



**Scope 3**  
**Tenant Emissions Management Strategy**  
**for Real Estate Funds**  
**13 June 2023**



**Welcome from our Moderator**

**Sam Carson**

**Head of Sustainability, Valuations & Advisory Services**

**CBRE**



# Agenda

- Moderator Welcome & Intro
- **Frankie Demetriades**, Associate Director ESG at Fiera Real Estate
- **Oliver Light**, Principal Director of Real Estate at Carbon Intelligence/Accenture
- Panel Discussion & Q&A:
  - **Adam Baranowski**, Climate Change Programme Lead at Better Buildings Partnership
  - **Matthew Liquorish**, EHS Manager - Polymers & UK Composites, Meggit
  - **Laura Noctor-King**, Head of Sustainability, Better Buildings Partnership
- Finish 10am



# Speakers



**Adam Baranowski**  
Climate Change  
Programme Lead at  
Better Building  
Partnership

**Frankie  
Demetriades**  
Associate Director  
ESG  
Fiera Real Estate

**Oliver  
Light**  
Principal Director, Real  
Estate at Carbon  
Intelligence/Accenture

**Matthew Liquorish**  
EHS Manager –  
Polymers & UK  
Composites,  
Meggit

**Laura Noctor-King**  
Head of  
Sustainability,  
Better Buildings  
Partnership





**Frankie Demetriades**  
**Associate Director ESG**  
**Fiera Real Estate**





Date



## AREF- Scope 3 Emissions Event

**Frankie Demetriades**  
Associate Director, ESG- Fiera Real Estate

## What is meant by Scopes 1, 2 & 3:

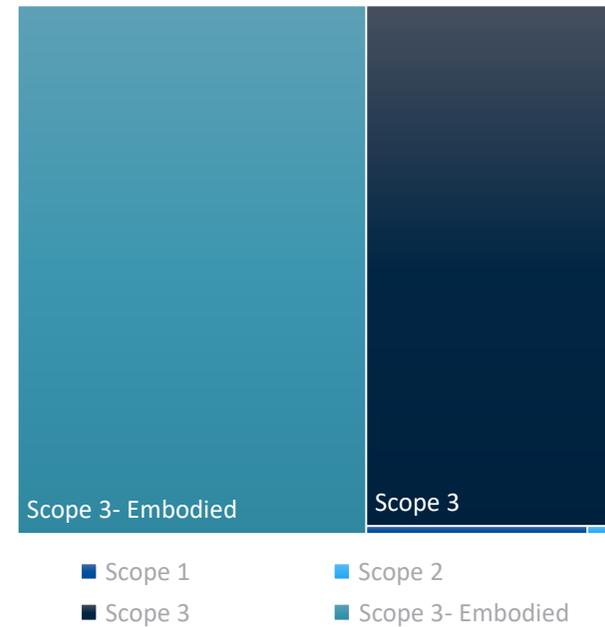
Scope 1	Scope 2	Scope 3
<p><b>Definition:</b> Direct Emissions from owned or controlled sources</p> <p><b>Real Estate Example:</b> Emissions related to Landlord procured gas supply</p>	<p><b>Definition:</b> Indirect Emissions from the generation of purchased energy</p> <p><b>Real Estate Example:</b> Emissions related to Landlord procured electricity supply</p>	<p><b>Definition:</b> Indirect emissions that occur in the value chain of the reporting company.</p> <p><b>Real Estate Example:</b> Emissions related to tenant procured utilities</p>

# FRE UK Carbon Footprint



## FRE UK Emissions - 2022 Verified to ISO 14064-3

Emissions Scope	Emissions	%
Scope 1	165.74 tCO <sub>2e</sub>	0.5%
Scope 2	28.94 tCO <sub>2e</sub>	0.09%
Scope 3- Operational	14,023.11 tCO <sub>2e</sub>	42.08%
Scope 3- Embodied	19,105.51 tCO <sub>2e</sub>	57.33%



### Scope 3 Emissions

#### Why are they so important?

- ▶ For real estate owners the majority of emissions related to their buildings are likely to be scope 3 emissions, therefore for a decarbonisation target or pathway to be meaningful, scope 3 emissions need to be included.
- ▶ Without visibility of these emissions, building and implementing a NZC strategy is very challenging.

#### Why is monitoring scope 3 emissions challenging?

Generated by tenant activities, not controlled by landlords

Not traditionally shared between landlords and tenants

Sharing this information is voluntary

Can be administratively burdensome on tenants

### Our approach to monitoring scope 3 emissions

#### 2022 Data Collection Rates:



#### ➤ Data collection methods:

- Automatic Data Collection
- Quarterly/Annual manual collection

#### ➤ How have we achieved this:

- Tenant engagement initiatives- such as sharing NZC audit reports, producing tenant energy reports, providing ESG updates, hosting ESG focus groups
- Demonstrating benefit of data sharing through joint projects, such as PV projects
- Ensuring the FRE UK team (Fund managers, ESG team, Property Managers) are aligned in terms of approach
- Green lease clauses

## Fiera & Meggitt

### Background

- ▶ 4.5 acre site acquired by Fiera in October 2021
- ▶ Significant pre-acquisition discussions between parties regarding ESG plans and objectives for the site
- ▶ Meggitt is committing to a Science-Based Target with a ~50% reduction anticipated by 2030 and elimination of fossil fuels by ~2040

### ESG Engagement

- ▶ Green lease
- ▶ Energy and emissions data shared on a quarterly basis
- ▶ NZC Audit completed and shared between parties
- ▶ Potential rooftop PV project under discussion



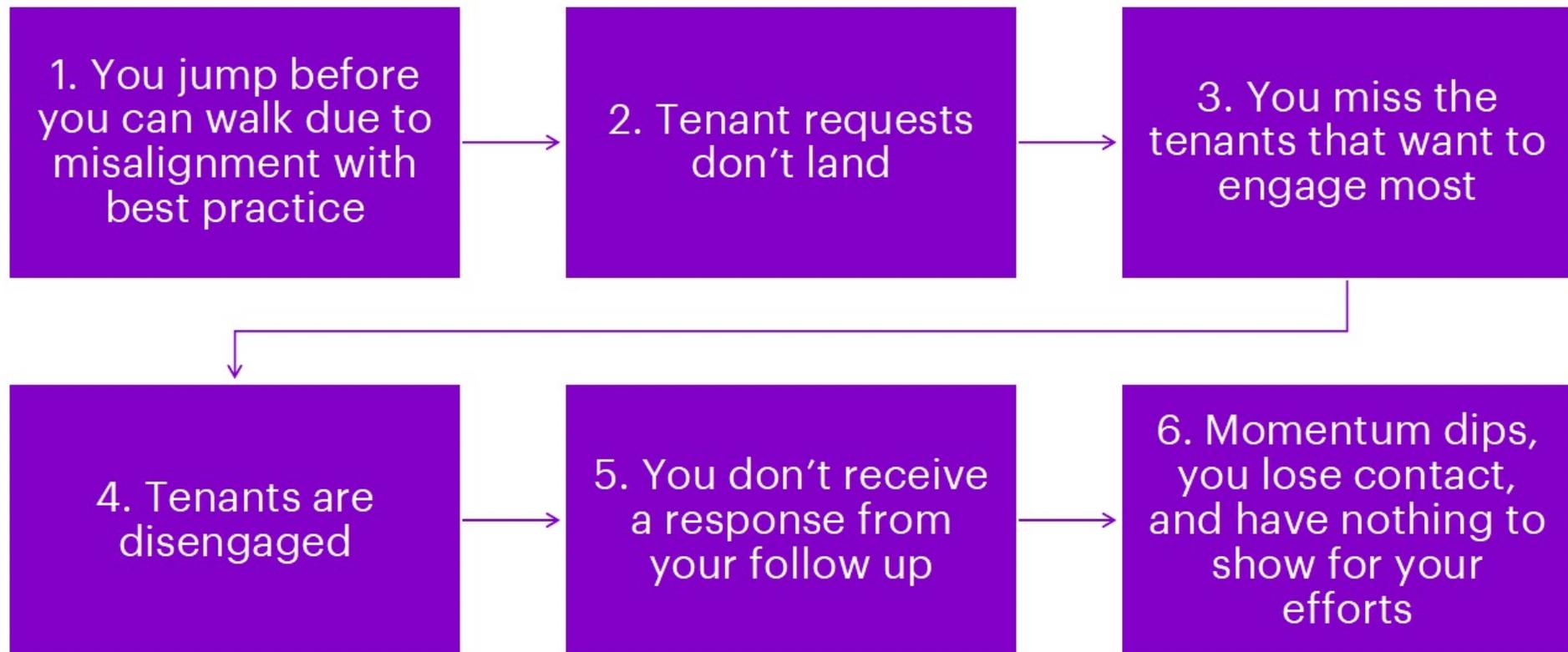


**Oliver Light**  
**Principal Director, Real Estate**  
**at Carbon Intelligence/Accenture**



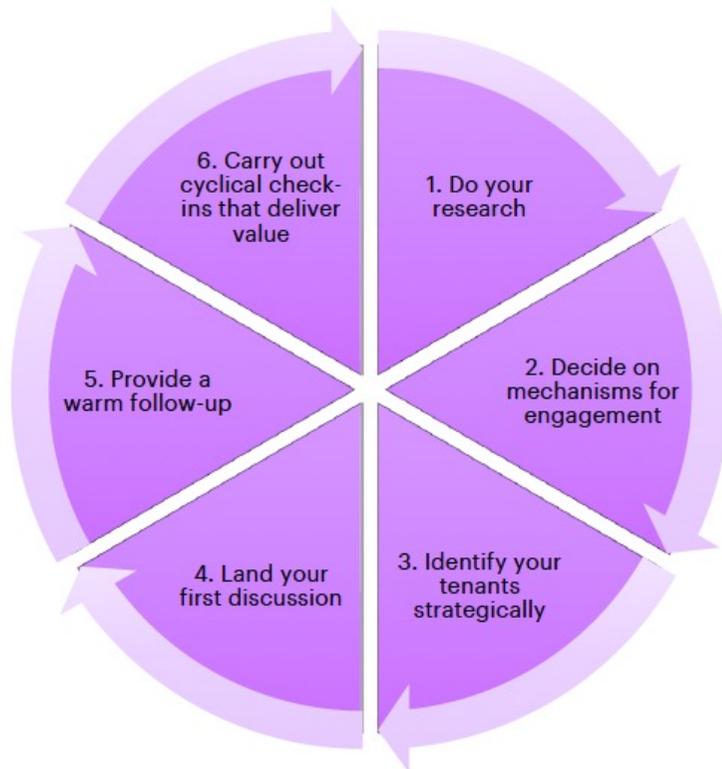
# Tenant engagement: The six common challenges

Why do so many tenant engagement programmes lose momentum?



# Tenant engagement: The six rules of thumb

The six rules of thumb that ensures your TE programme lands and is integrated into your business.



1. What is the industry best practice? What are your tenant's targets? What does your business already have (green leases)?

2. Who is going to reach out to the tenant? What do you plan to ask for? Will you utilise technology?

3. Which tenants the make most sense to engage? Who will respond? Who is most material?

4. How are you going to make the discussion valuable for both parties?

5. Can you provide something back that demonstrates your appreciation?

6. How do you plan to retain the relationship? What can you do in the long term with the tenant?

*\*The approach is based on feedback and experiences from engaging over 300 tenants.*



# The six rules of thumb in action

An example case study for a large asset manager.



## GRESB

GRESB scores increased

>5%

Reduction in absolute CO2e emissions due to projects implemented

60%

Increase in scope 3 tenant emissions





## Panel Discussion

# Panel Discussion



**Adam Baranowski**  
Climate Change  
Programme Lead at  
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Thank you for attending.