

NETZERO2030

GREENING OUR PORTFOLIO

IPUT REAL ESTATE
DUBLIN



The Tropical Fruit Warehouse,
Sir John Rogersons Quay, Dublin 2

Our pathway to net zero

Climate change is the most significant crisis of our generation. As a leading company in the Irish real estate industry, it is our responsibility to play our role in the Paris Agreement's international effort to limit global warming to 1.5°C.

We are committed to achieving net zero carbon by 2030. This means that, as a company, we are working towards a balance between the carbon emissions that we emit into the atmosphere and those that we remove. Our focus is to reduce emissions as much as possible, and then to responsibly offset emissions when that is no longer possible.

We began this journey more than five years ago with a programme of greening and enriching our buildings to the highest standards in sustainability. In September 2020, we signed the World Green Building Council's (WGBC) Net Zero Carbon Buildings Commitment – the first Irish property company to do so. In the same year, we published our *Making Place* research report, exploring the role of placemaking in our cities.

We believe climate action requires an holistic approach which also extends to building better places that reduce car use and encourage active travel, and fostering local neighbourhoods that are sustainable economically and socially.

We generate carbon emissions in two main areas of our business: the development of our buildings and their operations. For our net zero strategy, this naturally leads us to focus on a pathway reducing embodied carbon associated with the materials used in the lifecycles of buildings, and then reducing emissions in our operations by reducing energy intensity and using renewable energy sources.

The next step in this pathway is to implement strategies to responsibly offset the remaining carbon and we are doing this through our transition fund. At all times in our work, it is critical that we collaborate with all our stakeholders, in particular our occupiers, to achieve our targets.

The path to net zero is about long-term resilience, which can only come from having an authentic and holistic approach to sustainability. This keeps us committed to managing the risks and opportunities posed to ensure our portfolio is positioned to perform and remain attractive to our occupiers for years to come.

Our net zero carbon pathway sets out the journey to deliver on this commitment and is our contribution to help protect our city and environment for future generations.



Our progress so far



2016

GREENING OUR PORTFOLIO

In 2016, we published our first *Responsibility Report* and are now implementing our second Responsible Investment Strategy, with climate action and circular economy as core pillars.



2018

ENRICHING OUR BUILDINGS

The occupier experience is at the heart of enriching our buildings and spaces. Every project and building presents an opportunity to incorporate the highest global standards in sustainable management and development. In 2018, we set up our Asset Services division to deliver this strategy.



SHAPING OUR CITY

In 2020, we commissioned our thought leadership research *Making Place*, focusing on our role as stewards of neighbourhoods rather than landlords of buildings, and highlighting the role offices must play in providing sustainable, community-based workplaces.



THE NEXT CHAPTER

In 2021, we are setting out our approach to delivering on our WGBC Net Zero Carbon Buildings Commitment by 2030. Our pathway sets out the steps we are taking to reduce our carbon emissions in our developments and operations.



2020

2021

Our net zero commitment

We are committed to owning assets operating at net zero carbon within areas of direct control by 2030; and developing assets that reduce the amount of embodied carbon in construction and that operate at net zero carbon by 2030.



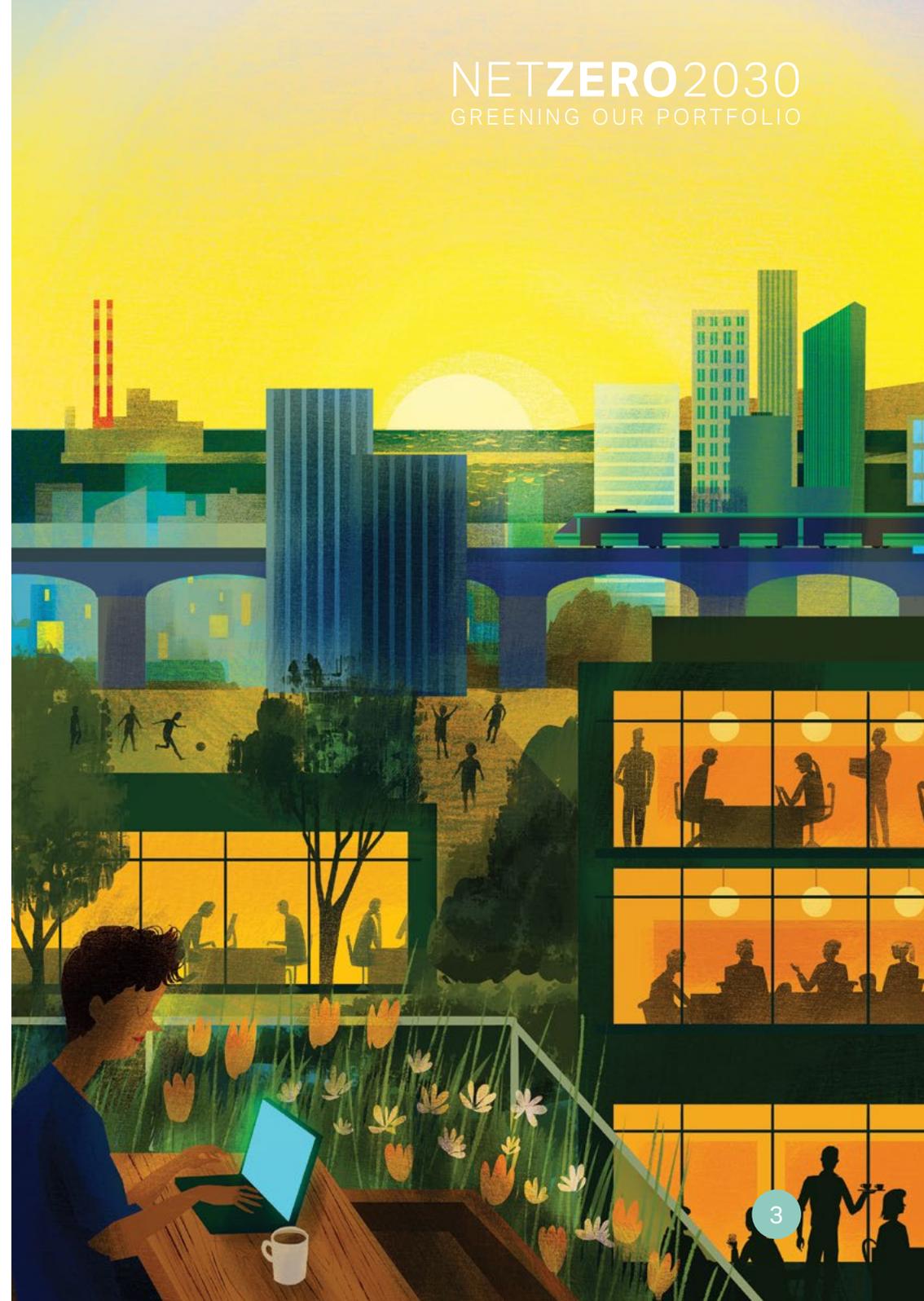
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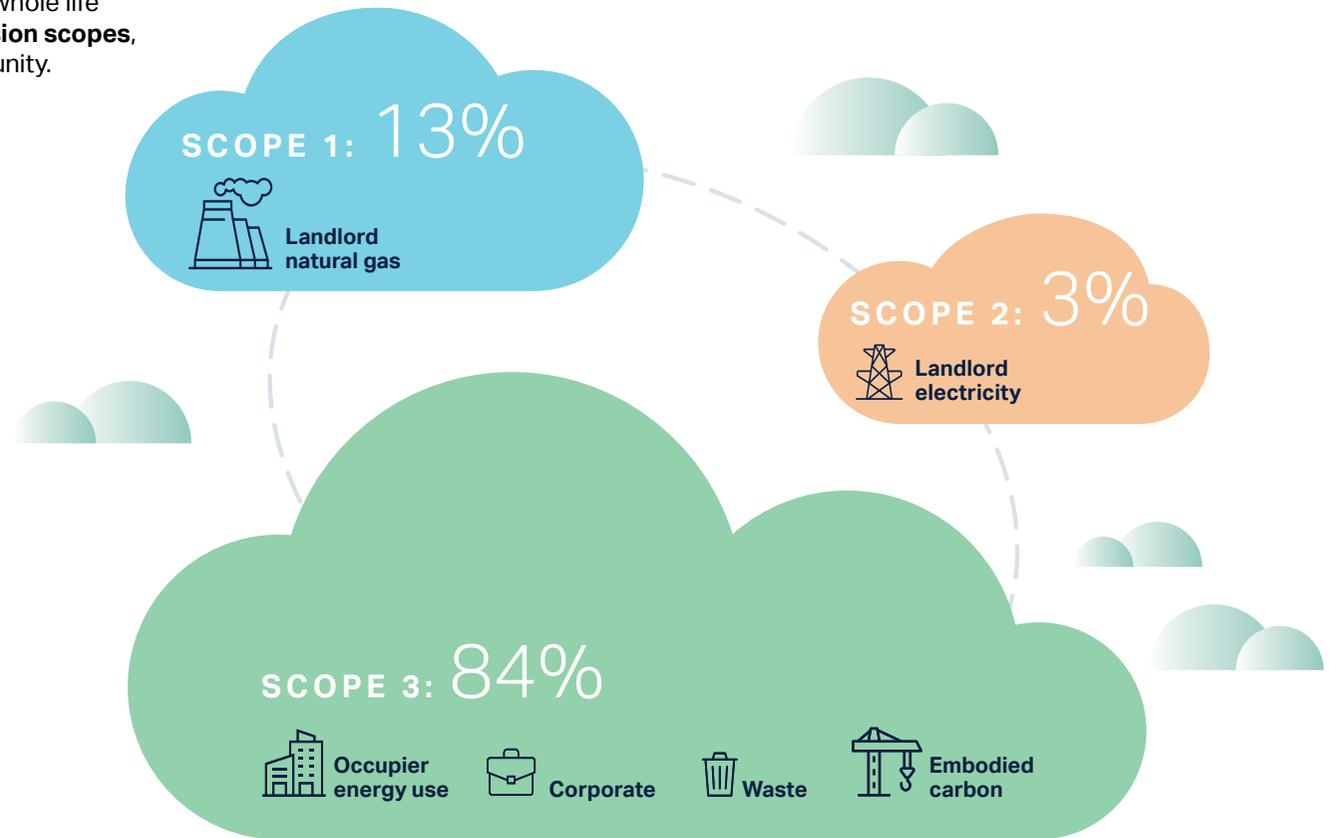
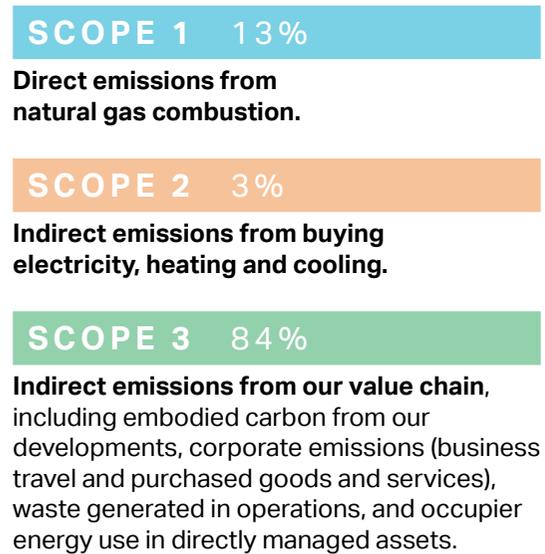
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How we measure emissions

We recognise that we cannot manage what we cannot measure. We are focused on emissions from our directly managed portfolio and development pipeline as this is where we have much greater influence and impact.

As long-term owners of property, we can address the whole life carbon impact of our buildings across the **three emission scopes**, with scope 3 being our greatest challenge and opportunity.

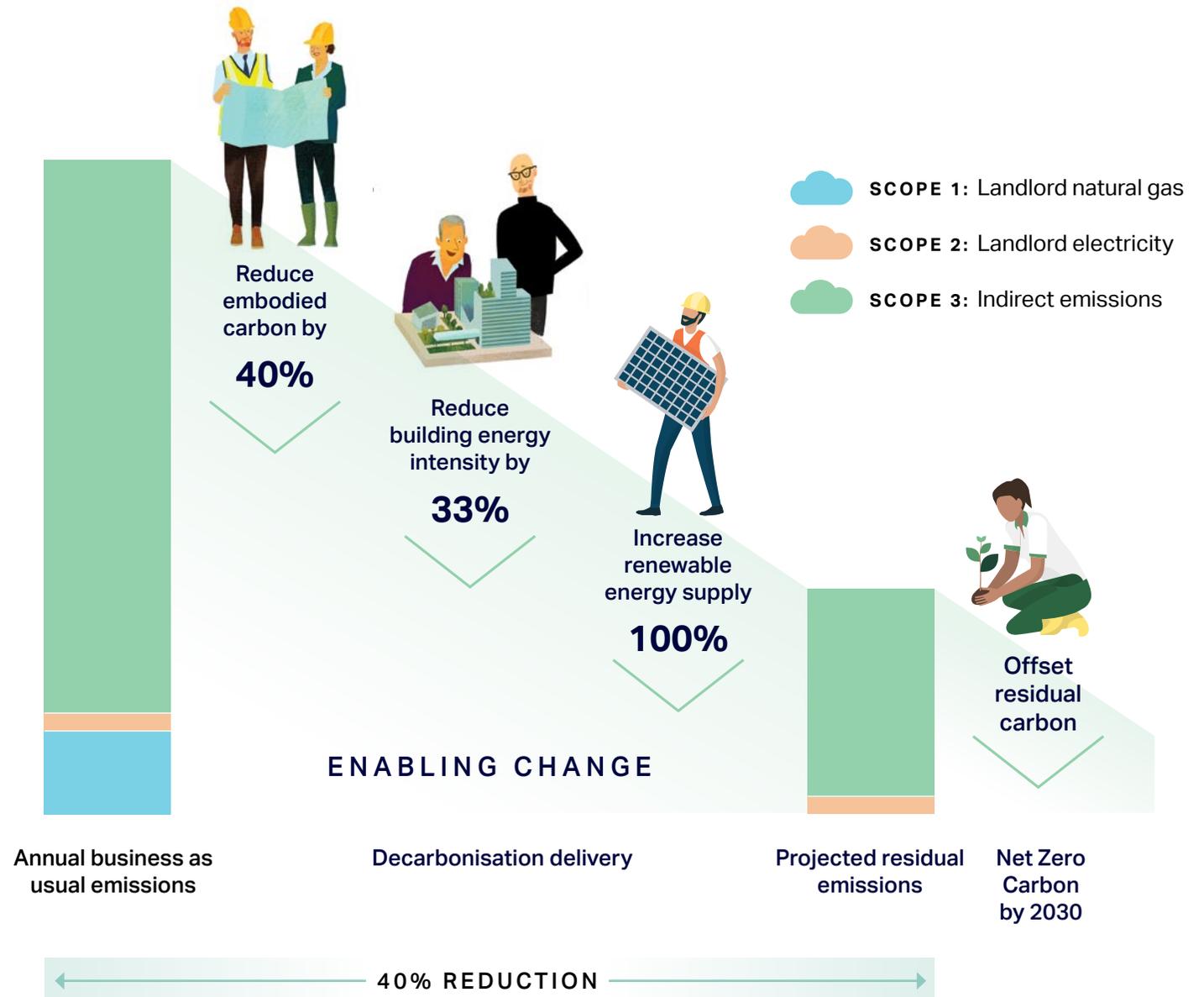


Delivering the pathway

Our pathway follows key steps to reduce our business-as-usual emissions and move us towards our projected residual emissions.

These are reducing embodied carbon in our developments, reducing building energy intensity in our design and operations, and increasing the use of renewable energy across the portfolio. Where we cannot reduce emissions any further, our final step is to offset to achieve net zero carbon.

These tangible steps offer us the greatest impact in reducing our carbon footprint, with our strategy underpinned by targets, measurement, engagement and leadership.



Reducing embodied carbon

Embodied carbon emissions are associated with the materials and construction processes throughout the whole building lifecycle. These emissions from our development projects are the largest contributor to our carbon footprint. Therefore, it is important to reduce embodied carbon as much as possible in our developments.

Embodied carbon emissions are generated in the extraction and manufacturing of materials, construction activities, building maintenance, deconstruction and disposal of buildings. These emissions from our development projects make up 71% of our carbon footprint.

We are therefore focused on reducing embodied carbon through the lifecycle of our buildings using carbon accounting, sustainable design and engaging with our stakeholders. One of our newest developments, The Tropical Fruit Warehouse is a good example of how we have incorporated all these ideas.

We have set clear targets for our new office and logistics projects in order to achieve our 40% reduction target.

TARGET

40%

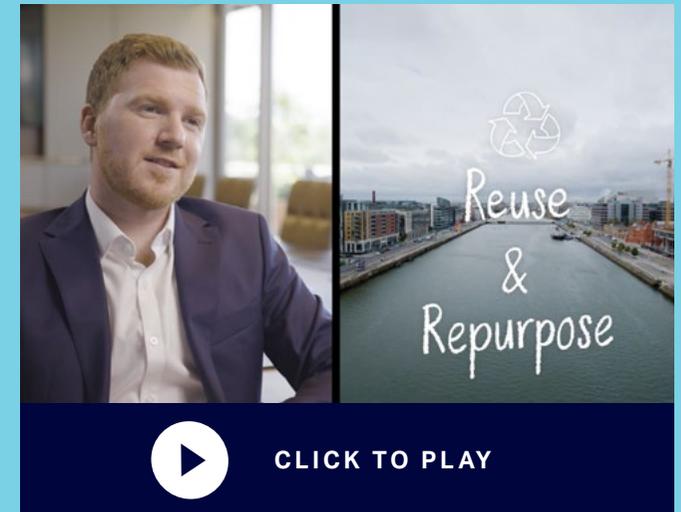
reduction in embodied carbon emissions by 2030

<500kgCO₂e/m²

embodied carbon in our office developments by 2030

<250kgCO₂e/m²

embodied carbon in our logistics developments by 2030



A lifecycle approach

Carbon accounting

In the same way a cash flow captures project spend, we will use whole lifecycle carbon assessments to create carbon profiles to record embodied carbon emissions. An internal price of €80 will be applied to each tonne of embodied carbon generated in the development stages of our projects.

Sustainable design

We are incorporating circular economy principles to help achieve net zero carbon. By using enduring design principles that design out waste and keep buildings and materials in use, we can create low-carbon buildings that will last several property cycles.

Engagement

Collaboration is key to reducing embodied carbon, as its influence stretches from concept design through to demolition. To do more with less, we engage with our design teams, contractors and subcontractors, as well as our occupiers.

CASE STUDY

The Tropical Fruit Warehouse

DESIGN & PRODUCTS

Making use of existing building fabric, including exposed brick, stone walls, feature keystones and original timber roof trusses, to reduce embodied carbon of materials.

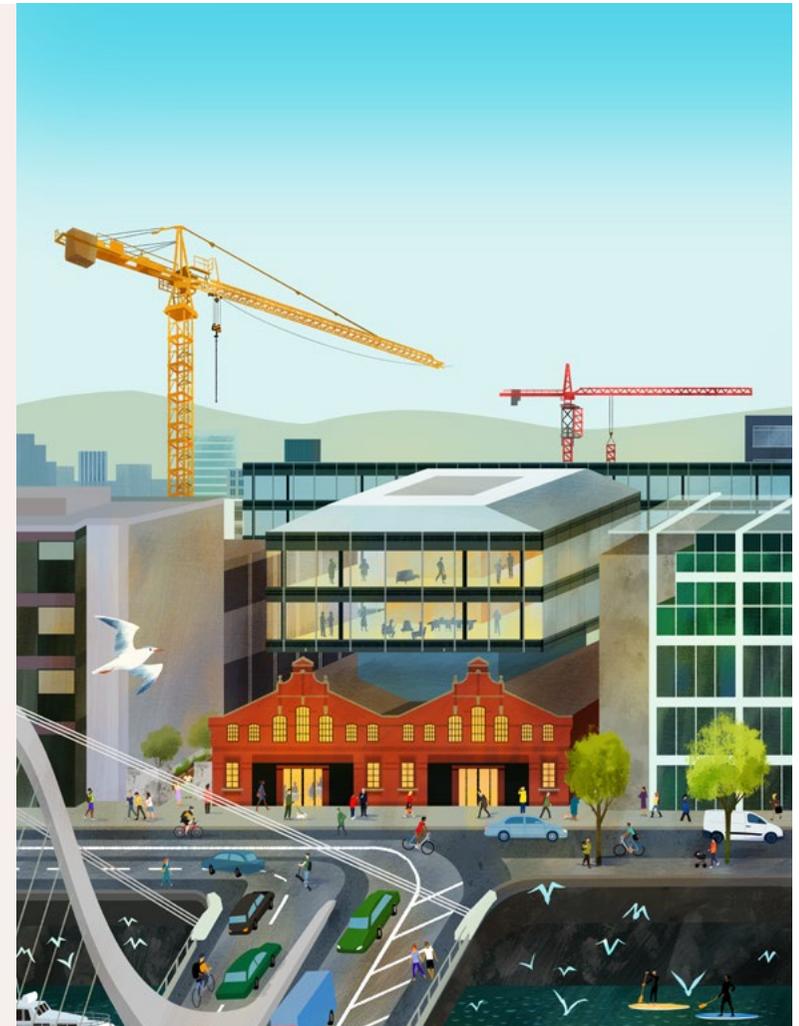
CONSTRUCTION

Offsite fabrication and use of clean technology onsite, meaning less site emissions.

IN-USE

All-electric plant with air source heat pumps, air handling units and heat recovery system providing heating, cooling and ventilation.

Smart metering installed to provide live consumption data.



Reducing operational emissions

Reducing carbon emissions during building operations is another key pillar of our net zero pathway. We will do this by reducing energy intensity and increasing the use of renewables.

Operational carbon represents 24% of our carbon footprint. We are lowering the amount of energy consumed per square metre of our existing assets. We have set ambitious targets across the whole building to improve energy intensity across both the landlord-managed and occupied areas of our assets. We are designing our developments for high efficiencies in-use and as these become operational, we will monitor performance to ensure these buildings are delivering the low energy intensities they have been designed to achieve.

Our directly managed portfolio is made up of different building types, age profiles and energy intensity levels. By using technology to monitor our performance and model our risks, we are determining the level of intervention required to reduce energy intensity. Working with our occupiers, we can support behaviour change around energy use, optimising building performance.

We will also source renewable energy supplies for our buildings, moving away from fossil fuels linked to grid energy and instead power our buildings using renewable energy.

To support our transition to a low carbon economy, we will look at opportunities to generate renewable energy on our sites.

TARGET

100%

occupier renewable electricity by 2025

TARGET

33%

reduction in energy intensity by 2025



Strategies to reduce energy intensity

Technology

Energy management technology is evolving rapidly, and we will continue to dedicate resources to invest in and implement innovative solutions to improve building operations, both in our new developments and our building upgrades.

Changing behaviour

Behaviour change among our occupiers and maintenance partners is key to reducing energy intensity. We already provide energy-use data and analysis to our occupiers and maintenance companies, and will continue to use this engagement to encourage them to make positive changes.

Risk modelling

We are using Carbon Risk Real Estate Monitor (CRREM) modelling to identify those building assets in our portfolio which are at risk of becoming stranded, as they will no longer meet required energy and carbon standards. This modelling assists us in categorising our buildings and implementing suitable building improvements to reduce energy use and associated carbon emissions.



Optimise, retrofit, reposition

We will reduce energy intensity in existing buildings by upgrading them based on their condition and energy performance to date. This will help us to categorise the measures needed to improve each asset's energy intensity.



Increasing renewable energy

Procurement opportunities

Renewable electricity is readily available from suppliers, and we are already buying renewable electricity for the areas of our buildings where we have control.

Our next step is to support our occupiers to also source renewable electricity. Once done, this would mean 100% of electricity supplies in our net zero carbon scope would be from renewable tariffs, reducing our scope 2 and 3 emissions.

All-electric developments

We are already designing and delivering all-electric buildings to eliminate the use of fossil fuels and reduce our scope 1 emissions. With electric heating, cooling and hot water systems, our development projects are being designed to operate at net zero carbon.

On-site renewables

We are mindful of the role we can play in using our assets to generate energy for their own power needs. While many of our offices are located in city centre locations with limited scope for on-site energy generation, our logistics assets have much greater space for renewables, particularly rooftop photovoltaic array.

We will conduct feasibility studies on assets within our portfolio to understand their capacity to facilitate renewables and eliminate the use of fossil fuels using the most suitable renewable solutions.



Enabling change

Our net zero journey also requires us to innovate and embrace new ways of collaborating with stakeholders to enhance our overall impact.

Our efforts on reducing emissions within our developments and directly managed assets will still result in some residual carbon emissions that will need to be offset responsibly to achieve net zero. This is the final step in our pathway.

We are following best practice when offsetting through the voluntary carbon market and will support carbon removal projects that are well-managed, credible and where the impact is verified.

In addition, we will launch our transition fund in 2022, which will be financed by the proceeds of an internal carbon levy based on the embodied carbon emissions generated in our developments. This will further incentivise our drive to reduce emissions.

We will support the latest research and innovation on this topic to ensure our approach remains relevant. Within our company, we will assign each building with a dedicated carbon champion and will also have a focus on collective action, where we will collaborate with our occupiers and our supply chain.

CARBON LEVY

€80

internal carbon levy per tonne of embodied carbon emissions generated in our developments



Our approach to carbon offsetting

The voluntary carbon market is rapidly evolving. Our approach will adapt with this market development to ensure we fund and deliver best practice carbon offsetting.

Additionality

Offsetting must exceed business-as-usual reductions and demonstrate that carbon reduction or removal would not have occurred without the revenue provided.

Measurability

We must quantify the carbon emissions reduced or removed using robust methodologies and independent third-party verification.

Transparency

No double counting of carbon emissions reductions or removals and transparent reporting of our use of offsets.



Transition fund

To encourage our pathway delivery, we have established a transition fund, which will launch in January 2022.

This fund is financed from the proceeds of an internal carbon levy of €80 per tonne of embodied carbon emissions generated in our developments.

This levy attaches a meaningful financial incentive to reduce the largest emissions category within our direct control and to ensure that net zero carbon targets are embedded into decision-making across the business.

The transition fund also demonstrates our leadership in the Irish market by advocating innovation and sustainable practices within our supply chain.





Enhancing our impact

Carbon champion

Carbon is created throughout the lifecycle of buildings, with different stakeholders involved in these various building stages. We will have a carbon champion throughout the design, construction and operation of our buildings dedicated to reducing carbon emissions. This will involve advocating low carbon approaches and circular design principles that can be applied in our developments. In our operations, the carbon champion's role will involve supporting measures to reduce building energy intensity. This individual will therefore help to identify and champion steps we can take to help achieve our net zero ambitions.

Collective action

Responding to the climate emergency requires collective action to have greater impact at a greater scale. Through engaging with our supply chain and occupiers we will discover and implement more innovative low carbon solutions at all building lifecycle stages. We will lead this collaborative approach, raising awareness and driving behaviour change through our market leadership position.

Leading research and innovation

This decade has been marked out as one for climate action, and with that, innovation, technology and new discoveries, as we challenge ourselves to think and act differently. We will embrace and contribute to the industry's evolution, through research projects and innovative trials and roll-outs in our directly managed portfolio and development projects, updating our pathway to ensure it remains effective and impactful.

Aligning with the World Green Building Council's framework

Net Zero Carbon Buildings Commitment requirement	IPUT alignment	Gap analysis and further actions planned
<p>1 – Commit Advanced trajectory for all new and existing buildings, within direct control to operate at net zero carbon in operation by 2030.</p>	<p>We are committed to owning assets operating at net zero carbon within areas of direct control by 2030; and developing assets that reduce the amount of embodied carbon in construction and that operate at net zero carbon by 2030.</p> <p>Our scope comprises our directly managed portfolio (city centre, multi-tenanted offices, and our retail parks). Our development pipeline currently includes office and logistics projects.</p>	<p>Carbon emissions excluded from our commitment scope:</p> <ul style="list-style-type: none"> • Occupier emissions from indirectly managed assets: we will continue to expand this dataset coverage and actively engaging with our occupiers to improve efficiencies in building operations. • Transmission and distribution losses: we have limited control over grid efficiencies, but we expect to see these fuel and energy-related activity emissions decrease as we focus on energy reduction. <p>Carbon emissions added to our commitment scope:</p> <ul style="list-style-type: none"> • Upfront embodied carbon emissions generated in our development projects. • Corporate emissions including business travel, employee commuting and purchased goods and services. <p>We are gathering refrigerant and process loads data so that we can add these to our commitment scope.</p>
<p>2 – Disclose Measure, disclose and assess annual asset and portfolio energy demand and carbon emissions.</p>	<p>Scope 1 and 2 emissions are publicly disclosed in our annual Responsibility Report, on both a like-for like and absolute basis.</p> <p>We are using 2019 data as our baseline, representing our annual business as usual emissions.</p> <p>All data is reported in accordance with the Greenhouse Gas Protocol.</p>	<p>Disclosure of scope 3 emissions, excluding embodied carbon and purchased goods and services is included in our annual Responsibility Report.</p> <p>Additional disclosure of refrigerants, process loads, embodied carbon and purchased goods and services emissions will be included in our annual 2021 Responsibility Report and each year thereafter.</p> <p>We will report progress against our 2019 baseline in our annual Responsibility Report, in accordance with the Greenhouse Gas Protocol and share this with the World Green Building Council.</p>

Net Zero Carbon Buildings Commitment requirement	IPUT alignment	Gap analysis and further actions planned
<p>3 – Act Develop and implement a carbon decarbonisation, roadmap outlining key actions and milestones.</p>	<p>Our pathway to net zero aims for an overall emissions reduction of 40% by 2030. Key actions and metrics are as follows:</p> <ul style="list-style-type: none"> • Reducing embodied carbon by 40% by 2030, with <500kgCO₂e/m² GIA for new office developments by 2030 and <250kgCO₂e/m² GIA for new logistics developments by 2030 too. • Reducing building energy intensity by 33% across the directly managed portfolio by 2025, with asset-by-asset targets to follow. Achieving <55kWh/m²/year by 2030 (GIA) for new office developments and <35kWh/m²/year by 2030 (GIA) for new logistics developments. • Increasing renewable energy, with 100% of occupiers to procure renewable electricity by 2025. All of our developments and directly managed assets to generate renewable energy on site by 2030. • Offsetting residual carbon emissions from 2030 onwards, after all efforts have been made to reduce emissions as much as possible. 	<p>IPUT to continue procuring 100% renewable electricity for all areas of direct control.</p> <p>We will undertake due diligence for any acquisitions and disposals. To ensure these are captured in our pathway to net zero, we will add any new assets within areas of direct control to our commitment scope once verified performance data has been gathered. For any building disposals, we will share data to support its continued decarbonisation.</p> <p>We will maintain and update our pathway to net zero, ensuring it remains aligned with the World Green Building Council's commitment requirements and is effective in decarbonising our business activities.</p>
<p>4 – Verify Demonstrate enhanced energy performance, reduced carbon emissions & progress towards net zero carbon assets and portfolio.</p>	<p>Asset and portfolio level performance data is reported annually in our Responsibility Report and is verified against the ISO 14064-3 standard by an independent third party.</p>	<p>All performance data relating to our progress in meeting the net zero targets included in our pathway to net zero will be reported and verified in our annual Responsibility Report.</p> <p>No carbon offsets have been used to date, but where these will be used, their impact will be verified.</p>

Net Zero Carbon Buildings Commitment requirement	IPUT alignment	Gap analysis and further actions planned
<p>5 – Advocate Demonstrate leadership to support the transition towards net zero carbon buildings throughout business operations and supply chain.</p>	<p>We will use our market leadership position to advocate for innovation and sustainable practices within our supply chain, supporting the trial of low carbon solutions and implementation of circular economy principles during the design, construction, and operation of our buildings.</p> <p>Establishing a transition fund not only supports our pathway to net zero but helps to support the wider uptake of net zero thinking and behaviour, positively shaping our city.</p> <p>Inclusion of environmental performance clauses in all new leases. This fosters collaboration between owner and occupier and assists in reducing our carbon footprint.</p> <p>As a member of the Irish Green Building Council, we will continue to support impactful policymaking to help our transition to a low carbon economy.</p>	<p>We are continuing to explore initiatives that we can support to transform our industry.</p> <p>We currently promote research into key industry issues and will use our thought leadership work to promote the highest sustainability standards across Irish real estate.</p>

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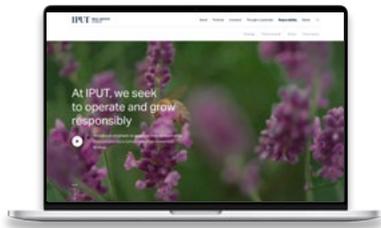
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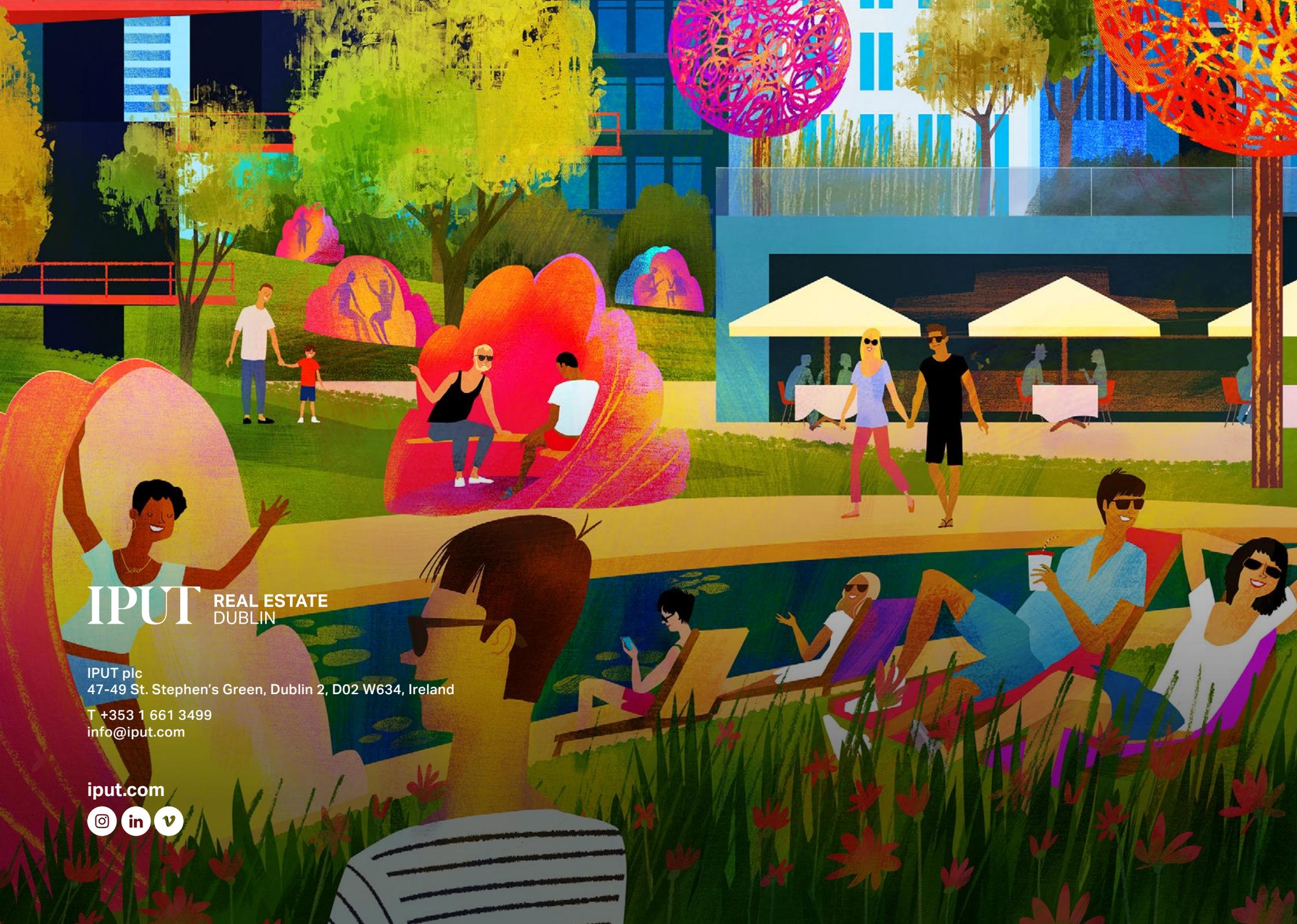
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Industry accreditations



For more information on IPUT visit our website:

iput.com/net-zero



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