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## MEDIA RELEASE

### ***Investor groups collaborate for Australian Launch of new action framework on sustainable real estate***

SYDNEY – 13 MAY 2016: Today a unique coalition of global investor and property groups will launch the [\*Sustainable Real Estate Investment - Implementing the Paris Climate Agreement: An Action Framework\*](#) in Australia for the first time.

Five of the world's largest investor networks and RICS have come together, supported by the Global Alliance for Building and Construction, to publish a concise, actionable framework for Real Estate investors to help them make sense of existing Environment, Social and Governance (ESG) guidance and to accelerate their integration of ESG and climate risks and opportunities into investment decisions. The guide sets out a range of measures to improve returns or better protect the future value of real estate investments through application of an ESG and climate change management approach.

Presenting the framework in Sydney, Rowan Griffin, Head of Sustainability - Property at Lendlease, project team member of UNEP FI's property working group and chair of IGCC's property working group said, "The built environment is a significant contributor to Australia's emissions, while also holding many opportunities to drive greater national energy productivity. Investors in real estate assets therefore have a key role to play in helping to meet the climate change goals set out in the Paris Agreement through their investment decisions. The launch of this Action Framework means that real estate investors now have the tools they need to take concrete steps to addresses climate change and deliver greater value."

Emma Herd, Chief Executive Officer of the Investor Group on Climate Change (IGCC) – representing over 60 Australasian institutional investors with more than \$1 trillion in assets under management – noted "Australian investors have significant exposure to the property sector. Ensuring that they have the right tools to identify and manage climate change risks and opportunities will only become more important over time following the historic Paris commitment to transition to a net zero emissions economy. The development of this Action Framework provides investors with the support they need to tackle climate change impacts for real estate."

Fiona Reynolds, Managing Director of the Principles for Responsible Investment - an international network of investors representing over \$59 trillion in assets under management - added: "This timely and well-designed framework will become a recommended guide that we will encourage PRI signatories who invest in or manage real estate to use as a routine part of their work to meet their reporting obligations to the PRI. "

Stephanie Pfeifer, CEO of IIGCC – a European network of 123 institutional investors with €13Trn assets under management - added, "As part of wider efforts to implement the Paris Agreement, every property asset owner, investor and stakeholder concerned to preserve asset values and returns over the longer term will need to actively manage ESG and climate-related risks as a routine component of their business thinking, practices and management processes. "



Eric Usher, acting head of UNEP FI – a unique global partnership between UNEP and the financial sector - added: “Not least after COP, governments must now find new and cost- effective ways to curb pollution. Public private collaboration will be essential to finance a low- carbon economy, including the buildings sector. This new framework will allow real estate investors to play their role in making this transition happen.”

Mindy Lubber, Ceres President and Director of the Investor Network on Climate Risk (INCR) – a North American network of more than 120 institutional investors managing over \$13 trillion in assets - said, “To make the Paris Agreement real and prevent dangerous climate change, investors must find ways to channel an additional \$1 trillion per year into low-carbon and clean-energy activities worldwide. This new framework is a valuable tool for portfolio managers looking to boost investments in energy-efficient, climate-resilient properties that will produce strong returns and support a low-carbon economy.”

Peter Nolan, RICS Director Oceania, said “This framework is important for investors and for our qualified professionals. It is a user-friendly map of tools and guidance that can support us with the actual implementation of ESG and climate risk strategies. Professional standards are a means to fulfil ESG goals and to mitigate climate change risk. The standards RICS promotes provide a basis for reliable and consistent energy metrics and emissions monitoring. They also make it easier to value sustainable buildings and, ultimately, enhance market transparency as well as de-risk investments.”

Co-author of the report Tatiana Bosteels, head of responsible property investments at Hermes IM, chair of UNEP FI’s property working group and IIGCC’s property work programme said, “Buildings consume around 40% of the world’s energy and contribute up to 30% of its annual GHG emissions, so the people who manage global real estate assets - valued at around US\$50 trillion – have a vital role to play if humanity is to curb emissions in line with the goals set out in the Paris Agreement. With this framework now available, real estate investor have no reason to delay taking concrete steps to transform their routine business practice so that it addresses the climate challenge.”

The Action Framework is launched today at a breakfast being hosted by LendLease. Speakers will include the Hon Shayne Mallard, Member of the NSW Legislative Council representing the Hon Mark Speakman SC MP, Minister for the Environment, Minister for Heritage and Assistant Minister for Planning, along with Emma Herd, Chief Executive of the Investor Group on Climate Change (IGCC), Fiona Reynolds, Managing Director, Principles for Responsible Investment (PRI), Rowan Griffin, Head of Sustainability, Property Lendlease, Beck Dawson, Chief Resilience Officer for City of Sydney, Bill Hartnett, Head of Sustainability Local Government Super, Pdraig Brown, Mercer and Robert Hardie, Corporate Affairs Manager - Oceania.

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## NOTES FOR EDITORS: ABOUT THE ACTION FRAMEWORK

Sustainable Real Estate Investment. Implementing the 2015 Paris Climate Agreement – an Action Framework was co-authored by Tatiana Bosteels, Head of Responsible Property Investment at Hermes IM with support through all stages of drafting and review from Peter Sweatman, CEO and founder, and the team at Climate Strategy & Partners. The guide:

- Distills material from a wide range of resources
- Is designed for every type – and size - of real estate investor to use at both asset and portfolio level to secure enhanced risk adjusted returns.
- Provides different sections directed at specific audiences and at all levels of experience including asset owners, trustees, direct real estate investment managers, property companies, real estate consultants or equity, REITS, bond or debt Investors and advisors.
- Discusses what can be done within complex property development / management supply chains to set clear expectations and incentives for consultants, managers and service providers.

By the year 2070, 150 million people will live in large densely populated coastal cities at risk of coastal flooding with \$35 trillion worth of property (likely to be worth around 9 % of the global GDP). During 2015, in the run up to COP21 in Paris, many city governments made clear pledges to curb the impact of buildings on the environment.

Sustainable Real Estate Investment. Implementing the 2015 Paris Climate Agreement – an Action Framework is a joint project of the following organisations:

UNEP Finance Initiative ([www.unepfi.org](http://www.unepfi.org)) is a unique global partnership between the United Nations Environment Programme (UNEP) and the global financial sector founded in 1992. UNEP FI works closely with over 200 financial institutions who have signed the UNEP FI Statements as well as a range of partner organisations to develop and promoted linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, UNEP FI carries out its mission to identify, promote and realize the adoption of best environmental and sustainability practice at all levels of financial institutions' business activities. The property work stream at UNEP FI aims to encourage sustainability in property finance and scale up Responsible Property Investment (RPI) as well as increase market spread of ESG in Real Estate investments.

Royal Institution of Chartered Surveyors ([www.rics.org](http://www.rics.org)) promotes and enforces the highest professional qualifications and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we



serve. It accredits 118,000 professionals and any individual or firm registered with RICS is subject to our quality assurance. Their expertise covers property, asset valuation and real estate management; the costing and leadership of construction projects; the development of infrastructure; and the management of natural resources, such as mining, farms and woodland. From environmental assessments and building controls to negotiating land rights in an emerging economy; if our members are involved the same professional standards and ethics apply.

The Investor Group on Climate Change ([www.igcc.org.au](http://www.igcc.org.au)) is a collaboration of over 60 institutional investors and advisors, managing over \$1 trillion and focusing on the impact that climate change has on the financial value of investments in Australasia. IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change, for the ultimate benefit of superannuate and unit holders. One of IGCC's streams of work is focused on climate change risk and opportunities in the built environment, as well as considerations around climate change adaptation and resilience.

The Principles for Responsible Investment Initiative ([www.unpri.org](http://www.unpri.org)) works with its international network of signatories to put the six Principles for Responsible Investment into practice. Its goal is to understand the investment implications of environmental, social and governance issues and to support signatories in integrating these issues into investment and ownership decisions. The six Principles were developed by investors and are supported by the UN. They have more than 1,400 signatories from over 50 countries representing US\$59 trillion of assets. They are voluntary and aspirational, offering a menu of possible actions for incorporating ESG issues into investment practices. In implementing the Principles, signatories contribute to developing a more sustainable global financial system.

Institutional Investors Group on Climate Change ([www.iigcc.org](http://www.iigcc.org)) is the investor voice on climate solutions in Europe. It represents 123 members – mainly mainstream investors including some of the largest pension funds and asset managers in the EU – with over €13 trillion assets under management. IIGCC's mission is to provide investors with a common voice to encourage public policies, investment practices and corporate behavior which address long-term risks and opportunities associated with climate change. One of its major work programmes focuses on best practice for integrating climate risk in real estate investment practice and climate policy affecting the commercial property sector.

CERES – Investor Network on Climate Risks ([www.ceres.org](http://www.ceres.org)) is a North America-focused network of institutional investors dedicated to addressing the financial risks and investment opportunities posed by climate change and other sustainability challenges. INCR currently has more than 110 members representing over \$13 trillion in assets. INCR is a project of Ceres, a non-profit advocate for sustainability leadership that mobilizes investors, companies and public interest groups to accelerate and expand the adoption of sustainable business practices and solutions to build a healthy global economy.