

# Webinar

## Carbon Pricing Practitioner Workshops Part 1

Date: May 21, 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:07:58 --> 00:08:01: we will be talking about this topic as well as

00:08:01 --> 00:08:04: all the one-on-one meetings that we have with many of

00:08:04 --> 00:08:05: you in the industry.

00:08:05 --> 00:08:09: And we'll begin to gather feedback, understand where the

00:08:09 --> 00:08:11: industry

00:08:09 --> 00:08:11: is and begin to gather an idea and also for

00:08:11 --> 00:08:15: those who aren't already aware in the industry, bring it

00:08:15 --> 00:08:16: to the industry's attention.

00:08:17 --> 00:08:19: We then get to the incubate stage.

00:08:19 --> 00:08:23: So this is when we're looking to Co create and

00:08:23 --> 00:08:26: incubate solutions with the industry.

00:08:26 --> 00:08:28: And I think again, this is a good example of

00:08:28 --> 00:08:28: this.

00:08:28 --> 00:08:31: Today, we're looking at working collectively.

00:08:31 --> 00:08:33: We're not coming up with solutions on our own.

00:08:33 --> 00:08:36: We're working with the industry to make sure solutions that

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

00:16:34 --> 00:16:37: process of creating a carbon price and actually might even  
00:16:37 --> 00:16:39: be taking it to investment committee that just happened or  
00:16:39 --> 00:16:40: indeed just coming.

00:16:41 --> 00:16:42: So thank you for joining.

00:16:42 --> 00:16:44: And we work that that this work stream is going  
00:16:44 --> 00:16:46: to focus on being able to deepen that understanding across  
00:16:46 --> 00:16:47: the course of the year.

00:16:47 --> 00:16:49: And of course, the third work stream, if we've got  
00:16:49 --> 00:16:52: the experts and the leaders and we've got the practitioners  
00:16:52 --> 00:16:54: that are really dying to be able to follow in  
00:16:54 --> 00:16:56: those footsteps or indeed curious to be able to follow  
00:16:56 --> 00:16:57: in those footsteps.

00:16:57 --> 00:16:59: And one thing we really should commit to do is  
00:16:59 --> 00:17:01: making sure that the leadership around the world is or  
00:17:02 --> 00:17:04: around Europe is really clear on what's happening and why  
00:17:04 --> 00:17:05: it's important.

00:17:05 --> 00:17:07: So that makes the job of the experts and the  
00:17:07 --> 00:17:09: practitioners much easier in delivery.

00:17:09 --> 00:17:11: So those are the three work streams.

00:17:11 --> 00:17:13: We're working on them in 2024 and beyond.

00:17:13 --> 00:17:15: But just for a moment, I wanted to dive into  
00:17:15 --> 00:17:18: the practitioner work stream because that's where we're  
focusing on

00:17:18 --> 00:17:18: today.

00:17:18 --> 00:17:21: So you are in the 1st works workshop of this  
00:17:22 --> 00:17:22: work stream.

00:17:22 --> 00:17:25: It's important to note we are stepping back because we've  
00:17:25 --> 00:17:27: got a fair few new faces on the call today.

00:17:27 --> 00:17:29: So we really wanted to step down, step back to  
00:17:30 --> 00:17:31: the basics to say what on earth is a carbon  
00:17:32 --> 00:17:32: price?

00:17:32 --> 00:17:35: What's the difference between internal and external  
mechanisms?

00:17:35 --> 00:17:37: What's the difference between shadow and fee paying?

00:17:38 --> 00:17:40: And then what is it take to build a case  
00:17:40 --> 00:17:41: right at the beginning?

00:17:41 --> 00:17:43: Because many people haven't got that far yet.

00:17:43 --> 00:17:45: So we'll, we'll do that bit 1st and then in  
00:17:45 --> 00:17:48: workshop 2, we'll move on to shadow carbon pricing and,  
00:17:48 --> 00:17:51: and start working on some lower complexity case studies that  
00:17:52 --> 00:17:54: you can relate to and relate back to your own  
00:17:54 --> 00:17:54: practice.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

alternatives business

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

00:42:44 --> 00:42:48: So it's really, it's really an interesting job to, to,

00:42:48 --> 00:42:50: to work across all of Europe.

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

00:42:54 --> 00:42:57: And maybe with the title on the slide, it'd be

00:42:57 --> 00:43:01: great to hear sort of where you are with the



00:43:01 --> 00:43:02: carbon price.

00:43:02 --> 00:43:04: I appreciate it might be quite early days and why

00:43:04 --> 00:43:07: you started to think about it or consider it internally.

00:43:08 --> 00:43:08: Yeah.

00:43:08 --> 00:43:11: I'm actually working on a carbon strategy for the for

00:43:12 --> 00:43:15: the company and it will include carbon pricing.

00:43:15 --> 00:43:19: We do not really need to convince our to, to

00:43:19 --> 00:43:24: convince our company of taking a, a carbon strategy and,

00:43:24 --> 00:43:29: and having it priced in because it's just well already

00:43:29 --> 00:43:33: been decided by, by the leadership team.

00:43:33 --> 00:43:36: So there's, there's we are already next step.

00:43:36 --> 00:43:39: And it, it comes now to a point that you

00:43:39 --> 00:43:42: need to know where the impact is and how you

00:43:42 --> 00:43:45: can work with that impact and, and analyse and, and

00:43:45 --> 00:43:47: take the right decision.

00:43:47 --> 00:43:50: So I think carbon pricing is, is, is a great

00:43:50 --> 00:43:54: tool to, to make you help take choices and, and,

00:43:54 --> 00:43:58: and make decisions in your investment proposals.

00:43:58 --> 00:44:00: And just to have some kind of a mirror business

00:44:01 --> 00:44:03: as usual or maybe business as used to be usual

00:44:03 --> 00:44:06: and, and get into a new business as usual, which

00:44:06 --> 00:44:10: does take into account that there there there is an

00:44:10 --> 00:44:12: effect of everything that you do in in in your

00:44:13 --> 00:44:13: business case.

00:44:16 --> 00:44:16: Yeah.

00:44:16 --> 00:44:17: Thank you.

00:44:17 --> 00:44:20: And I'm intrigued, so where did you start?

00:44:20 --> 00:44:24: Is there a particular area, a particular type of real

00:44:25 --> 00:44:26: estate or acquisitions?

00:44:27 --> 00:44:29: Just curious to hear more about how you got started.

00:44:30 --> 00:44:35: Yeah, it it, it started with of course joining the,

00:44:35 --> 00:44:38: the World Green Building Council.

00:44:40 --> 00:44:41: What's it called?

00:44:41 --> 00:44:45: The Commitment 0 carbon commitment.

00:44:45 --> 00:44:49: So we need to decarbonize our assets on the management

00:44:49 --> 00:44:53: by 20-30 and by 2040 even for scope 3 emissions.

00:44:53 --> 00:44:56: So that will be the emissions by the tenants that

00:44:56 --> 00:44:57: use our assets.

00:44:58 --> 00:45:01: And it's obvious that that the scope 3 is, is,

00:45:01 --> 00:45:05: is the largest chunk of what you need to achieve.

00:45:05 --> 00:45:08: But let's focus first on what we are responsible for

00:45:08 --> 00:45:09: as an owner.

00:45:10 --> 00:45:14: And then well, it starts with smart metering to know  
00:45:14 --> 00:45:18: what is going around in, in energy intensity use of  
00:45:18 --> 00:45:20: of these these assets.  
00:45:20 --> 00:45:24: And then there's also an obligation for the embodied carbon  
00:45:24 --> 00:45:29: that is involved in redevelopments, developments or even  
acquisitions.  
00:45:30 --> 00:45:34: So taking that into account, you have business cases where  
00:45:35 --> 00:45:39: you will find that if you take a different approach  
00:45:39 --> 00:45:44: on different materials, have a lot of sustainability measures,  
it,  
00:45:44 --> 00:45:47: it always becomes expensive.  
00:45:47 --> 00:45:49: But why does it come become expensive?  
00:45:50 --> 00:45:53: And I, I don't think I need to explain that  
00:45:53 --> 00:45:57: that excavation and all the damage that does appear there  
00:45:57 --> 00:46:01: and, and, and everything in, in the, in the process  
00:46:01 --> 00:46:04: of, of, of producing products is, is not counted in,  
00:46:05 --> 00:46:08: and it's just being paid by, well, everyone else.  
00:46:09 --> 00:46:13: And, and it's, it's strange that, that you just have  
00:46:13 --> 00:46:17: shareholders making, making a lot of profit on, on, on  
00:46:17 --> 00:46:21: that work and then leave the garbage and, and, and  
00:46:21 --> 00:46:24: the damage to, well, everyone else.  
00:46:24 --> 00:46:27: And it it's obvious that we already pay for that  
00:46:27 --> 00:46:28: through taxes.  
00:46:28 --> 00:46:31: And I don't think that the taxes will be lower  
00:46:31 --> 00:46:33: once we price it in and have a carbon tax  
00:46:33 --> 00:46:33: at all.  
00:46:33 --> 00:46:36: So everything will just become more expensive in the end.  
00:46:36 --> 00:46:39: So I think it's it's good to have a sort  
00:46:40 --> 00:46:43: of view on what is a moral choice instead of  
00:46:43 --> 00:46:45: just a financial choice.  
00:46:45 --> 00:46:48: And that's where it starts to find out why you  
00:46:48 --> 00:46:51: should make your changes in a different way.  
00:46:51 --> 00:46:56: And you should be prepared for new regulations coming up.  
00:46:58 --> 00:47:00: So probably in, in the form of taxes.  
00:47:00 --> 00:47:03: And if you will be taxed on the, on the  
00:47:03 --> 00:47:07: carbon impact of your, of your company, then you better  
00:47:07 --> 00:47:12: start now getting this, this, this carbon impact to decrease  
00:47:12 --> 00:47:15: instead of keeping at the same pace.  
00:47:15 --> 00:47:19: So I think it's it's quite logic to have something  
00:47:19 --> 00:47:24: of a tool to start influencing your decision making in  
00:47:24 --> 00:47:26: in your in your business.  
00:47:28 --> 00:47:28: Absolutely.  
00:47:28 --> 00:47:31: And we had Murray talk a little bit earlier about

00:47:31 --> 00:47:33: the external drivers.

00:47:33 --> 00:47:37: And I'm curious internally you mentioned already there was some

00:47:37 --> 00:47:38: buy in around this.

00:47:38 --> 00:47:42: But is there any further comments to make about how

00:47:42 --> 00:47:45: this can be used internally and creating that buy in

00:47:45 --> 00:47:49: or perhaps even any areas you faced and dealing with

00:47:49 --> 00:47:51: different departments internally?

00:47:53 --> 00:47:53: Yeah.

00:47:53 --> 00:47:56: So the, the, the strategy is still to be presented

00:47:56 --> 00:47:59: to the leadership team and and approved.

00:47:59 --> 00:48:03: And so I think to be honest that if you

00:48:03 --> 00:48:08: have if, if, if it will get to an external

00:48:08 --> 00:48:13: mechanism, then it will be something that is opposed to

00:48:14 --> 00:48:14: everyone.

00:48:15 --> 00:48:17: So it doesn't make you different from the rest.

00:48:17 --> 00:48:20: So I think you should definitely focus on the internal

00:48:20 --> 00:48:21: side.

00:48:21 --> 00:48:26: And well, sustainability has been an add on for well

00:48:26 --> 00:48:29: decades already, I would say.

00:48:30 --> 00:48:34: And it was always a sustainability team looking at certain

00:48:34 --> 00:48:39: figures and, and, and calculations to present in, in, in,

00:48:39 --> 00:48:43: in ACI report what we are, how we are performing.

00:48:44 --> 00:48:48: And the asset managers were sort of kept outside because

00:48:48 --> 00:48:52: they, they have their, their, their contracts to, to manage.

00:48:52 --> 00:48:56: And well, this was something that was extra, but it,

00:48:57 --> 00:48:58: it's not extra anymore.

00:48:58 --> 00:49:02: So what we have been doing for the well for

00:49:02 --> 00:49:06: a lot of years already is now becoming to be

00:49:06 --> 00:49:09: in the job of these asset managers.

00:49:09 --> 00:49:12: So it's not just the, the rental figures that they

00:49:12 --> 00:49:16: need to share to control, but they will also need

00:49:16 --> 00:49:19: to share your current energy intensities figures and, and we

00:49:20 --> 00:49:22: can then recalculate them to carbon.

00:49:22 --> 00:49:26: But it's really interesting to see that, that there was

00:49:26 --> 00:49:31: never a focus in, in managing assets on the performance

00:49:31 --> 00:49:34: of the assets in, in, in, in energy, in the

00:49:34 --> 00:49:36: energy consumption.

00:49:36 --> 00:49:38: So it's, it was always based on, on your rental

00:49:38 --> 00:49:41: income, which is of course really important because that's

00:49:41 --> 00:49:42: why

00:49:41 --> 00:49:42: you have the asset.

00:49:42 --> 00:49:45: But I think it's, it's crucial to see all sides  
00:49:45 --> 00:49:49: of it so that you can really manipulate probably the,  
00:49:49 --> 00:49:53: the asset as it is because you have more of  
00:49:53 --> 00:49:56: an overview of everything that's going on.  
00:49:56 --> 00:50:01: So we already embedded the, the these figures to be  
00:50:01 --> 00:50:04: in the decision making paper.  
00:50:04 --> 00:50:08: So when once you want to do an investment, you  
00:50:08 --> 00:50:12: write a proposal and there's a business case and I'm  
00:50:12 --> 00:50:16: now trying to get there a carbon case involved as  
00:50:16 --> 00:50:16: well.  
00:50:16 --> 00:50:20: And then when you have a proposal proposed to the,  
00:50:20 --> 00:50:24: to the investment committee, you will get an approval on  
00:50:24 --> 00:50:27: your business case and your carbon case.  
00:50:27 --> 00:50:30: And then it will be hard to change because then  
00:50:30 --> 00:50:34: you will have to get back to the investment committee  
00:50:34 --> 00:50:37: to ask to, you know, to change your, your project.  
00:50:37 --> 00:50:38: And it will be affecting both ways.  
00:50:38 --> 00:50:42: So even sometimes it's, it's more expensive and, and once  
00:50:42 --> 00:50:46: you do a tender for a project, it appears that  
00:50:46 --> 00:50:49: that the steel prices go sky high or your concrete  
00:50:49 --> 00:50:53: prices go sky high or it's your stimmer that goes  
00:50:53 --> 00:50:53: sky high.  
00:50:53 --> 00:50:56: And then you would like to see if it's, if  
00:50:56 --> 00:50:59: you could make a different choice for, for the SSB  
00:50:59 --> 00:51:00: and redeveloped.  
00:51:01 --> 00:51:03: And then you have to recalculate everything.  
00:51:04 --> 00:51:07: And it's, it's not as black and white as it  
00:51:07 --> 00:51:11: seems because there's a lot going on there that if  
00:51:11 --> 00:51:16: you have now, for instance, a timber frame, you already  
00:51:16 --> 00:51:20: had one of these occasions was too expensive and they  
00:51:20 --> 00:51:23: tried to, to, to cut down on cost.  
00:51:23 --> 00:51:25: And then they, they switch to steel.  
00:51:25 --> 00:51:28: And then it appears that the steel will bring you  
00:51:28 --> 00:51:32: even more rental value because there's more square meters  
because  
00:51:32 --> 00:51:34: you needed to have a lot of material in the  
00:51:34 --> 00:51:37: timber framing, which makes it cut on both sides.  
00:51:37 --> 00:51:40: So then it's a no brainer that you can't have  
00:51:40 --> 00:51:44: to timber because it will just then your project will  
00:51:44 --> 00:51:44: fail.  
00:51:44 --> 00:51:48: And I think it's it's really important to know where  
00:51:48 --> 00:51:52: the carbon is, where the impact is and to well

00:51:52 --> 00:51:54: to take wise decisions on that.

00:51:54 --> 00:51:58: And even if you are to use the materials that

00:51:58 --> 00:52:02: are known for a high carbon impacts, choose to implement

00:52:02 --> 00:52:05: them on a in a wise way in the design

00:52:05 --> 00:52:09: so that you can just dismantle everything and build it

00:52:09 --> 00:52:12: up again without damaging it.

00:52:12 --> 00:52:15: And and have proper records of what you put where

00:52:15 --> 00:52:18: in your building and how it's attached so you can

00:52:18 --> 00:52:19: detach it again.

00:52:19 --> 00:52:22: And it will save you a lot of failure cost

00:52:22 --> 00:52:25: as well, even in, in building, in construction, but also

00:52:25 --> 00:52:27: in in the management part of it.

00:52:27 --> 00:52:29: So when you do maintenance.

00:52:31 --> 00:52:32: Thank you, really interesting.

00:52:32 --> 00:52:35: And so to use it really as that input or

00:52:35 --> 00:52:37: tool to help strategic decision making.

00:52:38 --> 00:52:44: And perhaps you mentioned financial information, existing  
established methods of

00:52:44 --> 00:52:47: managing financials and measuring.

00:52:48 --> 00:52:50: And I'm intrigued to get your take.

00:52:50 --> 00:52:53: One of the barriers that was mentioned earlier in the

00:52:53 --> 00:52:56: survey was around uncertainty or lack of data relating to

00:52:56 --> 00:52:56: carbon.

00:52:57 --> 00:52:59: And how did you deal with that?

00:52:59 --> 00:53:01: Is that something that you've come across so far?

00:53:03 --> 00:53:04: Well, we started just with cases.

00:53:04 --> 00:53:09: So we have an interesting case of a redevelopment where

00:53:09 --> 00:53:12: we could reuse a whole lot of the structure of

00:53:12 --> 00:53:16: a building, which made it possible to get to a

00:53:16 --> 00:53:18: really low carbon impact.

00:53:18 --> 00:53:21: Because if you do a study on where your impact

00:53:21 --> 00:53:23: is in, in an asset, if you are to build

00:53:23 --> 00:53:27: a new asset, then the, the, the structure and, and

00:53:27 --> 00:53:30: even the flooring of the structure would be I think

00:53:30 --> 00:53:34: the flooring only 40% of the whole building, the whole

00:53:34 --> 00:53:38: asset and then another 20% for the bearing structure in

00:53:38 --> 00:53:38: there.

00:53:39 --> 00:53:42: And then you will have about 20% for your facade.

00:53:42 --> 00:53:43: And that's why you.

00:53:43 --> 00:53:46: So if you don't have to create a new structure

00:53:46 --> 00:53:49: and flooring, it will save you a lot of carbon.

00:53:50 --> 00:53:53: If you are to build a new one, then then

00:53:53 --> 00:53:56: it's really up to making the right choices to make

00:53:56 --> 00:54:00: it all be constructed for reuse so that you can

00:54:00 --> 00:54:03: profit in the D section of of of the the

00:54:03 --> 00:54:05: life cycle, the carbon life cycle.

00:54:06 --> 00:54:10: And it starts with, if you start with a standing

00:54:10 --> 00:54:14: asset and you are going to change the asset, then

00:54:14 --> 00:54:18: there will be parts coming from the standing assets which

00:54:19 --> 00:54:22: you could probably have for reuse or recycling.

00:54:22 --> 00:54:26: So that's where you can have some kind of a

00:54:26 --> 00:54:28: credit before you start.

00:54:28 --> 00:54:32: But when you start with with with a Greenfield, then

00:54:32 --> 00:54:35: you will just be adding carbon in the in the

00:54:35 --> 00:54:36: start.

00:54:36 --> 00:54:38: So that's that's why more it's more carbon intensive.

00:54:39 --> 00:54:43: So it's really depends on the fields you're active in.

00:54:43 --> 00:54:48: And we have a lot of retail high streets assets

00:54:48 --> 00:54:51: and we will not be demolishing them.

00:54:51 --> 00:54:54: We will be probably restructuring, redeveloping them.

00:54:55 --> 00:54:58: And that would well that would make it a bit

00:54:58 --> 00:55:02: more easy to have a low carbon impacts design.

00:55:03 --> 00:55:06: But still, you need to convince people that that you

00:55:06 --> 00:55:09: can't just tear it all down and build up new

00:55:09 --> 00:55:09: again.

00:55:12 --> 00:55:14: Yes, really interesting.

00:55:14 --> 00:55:16: So I think sort of look at look at what

00:55:16 --> 00:55:19: you have in the portfolio and and where you can

00:55:19 --> 00:55:22: get started and where it's most effective and with carbon

00:55:22 --> 00:55:25: emissions and calculating those carbon emissions.

00:55:26 --> 00:55:28: Again, I was just curious if there was any uncertainty

00:55:28 --> 00:55:30: you came across there while you're measuring and how you

00:55:30 --> 00:55:30: dealt with it.

00:55:31 --> 00:55:34: Maybe it was like another area of measurement where

00:55:34 --> 00:55:37: perhaps

00:55:34 --> 00:55:37: have to deal with those uncertainties.

00:55:37 --> 00:55:42: Well, we, we started with requirements for new designs.

00:55:42 --> 00:55:45: So you have to meet CRAM targets and you have

00:55:45 --> 00:55:48: to meet CRAM 2040 targets and that's for operational

00:55:49 --> 00:55:53: carbon.

00:55:49 --> 00:55:53: And because the assets that you will be redeveloping today

00:55:53 --> 00:55:57: will be handed over just before 20-30 or maybe even

00:55:57 --> 00:56:01: just past 20-30 and somewhere around 2033 the the CRAM

00:56:01 --> 00:56:05: target level of 2040 will be reached for most of

00:56:05 --> 00:56:06: the asset type classes.

00:56:06 --> 00:56:08: So that's a no brainer.

00:56:08 --> 00:56:11: And then if you if you get to the embodies

00:56:11 --> 00:56:15: carbon part, I think it has been calculated that you

00:56:15 --> 00:56:19: need to get within the borders of around 150 kilograms

00:56:19 --> 00:56:23: per square meter, which is reasonably low.

00:56:23 --> 00:56:27: And we just set the requirements on 200 kilograms and

00:56:27 --> 00:56:30: to see what, what the design teams would come up

00:56:30 --> 00:56:34: with just to see if they could comply either complain

00:56:34 --> 00:56:38: why they couldn't and then get to a certain level

00:56:38 --> 00:56:39: that we could accept.

00:56:40 --> 00:56:44: And we also had a new build project and there

00:56:44 --> 00:56:49: was a lot of resistance on, on the target because

00:56:49 --> 00:56:51: they just couldn't do it.

00:56:52 --> 00:56:55: And they just said, well, we, we will refer to,

00:56:55 --> 00:56:58: to a lattice scheme of 650, maybe 700, which would

00:56:58 --> 00:57:01: be feasible because that's best practice.

00:57:01 --> 00:57:03: And I said, well, that's best practice of what we

00:57:03 --> 00:57:06: are capable of today based on best practices of the

00:57:06 --> 00:57:08: last couple of years.

00:57:08 --> 00:57:10: And I would like you to develop something to the

00:57:11 --> 00:57:12: best practices of 2028.

00:57:13 --> 00:57:15: And that's where it got really confusing for them.

00:57:16 --> 00:57:19: But we still managed to get to to to a

00:57:19 --> 00:57:22: reasonable low 1 lower than than Letty.

00:57:23 --> 00:57:25: It still has to be defined.

00:57:25 --> 00:57:30: But I think just having the conversation and yeah, we'll

00:57:30 --> 00:57:34: try to the count of people with, with, with, with

00:57:34 --> 00:57:38: requirements that are really hard to, to get, helps us

00:57:38 --> 00:57:43: learn and helps the, the other, well, the other, the,

00:57:43 --> 00:57:47: the consultants as well to, to have the right questions

00:57:47 --> 00:57:48: to us.

00:57:48 --> 00:57:50: And if we can't answer the questions, we'll have to

00:57:50 --> 00:57:51: find the answer together.

00:57:51 --> 00:57:54: So it is after all it's it's a job of

00:57:54 --> 00:57:57: working together on these type of questions.

00:57:59 --> 00:57:59: Absolutely.

00:57:59 --> 00:58:03: So some learning by doing and the importance of

00:58:03 --> 00:58:04: collaboration

00:58:04 --> 00:58:06: in this space too.

00:58:06 --> 00:58:06: And maybe final question also, please.

00:58:06 --> 00:58:10: Yeah, the most important they start start registering

00:58:10 --> 00:58:10: everything you

00:58:10 --> 00:58:10: do.

00:58:10 --> 00:58:14: So if you make, for instance, building passports where you

00:58:14 --> 00:58:17: have everything in there to make, to make a whole

00:58:17 --> 00:58:20: life carbon assessment on your, your, your asset.

00:58:20 --> 00:58:23: And you will have all the information needed.

00:58:23 --> 00:58:26: And, and even if you are not to, to start

00:58:26 --> 00:58:29: with carbon pricing or in any way, if, if you

00:58:29 --> 00:58:33: just, if you managed to have the information on your

00:58:33 --> 00:58:37: assets and, and some kind of a taxation comes in,

00:58:37 --> 00:58:41: then you will have your, your, your, your baseline.

00:58:41 --> 00:58:43: And you can start with it.

00:58:43 --> 00:58:46: And you do not have to start at the moment.

00:58:46 --> 00:58:48: It's it's being imposed.

00:58:51 --> 00:58:51: Exactly.

00:58:51 --> 00:58:53: So yeah, getting that.

00:58:54 --> 00:58:57: So pre assessment before things move mandatory.

00:58:57 --> 00:59:01: And just a quick comment for everyone, please, if you

00:59:01 --> 00:59:05: do have any questions for Martin, for Murray or for

00:59:05 --> 00:59:08: others, please feel free to put them in the chat.

00:59:09 --> 00:59:13: We'll also open in case there's questions people want to

00:59:13 --> 00:59:16: raise verbally to and Martin.

00:59:16 --> 00:59:20: Just maybe one final section question before we go into

00:59:20 --> 00:59:24: Q&A, which was just zooming back out again.

00:59:24 --> 00:59:29: How did this support more wider initiatives or other

00:59:29 --> 00:59:31: developments

00:59:29 --> 00:59:31: in your organization?

00:59:31 --> 00:59:34: So how did thinking and considering this carbon price

00:59:34 --> 00:59:37: support

00:59:34 --> 00:59:37: some of those wider strategic initiatives?

00:59:39 --> 00:59:42: Well, I, I think it's too early to say that

00:59:42 --> 00:59:46: there's been a wider effect, but you can imagine that

00:59:46 --> 00:59:49: if, if you have this strategy approved by your leadership

00:59:49 --> 00:59:53: team and, and the carbon prices in, even if it's

00:59:53 --> 00:59:57: low, it doesn't matter because every developer that that gets

00:59:57 --> 01:00:00: a cut on this on, on this business case tries

01:00:00 --> 01:00:03: to get this cut as as low as possible because

01:00:03 --> 01:00:05: it's just like, it's like a game then so.

01:00:06 --> 01:00:08: Maybe it helps by, by gamifications.

01:00:09 --> 01:00:12: I think it's really interesting that they will be eager

01:00:12 --> 01:00:14: to to get to the lowest cut possible.

01:00:14 --> 01:00:15: So I think it will work in the end.

01:00:15 --> 01:00:18: Even if it's low, it shouldn't be too low obviously.

01:00:18 --> 01:00:21: But if you would like a real, real, real price,



01:00:21 --> 01:00:24: then then it will become, well, true pricing is is

01:00:25 --> 01:00:27: just a different, different type.

01:00:27 --> 01:00:30: It it will be probably 100 times as much as

01:00:30 --> 01:00:34: you would expect it to be today as a carbon

01:00:34 --> 01:00:35: price.

01:00:35 --> 01:00:38: So well probably it will get to some kind of

01:00:38 --> 01:00:42: ETS level where you well which is a sort of

01:00:42 --> 01:00:44: accepted level by industry.

01:00:47 --> 01:00:50: Now coming back to your question is that if you

01:00:50 --> 01:00:53: have a strategy for, for carbon, you could imagine that

01:00:53 --> 01:00:56: you could have a strategy like that for all the

01:00:56 --> 01:00:58: S and, and G types of, of ES and G.

01:00:58 --> 01:01:01: So once there's more clearance on how to measure it

01:01:01 --> 01:01:04: and, and if there's, there's an acceptable standard by the

01:01:04 --> 01:01:07: industry of measuring, then you can embed that in the

01:01:07 --> 01:01:10: strategy and you can start use KP is to improve

01:01:10 --> 01:01:11: yourself.

01:01:11 --> 01:01:13: So you just need to get to a plan to

01:01:13 --> 01:01:16: check act cycle to, to be able to tell where

01:01:16 --> 01:01:18: you are now, what you plan to do about it.

01:01:18 --> 01:01:20: And if you succeeded in, in doing so.

01:01:20 --> 01:01:23: And once you have succeeded, you can look back at

01:01:23 --> 01:01:25: where you started and think, OK, we can do a

01:01:25 --> 01:01:27: next step and we can do even better than that.

01:01:28 --> 01:01:30: But if you lack the data, then then well, you

01:01:30 --> 01:01:31: lack your base.

01:01:31 --> 01:01:34: So if you don't have a baseline and, and that's

01:01:34 --> 01:01:35: where it starts.

01:01:35 --> 01:01:38: So I think you, you really need to start measuring

01:01:38 --> 01:01:41: and to start gathering data on, on your assets or

01:01:41 --> 01:01:42: how they're performing.

01:01:43 --> 01:01:46: And that doesn't mean that you have to take your,

01:01:46 --> 01:01:51: your standing portfolio through an assessment on the carbon

01:01:52 --> 01:01:53: embodies

01:01:52 --> 01:01:53: carbon of these buildings.

01:01:54 --> 01:01:56: But I think every time that you will do a

01:01:56 --> 01:01:59: redevelopment of an assets that you will have to do

01:01:59 --> 01:02:02: a due diligence on what will I be retrieving from

01:02:03 --> 01:02:06: the assets and what will I be changing and everything

01:02:06 --> 01:02:08: I retrieve, can I do that in a way that

01:02:08 --> 01:02:12: is being recycled, reused or whatever, just to make sure

01:02:12 --> 01:02:15: that your carbon impact is as low as possible.

01:02:15 --> 01:02:18: So it even starts before your design stage and then

01:02:18 --> 01:02:22: you will get to your, your production and and construction

01:02:22 --> 01:02:23: phase and then the use phase.

01:02:23 --> 01:02:26: And, and you've got to be aware that the embodied

01:02:26 --> 01:02:28: carbon, I think this is an important one.

01:02:28 --> 01:02:33: The embodied carbon that you invest in, in, in an

01:02:33 --> 01:02:36: asset at, at day one is going to predict the

01:02:36 --> 01:02:42: level of all your redevelopments and refurbishment in the, in,

01:02:42 --> 01:02:44: in the future coming.

01:02:44 --> 01:02:47: So if you will have a refurbishment every 15 years,

01:02:47 --> 01:02:52: we've we've done a calculation with UN Studio that there,

01:02:52 --> 01:02:55: there is about to be quarter of of your initial

01:02:55 --> 01:02:59: carbon impact by the structure or the OR the whole

01:02:59 --> 01:03:03: asset actually that you have to invest again after 15

01:03:03 --> 01:03:05: years and after 15 years again.

01:03:05 --> 01:03:10: So actually after 60 years, you've invested twice the initial

01:03:10 --> 01:03:15: carbon impact and that will be significantly higher than your

01:03:15 --> 01:03:17: than your operational carbon.

01:03:18 --> 01:03:20: And I think that that's an important one to notice.

01:03:20 --> 01:03:23: So if you have a low carbon start, then you

01:03:23 --> 01:03:26: will have low carbon refurbishments and redevelopments.

01:03:26 --> 01:03:30: But if you have it all glued together and poured

01:03:30 --> 01:03:33: together, then you will have to make a lot of

01:03:33 --> 01:03:36: damage to, to change it and you have to add

01:03:36 --> 01:03:38: a lot of joints again.

01:03:39 --> 01:03:42: And if you just keep on repeating that it's, it's

01:03:42 --> 01:03:43: going to stay like that.

01:03:43 --> 01:03:46: So your your initial choices that you make in in

01:03:46 --> 01:03:49: the in the in the first day before even before

01:03:50 --> 01:03:52: you start drawing something on the paper.

01:03:53 --> 01:03:56: It is is is actually the setting the standard for

01:03:56 --> 01:03:59: the rest of the life cycle of this asset.

01:04:01 --> 01:04:01: Yeah, indeed.

01:04:01 --> 01:04:05: So I'm thinking about that end to end operational, embodied

01:04:05 --> 01:04:05: and so on.

01:04:05 --> 01:04:10: And thank you very much to Martin for those questions

01:04:10 --> 01:04:11: and answers.

01:04:13 --> 01:04:15: I can see there's some questions in the chat and

01:04:15 --> 01:04:19: maybe before going into the questions in the chat, and

01:04:19 --> 01:04:21: we can also reply to some of those afterwards and

01:04:21 --> 01:04:25: share them afterwards, maybe just to see if anyone has

01:04:25 --> 01:04:27: any questions to raise in the room.

01:04:27 --> 01:04:31: If so, please could you raise a hand and then  
01:04:31 --> 01:04:32: we'll turn to you.  
01:04:32 --> 01:04:34: Just give it a moment.  
01:04:40 --> 01:04:44: If not, I'll give it one second then Martin, I  
01:04:44 --> 01:04:48: can see there's a bit of questions in the chat  
01:04:48 --> 01:04:51: for you and one of those was looks.  
01:04:52 --> 01:04:53: Like there's a, there's a hand.  
01:04:54 --> 01:04:54: OK.  
01:04:55 --> 01:04:55: Anna.  
01:04:57 --> 01:05:00: Yeah, the handles for a question, so I don't know  
01:05:00 --> 01:05:02: if you prefer me to write in the chat.  
01:05:02 --> 01:05:02: Or.  
01:05:02 --> 01:05:04: To ask directly.  
01:05:05 --> 01:05:06: Please ask directly.  
01:05:07 --> 01:05:07: OK.  
01:05:09 --> 01:05:12: So Martin, thank you very much for the explanation.  
01:05:12 --> 01:05:17: I had a question regarding the embodied carbon because it  
01:05:17 --> 01:05:21: also raised was raised in previous meetings.  
01:05:22 --> 01:05:28: Have you created or defined different considerations to  
01:05:28 --> 01:05:34: approach the  
01:05:34 --> 01:05:39: embodied carbon measurement or strategies of reduction for  
01:05:39 --> 01:05:41: your new  
01:05:41 --> 01:05:45: assets compared to sorry for your existing assets before  
01:05:45 --> 01:05:45: even  
01:05:45 --> 01:05:48: they undergo any renovation?  
01:05:48 --> 01:05:52: How do you approach this element in the assets already  
01:05:52 --> 01:05:57: there?  
01:05:57 --> 01:06:03: Since it's an element that because of their age or  
01:06:03 --> 01:06:06: time of development works not available or not calculated.  
01:06:06 --> 01:06:08: Have you defined a specific approach to start integrating  
01:06:08 --> 01:06:12: these  
01:06:12 --> 01:06:16: imported carbon and part of calculation consideration in your  
01:06:16 --> 01:06:20: existing  
01:06:20 --> 01:06:24: assets even before they undergo any renovation?  
01:06:24 --> 01:06:28: Not particular for assets that are standing and are untouched,  
01:06:28 --> 01:06:32: but it is a common requirement, has become a common  
01:06:32 --> 01:06:35: requirement since I joined Redefco that we do in urban  
01:06:35 --> 01:06:38: mining scan before starting redevelopment of an asset.  
01:06:38 --> 01:06:40: And sometimes there's already plans for the asset.  
01:06:40 --> 01:06:43: While there's, there's, there's still a tenant in and we  
01:06:43 --> 01:06:46: might not even know if, if the tenant might change  
01:06:46 --> 01:06:49: or if there comes a break or not.  
01:06:49 --> 01:06:52: But sometimes it's, it's good to just see what the

01:06:40 --> 01:06:42: potential of an asset is.

01:06:42 --> 01:06:46: And then you could start with this, this urban mining

01:06:46 --> 01:06:48: scan just to find out how is it built?

01:06:48 --> 01:06:50: What, what's the structure like?

01:06:50 --> 01:06:54: If we would like to change it, what, what are

01:06:54 --> 01:06:59: the, the limits that you, that you have for regulations

01:06:59 --> 01:07:03: And what should we change to the essay to make

01:07:03 --> 01:07:05: it crime target 2040 proof.

01:07:05 --> 01:07:09: So insulation values, your, your facade, your roof structure,

01:07:10 --> 01:07:11: that

01:07:11 --> 01:07:14: sort of things.

01:07:14 --> 01:07:17: And if you are prepared for that, then you know

01:07:17 --> 01:07:20: what to do with, with the, with the offtake of,

01:07:20 --> 01:07:25: of, of the asset that you are going to change.

01:07:25 --> 01:07:32: And of course, we, we have a lot of retail

01:07:32 --> 01:07:38: High Street assets that are only, oh, maybe AAA locations

01:07:38 --> 01:07:43: and it's, it's, they're in most, I think most assets

01:07:43 --> 01:07:47: are even quite old to maybe even listed.

01:07:47 --> 01:07:47: So that makes it really hard to, to really change

01:07:47 --> 01:07:52: the assets.

01:07:52 --> 01:07:53: So it's, it's then also hard to, to make it

01:07:53 --> 01:07:56: Paris proof.

01:07:56 --> 01:07:59: So if it isn't possible, well, you, you will end

01:07:59 --> 01:08:02: up with a debit and then you'll have to do

01:08:02 --> 01:08:05: some offsetting not right that that's what it is.

01:08:05 --> 01:08:08: So I think that even if you have to change

01:08:08 --> 01:08:11: it, make an urinary scan and then if you have

01:08:11 --> 01:08:12: all the changes, do it in a way that that

01:08:12 --> 01:08:17: it's reversible.

01:08:17 --> 01:08:21: So it means that it started with kind of a

01:08:21 --> 01:08:24: data set elaboration and guidelines to approach the new and

01:08:24 --> 01:08:27: existing so that it can feed also then in parallel

01:08:27 --> 01:08:31: the carbon strategy with a pricing next to.

01:08:31 --> 01:08:35: Because if if the acid is in use, then

01:08:35 --> 01:08:40: it doesn't make make make sense to to to do

01:08:40 --> 01:08:43: an assessment on the embodied carbon of the existing

01:08:43 --> 01:08:44: structure

01:08:44 --> 01:08:46: because it's just unknown what you are to do with

01:08:46 --> 01:08:48: it.

01:08:48 --> 01:08:50: So if only if you have plans and you know

01:08:50 --> 01:08:53: what you will touch and and if you will touch

01:08:53 --> 01:08:53: it, what the impact would be.

01:08:53 --> 01:08:53: Thank you.

01:08:54 --> 01:08:55: Welcome.

01:08:55 --> 01:08:56: Thank you.

01:08:56 --> 01:08:59: And there's some questions in the chat.

01:08:59 --> 01:09:01: I'll just try and summarize.

01:09:01 --> 01:09:04: But I think Martin, again, it's for you, it was

01:09:04 --> 01:09:06: question around comparability.

01:09:06 --> 01:09:10: So if you have different geographies, different regions perhaps in

01:09:10 --> 01:09:13: one country, how you deal with those different geographies?

01:09:13 --> 01:09:15: Is it a uniform price?

01:09:16 --> 01:09:18: If not, is it comparable?

01:09:18 --> 01:09:19: How are you thinking about that?

01:09:22 --> 01:09:27: Up to a certain level, it will be local regulations.

01:09:27 --> 01:09:30: So I think that's just what it is.

01:09:30 --> 01:09:33: So you if you if it comes to your business,

01:09:33 --> 01:09:37: your whole portfolio, then you just choose for yourself.

01:09:37 --> 01:09:43: So you choose a price that would match the decision

01:09:43 --> 01:09:48: making efforts and and and then if there comes a

01:09:48 --> 01:09:52: taxation from a different from an external.

01:09:55 --> 01:09:57: Just to turn yourself on mute, please.

01:10:00 --> 01:10:00: Great.

01:10:03 --> 01:10:06: So it's yeah, it's just you have to make a

01:10:06 --> 01:10:10: choice for yourself or your organization because the external parts

01:10:10 --> 01:10:12: you can't influence.

01:10:12 --> 01:10:14: So you have to take your decisions once it once

01:10:14 --> 01:10:18: it's internal, you take your decisions on your internal choices

01:10:18 --> 01:10:19: that you've made.

01:10:20 --> 01:10:24: And it is true that that even even the life

01:10:24 --> 01:10:29: cycle assessments are different in different countries within Europe.

01:10:29 --> 01:10:33: So sometimes it's 50 years, sometimes it's 60 years, sometimes

01:10:33 --> 01:10:34: it's 75 years.

01:10:34 --> 01:10:37: But in the end, I, I, I've done a short

01:10:37 --> 01:10:41: calculation for one, one asset that, that, that I just

01:10:41 --> 01:10:43: wanted to know about.

01:10:43 --> 01:10:46: And it appears that it may be at 12 to

01:10:46 --> 01:10:51: 13% that, that you're off on, on your carbon impacts.

01:10:52 --> 01:10:55: If, if you calculate 50 to 60 years or 60

01:10:55 --> 01:10:56: to 75 years.

01:10:56 --> 01:11:00: So if you can compare it with 60, which is

01:11:00 --> 01:11:04: the, the, the standard on the, the embodied carbon, you

01:11:04 --> 01:11:07: might have a plus or a minus of maybe 1213%.

01:11:07 --> 01:11:10: So I think that could be acceptable because it's, it's

01:11:10 --> 01:11:12: as vague as, as, as you know.

01:11:12 --> 01:11:15: So I think you, you don't need to take well,

01:11:15 --> 01:11:20: specific regulations or specific calculations to sort of make it

01:11:20 --> 01:11:21: comparable.

01:11:21 --> 01:11:24: I think it's, it's just that if you have a,

01:11:24 --> 01:11:27: a standard strategy and, and you apply it to all

01:11:27 --> 01:11:30: the assets, then it will help you benchmark them.

01:11:30 --> 01:11:34: And everything that's external is just external.

01:11:34 --> 01:11:34: You have to deal with it.

01:11:38 --> 01:11:39: Yeah, thank you.

01:11:39 --> 01:11:45: And again, just opening up, if there's anyone on the

01:11:45 --> 01:11:51: call who would like to raise a hand, please jump

01:11:51 --> 01:11:56: in and ask a question, if not, Murray.

01:11:56 --> 01:11:59: There is a question in the in the shed, Rebecca.

01:12:00 --> 01:12:00: Thank.

01:12:00 --> 01:12:02: You Another one from Trent.

01:12:03 --> 01:12:04: Thank you.

01:12:04 --> 01:12:08: And yes, again, I think it's a question for yourself,

01:12:08 --> 01:12:09: Martin.

01:12:09 --> 01:12:13: So it was a question on deriving the carbon price

01:12:13 --> 01:12:18: and whether that was based on estimated cost intervention  
for

01:12:18 --> 01:12:23: a particular asset, the portfolio and how to deal with

01:12:23 --> 01:12:29: variations in cost, so whether that was maintenance or  
decarbonisation.

01:12:29 --> 01:12:32: So just maybe to summarize thinking about cost and how

01:12:32 --> 01:12:34: to set that carbon price cost.

01:12:35 --> 01:12:35: Yeah.

01:12:36 --> 01:12:40: Well if you would get to a true pricing system,

01:12:40 --> 01:12:44: you might end up with prices around 2000 plus per

01:12:44 --> 01:12:49: tonne, which is probably not being implemented in your for

01:12:49 --> 01:12:52: your internal decision making.

01:12:52 --> 01:12:57: So that's why I think it's, it's more more logical

01:12:57 --> 01:13:01: to to sort of start with with a lower sort

01:13:01 --> 01:13:03: of accepted level like ETS.

01:13:03 --> 01:13:07: So you could think of prices from 45 to to

01:13:07 --> 01:13:09: ???100 per tonne probably.

01:13:10 --> 01:13:14: Just remember it's, it's a benchmark for trying to change

01:13:14 --> 01:13:15: decision making.

01:13:15 --> 01:13:20: It it's not really related to, to, to true cost

01:13:20 --> 01:13:24: because it's, it's not being standardised.

01:13:24 --> 01:13:28: If through pricing would be the case, then we would

01:13:28 --> 01:13:33: not need this, this, this carbon pricing exercise because it's

01:13:33 --> 01:13:37: just something that needs to be assessed on every product

01:13:37 --> 01:13:38: that you buy.

01:13:38 --> 01:13:40: What is it being made from?

01:13:40 --> 01:13:42: What resources have been used?

01:13:42 --> 01:13:44: Is it is it possible to reuse it?

01:13:44 --> 01:13:49: So basically everything that is cradle to cradle and certified

01:13:49 --> 01:13:54: would then be the the lowest priced products ever.

01:13:54 --> 01:13:58: And today you will see that it's, it's probably a

01:13:58 --> 01:14:01: little bit more expensive to have a, a, a really

01:14:01 --> 01:14:06: good renewable resource based products than the standard one that's

01:14:06 --> 01:14:09: being produced for take make waste.

01:14:09 --> 01:14:11: So I think we are, we are still not there

01:14:11 --> 01:14:15: on the circular economy to have things really priced in.

01:14:15 --> 01:14:18: So that's why I think you should just focus on

01:14:18 --> 01:14:21: your decision making internally and and base your price on

01:14:21 --> 01:14:22: that.

01:14:22 --> 01:14:25: And what I did make some some kind of a

01:14:25 --> 01:14:28: calculation on one asset just to get a grip on

01:14:28 --> 01:14:29: the figures.

01:14:29 --> 01:14:33: And if you then account for 60 years with four

01:14:33 --> 01:14:38: refurbishments and you count the embodied carbon at initial year

01:14:38 --> 01:14:42: zero and then you're  $4 * 1/4$ , then you get

01:14:42 --> 01:14:45: to two times the embodied carbon.

01:14:45 --> 01:14:49: If you then would take a cycle of 60 years,

01:14:49 --> 01:14:54: cram 2040 targets, then you would end up with a

01:14:54 --> 01:15:00: carbon, carbon intensity and body carbon intensity of around 75

01:15:00 --> 01:15:02: kilograms per square meter.

01:15:02 --> 01:15:07: And if you then get to your, if you would

01:15:07 --> 01:15:12: then build to a lattice standard of 650 which is

01:15:12 --> 01:15:18: considered low, then you are exceeding it by 575 kilograms.

01:15:18 --> 01:15:23: So if you were to price that you would probably

01:15:23 --> 01:15:27: end up with a carbon price of around 350 or

01:15:27 --> 01:15:30: ???400 per kilogram, no per tonne.

01:15:31 --> 01:15:34: And I think that, but that's just specific for this

01:15:35 --> 01:15:35: case.

01:15:35 --> 01:15:37: So it could be if I would be making different

01:15:37 --> 01:15:41: calculations for different asset types in different situations,

01:15:41 --> 01:15:44: there will

01:15:44 --> 01:15:46: be a different price and then it's not comparable anymore.

01:15:46 --> 01:15:49: It's like your business case.

01:15:49 --> 01:15:52: You would like to have your IRR on always on

01:15:52 --> 01:15:56: the, on the same, based on the same line of,

01:15:56 --> 01:15:56: of costs and expenses and, and, and, and your rental

01:15:56 --> 01:16:00: income.

01:16:00 --> 01:16:04: Because if you differ the, the, the basis of your,

01:16:04 --> 01:16:07: of your calculations, then it's not comparable anymore.

01:16:07 --> 01:16:10: And then your investment committee will never be able to,

01:16:10 --> 01:16:12: to, to approve or only be able to disapprove because

01:16:12 --> 01:16:16: they can't just benchmark it.

01:16:16 --> 01:16:19: So it's really important that you have a standard and

01:16:19 --> 01:16:22: and the baseline to get back to so that it's

01:16:22 --> 01:16:26: benchmarkable for, for your, your whole organization.

01:16:26 --> 01:16:28: Thank you, Martin, really helpful.

01:16:28 --> 01:16:30: And I can see there's a few more questions in

01:16:30 --> 01:16:31: the chat, so we will get to them, maybe not

01:16:31 --> 01:16:33: in this call, but another time.

01:16:33 --> 01:16:36: So thank you very much for that.

01:16:36 --> 01:16:38: Maybe just a perspective on that, on that question, I

01:16:38 --> 01:16:41: think it's look at to look at the, the ultimate

01:16:41 --> 01:16:44: damage cost that like this is the social cost of

01:16:44 --> 01:16:47: carbon and the US government set to \$190.00 per tonne

01:16:47 --> 01:16:50: for US tonne as as their sort of policy cost

01:16:50 --> 01:16:51: of, and it doesn't include all the types of damages

01:16:51 --> 01:16:54: that that happened.

01:16:54 --> 01:16:57: And then looking at what is like that technology cost

01:16:57 --> 01:17:00: that, that Martin was seeing, like what is the cost

01:17:00 --> 01:17:03: to decarbonize your buildings and the type of buildings, older

01:17:03 --> 01:17:07: buildings, newer buildings, and, and what, because that is,

01:17:07 --> 01:17:11: that's

01:17:11 --> 01:17:13: what the requirements of the energy performance building

01:17:13 --> 01:17:17: structive and

01:17:17 --> 01:17:20: efficiency directives ultimately are going towards, even

01:17:20 --> 01:17:23: though they're still,

01:17:23 --> 01:17:25: they need to be implemented in, in member states.

01:17:25 --> 01:17:28: And then like looking at what are, what are the

01:17:28 --> 01:17:30: sort of the trajectories for the EUETS, the, the ETS

01:17:30 --> 01:17:33: too, and where they could, they could head to and

01:17:33 --> 01:17:36: where energy tax reform, if it, if it's done by

01:17:36 --> 01:17:39: member states, could also could also do.

01:17:39 --> 01:17:42: And, and then how that affects your tenants.



01:17:30 --> 01:17:32: And, and if, if prices are going up in, in

01:17:32 --> 01:17:35: inefficient building and you're just passing on the cost to

01:17:35 --> 01:17:37: tenants, maybe they would didn't decide to move.

01:17:37 --> 01:17:39: And so as a, as a way to, to retain

01:17:39 --> 01:17:41: your tenants as part of that, that strategy.

01:17:41 --> 01:17:44: So, and then on the embodied carbon, I think it's

01:17:44 --> 01:17:47: be, it's important to look at the sort of the

01:17:47 --> 01:17:48: political context.

01:17:49 --> 01:17:53: There was an Antwerp declaration by many heavy, heavy industry

01:17:53 --> 01:17:56: in, in Europe calling for competitiveness to be a car

01:17:56 --> 01:18:00: core part of, but also considering green and, and and

01:18:00 --> 01:18:03: the transition for the next EU Commission.

01:18:04 --> 01:18:06: But one of their recommendations was that customers of, of,

01:18:06 --> 01:18:08: of energy intensive companies could support.

01:18:08 --> 01:18:11: And so we are as the real estate industry are

01:18:11 --> 01:18:15: buying and buying products, products and services from the construction

01:18:15 --> 01:18:16: industry.

01:18:16 --> 01:18:18: So how can, how can we play a role in

01:18:18 --> 01:18:21: helping them decarbonize in, in different ways.

01:18:22 --> 01:18:25: So there, there's some initiatives in, in that area, but

01:18:25 --> 01:18:26: could be, could be strengthened.

01:18:27 --> 01:18:28: So thanks.

01:18:29 --> 01:18:32: Yeah, I, I would expect industry to price in carbon

01:18:32 --> 01:18:33: taxes anyway.

01:18:33 --> 01:18:36: So you will be paying for them and it, it,

01:18:36 --> 01:18:38: it, I think they will be the first ones to

01:18:38 --> 01:18:41: be hit because it's, it's the largest chunk.

01:18:41 --> 01:18:44: And we've got a lot of assets that are standing

01:18:44 --> 01:18:49: assets and actually brownfield developments will be the largest part

01:18:49 --> 01:18:53: of, of developments and redevelopments and not really the, the,

01:18:53 --> 01:18:55: the just new build.

01:18:55 --> 01:18:58: So it's, it's definitely having to do with what we've

01:18:58 --> 01:19:00: got now and what I've.

01:19:00 --> 01:19:02: Already I've already seen a sell side report looking from

01:19:02 --> 01:19:04: a major investment bank.

01:19:04 --> 01:19:06: So looking at the cement industry and like what is

01:19:06 --> 01:19:09: if you've got a more efficient cement plant and do

01:19:09 --> 01:19:12: they have a better carbon management strategy for their for

01:19:12 --> 01:19:13: their EU carbon allowances?

01:19:14 --> 01:19:17: They're buying when the prices were low, then they will

01:19:17 --> 01:19:20: be advantage or compared to a competitor or an importer

01:19:20 --> 01:19:24: more carbon intensive and they'll have to likely put up

01:19:24 --> 01:19:26: their their their cement prices to.

01:19:27 --> 01:19:27: So who are you?

01:19:27 --> 01:19:30: Who are you ultimately contracting for cement for with?

01:19:33 --> 01:19:33: Yeah.

01:19:33 --> 01:19:37: Thank you very much and really appreciate the insights, both

01:19:37 --> 01:19:38: Murray and Martin.

01:19:38 --> 01:19:42: And we'll collect those questions in the chat and get

01:19:42 --> 01:19:43: back to you.

01:19:43 --> 01:19:47: And let's have sort of two final slides to recap

01:19:47 --> 01:19:49: some of what we've heard today.

01:19:52 --> 01:19:56: And hopefully this will also help support some of the

01:19:56 --> 01:19:58: rationale and business case.

01:20:00 --> 01:20:04: And maybe actually before we go to those slides, just

01:20:04 --> 01:20:07: very briefly, Martin, I just wondered if you had any

01:20:07 --> 01:20:10: sort of final short words if you wanted to add

01:20:10 --> 01:20:12: anything at this stage.

01:20:14 --> 01:20:18: Oh, not really good at in in short answers.

01:20:19 --> 01:20:20: Just just start, be brave.

01:20:20 --> 01:20:25: Just start with doing so start registering and start analysing

01:20:25 --> 01:20:28: what you're working on and create a vision for what

01:20:28 --> 01:20:31: it could be within the next five years.

01:20:31 --> 01:20:35: And just keep it simple and, and once you get

01:20:35 --> 01:20:40: your experiences, then you can make it more, more well

01:20:40 --> 01:20:43: integrated and, and maybe more complex.

01:20:43 --> 01:20:47: But that's, that's probably the best thing to do just

01:20:47 --> 01:20:50: to make it into small chunks which are easy to

01:20:50 --> 01:20:53: understand and easy to well to, to pass on to

01:20:53 --> 01:20:55: others within your company.

01:20:55 --> 01:20:57: Because if you make it too complex, you want to

01:20:57 --> 01:21:01: do everything in one step, you will probably not get

01:21:01 --> 01:21:01: there.

01:21:02 --> 01:21:03: Wonderful.

01:21:03 --> 01:21:03: Thank you.

01:21:03 --> 01:21:05: And Mallory may be the same to you.

01:21:05 --> 01:21:07: Just a quick response.

01:21:07 --> 01:21:09: Anything you just wanted to add as a final sum

01:21:09 --> 01:21:10: up?

01:21:10 --> 01:21:10: Yeah.

01:21:10 --> 01:21:13: I think also it's it's what you're doing internally and

01:21:13 --> 01:21:16: affecting your decision making, but it's also our external voices

01:21:16 --> 01:21:17: as an industry towards policymakers.

01:21:18 --> 01:21:21: The EU after the elections will be debating at a

01:21:21 --> 01:21:22: 2040 climate target.

01:21:22 --> 01:21:25: And then I think they need to restart debate on

01:21:25 --> 01:21:29: energy tax reform to build the business case for further

01:21:29 --> 01:21:30: electrification.

01:21:31 --> 01:21:34: And investors could and should be more active in that

01:21:34 --> 01:21:34: area.

01:21:34 --> 01:21:37: The Net zero asset owner Alliance has been calling for

01:21:37 --> 01:21:40: asset managers to be more active on, on policy to

01:21:40 --> 01:21:43: change the rules of the game and, and by investigating

01:21:43 --> 01:21:46: carbon pricing and internal and, and policies, that gives you

01:21:46 --> 01:21:50: the foundation for becoming more active in, in, in policy

01:21:50 --> 01:21:53: and communicating what types of policies are more effective to,

01:21:53 --> 01:21:55: to bring in, bring in investment.

01:21:55 --> 01:21:58: And that's I think an important message for the, the,

01:21:58 --> 01:22:00: the, the Sea Change programme in general.

01:22:01 --> 01:22:01: Thanks.

01:22:02 --> 01:22:02: Indeed.

01:22:02 --> 01:22:03: Well, thank you both.

01:22:04 --> 01:22:07: And then turning to those slides and it echoes some

01:22:07 --> 01:22:08: of what we've heard already.

01:22:08 --> 01:22:11: So we'll go through relatively briefly.

01:22:11 --> 01:22:13: But firstly on the drivers.

01:22:14 --> 01:22:17: So I've heard about some of the external drivers including

01:22:18 --> 01:22:21: policy named as one of the barriers but is incoming

01:22:21 --> 01:22:22: and ratcheting up.

01:22:23 --> 01:22:29: We also heard about pricing, the externality, the negative externality

01:22:29 --> 01:22:33: of carbon and bringing that long term view, which currently

01:22:33 --> 01:22:39: often isn't priced into short term decision making, influencing and

01:22:39 --> 01:22:44: looking at strategy internally by applying an internal carbon price

01:22:44 --> 01:22:47: to decisions and giving that lens.

01:22:47 --> 01:22:50: So an additional business lens that can influence some of

01:22:50 --> 01:22:51: those decisions.

01:22:52 --> 01:22:55: And also the importance of getting started.

01:22:55 --> 01:22:59: And on the next slide, I just have some of

01:22:59 --> 01:23:04: the final summing up and I'm here just carrying some

01:23:04 --> 01:23:05: of the thoughts.

01:23:05 --> 01:23:09: So the importance of getting started, it will expand, it

01:23:09 --> 01:23:13: will evolve over time, ensuring transparency and having that balanced.

01:23:13 --> 01:23:17: So that means talking about what you're doing, estimates, assumptions,

01:23:17 --> 01:23:20: but also talking about areas for improvement, things which are

01:23:20 --> 01:23:21: going well.

01:23:22 --> 01:23:26: And finally looking at this as many other different strategic

01:23:26 --> 01:23:29: issues where there is an element of uncertainty.

01:23:29 --> 01:23:32: And it's about trying to understand and have some of

01:23:32 --> 01:23:36: those decisions brought into the short term by looking at

01:23:36 --> 01:23:39: some of those long term views and things that may

01:23:39 --> 01:23:41: happen in the future.

01:23:41 --> 01:23:44: So the importance of thinking about this internally and using

01:23:45 --> 01:23:48: it for strategic decision making, maybe thinking about it in

01:23:48 --> 01:23:51: the way that we think about other types of business

01:23:51 --> 01:23:53: issues have some uncertainty.

01:23:54 --> 01:24:00: And with that, I'll hand back to Sophie ULI.

01:24:01 --> 01:24:02: Sophie, over to you.

01:24:03 --> 01:24:04: Hey, thank you so much.

01:24:05 --> 01:24:08: I hope you've all found this session as interesting and

01:24:09 --> 01:24:10: as informative as I have.

01:24:10 --> 01:24:13: And as we've said throughout it, please do get in

01:24:13 --> 01:24:13: touch.

01:24:14 --> 01:24:19: We want this to be a really collaborative initiative that

01:24:19 --> 01:24:20: we're doing.

01:24:20 --> 01:24:22: So we've got those questions that we asked.

01:24:22 --> 01:24:24: Any other follow up questions, thoughts, things that you want

01:24:24 --> 01:24:26: us to have a look at, things that would be

01:24:26 --> 01:24:27: helpful to go over?

01:24:28 --> 01:24:29: Do you get in touch?

01:24:29 --> 01:24:30: Just some key dates for you.

01:24:31 --> 01:24:33: If we could go to the next slide, please, Kate.

01:24:34 --> 01:24:37: So you should already have in your Diaries the date

01:24:37 --> 01:24:39: for Workshop 2 and workshop three.

01:24:39 --> 01:24:41: We've got one in June, 1 in September.

01:24:41 --> 01:24:43: If they're not in your Diaries, please get in touch

01:24:43 --> 01:24:44: and let me know.

01:24:45 --> 01:24:48: Also worth noting, if there's people that you think would

01:24:48 --> 01:24:52: be interested in this initiative who aren't on the call,

01:24:52 --> 01:24:56: colleagues or, you know, peers in your industries, again,

01:24:56 --> 01:24:59: we'd like this to be as collaborative as possible.

01:25:00 --> 01:25:01: Do get in touch.

01:25:01 --> 01:25:04: And then we have our date for the Sea Change Summit in October.

01:25:04 --> 01:25:05: So we're going to be in Barcelona this year on the 17th of October and we really hope you can join us.

01:25:05 --> 01:25:07: I, we are working on getting the, the joining link in the website up and running should be with you in a, in a week's time.

01:25:07 --> 01:25:10: And I will send, send you all a follow up message because that is where we're going to be launching the findings of the work that we're doing over the next five months.

01:25:10 --> 01:25:13: So we would really love to see all of you there and hopefully be really helpful for you as well to see the output of this work that we're doing.

01:25:13 --> 01:25:16: And then just to also note, we have our main Europe ULI conference coming up very shortly in June in a few weeks time.

01:25:16 --> 01:25:17: There is still enough time to get tickets if you haven't already.

01:25:17 --> 01:25:19: So we hope see as many of you there as possible.

01:25:19 --> 01:25:22: We are doing some workshops for sea change while we're there as well and some sort of smaller workshops.

01:25:22 --> 01:25:24: 1 is on carbon pricing.

01:25:24 --> 01:25:25: We're also doing one on the preserved tool which is looking at transition risk and valuation and also an owner occupier alignment.

01:25:25 --> 01:25:26: So if you are interested in any of those workshops, again, you can sign up if you're already attending the conference, but lots of opportunities to get involved.

01:25:26 --> 01:25:28: We hope to see you all at these various events and hear from you soon.

01:25:28 --> 01:25:31: I think that is everything from me other than than to just say like huge thank you for taking the time out and and joining us today and and we'll see you all very soon.

01:25:31 --> 01:25:33: Thank you very much.

01:25:33 --> 01:25:34: Wonderful.

01:26:37 --> 01:26:38: Thank you, everybody.

01:26:38 --> 01:26:38: Thank.

01:26:38 --> 01:26:39: You, everybody.

01:26:39 --> 01:26:40: Have a great day.

01:26:41 --> 01:26:41: Thank you.

01:26:42 --> 01:26:42: Thank you very.

01:26:42 --> 01:26:43: Much bye.

01:26:56 --> 01:26:58: There's still some interesting questions I think in the in

01:26:58 --> 01:26:59: the chat.

01:27:00 --> 01:27:03: Yeah, yes, we're going to stay on so we can

01:27:03 --> 01:27:04: lift those out actually.

01:27:06 --> 01:27:06: Yeah.

01:27:08 --> 01:27:09: Thank you so much.

01:27:09 --> 01:27:12: That was a really helpful and really insightful.

01:27:13 --> 01:27:14: Yeah.

01:27:14 --> 01:27:16: I think people really got a lot from it based

01:27:16 --> 01:27:17: on the on the feedback.

01:27:17 --> 01:27:18: So thank you you're.

01:27:20 --> 01:27:20: Welcome.

01:27:20 --> 01:27:23: Yeah, it's, you know, and if it's all new, then

01:27:24 --> 01:27:27: why not share your experiences so other people can, can,

01:27:27 --> 01:27:29: can live up with it?

01:27:29 --> 01:27:32: So you have to make your own choices anyway.

01:27:34 --> 01:27:35: Amazing.

01:27:35 --> 01:27:36: Wonderful.

01:27:36 --> 01:27:38: Just in the process of trying to copy all this.

01:27:38 --> 01:27:41: I've got some more.

01:27:41 --> 01:27:42: Have you got them all?

01:27:42 --> 01:27:42: Marrow.

01:27:43 --> 01:27:47: In the recording, but worth copying down just in case.

01:27:47 --> 01:27:48: I have.

01:27:48 --> 01:27:49: I have everything in the Word document.

01:27:49 --> 01:27:53: Every questions, every answers, everything is in the Word document.

01:27:53 --> 01:27:54: Right now.

01:27:54 --> 01:27:56: I have a version with everything I will send to

01:27:56 --> 01:27:57: you right away.

01:27:58 --> 01:27:59: Amazing.

01:27:59 --> 01:28:00: And I've got some just because.

01:28:00 --> 01:28:02: The only thing is I don't know whether it picks

01:28:02 --> 01:28:04: up on yours because I've had some private messages of

01:28:04 --> 01:28:05: the questions as well.

01:28:05 --> 01:28:06: The private no.

01:28:06 --> 01:28:07: The the ones that are.

01:28:07 --> 01:28:07: Just.

01:28:07 --> 01:28:08: Private to you.

01:28:08 --> 01:28:10: Doesn't doesn't show to me.

01:28:10 --> 01:28:13: So if any of you as a private message with

01:28:13 --> 01:28:17: the question will be amazing just to to send over.

01:28:17 --> 01:28:19: Take them down before we before we leave.

01:28:19 --> 01:28:20: OK, It's wonderful.

01:28:21 --> 01:28:21: All right.

01:28:21 --> 01:28:24: Well, thank you so much and thank you very much,

01:28:24 --> 01:28:25: Martin for staying on as well.

01:28:25 --> 01:28:28: We will be taking these questions and feeding them into

01:28:28 --> 01:28:31: the the next round of meetings as well.

01:28:31 --> 01:28:33: So very much appreciated.

01:28:33 --> 01:28:37: Great if you want feedback on beforehand and just send

01:28:37 --> 01:28:39: them over and I will take a look on how

01:28:40 --> 01:28:42: I would answer them so we could have a chat

01:28:43 --> 01:28:43: about it.

01:28:44 --> 01:28:45: Yeah, it might be nice.

01:28:45 --> 01:28:48: I'm going to do a follow up e-mail to everyone,

01:28:48 --> 01:28:51: including like the recording because I'll send it to you.

01:28:51 --> 01:28:54: There was a, a longer list, although I'd say the

01:28:54 --> 01:28:57: attendance was pretty good from the people on the list.

01:28:58 --> 01:29:00: But I'm going to do a follow up with the

01:29:00 --> 01:29:02: recording so everyone's got a copy of it.

01:29:02 --> 01:29:04: And perhaps we could include some of the questions that

01:29:04 --> 01:29:06: we haven't been able to answer if you were happy

01:29:06 --> 01:29:07: with that, Martin.

01:29:07 --> 01:29:10: And I'll include things like the Sea Change Summit once

01:29:10 --> 01:29:11: we've got that link.

01:29:11 --> 01:29:12: So it'll probably be next week.

01:29:12 --> 01:29:14: It's not nothing urgent.

01:29:15 --> 01:29:17: So that might be a nice way to sort of

01:29:17 --> 01:29:19: include those if if you're happy to, so we, we

01:29:19 --> 01:29:22: can e-mail those over to you, the ones that we

01:29:22 --> 01:29:23: didn't get round to on the call.

01:29:25 --> 01:29:26: I even saw some question on that.

01:29:26 --> 01:29:29: What if there's no regulations and there's there's no fees

01:29:29 --> 01:29:29: and whatever?

01:29:29 --> 01:29:33: So but just take your bold steps and just do

01:29:33 --> 01:29:34: it.

01:29:34 --> 01:29:36: It's what I did form a job.

01:29:39 --> 01:29:43: Yeah, I I almost got fired at the airport for

01:29:43 --> 01:29:49: organising a true pricing workshop by PwC in on the

01:29:49 --> 01:29:50: airport.

01:29:50 --> 01:29:56: So our CFO was not amused and and she called

01:29:56 --> 01:30:03: the business units to stop it funny years ago.

01:30:04 --> 01:30:08: Gosh, gosh, no, that would be lovely.

01:30:08 --> 01:30:10: If if, if we could put some little that's some

01:30:10 --> 01:30:12: follow up questions in that that mail out.

01:30:12 --> 01:30:13: I think they'd appreciate them.

01:30:13 --> 01:30:14: Yeah.

01:30:14 --> 01:30:16: Talk to you later today then probably.

01:30:16 --> 01:30:17: We will meet.

01:30:17 --> 01:30:18: You next time indeed see.

01:30:19 --> 01:30:19: You again?

01:30:19 --> 01:30:19: Yeah.

01:30:19 --> 01:30:20: Enjoy lunch.

01:30:21 --> 01:30:21: OK.

01:30:21 --> 01:30:22: Thank you.

01:30:22 --> 01:30:24: Yeah, that's top priority after this.

01:30:25 --> 01:30:26: Bye later.

01:30:26 --> 01:30:27: Bye.

01:30:27 --> 01:30:28: OK, see you later.

01:30:28 --> 01:30:28: Bye.

01:30:29 --> 01:30:29: Bye.

01:30:37 --> 01:30:37: Hello.

01:30:37 --> 01:30:37: Hi.

01:30:38 --> 01:30:39: Hello I.

01:30:39 --> 01:30:40: Think, I think I'm going to drop off.

01:30:40 --> 01:30:42: I think it went well.

01:30:44 --> 01:30:46: Maybe we've got the debriefs tomorrow as well so I

01:30:46 --> 01:30:47: can get a bit more into.

01:30:47 --> 01:30:50: Yeah, we've got the debriefs with the wider with the

01:30:50 --> 01:30:51: wider organization.

01:30:51 --> 01:30:51: Yeah.

01:30:51 --> 01:30:54: So I think yes, I feel like there's more.

01:30:54 --> 01:30:57: There's, there's a, there's a crying for more technical

01:30:58 --> 01:31:00: questions.

01:31:00 --> 01:31:01: So I think they're it's like they're sort of pushing

01:31:01 --> 01:31:02: for a little bit further.

01:31:01 --> 01:31:02: So I think we just need to, I think that's

01:31:03 --> 01:31:03: fine.



01:31:03 --> 01:31:05: We can just respond to it in the follow-ups and

01:31:05 --> 01:31:07: in the in the next the next ones.

01:31:08 --> 01:31:11: I think it's what you've been saying Kate, in that

01:31:11 --> 01:31:13: there, there may be a few people on the call

01:31:13 --> 01:31:16: who who it was new for, but there's a lot

01:31:16 --> 01:31:18: of people in there who already know a lot about

01:31:18 --> 01:31:18: it.

01:31:19 --> 01:31:21: So it is difficult to get there.

01:31:21 --> 01:31:24: I think this will have worked as a really good

01:31:24 --> 01:31:27: intro into the topic and then it it does mean

01:31:27 --> 01:31:30: that we've got more scope to go more into some

01:31:30 --> 01:31:32: detail for the next workshops.

01:31:33 --> 01:31:36: So yeah, I think that that should be really good.

01:31:37 --> 01:31:38: Yeah, it made me think as well.

01:31:38 --> 01:31:41: And you know, when they're building the case stuff, the

01:31:41 --> 01:31:43: paper you're doing separately, is there scope for that to

01:31:43 --> 01:31:44: be a how to?

01:31:45 --> 01:31:47: Because if we could do like, because I was just

01:31:47 --> 01:31:49: thinking, but what we're doing with UNGC at the moment

01:31:49 --> 01:31:50: is, is a webinar series.

01:31:50 --> 01:31:51: And we do.

01:31:51 --> 01:31:54: And in the format of that webinar series, we do

01:31:54 --> 01:31:56: a how to at the beginning and then we then

01:31:56 --> 01:31:58: we hear from the late leaders on the ground.

01:31:58 --> 01:32:01: And I wonder whether for like the shadow carbon pricing

01:32:01 --> 01:32:01: next.

01:32:01 --> 01:32:03: It's like a how to, this is how you do

01:32:03 --> 01:32:03: it.

01:32:03 --> 01:32:05: And we can have like maybe a couple of 1

01:32:05 --> 01:32:06: to ones beforehand.

01:32:06 --> 01:32:08: So we make sure that we get it bang on,

01:32:08 --> 01:32:09: but this is a how to on how you do

01:32:09 --> 01:32:12: carbon pricing, shadow carbon pricing then OK.

01:32:12 --> 01:32:14: So let's hear from people on the ground and the

01:32:14 --> 01:32:15: particular complexities they're facing etcetera.

01:32:16 --> 01:32:18: Similarly on the then when we go to the fee

01:32:18 --> 01:32:20: pay and get more technical.

01:32:20 --> 01:32:23: But the one thing we haven't necessarily done on this

01:32:23 --> 01:32:26: one, but we could do in retrospect with your paper

01:32:26 --> 01:32:27: is a how to.

01:32:27 --> 01:32:29: So it's not just building the case as in like

01:32:29 --> 01:32:31: you know how we did with transition risks paper, it

01:32:31 --> 01:32:32: was like here's the case.

01:32:32 --> 01:32:33: This is what we think.

01:32:33 --> 01:32:36: It's like literally how do you build the case, if

01:32:36 --> 01:32:36: that?

01:32:36 --> 01:32:38: It seems to be that's what they're crying for.

01:32:38 --> 01:32:41: Like practical, like, OK, I get it, I get that,

01:32:41 --> 01:32:42: I get that stuff.

01:32:42 --> 01:32:44: What I really need to know is how on earth

01:32:44 --> 01:32:47: do I persuade my investment director?

01:32:47 --> 01:32:48: And it's that bit.

01:32:48 --> 01:32:49: And I wonder whether we've got scope for that within

01:32:49 --> 01:32:51: that paper or is it or is it pitched to

01:32:51 --> 01:32:52: something different?

01:32:52 --> 01:32:52: Well.

01:32:53 --> 01:32:55: I so I guess it's the why it's pitched as

01:32:55 --> 01:32:58: AY carbon pricing, which I think for a lot of

01:32:58 --> 01:33:01: people is still the starting point, but it's almost there's

01:33:01 --> 01:33:03: a bit of overlap, isn't there?

01:33:03 --> 01:33:08: Because often the how it starts with like really understanding

01:33:08 --> 01:33:11: the why, if that makes sense.

01:33:11 --> 01:33:14: And and sort of getting that by for people to

01:33:14 --> 01:33:18: understand why and getting the buy in at the senior

01:33:18 --> 01:33:21: level is almost the first step of how to do

01:33:21 --> 01:33:21: it.

01:33:22 --> 01:33:24: I mean it, are we not going to have more,

01:33:24 --> 01:33:28: I guess the outcomes that we're going to publish at

01:33:28 --> 01:33:29: Sea change Summit?

01:33:29 --> 01:33:33: Will that not be more on, could that not include

01:33:33 --> 01:33:35: a sort of how to at that point?

01:33:35 --> 01:33:36: Because I see what you mean.

01:33:36 --> 01:33:40: It would be a helpful thing, but I I think

01:33:40 --> 01:33:43: it needs to sit somewhere, but it's I.

01:33:43 --> 01:33:46: Wonder if just to brainstorm, what if I do that,

01:33:46 --> 01:33:48: if I can get like a one to one or

01:33:48 --> 01:33:52: something in before or somebody who's done it, Why don't

01:33:52 --> 01:33:54: I make that the the thing in June at the

01:33:54 --> 01:33:56: sea change Summit?

01:33:56 --> 01:33:57: And then if we record it, we can send it

01:33:58 --> 01:34:00: around to people afterwards because it's literally I just need

01:34:00 --> 01:34:00: a 1 to 1.

01:34:00 --> 01:34:02: So somebody can explain to me how they properly did

01:34:02 --> 01:34:02: it.

01:34:03 --> 01:34:05: And then we could just do a session on.

01:34:05 --> 01:34:08: OK, so how to specifically how do you do it?

01:34:09 --> 01:34:12: And would that be the June workshop or the June session at the conference?

01:34:12 --> 01:34:14:

01:34:15 --> 01:34:17: June, sorry, let's say that we'll stick to our usual principle on this.

01:34:17 --> 01:34:18:

01:34:18 --> 01:34:20: So we'll go shadow and fee paying, but I mean just that you will like you will I see change conference.

01:34:20 --> 01:34:22:

01:34:22 --> 01:34:23:

01:34:23 --> 01:34:26: Sorry, you will live annual conference in a few weeks.

01:34:27 --> 01:34:27: I'll get there.

01:34:27 --> 01:34:28: I'll get there.

01:34:28 --> 01:34:30: I know, I know this is not going on.

01:34:31 --> 01:34:33: Yeah, no, I mean, I think we haven't really talked about what the session for that will look like.

01:34:33 --> 01:34:35:

01:34:35 --> 01:34:39: Yeah, I'm, I haven't yet had a chance to look @ups for it or anything, but let's have a look at who's in the room and work out whether that would be appropriate.

01:34:39 --> 01:34:42:

01:34:42 --> 01:34:46:

01:34:46 --> 01:34:47:

01:34:48 --> 01:34:52: But otherwise, I think it's something, if not, we could always do it as a webinar, you know, post the Sea change conference as a sort of follow up and have it as something that we, because I think we have it as something, but it's online that we can then record.

01:34:52 --> 01:34:55:

01:34:55 --> 01:34:58:

01:34:58 --> 01:35:01:

01:35:01 --> 01:35:04:

01:35:04 --> 01:35:05:

01:35:05 --> 01:35:07: Then we can put it up as a like a how to and it can go up on the website and etcetera, etcetera.

01:35:07 --> 01:35:10:

01:35:10 --> 01:35:12:

01:35:13 --> 01:35:16: But yeah, there's no reason why we couldn't do both, to be honest.

01:35:16 --> 01:35:16:

01:35:18 --> 01:35:19: Yeah, yeah.

01:35:19 --> 01:35:20: Well, let's, let's have a chat with him.

01:35:20 --> 01:35:21: But why don't we add it to our agenda next week?

01:35:21 --> 01:35:21:

01:35:21 --> 01:35:24: Because we've still got time and I can definitely call up somebody who's already done one.

01:35:24 --> 01:35:25:

01:35:26 --> 01:35:27: Even Olivia.

01:35:27 --> 01:35:28: Olivia would love doing that.

01:35:28 --> 01:35:30: We'd love a chat about how to so I could have a chat with him and then we'll work.

01:35:30 --> 01:35:33: We'll work something out.

01:35:33 --> 01:35:33:

01:35:34 --> 01:35:35: And what was the other thing I was going to

01:35:35 --> 01:35:35: say?

01:35:36 --> 01:35:37: Yeah, just flagging.

01:35:37 --> 01:35:39: We've got the steering committee next.

01:35:39 --> 01:35:40: Is it next week?

01:35:41 --> 01:35:42: So if you want anything from me, let me know.

01:35:44 --> 01:35:48: Yes, I think well, a lot of the steering committee

01:35:48 --> 01:35:50: are on this, on these calls.

01:35:50 --> 01:35:52: A lot of that meeting is going to be on

01:35:52 --> 01:35:53: the preserve talks.

01:35:53 --> 01:35:56: I think we will have the critical meeting, but it

01:35:56 --> 01:35:59: would still be good, I think just to give them

01:35:59 --> 01:36:01: an update of where we are on carbon pricing and

01:36:01 --> 01:36:02: banks stuff.

01:36:03 --> 01:36:06: But I don't think we'll have very long for that,

01:36:06 --> 01:36:09: especially as last time we didn't get through a lot

01:36:09 --> 01:36:10: of the a lot of the content.

01:36:10 --> 01:36:13: So I think because they've all been involved in the

01:36:13 --> 01:36:16: carbon, I think almost everyone from the steering committee

01:36:16 --> 01:36:17: is

01:36:16 --> 01:36:17: in one group or another.

01:36:17 --> 01:36:18: We've tried to make sure.

01:36:19 --> 01:36:22: So it'd just be a very short update, but I'll

01:36:22 --> 01:36:24: get on to the I'll get on to that.

01:36:25 --> 01:36:25: The agenda.

01:36:25 --> 01:36:26: Well, I just thought I'd plug it.

01:36:27 --> 01:36:28: No, no, no, definitely it won't do.

01:36:28 --> 01:36:30: It's nothing long from you.

01:36:30 --> 01:36:33: I think if anything, we'll just do a, I don't

01:36:33 --> 01:36:35: worry about, you know, 5 minutes or so on, just

01:36:35 --> 01:36:38: this is where we're at and, and use it to

01:36:38 --> 01:36:42: really focus on preserve maybe Berlin and maybe some

01:36:42 --> 01:36:42: education

01:36:42 --> 01:36:42: stuff.

01:36:42 --> 01:36:44: I think ideally that's what we would do.

01:36:47 --> 01:36:49: Well, if there's someone you just give me the trigger.

01:36:49 --> 01:36:51: It only takes me, you know, 10 minutes to make

01:36:51 --> 01:36:51: those slides.

01:36:51 --> 01:36:53: But just let me know and then I can make

01:36:53 --> 01:36:53: sure I've got the point.

01:36:55 --> 01:36:55: Great.

01:36:55 --> 01:37:00: Well, I was like 2 hours last time and yeah,

01:37:00 --> 01:37:01: perfect.

01:37:01 --> 01:37:03: I think that went really well.

**01:37:03 --> 01:37:06:** I'm really pleased with the attendance and hopefully we'll see  
**01:37:06 --> 01:37:08:** some more people soon.  
**01:37:09 --> 01:37:09:** Amazing.  
**01:37:10 --> 01:37:11:** Look forward to it.  
**01:37:11 --> 01:37:14:** All right then later, have a nicer bye bye.  
**01:37:14 --> 01:37:15:** Catch you later, bye bye bye.

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