:25:33: in 2001 when we were looking at this, we were  
00:25:33 --> 00:25:37: looking at what the prediction was and where the price

00:25:37 --> 00:25:41: of carbon would be towards the end of this decade.

00:25:41 --> 00:25:49: And also the Irish government had produced a climate action plan, which it's had identified as well.

00:25:49 --> 00:25:54: A price of the price of carbon towards the end

00:25:54 --> 00:25:56: of this decade would be in the region of ???80

00:25:57 --> 00:25:59: per ton of carbon.

00:25:59 --> 00:26:00: So in the absence of any kind of clear guidance

00:26:01 --> 00:26:04: or framework or standards, what we did was we we,

00:26:04 --> 00:26:08: we aligned ourselves with with what the Irish private action

00:26:08 --> 00:26:12: plan, what was saying and that was the 80 year

00:26:12 --> 00:26:15: old friend.

00:26:16 --> 00:26:16: Yeah.

00:26:18 --> 00:26:18: Thank you.

00:26:18 --> 00:26:19: And you mentioned we a few times there and I'm

00:26:19 --> 00:26:22: sure there's a bit of process that sits around that.

00:26:22 --> 00:26:26: So just curious who was involved in different departments

00:26:26 --> 00:26:30: and

00:26:30 --> 00:26:31: so on, who was we?

00:26:32 --> 00:26:32: Yeah.

00:26:32 --> 00:26:35: Well, the we was also is the idea of one

00:26:35 --> 00:26:39: or two individuals, I suppose in terms of how, how

00:26:39 --> 00:26:42: do we use as one of the drivers really in

00:26:42 --> 00:26:46: terms of the carbon pricing was less the price or

00:26:46 --> 00:26:49: what the market was going to say the price was

00:26:49 --> 00:26:52: because a lot of it is estimation.

00:26:52 --> 00:26:55: But really what we were trying to do was get

00:26:55 --> 00:26:58: our entire team so that we that would be a

00:26:58 --> 00:27:01: lot of our, we have an internal development team who's

00:27:01 --> 00:27:04: kind of project managed a lot of our development project

00:27:04 --> 00:27:08: manager, all of our development and major refurbishing projects.

00:27:09 --> 00:27:13: So they're kind of responsible for that carbon budget.

00:27:13 --> 00:27:15: We really needed to engage with those guys in terms

00:27:15 --> 00:27:19: of trying to address the embodied carbon associated with our

00:27:19 --> 00:27:20: developments.

00:27:21 --> 00:27:24: We had to engage with our fund management and our

00:27:24 --> 00:27:29: internal valuers in terms of how they're going to address

00:27:29 --> 00:27:32: this price in in terms of their appraisals.

00:27:32 --> 00:27:35: Because again, just to be clear, it's not a shadow

00:27:35 --> 00:27:39: price, it's an actual there's a euro value associated with

00:27:39 --> 00:27:39: this.

00:27:39 --> 00:27:43: And we have to engage with our finance team because

00:27:43 --> 00:27:46: we have to work with them in terms of setting

00:27:46 --> 00:27:50: up a stand alone bank account because the proceeds of  
00:27:50 --> 00:27:54: the internal carbon price are ring fenced into a transition  
00:27:54 --> 00:27:57: fund, which is to be used for, for for certain  
00:27:57 --> 00:28:01: projects which are set down in our transition from the  
00:28:01 --> 00:28:02: framework.  
00:28:02 --> 00:28:05: So that's I guess we have to involve.  
00:28:05 --> 00:28:08: But the process from moving to it being an idea  
00:28:08 --> 00:28:12: to actually getting approval at the board level, we really  
00:28:12 --> 00:28:15: had to engage with sort of some of the senior  
00:28:15 --> 00:28:16: management team starting off.  
00:28:17 --> 00:28:21: We, I went to our CEO, explain to him why  
00:28:21 --> 00:28:23: we're doing this.  
00:28:23 --> 00:28:26: So it was addressing transition risk, it was focusing in  
00:28:26 --> 00:28:29: on the largest part of our carbon footprint.  
00:28:30 --> 00:28:33: It was focusing on our developments where we have, you  
00:28:33 --> 00:28:36: know, in terms of decisions that we make can have  
00:28:36 --> 00:28:37: the biggest impact.  
00:28:38 --> 00:28:40: And he was quite supportive of that.  
00:28:40 --> 00:28:43: Then we engaged with our head of development, had our  
00:28:43 --> 00:28:47: head of fund management involved and our financial  
00:28:47 --> 00:28:49: controller involved  
00:28:47 --> 00:28:49: and we've got everybody around the table.  
00:28:50 --> 00:28:54: And after some very robust discussions over the series of  
00:28:54 --> 00:28:58: few meetings, we managed to iron out I suppose the  
00:28:59 --> 00:29:02: the process of how of how we would roll out  
00:29:02 --> 00:29:07: the carbon price and importantly as well as who would  
00:29:07 --> 00:29:10: have ownership of the different parts of it.  
00:29:10 --> 00:29:15: So rather than it being something that just the sustainability  
00:29:15 --> 00:29:18: team here and I could look after, it's it's something  
00:29:18 --> 00:29:23: that in terms of the development projects that the  
00:29:23 --> 00:29:24: development  
00:29:23 --> 00:29:24: team owned that partners.  
00:29:24 --> 00:29:29: And what we're doing is bringing the carbon accounting side  
00:29:29 --> 00:29:33: of bringing the carbon accounting essentially in the same  
00:29:33 --> 00:29:38: footing  
00:29:33 --> 00:29:38: as a financial accounting because there's, there's this  
00:29:38 --> 00:29:40: monetary transaction  
00:29:38 --> 00:29:40: that has to take place.  
00:29:42 --> 00:29:42: Yeah.  
00:29:42 --> 00:29:43: Thank you.  
00:29:43 --> 00:29:46: And I would love to touch on the transition fund  
00:29:46 --> 00:29:47: a little bit later.  
00:29:48 --> 00:29:52: But in the meantime, just a couple of other questions

00:29:52 --> 00:29:55: on how I think with the carbon accounting, there can  
00:29:56 --> 00:29:59: be some uncertainty and standards still evolve.  
00:29:59 --> 00:30:02: And as you mentioned with carbon pricing is maybe not  
00:30:02 --> 00:30:04: an existing standard there, an external standard.  
00:30:04 --> 00:30:07: So how did you deal with some of those areas  
00:30:07 --> 00:30:08: where there's uncertainty?  
00:30:09 --> 00:30:11: Well, what we did, we looked, looked around and so  
00:30:11 --> 00:30:13: where is the industry at the moment?  
00:30:13 --> 00:30:17: What are what are the areas that the industry is  
00:30:17 --> 00:30:20: coalescing around the best in class standards.  
00:30:20 --> 00:30:24: So in terms of the benchmarks that we use from  
00:30:24 --> 00:30:28: a carbon accounting perspective, we look at things like Letty  
00:30:28 --> 00:30:32: Reba in terms of the methodology that we use, we  
00:30:32 --> 00:30:36: follow the RICS methodology in terms of the carbon  
accounting  
00:30:36 --> 00:30:40: we use all our whole life cycle assessments are carried  
00:30:40 --> 00:30:42: out through one click LCA.  
00:30:42 --> 00:30:46: But a key part of I suppose this whole process  
00:30:46 --> 00:30:50: as well as we engaged early with our supply chain.  
00:30:50 --> 00:30:53: So in terms of we use our cost management or  
00:30:53 --> 00:30:58: quantity surveyors or cost management consultants to carry  
out the  
00:30:58 --> 00:31:02: whole life carbon assessments because they're the ones who  
are  
00:31:02 --> 00:31:06: used to counting and have a bit of quantities, materials  
00:31:06 --> 00:31:08: and quantities, etcetera.  
00:31:09 --> 00:31:11: So we engage with them early on in the process.  
00:31:11 --> 00:31:14: In terms of listen guys, This is why we're trying  
00:31:14 --> 00:31:14: to do this.  
00:31:14 --> 00:31:17: We really want to not have the whole life card  
00:31:17 --> 00:31:21: assessment, something that's just done at the end of a  
00:31:21 --> 00:31:24: project or you know, that is done on a ticket  
00:31:24 --> 00:31:26: box that this is meaningful.  
00:31:26 --> 00:31:28: We're looking at this, we're looking at each line item.  
00:31:28 --> 00:31:33: It means that we're asking questions about the materials  
we're  
00:31:33 --> 00:31:37: using, the design, we're the design that we're following,  
etcetera.  
00:31:38 --> 00:31:40: So that was a key part of it as well  
00:31:40 --> 00:31:44: in terms of setting out the methodology, agreeing with the  
00:31:44 --> 00:31:46: team as to what we were going to.  
00:31:47 --> 00:31:51: So if that methodology were going to follow, identifying who's  
00:31:51 --> 00:31:55: going to be responsible for delivering it and then everybody

00:31:55 --> 00:31:58: knew where that where their piece in that kind of  
00:31:58 --> 00:32:00: chain was or is.  
00:32:01 --> 00:32:02: Yeah, absolutely.  
00:32:02 --> 00:32:02: Thank you.  
00:32:02 --> 00:32:06: And it sounds like quite a process, but now as  
00:32:06 --> 00:32:10: you look back all the certain things that you think  
00:32:10 --> 00:32:13: you know, maybe there's suggestions.  
00:32:14 --> 00:32:17: So you'll be recommendations other people.  
00:32:17 --> 00:32:19: So if you look like what, what would be your  
00:32:19 --> 00:32:20: suggestions for others?  
00:32:20 --> 00:32:20: Yeah.  
00:32:20 --> 00:32:23: Well, for me, I think that the key thing, and  
00:32:23 --> 00:32:26: this is where we started is like, just to be  
00:32:26 --> 00:32:29: clear as to why you're doing it, because I do  
00:32:29 --> 00:32:32: believe that it'll be, you know, for our organization, we're  
00:32:33 --> 00:32:35: one fund, we operate into one jurisdiction.  
00:32:35 --> 00:32:36: We're close to our team.  
00:32:37 --> 00:32:40: And it was really the, the key driver for us  
00:32:40 --> 00:32:44: who's really trying to engage that our, our team here  
00:32:44 --> 00:32:47: internally was in, I put and, and also the, the  
00:32:47 --> 00:32:51: wider supply chain and industry that we work with here  
00:32:51 --> 00:32:54: to focus in on that carbon accounting side of things  
00:32:54 --> 00:32:58: and really trying to improve the detail of that.  
00:32:58 --> 00:33:00: So that was for us, that was always, that was  
00:33:00 --> 00:33:02: the why, that was the key driver around us.  
00:33:04 --> 00:33:07: And I think if you're saying, I think this process,  
00:33:07 --> 00:33:09: you need to have clarity around that.  
00:33:09 --> 00:33:13: And that helped when I had the first conversation with  
00:33:13 --> 00:33:16: our CEO when we had to sit down and talk  
00:33:16 --> 00:33:18: about this at board level.  
00:33:19 --> 00:33:21: And then when we had to engage with some of  
00:33:21 --> 00:33:24: our key investors as well on this topic, it was  
00:33:24 --> 00:33:27: there was clarity over to why are we doing this.  
00:33:27 --> 00:33:28: It was like this a lot.  
00:33:28 --> 00:33:31: And that was what we're trying to do is transform  
00:33:31 --> 00:33:34: how we're doing things, tackle that part of the our  
00:33:34 --> 00:33:37: carbon footprint, which is which is the largest and which  
00:33:37 --> 00:33:39: is happening right now.  
00:33:40 --> 00:33:44: And yeah, so start starting, be very clear around that,  
00:33:44 --> 00:33:47: engage with the right people and make sure that you  
00:33:47 --> 00:33:51: kind of bring people into the conversation to give them  
00:33:51 --> 00:33:55: a bit of ownership and responsibility in terms of their

00:33:55 --> 00:33:55: part.  
00:33:55 --> 00:33:59: Because what doesn't work sometimes essentially what we're doing here  
00:33:59 --> 00:34:03: is and like the immediate, the initial feedback from our  
00:34:03 --> 00:34:06: development team might have been, hang on, you're, you're kind  
00:34:07 --> 00:34:09: of putting a levy or taxing us for almost doing  
00:34:09 --> 00:34:12: our job and delivering these projects.  
00:34:12 --> 00:34:14: And the short answer when that was, it was like,  
00:34:14 --> 00:34:17: well, yes, it's what we're doing, but like, here's why  
00:34:17 --> 00:34:19: we're doing it and, and how we're doing it.  
00:34:20 --> 00:34:22: So once you had that clear message as to why  
00:34:22 --> 00:34:24: you got people on board fairly quickly and then people  
00:34:24 --> 00:34:27: went, OK, so this is how I can contribute to  
00:34:27 --> 00:34:27: that.  
00:34:27 --> 00:34:30: And so, yeah, be clear on why, engage the right  
00:34:30 --> 00:34:33: people early on and give ownership to people within the  
00:34:33 --> 00:34:34: organization.  
00:34:34 --> 00:34:35: We have to deliver.  
00:34:37 --> 00:34:38: Yeah, thank you.  
00:34:38 --> 00:34:40: And I can see there's a few questions in the  
00:34:40 --> 00:34:40: chat.  
00:34:41 --> 00:34:44: We do have time for Q&A later, but please keep  
00:34:44 --> 00:34:44: them coming.  
00:34:44 --> 00:34:48: So if you do have questions, yeah, please feel free  
00:34:48 --> 00:34:49: to pop them in there.  
00:34:50 --> 00:34:53: After the next case study, we'll have a moment for  
00:34:53 --> 00:34:53: Q&A.  
00:34:53 --> 00:34:56: And so we can pick up some of the questions  
00:34:56 --> 00:34:59: then, but please feel free to keep them coming in  
00:34:59 --> 00:34:59: the meantime.  
00:35:01 --> 00:35:05: And Shane, then thinking of again, looking back at the  
00:35:05 --> 00:35:09: experience so far, are there certain things that you found  
00:35:09 --> 00:35:13: maybe more tricky or maybe more straightforward from that  
00:35:16 --> 00:35:21: process?  
00:35:16 --> 00:35:21: Well, I think there are still challenges around the carbon  
00:35:21 --> 00:35:25: accounting and, and Lcas and etcetera, but I, I, I  
00:35:25 --> 00:35:29: think by employing the carbon price, it meant that we  
00:35:29 --> 00:35:33: really had to get into the nitty gritty of that  
00:35:33 --> 00:35:34: with our teams.  
00:35:34 --> 00:35:39: So that, that was a positive in terms of the  
00:35:39 --> 00:35:40: challenges there.  
00:35:41 --> 00:35:43: I know it's at the outset there when we started

00:35:43 --> 00:35:46: talking about car, there's a bit of an education piece  
00:35:47 --> 00:35:51: or information sharing piece around that carbon pricing,  
carbon offsetting,  
00:35:51 --> 00:35:53: you know, what's the difference?  
00:35:54 --> 00:35:58: And there was we had to have provide good clarity  
00:35:58 --> 00:36:02: in terms of OK, because we're actually, it's not a  
00:36:02 --> 00:36:05: shadow price, it's a, it's a levy.  
00:36:06 --> 00:36:08: What are you going to do with those funds?  
00:36:08 --> 00:36:11: So that was I suppose in terms of sitting down  
00:36:11 --> 00:36:15: with our financial controller and investment committee as well  
around  
00:36:16 --> 00:36:19: what are we going to do with those funds which  
00:36:19 --> 00:36:23: accrue from from the internal carbon price because we did  
00:36:23 --> 00:36:26: the, the price it took effect, we came up this  
00:36:26 --> 00:36:29: in September around we, we set this out as part  
00:36:29 --> 00:36:31: of a pathway in September 2021.  
00:36:31 --> 00:36:36: The carbon price took effect from the 1st of January  
00:36:36 --> 00:36:36: 2022.  
00:36:37 --> 00:36:39: We had to make a decision then in terms of  
00:36:39 --> 00:36:41: because we are focusing on the embodied carbon associated  
with  
00:36:42 --> 00:36:42: our developments.  
00:36:43 --> 00:36:44: Do we do that at project end?  
00:36:45 --> 00:36:47: Do we do it on a, an annual basis in  
00:36:48 --> 00:36:50: line with our financial calendar?  
00:36:50 --> 00:36:52: And so they were the things you had to start  
00:36:52 --> 00:36:55: thinking about in terms of what are, what's the, the  
00:36:55 --> 00:36:58: knock on effects or the consequences of that.  
00:36:58 --> 00:37:01: So it's taking time to consider all that.  
00:37:01 --> 00:37:05: And again, having the, the right people in the room  
00:37:05 --> 00:37:08: in terms of making a decision.  
00:37:08 --> 00:37:11: So it's not just a decision that's landed upon someone  
00:37:11 --> 00:37:15: that you're, you're including them into, I suppose, coming up  
00:37:15 --> 00:37:19: with the the governance and the framework around and using  
00:37:19 --> 00:37:19: it.  
00:37:21 --> 00:37:23: Yeah, absolutely makes sense.  
00:37:23 --> 00:37:27: And then, yeah, coming back to the the transition fund  
00:37:27 --> 00:37:31: which you mentioned earlier and how this fits into into  
00:37:31 --> 00:37:33: the more wider scheme of things.  
00:37:33 --> 00:37:37: So you focused on embody carbon applied a price and  
00:37:37 --> 00:37:41: then there's there's actual sort of money moving to a  
00:37:41 --> 00:37:44: separate bank account to this transition fund.  
00:37:44 --> 00:37:47: So perhaps you could just explain a little bit how

00:37:47 --> 00:37:49: that works, how you've thought about it.

00:37:50 --> 00:37:50: Yeah.

00:37:50 --> 00:37:54: So I suppose then the, so you measure the carbon,

00:37:54 --> 00:37:57: you apply price of ???80, you account for it at

00:37:58 --> 00:38:01: the end of the year and it and it moves

00:38:01 --> 00:38:03: into a separate bank account.

00:38:03 --> 00:38:05: And what we decided to do is that any of

00:38:05 --> 00:38:09: those funds that are generated, they're kind of ring fenced

00:38:09 --> 00:38:12: into what we call wasn't a very imaginative name transition

00:38:12 --> 00:38:12: funds.

00:38:14 --> 00:38:17: And the idea is that that's reinvested then in projects

00:38:17 --> 00:38:22: and initiatives that help improve the sustainability

00:38:22 --> 00:38:23: performance of the

00:38:23 --> 00:38:25: portfolio at large.

00:38:23 --> 00:38:25: And again, we've won funds, everything is in the one

00:38:26 --> 00:38:26: funds.

00:38:26 --> 00:38:30: So there isn't this issue of switching across and it

00:38:30 --> 00:38:35: it you know, that feeds into assisting with the decarbonisation

00:38:35 --> 00:38:38: of our wider portfolio, the projects.

00:38:38 --> 00:38:42: I suppose we have a framework, transition from framework

00:38:43 --> 00:38:46: and

00:38:43 --> 00:38:46: there's criteria there in terms of what that money can

00:38:47 --> 00:38:47: be spent on.

00:38:47 --> 00:38:51: A lot of it is around I suppose innovation in

00:38:51 --> 00:38:58: terms of whether that's our development or outstanding

00:38:58 --> 00:39:03: investments, innovative

00:38:58 --> 00:39:03: solutions, research and and it was anything that would really

00:39:03 --> 00:39:09: help reduce that energy use intensity across our

00:39:09 --> 00:39:11: developments, our

00:39:09 --> 00:39:11: standing portfolio.

00:39:11 --> 00:39:16: We've also identified, I suppose, that one of the challenges

00:39:16 --> 00:39:20: here is around upscaling in the whole area of sustainability

00:39:21 --> 00:39:26: generally, but you know, new technologies, heat pump

00:39:26 --> 00:39:30: systems, etcetera

00:39:26 --> 00:39:30: that they're, so the funds can be used for supporting

00:39:30 --> 00:39:32: projects like that.

00:39:32 --> 00:39:34: And a couple of examples because there's nothing like an

00:39:34 --> 00:39:34: example.

00:39:34 --> 00:39:40: So earlier this year there was a Irish supply chain,

00:39:40 --> 00:39:47: Irish supply chain school, Irish Sustainability Supply chain

00:39:47 --> 00:39:48: school was

00:39:47 --> 00:39:48: founded.

00:39:48 --> 00:39:50: We were a founding member of that.

00:39:51 --> 00:39:54: I think it's established in the UK for the last,  
00:39:54 --> 00:39:56: we've been nearly 10 years and at this stage, but  
00:39:56 --> 00:39:59: we can a founding member that here in Ireland.  
00:39:59 --> 00:40:01: And the idea of that is the, the, I suppose  
00:40:01 --> 00:40:04: the funding for that and our support of that came  
00:40:04 --> 00:40:07: from the transition fund and that's really tackling that issue  
00:40:07 --> 00:40:11: of engaging with the supply chain, engaging with the industry  
00:40:11 --> 00:40:12: here and having upskilled them.  
00:40:13 --> 00:40:17: We've used the proceeds of the fund as well to  
00:40:17 --> 00:40:18: acquire.  
00:40:19 --> 00:40:22: Bare land here in Ireland that we intend to or  
00:40:23 --> 00:40:26: as of last the end of last month have started  
00:40:26 --> 00:40:31: planting your own native woodland Irish forests with a which  
00:40:31 --> 00:40:35: is with that longer term view of where we'll be  
00:40:35 --> 00:40:39: in 20-30 to use that to offset some of the  
00:40:39 --> 00:40:43: residual carbon emissions from our portfolio post 2030.  
00:40:44 --> 00:40:47: So they're just, I suppose, a couple of the examples  
00:40:48 --> 00:40:52: of what we're using the transition point for and another  
00:40:52 --> 00:40:55: one is kind of a portfolio wide view on PV,  
00:40:55 --> 00:40:59: rooftop PV and some of our logistics assets as well.  
00:41:01 --> 00:41:01: Thank you.  
00:41:01 --> 00:41:02: Yeah, really interesting.  
00:41:02 --> 00:41:07: In the final question or maybe group of questions.  
00:41:08 --> 00:41:09: Well, is there anything else you would like to add?  
00:41:10 --> 00:41:11: And also what's next?  
00:41:12 --> 00:41:13: What are you thinking of next?  
00:41:13 --> 00:41:13: And we'll have.  
00:41:13 --> 00:41:17: Some, yeah, well, we review, we review I suppose our  
00:41:17 --> 00:41:20: transition funds framework on a on a yearly basis in  
00:41:20 --> 00:41:23: terms of the criteria how that can be spent on.  
00:41:24 --> 00:41:29: We're coming up 2025 was benchmarked as a kind of  
00:41:29 --> 00:41:33: a midterm review of our 2030 action plan.  
00:41:33 --> 00:41:37: So as part of all that our carbon pricing and  
00:41:37 --> 00:41:40: our approach to that is going to be reviewed and  
00:41:40 --> 00:41:44: hopefully there'll be, you know the on one hand it's  
00:41:45 --> 00:41:48: been very successful in terms of we found that it  
00:41:48 --> 00:41:53: has really engaged A-Team carbon whole life carbon  
assessments and  
00:41:54 --> 00:41:59: our developments in our major refurbishments is just  
commonplace now.  
00:41:59 --> 00:42:00: It's practice.  
00:42:00 --> 00:42:03: We've really brought a lot of our suppliers along with

00:42:03 --> 00:42:04: that journey now.

00:42:04 --> 00:42:06: So some might argue that well, now that you've achieved

00:42:07 --> 00:42:09: some of those things that you set out to achieve,

00:42:09 --> 00:42:10: do we drop the carbon price?

00:42:11 --> 00:42:14: And then there's another debate about whether is that is

00:42:14 --> 00:42:18: it something that we potentially stand across into our operational

00:42:18 --> 00:42:19: carbon as well.

00:42:19 --> 00:42:23: So, but that's next year's problem.

00:42:23 --> 00:42:25: We'll get into the reason this.

00:42:26 --> 00:42:27: One thing at a time.

00:42:27 --> 00:42:29: Well, thank you so much.

00:42:30 --> 00:42:33: Really insightful and really interesting to hear.

00:42:33 --> 00:42:35: And as said, we'll hear from Adam shortly and then

00:42:35 --> 00:42:38: Shane will be back and then we'll get into some

00:42:38 --> 00:42:39: of the questions.

00:42:39 --> 00:42:41: But thank you for now, Shane much.

00:42:41 --> 00:42:41: Thank you.

00:42:46 --> 00:42:48: And Adam?

00:42:52 --> 00:42:53: Hey, good afternoon.

00:42:53 --> 00:42:54: Yeah.

00:42:54 --> 00:42:56: Can you, can you hear me, Rebecca?

00:42:56 --> 00:42:58: I can indeed.

00:42:58 --> 00:42:58: Yeah.

00:42:58 --> 00:42:59: How are you doing?

00:42:59 --> 00:42:59: Perfect.

00:43:00 --> 00:43:01: Doing very well.

00:43:01 --> 00:43:01: Thank you.

00:43:02 --> 00:43:03: Excellent.

00:43:04 --> 00:43:04: And are you?

00:43:04 --> 00:43:07: Oh, there, there you are.

00:43:07 --> 00:43:08: Good to see your face.

00:43:10 --> 00:43:13: Well, thank you for joining and again for for introduction,

00:43:13 --> 00:43:16: perhaps if you could introduce yourself who you are and

00:43:16 --> 00:43:19: also maybe a little bit about Emerson as well, the

00:43:19 --> 00:43:23: different emission scopes, people who aren't quite so familiar.

00:43:23 --> 00:43:24: Yeah, certainly.

00:43:25 --> 00:43:30: So Adam Glassell based in the United States, St.

00:43:30 --> 00:43:33: Louis, MO, That's where Emerson's global headquarters is.

00:43:33 --> 00:43:36: I work on our corporate sustainability team.

00:43:36 --> 00:43:39: So my official title is the sustainable Energy Manager.

00:43:40 --> 00:43:42: My main focus is on our scope one, scope 2

00:43:42 --> 00:43:47: footprint, so operational decarbonization for our facilities that we have

00:43:47 --> 00:43:48: around the world.

00:43:49 --> 00:43:51: In case you are not familiar with Emerson, a little

00:43:51 --> 00:43:54: bit of background information on the company.

00:43:54 --> 00:44:01: We are a multinational industrial conglomerate focused primarily on automation.

00:44:01 --> 00:44:03: That's kind of our our bread and butter these days.

00:44:04 --> 00:44:07: So we, we tend to play in industries like oil

00:44:08 --> 00:44:13: and gas, petrochemical, energy generation, mining, pulp and paper, pharmaceutical,

00:44:13 --> 00:44:16: you know, kind of the list goes on and on.

00:44:17 --> 00:44:19: But we are a manufacturing company in addition to a

00:44:20 --> 00:44:23: solution kind of consulting engineering company as well.

00:44:23 --> 00:44:26: So as a result of being a manufacturing company, we

00:44:26 --> 00:44:30: have a very substantial facility footprint around the world.

00:44:30 --> 00:44:34: We have somewhere in the ballpark of around 200 different

00:44:34 --> 00:44:40: rooftops and that includes manufacturing sites, headquarter buildings, R&D centers,

00:44:40 --> 00:44:42: warehouses, so on and so forth.

00:44:43 --> 00:44:46: So even though we, we are a publicly traded company

00:44:46 --> 00:44:48: and you know, we do about 18 billion U.S.

00:44:48 --> 00:44:50: dollars a year in terms of revenue around the world,

00:44:50 --> 00:44:52: we do in a sense act a little bit like

00:44:52 --> 00:44:54: a real estate holding company as well.

00:44:55 --> 00:44:57: Because of the fact that we do have, you know,

00:44:57 --> 00:45:00: hundreds of thousands of, you know, square feet and, and

00:45:00 --> 00:45:02: all of these different cities around the world.

00:45:03 --> 00:45:06: So when it comes to decarbonization, there's a lot that

00:45:06 --> 00:45:08: we have to think about of course and what is

00:45:08 --> 00:45:11: driving the energy consumption, what is creating the carbon footprint

00:45:11 --> 00:45:14: and what ultimately do we need to be doing to

00:45:14 --> 00:45:16: achieve the targets that we have in place.

00:45:16 --> 00:45:20: We do have an SPTI validated target for scope one,

00:45:20 --> 00:45:22: scope 2 and scope 3.

00:45:22 --> 00:45:25: The near term target that we have for scope 1

00:45:25 --> 00:45:27: and 2 is net zero for the operation.

00:45:28 --> 00:45:30: So all of our facilities around the world and the

00:45:30 --> 00:45:32: the target date for that is 2030.

00:45:32 --> 00:45:35: And as a subset of those targets, we do have

00:45:35 --> 00:45:38: an energy intensity reduction target and then a 100 percent

00:45:38 --> 00:45:40: renewable electricity target as well.

00:45:41 --> 00:45:43: So when we think about, you know, what, what is  
00:45:43 --> 00:45:44: internal carbon pricing?  
00:45:44 --> 00:45:47: What is internal carbon valuation mean to a company like  
00:45:47 --> 00:45:47: Emerson?  
00:45:48 --> 00:45:51: I've been involved in in our sustainability work for going  
00:45:51 --> 00:45:52: on five years now.  
00:45:52 --> 00:45:55: And I was fortunate when I stepped into the role  
00:45:55 --> 00:45:57: that not a whole lot had been done.  
00:45:57 --> 00:46:00: So there was a lot of low hanging fruit that  
00:46:00 --> 00:46:01: I could go out there and pick.  
00:46:02 --> 00:46:04: And the early progress, the early momentum was a lot  
00:46:05 --> 00:46:09: of low cost, no cost opportunities primarily around energy  
efficiency  
00:46:09 --> 00:46:11: that we could go out identified and then kind of  
00:46:11 --> 00:46:15: rinse, repeat, replicate in our operations around the world.  
00:46:16 --> 00:46:18: Now that we have picked a lot of the low  
00:46:18 --> 00:46:22: hanging fruit, we find ourselves staring at a challenge to  
00:46:22 --> 00:46:24: kind of close the gap to get to that net  
00:46:24 --> 00:46:26: zero operations target that we have.  
00:46:27 --> 00:46:30: And we know that in order to achieve those targets,  
00:46:30 --> 00:46:32: we have to be ready to commit capital.  
00:46:32 --> 00:46:35: And we we knew that given the traditional methodology of  
00:46:35 --> 00:46:39: how we allocate capital and funds to our buildings and  
00:46:39 --> 00:46:43: our operations around the world, the traditional metrics that  
we're  
00:46:43 --> 00:46:46: looking at for internal rate of return for payback.  
00:46:47 --> 00:46:49: That wasn't going to be sufficient for some of the  
00:46:49 --> 00:46:52: investments that were mission critical for achieving Net 0.  
00:46:52 --> 00:46:54: So we started toying around with the idea of the  
00:46:54 --> 00:46:55: internal carbon price.  
00:46:55 --> 00:46:58: And Rebecca, I'm sure we'll, we'll, we'll get into this  
00:46:58 --> 00:46:58: quite a bit more.  
00:46:59 --> 00:47:02: But that that ultimately is the foundation in the genesis  
00:47:02 --> 00:47:04: for how we got to where we're at today, knowing  
00:47:04 --> 00:47:07: that we had to do something different ultimately to close  
00:47:07 --> 00:47:09: that gap, get behind the low hanging for them to  
00:47:10 --> 00:47:11: achieve that net 02030 target.  
00:47:13 --> 00:47:13: Great.  
00:47:13 --> 00:47:14: Well, thank you.  
00:47:14 --> 00:47:16: And yeah, so we'll get into the carbon pricing piece,  
00:47:16 --> 00:47:19: but yeah, it's great to hear about the the wider  
00:47:19 --> 00:47:19: initiative.

00:47:20 --> 00:47:22: So then thinking about carbon pricing in particular.

00:47:22 --> 00:47:25: So what did you do, if you're able to share,

00:47:25 --> 00:47:27: you know, what was the price?

00:47:27 --> 00:47:30: How and did you look at internal, external benchmarks?

00:47:30 --> 00:47:32: How did you start to define that in the first

00:47:32 --> 00:47:33: instance?

00:47:33 --> 00:47:35: Yeah, very good question.

00:47:35 --> 00:47:39: So we, we have a long standing relationship with the

00:47:39 --> 00:47:42: University of Cambridge.

00:47:42 --> 00:47:45: A couple of my colleagues who are on the, the,

00:47:45 --> 00:47:49: the corporate sustainability team, their PhDs from, from

00:47:49 --> 00:47:50: University

00:47:50 --> 00:47:53: of Cambridge.

00:47:50 --> 00:47:53: So we were fortunate that we were doing some work

00:47:54 --> 00:47:57: with a few of the engineering masters students a couple

00:47:57 --> 00:47:58: of summers ago.

00:47:59 --> 00:48:02: And one of the projects that we pitched to them

00:48:02 --> 00:48:04: was could you go out there and do a global

00:48:05 --> 00:48:09: assessment and benchmarking of what big publicly traded

00:48:09 --> 00:48:14: companies like

00:48:15 --> 00:48:18: Emerson are doing to implement and operationalize internal

00:48:18 --> 00:48:21: carbon pricing.

00:48:18 --> 00:48:21: So we had a young man, this would have been

00:48:21 --> 00:48:24: 2 summers ago who did fantastic work for us as

00:48:24 --> 00:48:27: a part of his, his thesis for his Cambridge Engineering

00:48:27 --> 00:48:31: Master's program won out, did a deep dive.

00:48:31 --> 00:48:35: And all of the other competitors, peers that had publicly

00:48:35 --> 00:48:37: disclosed that they had implemented a carbon price

00:48:37 --> 00:48:38: understanding.

00:48:38 --> 00:48:41: What are the different carbon prices that are in the

00:48:41 --> 00:48:46: market today?

00:48:46 --> 00:48:49: The European Union ETS, the markets that we're seeing in

00:48:49 --> 00:48:53: California, Canada, Singapore, different parts of the world as

00:48:53 --> 00:48:56: well,

00:48:57 --> 00:48:59: really to create that baseline for what would be reasonable

00:48:59 --> 00:49:01: and feasible for a company like Emerson kind of in

00:49:02 --> 00:49:04: the early stages of maturity to begin considering.

00:49:04 --> 00:49:06: So we we did a lot of the foundational analysis,

00:49:06 --> 00:49:09: did a lot of the benchmarking and the resource.

00:49:09 --> 00:49:12: And then the next step was how do we get

00:49:12 --> 00:49:15: buy in from the leadership team as well.

00:49:15 --> 00:49:18: So us who live in the sustainability world, you know,

00:49:18 --> 00:49:21: this is something that comes a little bit more naturally.

00:49:12 --> 00:49:14: I think we understand the value proposition.  
00:49:14 --> 00:49:16: We understand why this would be something that would make  
00:49:16 --> 00:49:17: sense and be important.  
00:49:17 --> 00:49:20: We have a lot of what I would call traditionalist  
00:49:20 --> 00:49:23: who live in our FP and a our finance and  
00:49:23 --> 00:49:27: our accounting teams and getting them on board was going  
00:49:27 --> 00:49:30: to be the major challenge that we were looking up  
00:49:30 --> 00:49:31: against.  
00:49:32 --> 00:49:34: So we, we spent a number of months, I mean,  
00:49:34 --> 00:49:36: it was 8 to 12 months that we spent getting  
00:49:36 --> 00:49:41: buying from them, explaining the rationale, explaining,  
00:49:41 --> 00:49:44: explaining why this  
00:49:44 --> 00:49:44: made sense, why would make sense for a company like  
00:49:44 --> 00:49:46: Emerson.  
00:49:46 --> 00:49:48: What is the justification?  
00:49:48 --> 00:49:51: Why are other companies doing this as well?  
00:49:51 --> 00:49:53: Slowly, you know, kind of wearing them down and eventually  
00:49:53 --> 00:49:56: getting them to see eye to eye and, and be  
00:49:56 --> 00:49:59: aligned with with what the justification was.  
00:49:59 --> 00:50:01: Once we finally got to that point and we felt  
00:50:02 --> 00:50:05: like we had, you know, very sound analysis in the  
00:50:05 --> 00:50:07: marketplace and some of that benchmarking that we had  
00:50:07 --> 00:50:09: done,  
00:50:09 --> 00:50:11: we we felt confident that we could pitch it to  
00:50:11 --> 00:50:14: the executive leadership team.  
00:50:14 --> 00:50:18: So that would be with the support of our Chief  
00:50:18 --> 00:50:20: sustainability officer and then the the CFO of Emerson as  
00:50:20 --> 00:50:23: well, making sure that they were supportive and then figuring  
00:50:23 --> 00:50:26: out what the rollout plan was going to be also.  
00:50:26 --> 00:50:29: So in terms of, you know, kind of the tactical  
00:50:29 --> 00:50:31: approach of the way that we went about things, we  
00:50:31 --> 00:50:35: ended up looking at what were the most common prices  
00:50:35 --> 00:50:37: in the marketplace at that point in time.  
00:50:38 --> 00:50:41: And the one that we looked at most closely, unsurprisingly,  
00:50:41 --> 00:50:44: was the European Union's ETF, the emissions trading  
00:50:44 --> 00:50:47: scheme.  
00:50:47 --> 00:50:50: We felt like that was the most legitimate and the  
00:50:50 --> 00:50:53: most mature price that was out there in the world.  
00:50:53 --> 00:50:56: Given the fact that we are a big multinational company,  
we did give some consideration to do we need to  
have one price in Europe, do we have 1 price  
in the Americas, do we have 1 price in Asia

00:50:56 --> 00:50:56: as well?

00:50:57 --> 00:51:00: And I think that's a level of sophistication that will

00:51:00 --> 00:51:02: consider adopting in due time.

00:51:02 --> 00:51:05: In terms of making sure that we got buy in

00:51:05 --> 00:51:08: widespread across the organization, it made the most sense to

00:51:08 --> 00:51:12: keep things simple to make sure that we could explain,

00:51:12 --> 00:51:14: you know why it is that we are choosing the

00:51:14 --> 00:51:16: price that we selected.

00:51:16 --> 00:51:19: So effectively pegging it to the movement of what the

00:51:19 --> 00:51:22: ETFs have been doing over the course of the past

00:51:22 --> 00:51:23: couple of years.

00:51:24 --> 00:51:26: And then noting that on an annual basis, we would

00:51:26 --> 00:51:29: be re evaluating that price as well with the sign

00:51:29 --> 00:51:31: off of the CFO in the office of the CFO

00:51:31 --> 00:51:34: as well and update that according to market condition.

00:51:35 --> 00:51:37: So the price that we're using right now is 90

00:51:37 --> 00:51:37: U.S.

00:51:37 --> 00:51:40: dollars, which is very much so in the ballpark of

00:51:40 --> 00:51:43: where the the European ETFs has been over the course

00:51:43 --> 00:51:44: of the past couple of years.

00:51:45 --> 00:51:49: Little bit different than Shane, we are using a shadow

00:51:49 --> 00:51:49: price.

00:51:50 --> 00:51:52: So again, we wanted to make sure that we were

00:51:52 --> 00:51:56: educating our stakeholders and using the implementation of the carbon

00:51:56 --> 00:51:59: price as an opportunity to teach them why this was

00:51:59 --> 00:52:02: going to be important and relevant in the years to

00:52:02 --> 00:52:02: come.

00:52:03 --> 00:52:05: We wanted to do our best not to alienate some

00:52:05 --> 00:52:08: of our our key stakeholders across the organization.

00:52:09 --> 00:52:12: So we felt that starting with a shadow price and

00:52:12 --> 00:52:15: again a shadow price that was pegged with some sort

00:52:15 --> 00:52:18: of a market moving condition would be the easiest way

00:52:18 --> 00:52:20: to explain and get the buy in from from a

00:52:20 --> 00:52:23: large number of stakeholders across the organization.

00:52:24 --> 00:52:25: Yeah, thank you.

00:52:25 --> 00:52:26: Makes sense.

00:52:26 --> 00:52:30: So just to paraphrase research and defining what that price

00:52:30 --> 00:52:35: should be reference to EUETS having that buy in internally

00:52:35 --> 00:52:40: including Chief sustainability Officer and CFO and focusing on the

00:52:40 --> 00:52:43: operational emissions and it was a 90 U.S.

00:52:43 --> 00:52:44: dollars.

00:52:44 --> 00:52:47: And I was just curious thinking of the the carbon

00:52:47 --> 00:52:51: emissions, there are elements of uncertainty in those carbon calculations.

00:52:51 --> 00:52:54: Also you mentioned it was a uniform price if I

00:52:54 --> 00:52:57: understand well, but there's quite a diverse portfolio.

00:52:57 --> 00:53:01: So how did you think about that diversity, or the

00:53:01 --> 00:53:04: lack of uniform, if you like, or the uncertainty in

00:53:05 --> 00:53:06: carbon calculation?

00:53:06 --> 00:53:07: Yeah, Yeah.

00:53:07 --> 00:53:08: It's a very good question.

00:53:08 --> 00:53:12: And what we came to realize was we were not

00:53:12 --> 00:53:15: going to create any solution that was a catch all

00:53:15 --> 00:53:20: for every single investment that would be made across the

00:53:20 --> 00:53:21: organization.

00:53:21 --> 00:53:24: What we wanted to do was create a framework and

00:53:24 --> 00:53:27: create a process where we would get the majority of

00:53:27 --> 00:53:31: the relevant investments and make sure that those were becoming

00:53:31 --> 00:53:34: subjective to doing this internal carbon pricing analysis.

00:53:34 --> 00:53:37: And fully understanding that there would be one off more,

00:53:38 --> 00:53:41: you know, kind of nuanced complicated analysis and calculations that

00:53:41 --> 00:53:42: would need to be done.

00:53:43 --> 00:53:45: And we would address those as they as they came

00:53:45 --> 00:53:46: to our desk.

00:53:46 --> 00:53:49: So what we ended up doing was we worked hand

00:53:49 --> 00:53:52: in hand with the finance and the accounting teams and

00:53:52 --> 00:53:56: we created a number of standard templates and documents that

00:53:56 --> 00:53:59: all of the end users, anytime that there is a

00:53:59 --> 00:54:03: relevant investment that is going to impact energy consumption or

00:54:03 --> 00:54:07: the carbon footprint of a building, an office, you know,

00:54:07 --> 00:54:11: whether it's an energy consuming equipment, the list goes on

00:54:11 --> 00:54:11: and on.

00:54:12 --> 00:54:15: Any time that they're filling out that analysis, they need

00:54:15 --> 00:54:16: to be using this template.

00:54:16 --> 00:54:19: So that as you said, Rebecca, the calculations and the

00:54:19 --> 00:54:23: way that they're determining what is the number of metric

00:54:23 --> 00:54:25: tons of CO2 that is going to be impacted, that's

00:54:25 --> 00:54:28: all being done in a very uniform and consistent way.

00:54:29 --> 00:54:32: I would also make the point that we are one

00:54:32 --> 00:54:35: of the advantages of being very keyed in and aligned  
00:54:35 --> 00:54:39: with the finance team through this entire process is any  
00:54:39 --> 00:54:42: time that there is a new request for capital that  
00:54:42 --> 00:54:46: comes across their group's desk and it looks like maybe  
00:54:46 --> 00:54:50: the analysis wasn't done in the most proper way.  
00:54:50 --> 00:54:52: That gets fed over to my team.  
00:54:52 --> 00:54:53: And we get our eyes on it.  
00:54:53 --> 00:54:55: And we make sure that we're involved very on in  
00:54:55 --> 00:54:58: the conversation, the discussion so that those numbers in the  
00:54:58 --> 00:54:59: analysis is done properly.  
00:55:01 --> 00:55:02: Yeah, thank you.  
00:55:02 --> 00:55:04: And so it's that sort of focus on internal and  
00:55:04 --> 00:55:08: and sort of documenting too and thinking about maybe  
outside  
00:55:08 --> 00:55:12: the organization again, there's lots of sometimes political  
shifts and  
00:55:12 --> 00:55:13: uncertainties.  
00:55:13 --> 00:55:15: Does it really that focus?  
00:55:15 --> 00:55:17: I want to put words in your mouth just on  
00:55:17 --> 00:55:20: your internal processes when when some of that uncertainty  
is  
00:55:20 --> 00:55:20: happening?  
00:55:27 --> 00:55:28: I'm not sure before the question.  
00:55:29 --> 00:55:32: Sorry, I think we've we've got a little bit of  
00:55:32 --> 00:55:33: echo feedback there.  
00:55:34 --> 00:55:35: OK, no worries.  
00:55:37 --> 00:55:40: Yeah, I was just asking if there was any when  
00:55:40 --> 00:55:46: there's sort of uncertainty, particularly maybe externally  
political shifts and  
00:55:46 --> 00:55:50: so on, really was about focusing on your own internal  
00:55:50 --> 00:55:51: processes.  
00:55:51 --> 00:55:54: So perhaps not necessarily reacting to all of those  
uncertainties,  
00:55:54 --> 00:55:56: but I don't want to put words in your mouth.  
00:55:57 --> 00:55:58: Yeah.  
00:55:58 --> 00:56:01: I think I, I think most of the key decision  
00:56:01 --> 00:56:05: makers and our company, they recognize the way that the  
00:56:05 --> 00:56:09: tide is turning in the political markets and the regulatory  
00:56:09 --> 00:56:11: landscape right now.  
00:56:11 --> 00:56:14: And if anything, I would argue that we were a  
00:56:15 --> 00:56:19: little bit on the earlier side of adopting something like  
00:56:19 --> 00:56:19: this.  
00:56:19 --> 00:56:22: I mean, our teams who are interacting with Europe, which

00:56:22 --> 00:56:24: quite frankly is all of our teams around the world  
00:56:24 --> 00:56:27: that are at least shipping goods in the Europe, they're  
00:56:27 --> 00:56:29: seeing what's going on with C Bam right now, how  
00:56:30 --> 00:56:32: they know that CSRD is the writing on the wall  
00:56:32 --> 00:56:33: in the next couple of years.  
00:56:34 --> 00:56:37: The SEC in the United States, the California government,  
Singapore  
00:56:37 --> 00:56:39: is talking about it now as well.  
00:56:39 --> 00:56:41: So I think a lot of our teams around the  
00:56:41 --> 00:56:45: world, they recognize that this isn't something that is going  
00:56:45 --> 00:56:45: away.  
00:56:46 --> 00:56:48: And anything that we can do to build our acumen  
00:56:48 --> 00:56:51: and get up the speed a little bit quicker means  
00:56:51 --> 00:56:54: that when the governments around the world tell us that  
00:56:54 --> 00:56:58: this is an optional anymore, this is compulsory, we'll be  
00:56:58 --> 00:57:00: that that much better prepared.  
00:57:00 --> 00:57:03: So I, I would say, you know, kind of angling  
00:57:03 --> 00:57:06: the argument from that point of view has allowed us  
00:57:06 --> 00:57:09: to get a lot of buy in from the teams  
00:57:09 --> 00:57:10: around the world.  
00:57:10 --> 00:57:13: And I would say, you know, quite frankly, we, we  
00:57:13 --> 00:57:15: really haven't gotten a whole lot of pushback.  
00:57:15 --> 00:57:17: And I think one of the reasons why we haven't  
00:57:17 --> 00:57:21: gotten the pushback is, again, we're using legitimate market  
prices  
00:57:21 --> 00:57:23: and we have the analysis to show that.  
00:57:23 --> 00:57:24: And it's a shadow price.  
00:57:25 --> 00:57:26: So I'd, I'd love to get a beer with Shane  
00:57:27 --> 00:57:28: at some point and kind of hear a little bit  
00:57:28 --> 00:57:31: more about, you know, you know, actually having that levied  
00:57:31 --> 00:57:31: fee.  
00:57:31 --> 00:57:32: What is the impact that?  
00:57:33 --> 00:57:35: Because I do think genuinely that's a whole nother layer  
00:57:36 --> 00:57:38: that would cause, you know, some people to kind of  
00:57:38 --> 00:57:40: raise their hands and say, hold up, let's let's think  
00:57:40 --> 00:57:41: about this again.  
00:57:42 --> 00:57:43: Yeah, absolutely.  
00:57:44 --> 00:57:48: And and again, a reminder please, there's another couple of  
00:57:48 --> 00:57:51: questions for Adam and then we'll go to the Q&A.  
00:57:51 --> 00:57:53: So please put your questions in the chat.  
00:57:54 --> 00:57:57: But yeah, maybe a couple of final questions to you,  
00:57:58 --> 00:58:01: Adam, maybe looking back all the particular things which you  
00:58:01 --> 00:58:05: have, which is advice or suggestions for others during this

00:58:05 --> 00:58:08: process, you know you've touched on some of it around  
00:58:09 --> 00:58:10: the buy in and so on.  
00:58:12 --> 00:58:12: Yeah.  
00:58:12 --> 00:58:14: Couple other things that I would mention.  
00:58:15 --> 00:58:19: Number one, make sure when you are selecting a carbon  
00:58:19 --> 00:58:23: price, you choose something that is going to be realistic  
00:58:23 --> 00:58:26: and impactful for your organization.  
00:58:27 --> 00:58:29: So one of the concerns that we had was if  
00:58:29 --> 00:58:33: we selected a price that was too high, people would  
00:58:33 --> 00:58:36: not see the legitimacy and they would kind of look  
00:58:36 --> 00:58:40: at that and say, you know, obviously this is just  
00:58:40 --> 00:58:40: a ploy.  
00:58:41 --> 00:58:44: Sustainability team is trying to justify projects that we have  
00:58:44 --> 00:58:46: no sense in making investments in, in the 1st place.  
00:58:47 --> 00:58:49: On the other side of that argument though, if you  
00:58:49 --> 00:58:51: choose something that is far too low.  
00:58:52 --> 00:58:54: So if we would have maybe have our carbon price  
00:58:55 --> 00:58:58: or quartered our carbon price, I think when we were  
00:58:58 --> 00:59:01: running some of the pilots that we did, we wouldn't  
00:59:01 --> 00:59:03: have seen the level of impact and the level of  
00:59:03 --> 00:59:07: adjustment in the ROI calculations that we were doing that  
00:59:07 --> 00:59:09: we knew we needed to see to get the attention  
00:59:09 --> 00:59:12: and make sure that the the the end result of  
00:59:12 --> 00:59:16: doing this carbon pricing analysis was achieving what we  
00:59:16 --> 00:59:18: were hoping to would, what would achieve.  
00:59:18 --> 00:59:20: So you need to make sure that you find the  
00:59:20 --> 00:59:22: sweet spot in the middle.  
00:59:22 --> 00:59:24: And again, I'll, I'll say to what one more time.  
00:59:25 --> 00:59:29: Using legitimate market data and using something like the  
00:59:29 --> 00:59:32: European  
00:59:32 --> 00:59:33: Union ETS allowed us to find what I would consider  
00:59:34 --> 00:59:37: to be that happy medium.  
00:59:37 --> 00:59:41: The other point is that we did quite a bit  
00:59:41 --> 00:59:45: of testing, so ran a number of pilots with the  
00:59:45 --> 00:59:49: template documents that we created for, you know, how do  
00:59:49 --> 00:59:52: you put together a GHE carbon pricing analysis?  
00:59:52 --> 00:59:55: And then what are all of the different tools and  
00:59:55 --> 00:59:59: the processes that you need to go through if you're  
00:59:59 --> 01:00:03: submitting an appropriations request and completing the  
00:59:59 --> 01:00:03: carbon pricing analysis?  
00:59:59 --> 01:00:03: So we identified 4 different projects that my team was

01:00:03 --> 01:00:04: aware of.

01:00:05 --> 01:00:06: All in different world areas.

01:00:07 --> 01:00:08: So we did a couple in Europe, we did one

01:00:08 --> 01:00:10: in Asia Pacific and then we did one in the

01:00:10 --> 01:00:11: Americas as well.

01:00:11 --> 01:00:14: And we basically turned our teams loose and said this

01:00:14 --> 01:00:16: is everything that we put together.

01:00:17 --> 01:00:20: This is the high vote level explanation of, of why

01:00:20 --> 01:00:24: it is that we're we're doing this carbon pricing approach.

01:00:24 --> 01:00:27: Can you go through, fill out the analysis and then

01:00:27 --> 01:00:30: we'll sit down and have a feedback conversation to understand

01:00:30 --> 01:00:32: what worked well, what was confusing and then how do

01:00:32 --> 01:00:35: we need to refine this before we roll allowed on

01:00:35 --> 01:00:37: a global basis to all of our stakeholders around the

01:00:37 --> 01:00:38: company?

01:00:38 --> 01:00:41: So I think we learned a lot by doing the

01:00:42 --> 01:00:43: pilots that we ran.

01:00:43 --> 01:00:47: And my recommendation to anybody going out there and implementing

01:00:47 --> 01:00:49: this on their own would be trial and error is

01:00:49 --> 01:00:52: going to be one of your best friends and make

01:00:52 --> 01:00:55: sure that you're considering what are the implications of rolling

01:00:56 --> 01:00:58: this out to your teams in Europe, around the world,

01:00:58 --> 01:01:00: whatever it might be.

01:01:00 --> 01:01:03: And what are those considerations that you would need to

01:01:03 --> 01:01:05: be cognizant of before you go with a a more

01:01:05 --> 01:01:07: holistic roll out of the program?

01:01:08 --> 01:01:09: Yeah, absolutely.

01:01:09 --> 01:01:12: And final question before we go into the Q&A.

01:01:13 --> 01:01:17: But I think the world of sustainability is, is really

01:01:17 --> 01:01:17: static.

01:01:18 --> 01:01:19: So what's next?

01:01:19 --> 01:01:21: What are you thinking about for the future?

01:01:22 --> 01:01:22: Yeah.

01:01:23 --> 01:01:26: So, so I think what we've realized and you know

01:01:26 --> 01:01:29: that this is something that's been live for about a

01:01:29 --> 01:01:32: year now the the carbon pricing program that is so

01:01:32 --> 01:01:35: we are getting the level of adoption in the education

01:01:35 --> 01:01:37: in the buy in that we're looking for.

01:01:38 --> 01:01:41: Ultimately when you're using a shadow price, it is more

01:01:41 --> 01:01:45: of a check the box type exercise because even if

01:01:45 --> 01:01:49: you have the analysis and you're showing that certain investment

01:01:49 --> 01:01:53: should be prioritized because of the way that the ROI

01:01:53 --> 01:01:56: is changing in a positive upward direction.

01:01:57 --> 01:02:00: If you don't have supplemental capital to throw at those

01:02:00 --> 01:02:03: investments, then it's just something that you're doing on paper

01:02:03 --> 01:02:07: and you're not actually getting to work and getting these

01:02:07 --> 01:02:07: projects done.

01:02:08 --> 01:02:11: So the next iteration of maturity in this program is

01:02:11 --> 01:02:15: making sure that we do have capital earmarked.

01:02:15 --> 01:02:18: We're not going as far as doing a levy and

01:02:18 --> 01:02:22: and actually implementing the carbon price, but we're using the

01:02:22 --> 01:02:25: analysis of the carbon price to understand what are the

01:02:25 --> 01:02:29: most impactful investments that we need to be making in

01:02:29 --> 01:02:32: the short term and then the longer term between now

01:02:32 --> 01:02:33: and 2030.

01:02:33 --> 01:02:39: And having that earmarked capital fund, sustainability decarbonization project fund.

01:02:39 --> 01:02:41: And then allowing my team to get to work by

01:02:41 --> 01:02:44: using the carbon pricing analysis to funnel that money to

01:02:44 --> 01:02:47: the projects that are going to be, again, most impactful

01:02:47 --> 01:02:50: and get us closer to that 2030 net zero operations

01:02:50 --> 01:02:51: goal that we have.

01:02:52 --> 01:02:53: Wonderful.

01:02:53 --> 01:02:56: Well, thank you so much for sharing.

01:02:57 --> 01:03:00: And we'll now move over to the Q&A.

01:03:00 --> 01:03:02: So I'll hand the back over to Kate.

01:03:03 --> 01:03:05: I can see we've got a few in the chat,

01:03:05 --> 01:03:07: but please feel free to add there too.

01:03:08 --> 01:03:08: Wonderful.

01:03:08 --> 01:03:11: Thank you so much, all three of you for sharing

01:03:11 --> 01:03:12: such brilliant insights.

01:03:13 --> 01:03:15: I think I'm going to approach this fairly democratically.

01:03:15 --> 01:03:19: We've got some really great questions as we go down

01:03:19 --> 01:03:20: in the chat function.

01:03:20 --> 01:03:22: But if you, if you want to pop them into

01:03:22 --> 01:03:24: the chat, feel free and keep them coming or if

01:03:24 --> 01:03:26: you want to raise your hand, let me know.

01:03:26 --> 01:03:27: But so I'll kick off first.

01:03:28 --> 01:03:31: Obviously, Shane, you've got the questions first because you were

01:03:31 --> 01:03:32: first to speak.

01:03:32 --> 01:03:35: But so Carlos from KPS is asking specifically how do

01:03:35 --> 01:03:38: you leverage the cost when you're defining targets in relation

01:03:38 --> 01:03:40: to new development and property purchases?

01:03:40 --> 01:03:44: And what specifically do you ask of a team carrying

01:03:44 --> 01:03:46: out the design over to you?

01:03:46 --> 01:03:48: Yeah, good question.

01:03:48 --> 01:03:51: So I suppose in terms of trying to leverage the

01:03:52 --> 01:03:56: cost, what it really got our development team focused on

01:03:56 --> 01:03:59: was OK, they'll have to start looking at the carbon

01:03:59 --> 01:04:03: numbers and it's, you know, obviously at ???80 a ton

01:04:03 --> 01:04:07: and every ton of carbon that's saved is ???80 that

01:04:07 --> 01:04:10: less that that project has to contribute in terms of

01:04:11 --> 01:04:12: the the carbon levy.

01:04:13 --> 01:04:16: But what we identified was that they started really proactively

01:04:16 --> 01:04:20: engaging with some of the supply chain particularly around.

01:04:21 --> 01:04:25: So that was to to obtain more up to date

01:04:25 --> 01:04:26: EPEPDS.

01:04:26 --> 01:04:30: So environmental performance declarations which you know

01:04:30 --> 01:04:33: is that basis

01:04:30 --> 01:04:33: for let's say the the carbon content of particular projects.

01:04:34 --> 01:04:39: So we would have engaged with, I guess suppliers of

01:04:39 --> 01:04:47: insulation products, products, race access floors, cement,

01:04:47 --> 01:04:53: steel during over

01:04:47 --> 01:04:53: the last two years, we've also constructed Ireland's first

01:04:53 --> 01:04:55: timber

01:04:53 --> 01:04:55: frame warehouse.

01:04:56 --> 01:04:59: So like in terms of the carbon pricing, I suppose

01:04:59 --> 01:05:02: that's how it, it, it created this dynamic within the

01:05:02 --> 01:05:06: development team where it, it, it, it promoted, I suppose

01:05:06 --> 01:05:10: more of this innovative thinking and productivity around the

01:05:10 --> 01:05:11: whole

01:05:10 --> 01:05:11: carbon issue.

01:05:11 --> 01:05:15: And I feel that that wouldn't have had the same,

01:05:15 --> 01:05:20: it wouldn't have had the same impact in the absence

01:05:20 --> 01:05:23: of that, you know, that tax as it was pushed

01:05:24 --> 01:05:27: to me before that tax on the developments.

01:05:28 --> 01:05:31: So I suppose that's how we've used it to leverage

01:05:31 --> 01:05:34: this was better design decisions, more engagement with the

01:05:35 --> 01:05:35: supply

01:05:35 --> 01:05:35: chain.

01:05:35 --> 01:05:39: And for instance, one of those engagements was with a

01:05:39 --> 01:05:43: producer of a lot of raised access floor materials, installation

01:05:43 --> 01:05:44: products.

01:05:44 --> 01:05:47: We've built a lot of logistics warehouses over the last

01:05:47 --> 01:05:47: while.

01:05:48 --> 01:05:51: And you know, they came to us and said, Oh

01:05:51 --> 01:05:54: yeah, we have these EPPD or EPD's, but a lot

01:05:54 --> 01:05:55: of them were quite old.

01:05:55 --> 01:05:57: Some of them are 8 or 10 years old.

01:05:58 --> 01:06:00: And you know, we said, well, that's not good enough.

01:06:00 --> 01:06:05: You need to go back and you know update these,

01:06:05 --> 01:06:10: make them more, more applicable because we, we, we are

01:06:10 --> 01:06:13: really going to be relying on them.

01:06:13 --> 01:06:16: So we were able to use I suppose our position

01:06:16 --> 01:06:18: within the Irish market to put the pressure there on

01:06:18 --> 01:06:21: the supply chain and This is why we're asking you.

01:06:21 --> 01:06:26: And they came back with more up to date EPD's.

01:06:26 --> 01:06:29: That's I guess one example of how we've used it

01:06:29 --> 01:06:30: in practice.

01:06:33 --> 01:06:34: I've got myself on mute.

01:06:34 --> 01:06:34: Sorry.

01:06:34 --> 01:06:36: I was saying, yeah, that's super interesting.

01:06:36 --> 01:06:37: Thank you very much.

01:06:38 --> 01:06:39: OK, So there's sort of a part of quote for

01:06:39 --> 01:06:41: this one a little bit, but I'm going to dive

01:06:41 --> 01:06:41: in as well.

01:06:41 --> 01:06:43: So this is from Max, Max Wormsley.

01:06:44 --> 01:06:47: So have you found as a result of collecting proceeds

01:06:47 --> 01:06:50: for the transition fund, you're now investing more or less

01:06:50 --> 01:06:54: all the same on sustainability initiatives as you did prior

01:06:54 --> 01:06:56: to implementing a carbon price?

01:06:56 --> 01:06:58: Now I know this answer because I've spoken to you

01:06:58 --> 01:07:00: before, but like, it'd be great to great to dig

01:07:00 --> 01:07:00: deep on that one.

01:07:00 --> 01:07:01: OK.

01:07:05 --> 01:07:07: I would say more, yeah, more more.

01:07:07 --> 01:07:10: It's, it's, it's allowed us to because in terms of

01:07:10 --> 01:07:14: the way we're structured and the portfolio and your budgets

01:07:14 --> 01:07:17: for buildings, what this is opened up is that opportunity

01:07:17 --> 01:07:20: to do things at scale, so agnostic of a building

01:07:20 --> 01:07:21: budget.

01:07:21 --> 01:07:23: So in terms of some of the research we've done

01:07:23 --> 01:07:26: around the buildings, like a lot of research went into

01:07:26 --> 01:07:29: the whole timber frame construction because it hadn't been

done

**01:07:29 --> 01:07:32:** before in Ireland and it's common in other countries, but

**01:07:32 --> 01:07:34:** it hadn't been done before here.

**01:07:34 --> 01:07:36:** There's a lot of regulatory issues that we need to

**01:07:36 --> 01:07:36:** address.

**01:07:36 --> 01:07:40:** So we need to engage A-Team to really put some

**01:07:40 --> 01:07:45:** time, effort and money in into developing that and getting

**01:07:45 --> 01:07:50:** across the line from a planning and permitting perspective,

**01:07:50 --> 01:07:52:** addressing

**01:07:52 --> 01:07:56:** insurance queries.

**01:07:56 --> 01:08:00:** And I suppose that the example of acquiring the land

**01:08:00 --> 01:08:03:** for our own native woodland scheme as well is another

**01:08:03 --> 01:08:06:** example of how we've used that scale.

**01:08:06 --> 01:08:06:** Wonderful, wonderful.

**01:08:06 --> 01:08:06:** Thank you.

**01:08:07 --> 01:08:09:** And it's sort of slightly linked and then I'll kind

**01:08:09 --> 01:08:11:** of go down to the bottom, so we can get

**01:08:11 --> 01:08:12:** some broader questions.

**01:08:12 --> 01:08:16:** But so are there performance metrics related to or required

**01:08:16 --> 01:08:20:** or expected for the transition fund that you?

**01:08:20 --> 01:08:23:** Not specifically, I guess in terms of how we set

**01:08:23 --> 01:08:26:** this up, again, being like my background is I'm real

**01:08:26 --> 01:08:30:** estate from real estate background or sustainability

**01:08:30 --> 01:08:32:** background and used

**01:08:32 --> 01:08:34:** to managing assets and properties.

**01:08:34 --> 01:08:37:** And I guess how we looked at the transition fund

**01:08:37 --> 01:08:38:** was in the context of, let's say how we look

**01:08:38 --> 01:08:41:** at the sinking fund for a building.

**01:08:41 --> 01:08:44:** So you know, you, you said for a building and

**01:08:44 --> 01:08:47:** a sinking fund, you set aside money now because you

**01:08:47 --> 01:08:51:** know you're going to have to invest it in the

**01:08:51 --> 01:08:51:** future on whether it's plant and equipment or whatever the

**01:08:51 --> 01:08:55:** case may be.

**01:08:55 --> 01:09:00:** And really the transition fund is almost like that sinking

**01:09:00 --> 01:09:04:** fund for our portfolio and to fund the decarbonisation of

**01:09:04 --> 01:09:07:** our portfolio, our pathway sets out very explicit targets.

**01:09:07 --> 01:09:09:** We have in terms of reducing embody carbon or

**01:09:09 --> 01:09:15:** development

**01:09:15 --> 01:09:17:** by 40% of 2019 baseline.

**01:09:17 --> 01:09:20:** We have a 33% EUI reduction in our directly managed

**01:09:20 --> 01:09:26:** portfolio.

**01:09:26 --> 01:09:26:** And in terms of scaling up the well we we've

**01:09:26 --> 01:09:26:** 100% renewable, 100% renewable electricity like in terms of

what

01:09:26 --> 01:09:29: we procure, but also scaling up the use of on

01:09:29 --> 01:09:34: site renewables on our portfolio that really is around our

01:09:34 --> 01:09:36: logistics portfolio.

01:09:36 --> 01:09:41: So they are all I suppose avenues in terms of

01:09:41 --> 01:09:46: how we're trying to preserve the value of the funds

01:09:46 --> 01:09:49: address transition risks.

01:09:49 --> 01:09:53: So I suppose it's it's, it's moving from that perspective

01:09:53 --> 01:09:56: rather than a return per euro or metrics.

01:09:57 --> 01:09:58: Yeah, wonderful.

01:09:59 --> 01:09:59: OK.

01:09:59 --> 01:09:59: Thank you so much.

01:10:00 --> 01:10:01: And I'm sorry I keep asking you questions and I

01:10:01 --> 01:10:02: will open it up afterwards.

01:10:02 --> 01:10:04: It's just they seem to be going down the same

01:10:04 --> 01:10:04: rabbit hole.

01:10:05 --> 01:10:08: So Chris from Savile, who's asking, do I put use

01:10:08 --> 01:10:12: any of the funds raised by levying the internal carbon

01:10:12 --> 01:10:15: price for offsets or does it all go to the

01:10:15 --> 01:10:16: transition fund?

01:10:16 --> 01:10:18: Maybe you want to unpack that one a little bit?

01:10:18 --> 01:10:22: Yeah, just we have, yeah, we have acquired offsets and

01:10:22 --> 01:10:25: what we have done and again, this was part of

01:10:25 --> 01:10:29: a lot of things are happening at the same time.

01:10:29 --> 01:10:31: But I suppose what we have done in terms of

01:10:31 --> 01:10:32: levying that carbon price, we don't.

01:10:36 --> 01:10:38: So, so out of that age you're a ton.

01:10:39 --> 01:10:42: There's for some of the projects we've had to offset

01:10:42 --> 01:10:44: and that's a response to the market.

01:10:44 --> 01:10:47: So we've had occupiers coming to us saying we want

01:10:47 --> 01:10:48: to occupy an NCR building.

01:10:48 --> 01:10:51: And in terms of the agreement for these etcetera, it's

01:10:51 --> 01:10:54: like you have to do the offsetting piece of it

01:10:54 --> 01:10:56: in terms of the handover.

01:10:57 --> 01:11:00: So therefore in the short term we had to go

01:11:00 --> 01:11:04: out, we had to acquire offsets on the pure offsets

01:11:04 --> 01:11:06: of the voluntary carbon market.

01:11:06 --> 01:11:09: So we saw this as I suppose a short term

01:11:09 --> 01:11:13: solution to a a real time market demand and and

01:11:13 --> 01:11:18: the internal carbon prices used to fund the acquisition of

01:11:18 --> 01:11:19: those offsets.

01:11:19 --> 01:11:23: But again, that this is that whole piece was then

01:11:23 --> 01:11:26: OK, what we want, you know, we have our, our

01:11:26 --> 01:11:30: 20-30 target, we have a pathway our, our, our key

01:11:30 --> 01:11:33: actions in terms of how we're going to achieve that.

01:11:34 --> 01:11:36: But we do know that come 20-30, there are going

01:11:36 --> 01:11:39: to be still residual emissions there, which we won't be

01:11:39 --> 01:11:41: able to deal with, which is why was one of

01:11:41 --> 01:11:44: the drivers for acquiring that land where we can plant

01:11:44 --> 01:11:46: our own native woodland schemes.

01:11:46 --> 01:11:48: So that that will be mature enough come 20-30 we'll

01:11:48 --> 01:11:51: really be able to start retire offsets that we're, you

01:11:51 --> 01:11:54: know, as a result of that, that that scheme which

01:11:54 --> 01:11:56: we're after planting ourselves.

01:11:57 --> 01:11:58: Wonderful.

01:11:58 --> 01:11:59: Thank you, Shay.

01:11:59 --> 01:12:02: OK, so over to Adam, I want to check in

01:12:02 --> 01:12:02: with you.

01:12:02 --> 01:12:05: So there's a, there's a question here from Bedelia saying,

01:12:05 --> 01:12:08: just curious, interested to know is it, is it better

01:12:08 --> 01:12:10: to set a reduction target 1st as I think as

01:12:10 --> 01:12:12: we've heard a little bit on the call today or

01:12:12 --> 01:12:15: or and then implement an internal carbon price or do

01:12:15 --> 01:12:17: you think they can be done simultaneously?

01:12:19 --> 01:12:22: I I think the answer to that question is going

01:12:22 --> 01:12:23: to be organizational.

01:12:23 --> 01:12:28: Dependent on what What do you think your stakeholders

01:12:28 --> 01:12:33: within

01:12:34 --> 01:12:38: your organization can suck stomach at one point in time?

01:12:38 --> 01:12:42: I know personally within my company, it would have been

01:12:42 --> 01:12:46: difficult to try to roll out too much information simultaneously

01:12:46 --> 01:12:47: just in terms of making sure that they understood why

01:12:47 --> 01:12:48: are we doing this?

01:12:48 --> 01:12:50: What is the rationale?

01:12:50 --> 01:12:54: How is it going to work?

01:12:54 --> 01:12:57: There is, you know, a lot of there's a lot

01:12:57 --> 01:12:59: of established status quo.

01:12:59 --> 01:13:01: I would stay within my company and any time that

01:13:01 --> 01:13:04: you go out there and disrupt that with a new

01:13:04 --> 01:13:06: program, a new process, a new procedure, it just takes

01:13:06 --> 01:13:07: a little bit of time to get that buy in

01:13:07 --> 01:13:08: that I mentioned beforehand.

01:13:08 --> 01:13:10: But if you feel that you're in, you know, a

01:13:10 --> 01:13:13: pretty progressive organization, you think that people catch

on a  
01:13:13 --> 01:13:15: new information relatively quickly.  
01:13:15 --> 01:13:18: I don't see why there is a reason why you  
01:13:18 --> 01:13:20: wouldn't be able to do both a net zero target  
01:13:20 --> 01:13:23: and then internal carbon pricing simultaneously.  
01:13:24 --> 01:13:27: Again, just the caveat is sometimes it's better to provide  
01:13:27 --> 01:13:30: bite bite size pieces of new information to make sure  
01:13:30 --> 01:13:33: that you do get the buy in that you're looking  
01:13:33 --> 01:13:36: for before you know moving full through the head.  
01:13:37 --> 01:13:38: Wonderful.  
01:13:38 --> 01:13:38: Thank you, Adam.  
01:13:38 --> 01:13:41: And from that nodding from Shane, I think he's in  
01:13:41 --> 01:13:42: agreement too.  
01:13:42 --> 01:13:42: So that's wonderful.  
01:13:43 --> 01:13:44: OK.  
01:13:44 --> 01:13:46: So next question 1 coming from Max Warmesley again.  
01:13:46 --> 01:13:49: So has the gap been closed with your carbon price  
01:13:49 --> 01:13:52: or did the projects required to reach your net 0  
01:13:52 --> 01:13:54: carbon targets become more viable?  
01:13:54 --> 01:13:55: Where did it sit on that spectrum?  
01:13:56 --> 01:13:59: Yeah, I mean, so the answer is, is absolutely and  
01:13:59 --> 01:14:01: for a couple of different reasons.  
01:14:01 --> 01:14:04: So first and foremost, the intention of going out there  
01:14:04 --> 01:14:08: and implementing the internal carbon price is that the ROI  
01:14:08 --> 01:14:12: of a lot of these capital investments that we're evaluating,  
01:14:12 --> 01:14:15: all of a sudden they go from a rate of  
01:14:15 --> 01:14:18: return that is near or in many cases below the  
01:14:18 --> 01:14:21: hurdle rate that our company has established to all of  
01:14:21 --> 01:14:25: a sudden now being well surpassing what that hurdle rate  
01:14:25 --> 01:14:25: is.  
01:14:26 --> 01:14:30: So by going out there and going through the educational  
01:14:30 --> 01:14:33: process with a lot of the executive leaders, the powers  
01:14:33 --> 01:14:37: that be in those who are allocating funds to projects  
01:14:37 --> 01:14:40: like this, we have had a number of key investments.  
01:14:40 --> 01:14:43: And I would say the investments tend to be mostly  
01:14:43 --> 01:14:48: around heat pumps in different, different markets around the  
world.  
01:14:48 --> 01:14:51: So because of the fact that going in and doing  
01:14:51 --> 01:14:55: holistic retrofits of geothermal or air to air heat pumps  
01:14:55 --> 01:14:57: tend to be very capital intensive.  
01:14:57 --> 01:14:59: I mean we're talking of of millions of U.S.  
01:14:59 --> 01:15:01: dollars in terms of investment to do some of these

01:15:01 --> 01:15:03: projects in our major facilities.  
01:15:03 --> 01:15:07: These are investments that otherwise a couple of years ago  
01:15:07 --> 01:15:09: would never have been considered.  
01:15:09 --> 01:15:11: I mean, it would have made a whole lot more  
01:15:11 --> 01:15:13: sense just to replace like for like, like for like  
01:15:13 --> 01:15:15: with another gas fired boiler.  
01:15:15 --> 01:15:18: We do have a couple of projects that are in  
01:15:18 --> 01:15:21: motion right now for you know, mega heat pump investments  
01:15:21 --> 01:15:23: that are going to do quite a bit to reduce  
01:15:24 --> 01:15:26: our scope 1 footprint in a couple of our different  
01:15:26 --> 01:15:28: markets around the world.  
01:15:28 --> 01:15:30: So a lot of that is thanks to the fact  
01:15:30 --> 01:15:33: that we implemented the carbon price, we went out there,  
01:15:33 --> 01:15:36: we did the education and we now have this mechanism  
01:15:36 --> 01:15:39: to better prioritize investments that make sense.  
01:15:40 --> 01:15:41: Yeah.  
01:15:41 --> 01:15:43: And I think that's something that Shane, you shared with  
01:15:43 --> 01:15:44: us last week as well, isn't it?  
01:15:44 --> 01:15:45: It's a combinatory effect.  
01:15:47 --> 01:15:47: Yeah.  
01:15:49 --> 01:15:50: Brilliant.  
01:15:50 --> 01:15:51: OK, cool.  
01:15:51 --> 01:15:53: So one question left in the chat and that's from  
01:15:54 --> 01:15:54: Marvy.  
01:15:54 --> 01:15:57: She's talking about the carbon price sweet spot and her  
01:15:57 --> 01:16:00: query is because you've done a really great job both  
01:16:00 --> 01:16:04: of you actually in choosing an external benchmark from  
01:16:04 --> 01:16:06: which  
01:16:06 --> 01:16:09: to sort of a market LED approach.  
01:16:09 --> 01:16:11: So an external benchmark from which to guide what your  
01:16:11 --> 01:16:14: initial carbon price could be.  
01:16:14 --> 01:16:17: Her query is, does it necessarily need to be at  
01:16:17 --> 01:16:19: least a little bit relevant to the real decarbonisation cost  
01:16:20 --> 01:16:23: you're facing internally in your organization?  
01:16:23 --> 01:16:24: Query to maybe first to Adam and then Shane.  
01:16:26 --> 01:16:26: If you have a point as well, please do share.  
01:16:26 --> 01:16:29: Sure.  
01:16:29 --> 01:16:30: I, I think that's actually a really good point to  
01:16:31 --> 01:16:34: make.  
01:16:34 --> 01:16:39: And we have gone through the exercise of building out  
the marginal abatement cost curves and understanding what  
is the

01:16:39 --> 01:16:42: average cost per metric ton of CO2 if we reduce  
01:16:42 --> 01:16:47: 5 energy efficiency measures, renewable electricity, sourcing  
scope on abatement  
01:16:47 --> 01:16:52: and then of course, sourcing different levels of carbon  
offsets.  
01:16:52 --> 01:16:55: So when you go through and you kind of create  
01:16:55 --> 01:16:58: that pecking order of what is least expensive, what is  
01:16:58 --> 01:16:59: most expensive?  
01:16:59 --> 01:17:01: And how much of each of those categories do we  
01:17:01 --> 01:17:04: need to do given our our breakdown and our makeup  
01:17:04 --> 01:17:07: of of scope one, Scope 2 footprint, what is it  
01:17:07 --> 01:17:10: going to take us to get to net zero operations  
01:17:10 --> 01:17:10: by 2030?  
01:17:11 --> 01:17:14: What you would find if you look at the information  
01:17:14 --> 01:17:16: is that sweet spot of the 90 U.S.  
01:17:16 --> 01:17:19: dollars per metric ton of CO2 is right where it  
01:17:19 --> 01:17:22: should be in terms of the cost of a lot  
01:17:22 --> 01:17:25: of the Scope 1 abatements that we're going out there  
01:17:25 --> 01:17:26: and making.  
01:17:27 --> 01:17:30: So because of the fact that most of the investments  
01:17:30 --> 01:17:33: that need to be made using the internal carbon price  
01:17:33 --> 01:17:36: are things like a heat pump that our electrification type  
01:17:36 --> 01:17:39: investments for the scope 1 abatement.  
01:17:39 --> 01:17:41: It would make sense that the carbon price would be  
01:17:41 --> 01:17:44: somewhere within the realm of what on average the cost  
01:17:44 --> 01:17:47: to do that and make those investments would be within  
01:17:47 --> 01:17:47: our company.  
01:17:47 --> 01:17:50: So that's a very astute observation and definitely something  
that  
01:17:50 --> 01:17:52: we took into consideration.  
01:17:53 --> 01:17:53: Brilliant.  
01:17:53 --> 01:17:54: Thank you.  
01:17:54 --> 01:17:55: And over to you, Shane.  
01:17:55 --> 01:17:56: Do you have some thoughts there too?  
01:17:57 --> 01:17:57: Yeah.  
01:17:57 --> 01:17:58: No, I agree.  
01:17:58 --> 01:18:03: It does need to be relatively close or getting close  
01:18:03 --> 01:18:06: to to, to the real D curb cost.  
01:18:06 --> 01:18:11: And from from our perspective, I guess the experience as  
01:18:11 --> 01:18:15: well is that if you confronted some of the stakeholders  
01:18:15 --> 01:18:19: of what that real cost might be upfront, you might  
01:18:19 --> 01:18:22: have got the wrong type of reaction.  
01:18:22 --> 01:18:25: So I guess from our perspective, and this comes back

01:18:25 --> 01:18:28: in terms of saying, well, is this the true cost  
01:18:28 --> 01:18:31: of carbon and is this the true cost of decarbon  
01:18:31 --> 01:18:35: decarbonising our portfolio, That was probably too big a  
question  
01:18:35 --> 01:18:37: to answer back in 2021 when we were looking at  
01:18:37 --> 01:18:38: this.  
01:18:38 --> 01:18:40: So the idea really of what we're trying to do  
01:18:40 --> 01:18:43: is that we're kind of mobilising the organization into that  
01:18:43 --> 01:18:46: type of mindset, OK, if we want to really decarbonise  
01:18:46 --> 01:18:49: our portfolio, this is across our development team or  
investment  
01:18:49 --> 01:18:52: team or finance team, people need to certainly think this  
01:18:52 --> 01:18:52: way.  
01:18:53 --> 01:18:55: And what we are now two, 2 1/2 years into  
01:18:55 --> 01:18:58: that process is, but we actually have a lot of  
01:18:58 --> 01:19:01: money built up and you know, we're we're deploying that  
01:19:01 --> 01:19:03: money now to address this issue.  
01:19:03 --> 01:19:05: And not just today, but also with this long term  
01:19:05 --> 01:19:07: view as a fund, we hold a lot of our  
01:19:07 --> 01:19:10: assets for a long term investors come to us because  
01:19:10 --> 01:19:13: they're looking for that kind of sustainable return over a  
01:19:13 --> 01:19:14: long period of time.  
01:19:14 --> 01:19:21: And we're really positioning our organization now to, I  
suppose,  
01:19:21 --> 01:19:25: decarbonize in a, in a, in a, in a, in  
01:19:25 --> 01:19:26: a smooth way.  
01:19:26 --> 01:19:29: We're not going to be approaching this cliff edge and  
01:19:29 --> 01:19:31: coming 2028 or 2029.  
01:19:31 --> 01:19:35: We're building up towards that or hopefully actually going the  
01:19:35 --> 01:19:38: other direction and declining down in terms of the carbon  
01:19:39 --> 01:19:39: footprint.  
01:19:39 --> 01:19:42: And you know for, I think what you will see  
01:19:42 --> 01:19:46: is that the more focus that there is on this  
01:19:46 --> 01:19:49: whole area of the cost of decarbonisation and how it  
01:19:49 --> 01:19:50: can be done.  
01:19:51 --> 01:19:54: It's going to vary from organization to organization depending  
on  
01:19:55 --> 01:19:57: what the makeup of their portfolio in a real estate  
01:19:58 --> 01:20:01: business or what the area, the material areas of your  
01:20:01 --> 01:20:02: carbon footprint are.  
01:20:02 --> 01:20:05: So I think that's going to evolve and then the  
01:20:05 --> 01:20:07: pricing will probably need to be a little bit more  
01:20:07 --> 01:20:08: dynamic.

01:20:10 --> 01:20:13: Super interesting this is this has been so helpful guys.  
01:20:13 --> 01:20:14: Thank you so much and I love the fact we've  
01:20:15 --> 01:20:16: managed to be able to get through all of the  
01:20:16 --> 01:20:19: questions that came through from the community as well.  
01:20:19 --> 01:20:22: So really, really appreciate that I had the difficult task  
01:20:22 --> 01:20:23: while you guys were talking.  
01:20:23 --> 01:20:25: I'm trying to work out what the key takeaways were.  
01:20:25 --> 01:20:28: So I'm going to go switch to a slide now  
01:20:28 --> 01:20:29: to see how well I've done.  
01:20:29 --> 01:20:32: You guys can score me afterwards, but let me just  
01:20:32 --> 01:20:34: get to a slide and then I'll just do a  
01:20:34 --> 01:20:37: quick key takeaways for everybody just in case that's useful  
01:20:37 --> 01:20:40: before then we drop into to closing words and next  
01:20:40 --> 01:20:40: steps.  
01:20:41 --> 01:20:44: So I think if I was hearing correctly, I think  
01:20:44 --> 01:20:46: there was a clear message here that this isn't going  
01:20:46 --> 01:20:49: to go away and that was really heard across the  
01:20:49 --> 01:20:49: board.  
01:20:50 --> 01:20:52: And so the real key message is to get ready  
01:20:52 --> 01:20:53: and in good time.  
01:20:54 --> 01:20:57: There is a real call for C-Suite to be to  
01:20:57 --> 01:21:01: be really aware of what's happening and very clear on  
01:21:01 --> 01:21:05: an internal carbon price to begin with.  
01:21:05 --> 01:21:07: But in order to do that, you really do need  
01:21:07 --> 01:21:09: to get your house in order 1st.  
01:21:09 --> 01:21:12: So as your sort of core sustainability team, starting with  
01:21:12 --> 01:21:16: the material areas that are relevant for your specific  
organization,  
01:21:16 --> 01:21:19: be that in a bodied or operational, getting really clear  
01:21:19 --> 01:21:21: on your on your boundary setting and GHG emissions and  
01:21:21 --> 01:21:22: accounting.  
01:21:22 --> 01:21:25: Use estimates and assumptions where possible.  
01:21:25 --> 01:21:27: But if do so, if you do so, be transparent.  
01:21:28 --> 01:21:31: We've just literally just bridged from that last conversation  
now.  
01:21:31 --> 01:21:34: So consider your carbon pricing.  
01:21:34 --> 01:21:37: You could, you could consider your carbon price if you're  
01:21:37 --> 01:21:40: early on in a journey by looking at local and  
01:21:40 --> 01:21:43: national benchmarks such as the EUETS as one example.  
01:21:43 --> 01:21:45: And they're a great starting point.  
01:21:45 --> 01:21:47: You may, as you mature on your journey, want to  
01:21:48 --> 01:21:50: get more deeply involved in your, in your specifics of  
01:21:50 --> 01:21:54: your cost abatement curve, get clear on your governance

structure,  
01:21:54 --> 01:21:58: your risks and opportunities before you begin your outreach,  
make  
01:21:58 --> 01:22:00: sure you get all of your house in order and  
01:22:00 --> 01:22:03: before you then move into outreach, when you do so,  
01:22:03 --> 01:22:05: going back to that C-Suite, there seem to be an  
01:22:05 --> 01:22:06: order.  
01:22:06 --> 01:22:08: Shane, you really spoke to this as well, but pay  
01:22:08 --> 01:22:11: specific attention to organizational buy in and mindset.  
01:22:11 --> 01:22:13: That's the real shift that you're happening here.  
01:22:13 --> 01:22:14: And that's where all of the added benefits will start  
01:22:14 --> 01:22:16: to come across because they've really got to get their  
01:22:16 --> 01:22:17: mind into.  
01:22:17 --> 01:22:19: And I'm going to pull a phrase from last week.  
01:22:19 --> 01:22:22: Actually, this is the new way of doing business from  
01:22:22 --> 01:22:23: now on.  
01:22:23 --> 01:22:26: And you can point to the various different indications for  
01:22:26 --> 01:22:28: that globally when you do so.  
01:22:28 --> 01:22:31: Stakeholder engagement should be done in stages, internal  
and external,  
01:22:31 --> 01:22:32: build awareness.  
01:22:32 --> 01:22:35: Do not underestimate the power of using training where  
required  
01:22:35 --> 01:22:37: and holding into implementation is incredibly important.  
01:22:38 --> 01:22:41: Great comment from Adam talking about how you can make  
01:22:41 --> 01:22:44: it easy with templates and frameworks as an example.  
01:22:44 --> 01:22:46: So it's very simple for people to, to, to take  
01:22:46 --> 01:22:47: action.  
01:22:47 --> 01:22:49: And then finally, when you're getting into that, wanting to  
01:22:49 --> 01:22:51: get out of the starting gate, start with some low  
01:22:51 --> 01:22:52: complexity pilots.  
01:22:52 --> 01:22:54: Nothing is perfect from the start.  
01:22:54 --> 01:22:57: So iterate, deliver and learn and you can build both  
01:22:57 --> 01:23:00: your maturity and your approach to your carbon price, but  
01:23:00 --> 01:23:02: also your level of complexity as you go.  
01:23:03 --> 01:23:03: Right.  
01:23:03 --> 01:23:05: I think that was that was my best attempt.  
01:23:05 --> 01:23:08: Summarising, I'll now pass over to Sophie to close this  
01:23:08 --> 01:23:08: out.  
01:23:10 --> 01:23:11: Thanks, Kate.  
01:23:12 --> 01:23:15: So just wanted to remind everyone that if you do  
01:23:15 --> 01:23:19: have any topics or feedback for the expert work streams,  
01:23:19 --> 01:23:22: please pop it in the chat now or e-mail us.

01:23:22 --> 01:23:23: You've got Rebecca's e-mail up there.  
01:23:24 --> 01:23:26: You should all have my e-mail as well from this  
01:23:26 --> 01:23:26: diary invite.  
01:23:27 --> 01:23:29: So please do get in touch and let us know  
01:23:29 --> 01:23:32: what you'd like us to to discuss with them.  
01:23:33 --> 01:23:35: And then just some final dates for you.  
01:23:36 --> 01:23:39: We have the next workshop in this series, the final  
01:23:39 --> 01:23:41: one before the summit, 17th of September.  
01:23:41 --> 01:23:44: It should be in all of your Diaries already.  
01:23:44 --> 01:23:46: Let me know if it's not or if there's anyone  
01:23:46 --> 01:23:49: else who you think would be interested and you'd like  
01:23:49 --> 01:23:50: to send this on to them.  
01:23:50 --> 01:23:51: Please do.  
01:23:51 --> 01:23:54: And then just a reminder again that we have the  
01:23:54 --> 01:23:56: Sea Change Summit, 17th of October in Barcelona.  
01:23:57 --> 01:23:58: We hope to see you all there.  
01:23:58 --> 01:24:00: And just a huge thank you for you all for  
01:24:00 --> 01:24:01: joining today.  
01:24:01 --> 01:24:06: We we're really pleased with their attendance and the  
questions.  
01:24:06 --> 01:24:07: So thank you all very much.  
01:24:07 --> 01:24:09: Have a lovely rest of your afternoon.

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