

Economise



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C2.6 Scoring template final activity

Energy Efficiency Scorecard 2020

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Summary

The Scoring template developed in the LIFE Economise project has been used to determine whether the objective of *75% of institutional investors in Finland demonstrably shift towards low-carbon investment explicitly focused on decarbonisation of buildings and improved climate resilience* has been reached during the project. Institutional investors' success in climate actions was assessed in various areas such as target setting, energy efficiency and renewable energy strategies, commitment to science-based emission reductions, and preparing to climate risks. The responses were scored using 4 categories, the highest of these being "well on the path". In 2017, where the 1st Scorecard results are from, only one investor (13%) was *well on the path* and the remaining 87% had only *started the journey*.

During the implementation of the LIFE Economise project (2017-2020), there has been a good progress in the climate actions of investors. The results of final Scorecard completed in 2020, show that 66% of the investors are *leading the way or well on the path* in decarbonization of buildings and improved climate resilience. The target of 75% has not quite been reached, but 66% is already a great improvement compared to the entry level.

Investors have made most progress in energy management and cooperation in energy efficiency. However, it seems that there is still a lot of work in setting targets and acting on the set targets. Investors have made targets but only a few investors are committed to reduce emissions based on climate science. It is very important that the emission reductions are based on climate science to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels (The Paris agreement). Clearly, investors also have work to do in preparing for climate risks, which is important if the investor wants to maintain the value and sustainability of the real estate portfolio in the face of climate change.

Background

In 2017, the WWF Energy Efficiency Scorecard measured commitments, plans and actions on energy efficiency of buildings of eight institutional investors based in Finland. Many of them have direct real estate investments abroad also and therefore operate internationally. Seven of the investors interviewed were among the twelve largest real estate investors in Finland in 2017 (rating is given in the brackets): Ilmarinen (4th largest real estate investor), Varma (5th), OP (6th), LähiTapiola Group (7th), Keva (Local Government Pensions Institution, 8th), Elo (9th) and Fennia Group and Funds (12th) (Rakli, n.d.). The final interviewee, Veritas, is considerably smaller in size in terms of their real estate investment portfolio. The 1st Scorecard round was conducted in the form of interviews.

The further development of Energy Efficiency Scorecard was done in cooperation with KTI Kiinteistötieto Oy. KTI is an independent information business offering benchmarking, research and analysis services for the Finnish real estate sector. KTI has gathered data on the Finnish real estate sector since year 2000, which makes them a very valuable partner for the EconomisE project.

In 2020, the EconomisE project was able to introduce Scorecard questions in the barometer that focus on climate resilience and energy efficiency of buildings. The questions follow the format used during the 1st scoring round, thereby making it possible for the project to assess the change that has taken place in the sector since the project started. The development process of Scorecard (2nd round) included meetings with four institutional investors in the beginning of the year 2020, where the proposed new questions were presented and discussed. The investors were able to provide feedback and share their thoughts and WWF was able to collect a lot of valuable information related to the work of the LIFE EconomisE project. The reason why the 2nd scoring round was carried out very differently, is time limitations, it would not have made any sense to complete the same type of interview round as during scoring round 1 so close to the publication of the KTI barometer.

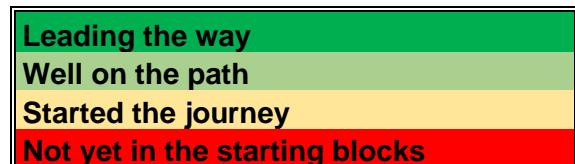
The method developed from one-to-one interviews in 1st Scorecard to an online survey in 3rd Scorecard. This evolution of the Scorecard means that we are unable to track the progress and responses of individual investors. However, the impact of the project will now be sustained in the long-term, as well as statistically reliable and trackable. The 3rd Scorecard is a part of the yearly Responsibly Barometer of KTI which was sent to about 60 largest property owners in Finland in the end of April 2020. The 3rd Scorecard round is based on the responses received to the barometer. 11 institutional investors replied to the barometer and to the scorecard questions which were integrated in the barometer.

We can confidently estimate that most of the investors included in the 1st Scorecard are also among the respondents of the 3rd Scorecard. The confidentiality of responses to the KTI survey makes it impossible to make a direct comparison on a company level. Because the method has developed, Scorecard 1 and 3 are not fully comparable. However, the results regarding whether the investors real estate investments have shifted towards low-carbon investment are reliably extracted from the data.

Evaluation method

How were the results of Scorecard formulated?

The institutional investors that responded to the survey were divided into the following four categories based on their responses.



Analysis

Commitment and targets

In this section, it was examined whether investors have set targets for environmental factors for at least next three years.

Target for property portfolio	Electricity consumption	Heating consumption	Renewable energy	CO2 emissions	Water consumption	Waste	Total average %
Public target	33	33	11	22	0	0	17
Non-public target	22	22	33	22	44	33	29
Not yet but in near future	11	11	11	22	11	22	15
No target	33	33	44	33	44	44	39

Almost half of the investors have set quantitative targets. About 17% of the investors are *leading the way* by having published quantitative targets for environmental factors and 29% of investors, which have set quantitative targets, but the targets are not made public are *well on the path*. 15% of the investors have not yet set targets but are planning to set them in the next three years, have *started the journey*.

The most common targets were electricity and heating consumption. In 1st Scorecard round, 37% of investors had set a quantitative target to reduce either energy, carbon intensity, water

or waste of their property portfolio, so there is about 9% growth in the number of investors who are setting quantitative targets for environmental factors. However, there are still about 39 % of investors who have no targets for environmental factors. It is important to get everyone to set goals and monitor their implementation to ensure that the goals are also achieved in practice.

Strategy for renewable energy

In this question, investors were asked about their targets for renewable energy in next three years.

Target for the use of renewable energy	Bought renewable electricity	On-site renewable electricity	Bought renewable heating	On-site renewable heating	Total average %
Increases significantly	27	18	27	36	27
Increases somewhat	36	55	45	36	43
Stays the same	18	9	9	0	9
No strategy	18	18	18	27	20

27% of the investors increasing renewable energy significantly in the coming three years are *leading the way* and 43% of investors increasing renewable energy for some amounts are *well on the path*. On average 9 % of investors already use renewable energy in their properties but have no plans to increase it, have *started the journey*. It may be that some of these investors already have 100% bought renewable electricity in their property which could explain why they have no plans to increase it. Based on KTI Barometer 2020, 72% of the investors buy renewable electricity in over 75% of their properties.

In 1st scorecard, 37% of investors had targets for increasing green electricity or on-site renewable energy in their properties. It seems that there is an enormous positive change based on the results of the 3rd Scorecard; about 70 % of the investors are increasing the renewable energy in their properties in the next three years.

Strategy for energy efficiency

The long-term repair and maintenance plan for ten years (PTS) shows when repairs need to be performed, how urgent they are and how much they will cost. In Scorecard 3, we wanted to find out if energy efficiency has been considered in the long-term repair planning. We asked if investors use updated long-term and maintenance repair plans as a part of improving energy efficiency.

Updated long-term and maintenance repair plans as a part of improving energy efficiency	Total average %
All or almost all properties	55
Over 75 % of properties	9
50-75% of properties	36
Not in use	0

Leading the way 55% are the investors, who have long-term plans in almost all their properties. It was positive to notice that all the investors use long-term repair plans at least in half of their properties.

Cooperation in energy efficiency

In 1st scorecard round, the investors were asked if they have targets including green lease clauses in lease agreements. A green lease refers to an agreement between the tenant and owner of the property on common goals and allocation of costs in a construction project to enable a larger, environmentally motivated investment. We decided to change this question in the final Scorecard because it seems that green leases are rarely used in Finland. Instead, we asked if investors active cooperation with stakeholders to improve energy efficiency.

Cooperation in energy efficiency	Property managers	Tenants	Property maintenance	Other service providers and co-workers	Total average %
Together defined targets and reporting	43	9	29	25	27
Continuous cooperation and guidance	50	63	50	58	55
Not yet but in the near future	7	18	7	8	10
No cooperation	0	9	14	8	8

Leading the way, are 27% of the investors who have admitted targets together with stakeholders to improve energy efficiency and follow them, and *well on the path*, are 55 % of the investors, who make continuous cooperation or guidance to improve energy efficiency. 10% of the investors, who are not doing any cooperation in energy efficiency yet but are planning to do it in near future, have *started the journey*.

Based on the results, it seems that investors make most cooperation with property managers. 93 % of investors have continuous cooperation with property managers to improve energy efficiency. In general, about 80 % of the investors are cooperating in energy efficiency with different stakeholder that seems a good situation.

Energy management system

In the 1st Scorecard round in 2017, it was reported that 63% of investors used an energy management system in all properties, excluding triple net leases. A triple net lease is a commercial lease in which the tenant pays all operating costs including insurance expenses, maintenance and utility expenses, property taxes of the rented property and the landlord receives a net rent. The landlord doesn't have access to the consumption records.

Energy management system	Total average %
All or almost all properties	73
Over 75 % of properties	18
50-75% of properties	9
Not in use	0

The results of the 3rd Scorecard round show that 73 % of investors are *leading the way* by having energy management system in all their properties. *Well on the path*, are 18 % of the investors, that have energy management system in over 75 % of their properties and *started the journey*, the 9 % of the investors that have energy management system in 50-75% of their properties. It is a positive to notice that energy management systems have become a normal part of property management.

Monitoring performance against targets

In Scorecard 1st round, 75% of investors had routines and systems in place for monitoring the quantities the investor has set targets for. In Scorecard 3rd round, we wanted to specify the question to answer better how well the investors have defined the target level for emissions and timetable to achieve the target.

Emission management	Total average %
We have committed to a climate science-based emission reductions initiative e.g Science Based Targets	18
We have committed to another initiative which aims to emission reductions	27
We have defined the target level and timetable ourselves	36
Not yet	18

18 % of the investors, are *leading the way*, which means that they are committed to an initiative that aims to reduce emissions based on climate science for example Science Based target initiative. 27 % of the investors are *well on the path* that means that they are committed to another initiative or commitment aimed at reducing emissions from the property. 36 % of the investors have *started the journey* by setting own target levels and timetable. The problem with these investors might be that the target levels are not tight enough compared to climate science because there is no outside source that verifies the targets.

Monitoring and analyzing climate-related risks to property

Scorecard round 3 in 2020, we asked the investors how they have prepared to the different climate risks of properties. Scorecard round 1, three of eight investors (63%) had conducted some analysis on climate risks although they were not comprehensive, detailed nor carried out systematically and regularly. Two investors had also taken limited action to safeguard their direct property investment against climate-related damage. Five of eight investors (63%) had not done any analysis.

Preparing to the climate risks of properties	Managing flooding risks	Preparing for moisture stress	Carrying capacity of the ground	Increased cooling demand	Information security risk	Stranded assets	Total average %
Yes, for the whole or almost the entire real estate portfolio	36	45	18	9	9	36	26
In some of our properties	36	36	36	73	36	18	39
Not yet but in the near future	9	9	9	9	18	18	12
We have not prepared	18	9	36	9	36	27	23

3rd Scorecard round, *leading the way* are the 26% of the investors who are prepared to the specific climate risk in all or in almost all properties. *Well on the path* are 39% of the investors who are prepared to the specific climate risk when in a part of properties or buying new properties or in a renovation. *Started the journey* are about 12 % of the investors which have not prepared to the climate risks now but will prepare to it in near future. The investors were best prepared for flood risk and moisture risk and worst for increased cooling demand and information security risk.

Conclusions

In 2017 only one investor (13%) was *well on the path* and other 87% had only *started the journey*. One of the main objectives of LIFE EconomisE project is that 75% of institutional investors demonstrably shift towards low-carbon investment explicitly focused on decarbonisation of buildings and improved climate resilience.

Investor	Sector	Target for property portfolio (4p.)	Strategy for energy efficiency or renewable energy (3p.)	Target for green leases (1p.)	Management: Energy management system (3p.)	Management: Flow of property information (1p.)	Management: Monitoring and reporting (3p.)	Management: Climate risk analysis (3p.)	Management: Climate risk in refurbishment guidelines (1p.)	Score 2017 (19p.)
Varma	Pension fund	2p.	2p.	0p.	3p.	1p.	1p.	0p.	0p.	9p.
LähiTapiola	Insurance	1p.	1p.	0p.	1p.	1p.	3p.	1p.	0p.	8p.
Ilmarinen	Pension fund	2p.	0p.	0p.	2p.	1p.	2p.	0p.	0p.	7p.
Keva	Pension fund	2p.	1p.	0p.	1p.	1p.	1p.	1p.	0p.	7p.
OP	Insurance	1p.	1p.	0p.	1p.	1p.	2p.	0p.	0p.	6p.
Veritas	Pension fund	1p.	0p.	0p.	2p.	1p.	1p.	1p.	0p.	6p.
Elo	Pension fund	1p.	0p.	0p.	2p.	0p.	2p.	0p.	0p.	5p.
Fennia	Insurance	1p.	0p.	0p.	2p.	0p.	0p.	0p.	0p.	3p.
Nordea	Insurance									Non-respondent

We can see that during the LIFE EconomisE project 2017-2020 there has been progress among the investors. The results of Scorecard 3rd in 2020, show that 66% of the investors are *leading the way or well on the path* in decarbonization of buildings and improved climate resilience. We are not quite in 75% but 66% is already a great result compared to the entry level. The combined results of Scorecard 3rd in 2020 are presented below.

Sector	Leading the way or well on the path
Target for property portfolio	46
Strategy for renewable energy	70
Strategy for energy efficiency	64
Cooperation in energy efficiency	82
Energy management system	91
Monitoring performance against targets	45
Monitoring and analysing climate-related risks to property	65
Total average	66

Investors have made a most progress in energy management; 91% of investors have energy management systems in almost all their properties. This means that they have information of

how much their buildings use heating and electricity. However, it seems that setting targets to environmental factors like heating consumption is insufficient because in the current moment about 54% of the investors do not have targets at all for environmental factors. It is positive to notice that cooperation in energy efficiency with different stakeholders like maintenance and tenants is common, 82% of investors are doing cooperation in energy efficiency.

Based on the results of Scorecard, 18 % of the institutional investors are committed to reduce emissions based on climate science for example committed to Science Based Target initiative where WWF is involved. It is very important that the emission reductions are ensured to be based on the climate science to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels (The Paris agreement).

The results showed also that companies must take more action to prepare for the risks of climate change in real estate, only about 26% of the investors prepare to the risks in all their properties. Climate will change, despite measures to reduce emissions, so preparing for climate risks is very important if you want to maintain the value and endurance of your property portfolio and minimize unexpected costs.

References:

KTI:n Vastuullisuusbarometri institutionaaliset sijoittajat 2020

C2.3 Results of EE Scorecard

KTI Vastuullisuusbarometri 2020

Institutionaaliset sijoittajat
-kooste tuloksista

24.6.2020

Luottamuksellinen

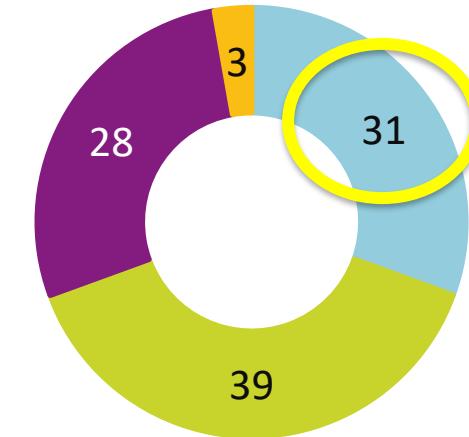


KTI Vastuullisuusbarometrin kohderyhmänä olivat suurimmat suomalaiset kiinteistösijoittajat ja –omistajat.

Kooste: institutionaaliset sijoittajat

- Barometriin vastasi 35 organisaatiota.
- Institutionaalisia sijoittajia vastaajista oli 31 % (n=11).

Mitä kiinteistöalan toimijatyyppejä organisaationne edustaa? %

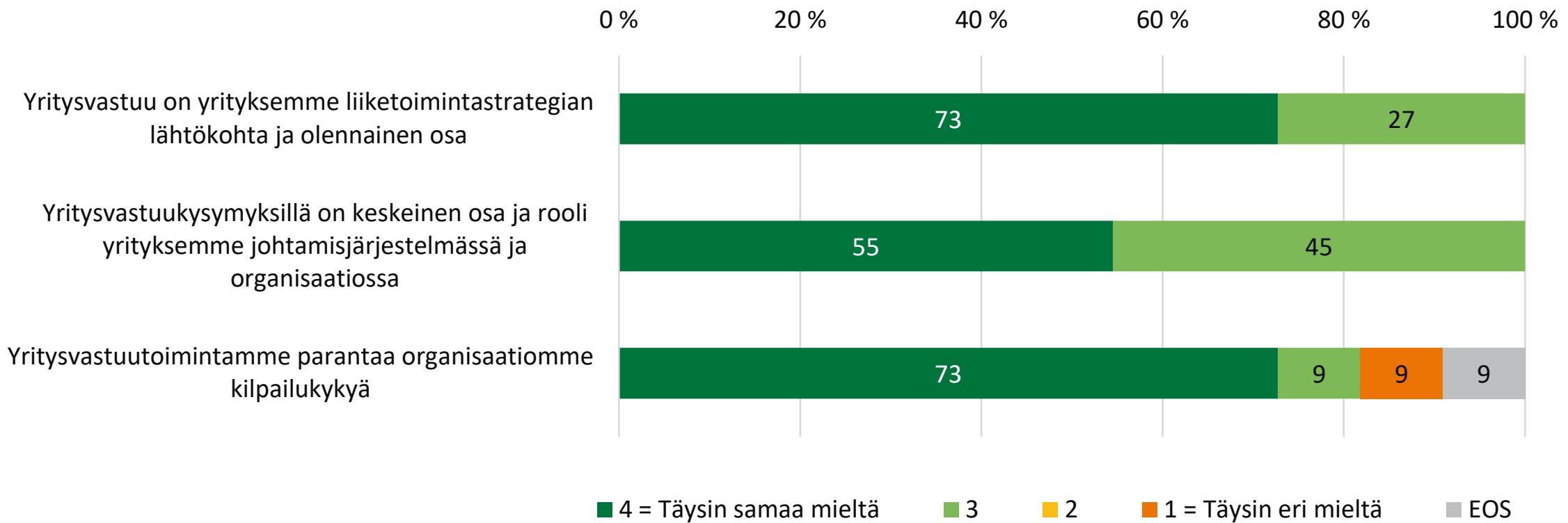


■ Institutionaalinen sijoittaja ■ Kiinteistösijoitusyhtiö
■ Kiinteistörahastomanageri ■ Jokin muu, mikä?

Vastuullisuus on organisaatioille olennainen osa liiketoimintaa ja sen johtamista.

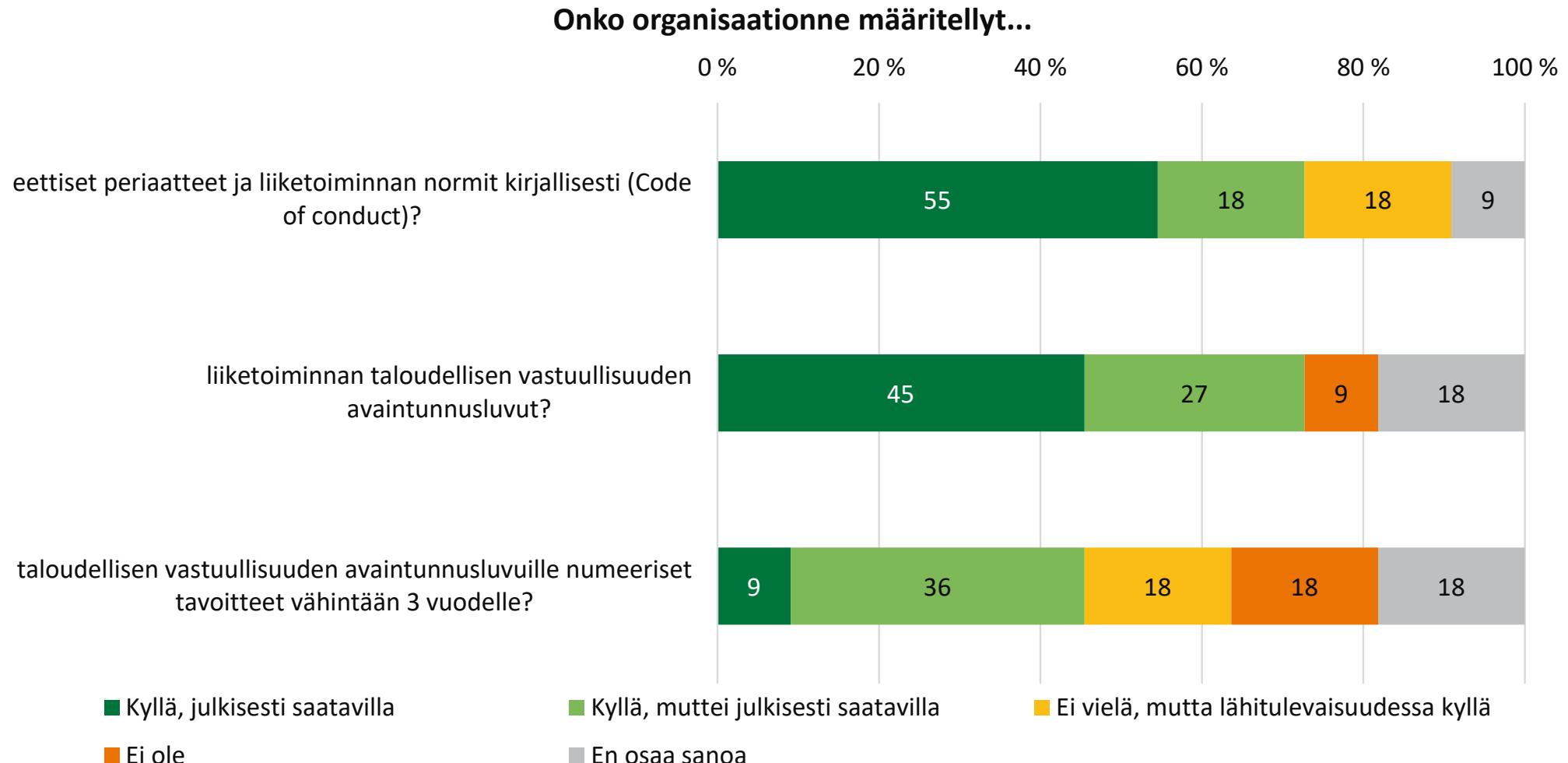
Kooste: institutionaaliset sijoittajat

Kuinka seuraavat väittämät kuvaavat organisaationne yritysvastuuta tällä hetkellä?



Taloudellinen vastuullisuus: yli 70 prosenttia barometriin vastanneista institutionaalista sijoittajista on määritellyt liiketoiminnan normit ja eettiset periaatteet sekä taloudellisen vastuullisuuden avaintunnusluvut.

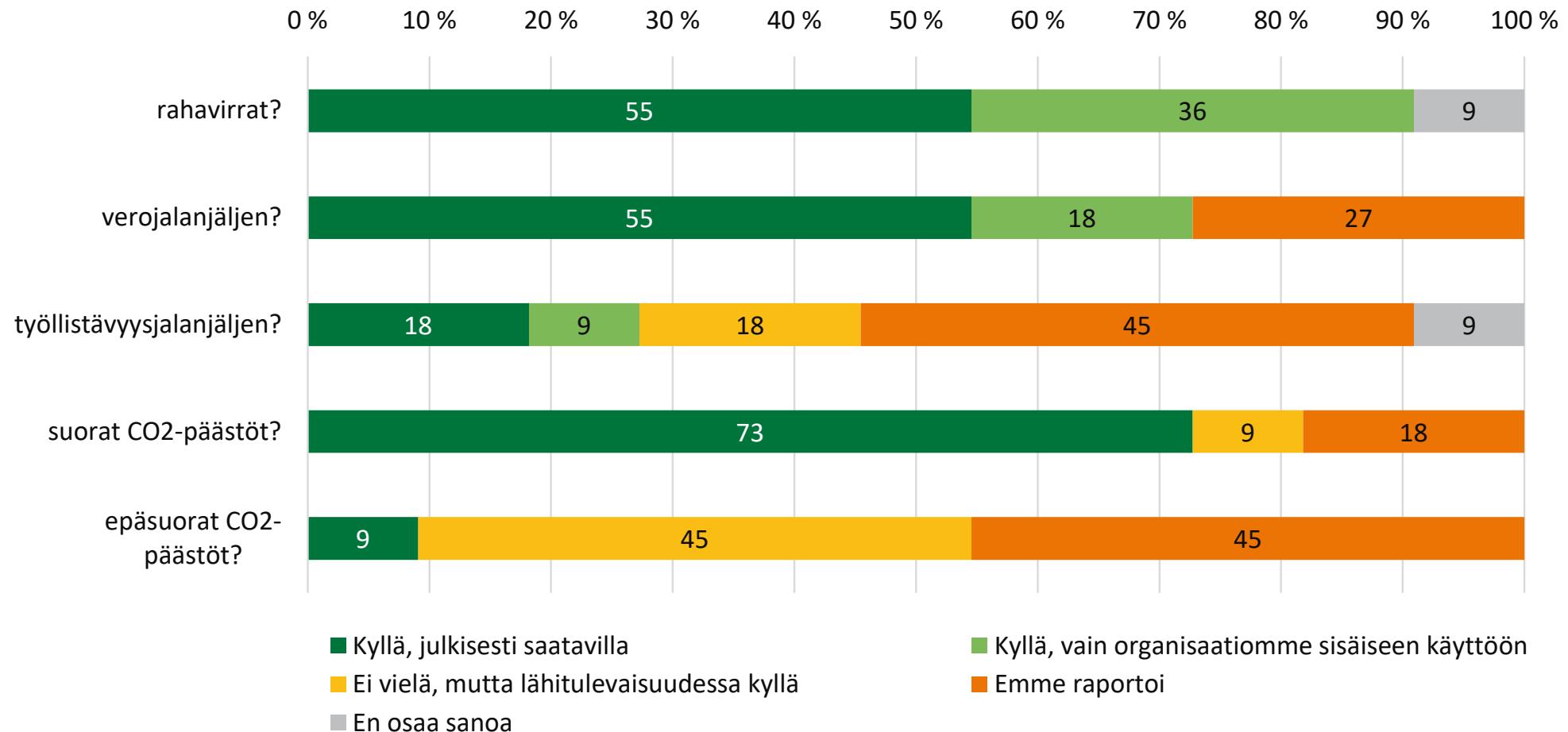
Kooste: institutionaaliset sijoittajat



Taloudellinen vastuullisuus: valtaosa institutionaalista sijoittajista raportoi liiketoiminnan rahavirrat ja yli 70 % laskee liiketoiminnan suorat CO₂-päästöt.

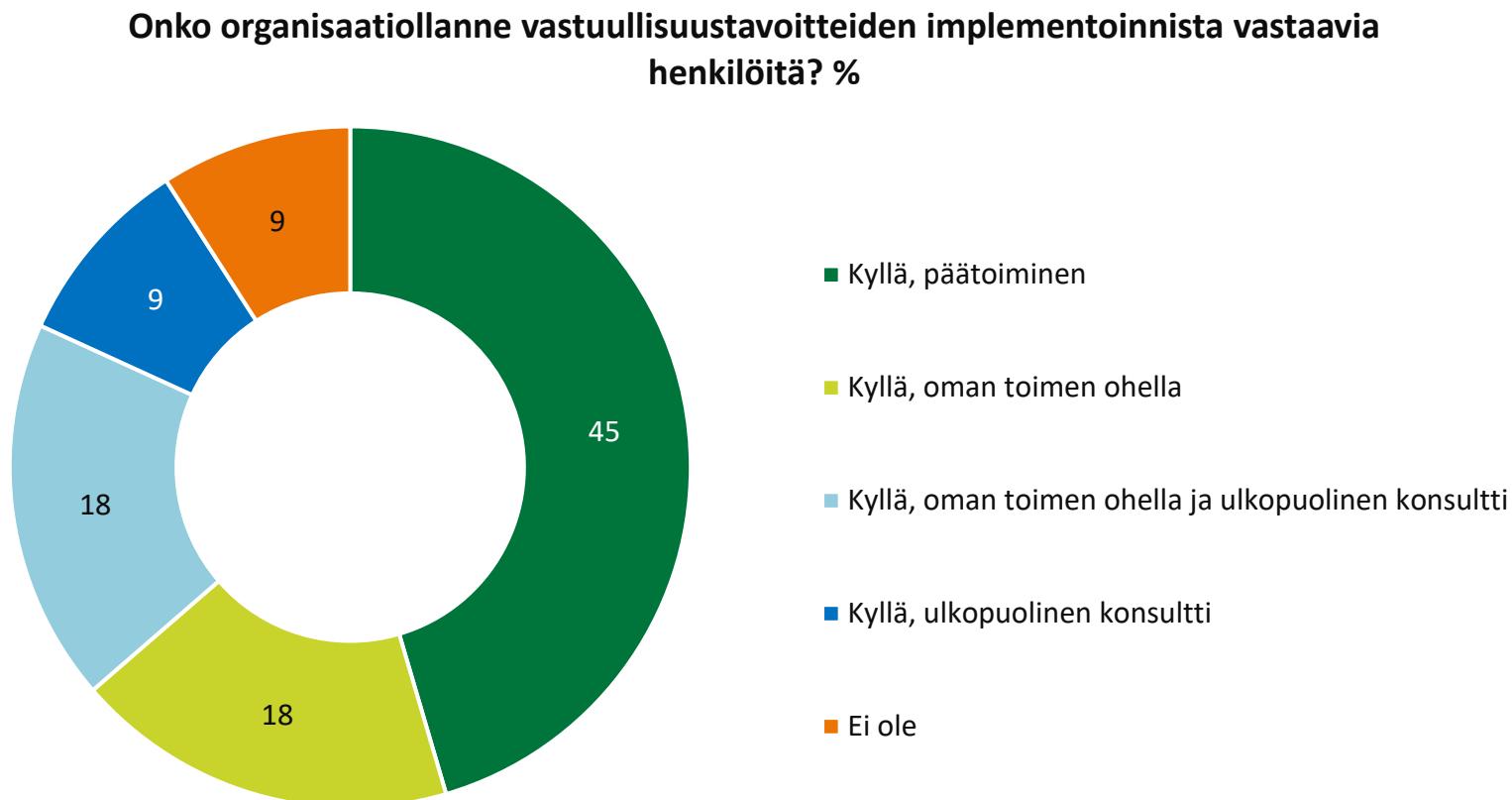
Kooste: institutionaaliset sijoittajat

Raportoiko organisaationne kiinteistöliiketoiminnan...



Institutionaalista sijoittajista 45 prosentilla on organisaation vastuullisuustavoitteiden implementoinnista päätoimisesti vastaava asiantuntija.

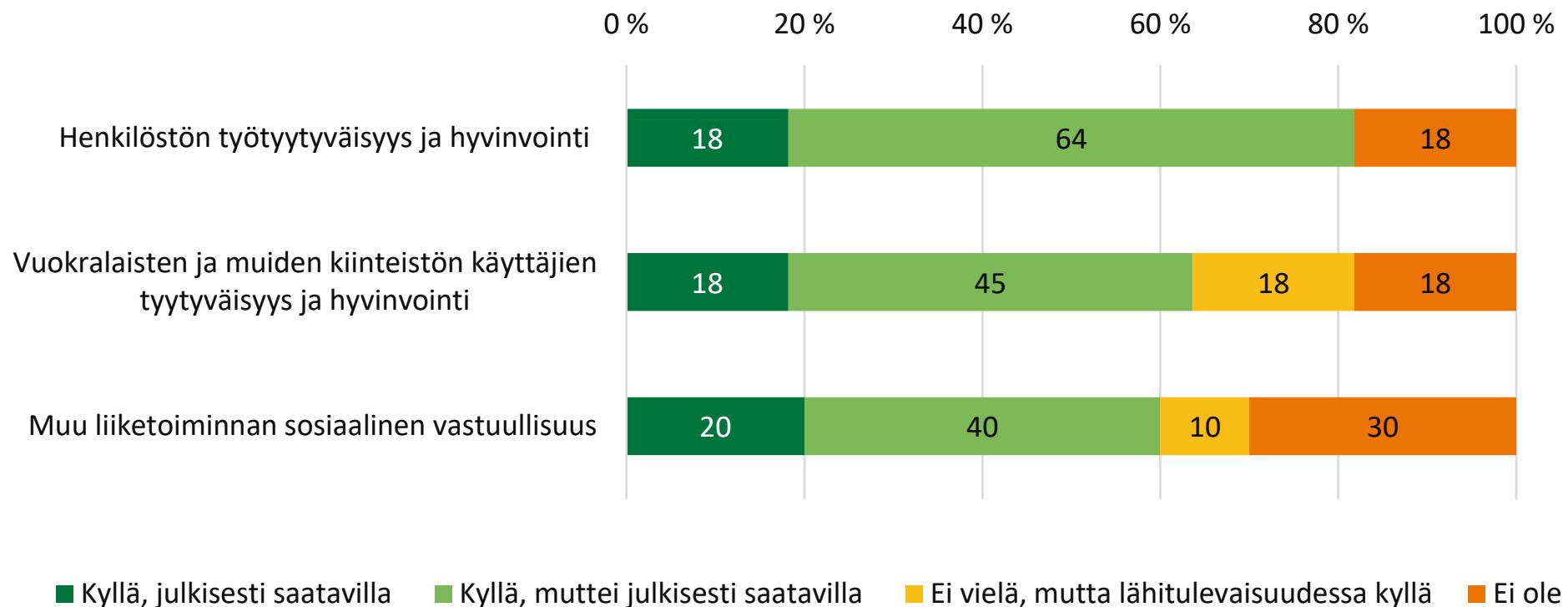
Kooste: institutionaaliset sijoittajat



Sosiaalinen vastuullisuus: 82% barometriin vastanneista institutionaalista sijoittajista on määritellyt henkilöstön työtyytyväisyyden ja hyvinvoinnin avaintunnusluvut.

Kooste: institutionaaliset sijoittajat

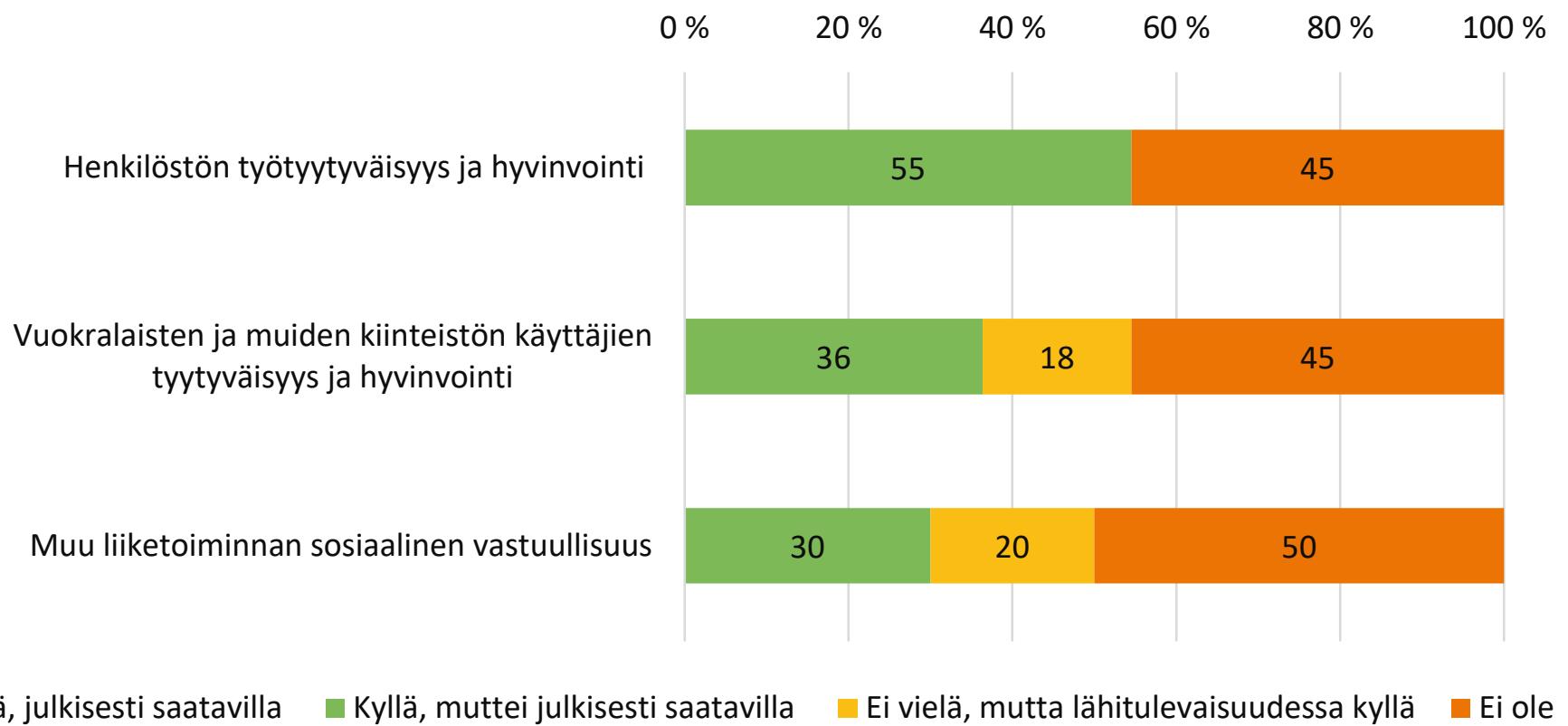
Onko organisaationne määritellyt liiketoiminnan sosiaalisen vastuullisuuden avaintunnuslukuja?



Sosiaalinen vastuullisuus: 55 % vastaajista on asettanut numeerisia tavoitteita henkilöstön työtyytyväisyydelle ja hyvinvoindiin.

Kooste: institutionaaliset sijoittajat

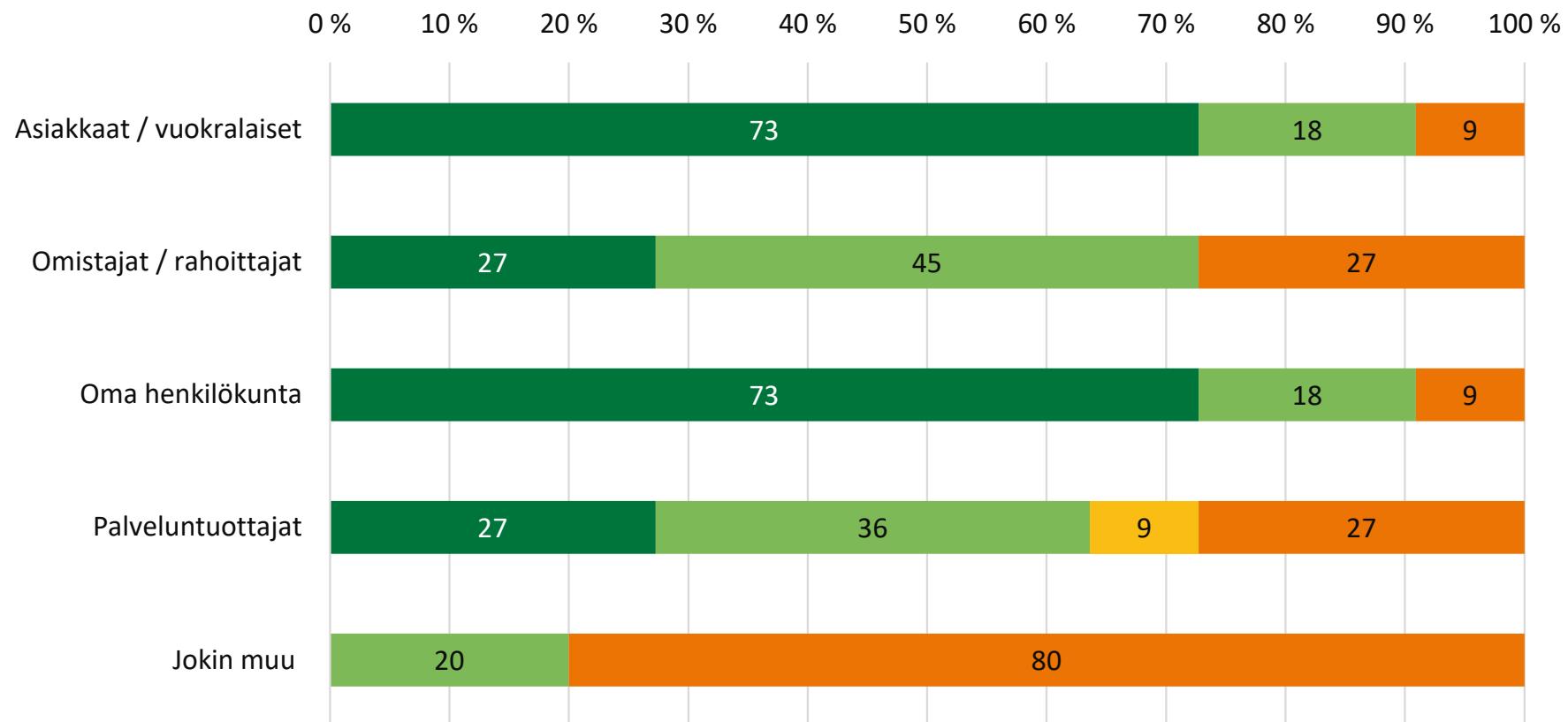
Onko organisaationne määritellyt numeeriset tavoitteet vähintään 3 vuodelle?



Sidosryhmäyhteistyö: valtaosa barometriin vastanneista institutionaalista sijoittajista kartoittaa sidosryhmien näkemyksiä, arvostuksia ja odotuksia organisaation toiminnasta.

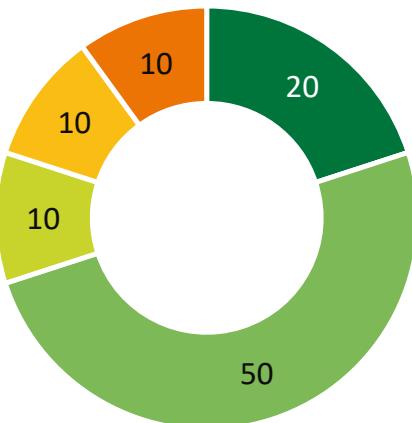
Kooste: institutionaaliset sijoittajat

Kartoittaako organisaationne sidosryhmien näkemyksiä, arvostuksia ja odotuksia organisaation toiminnasta?



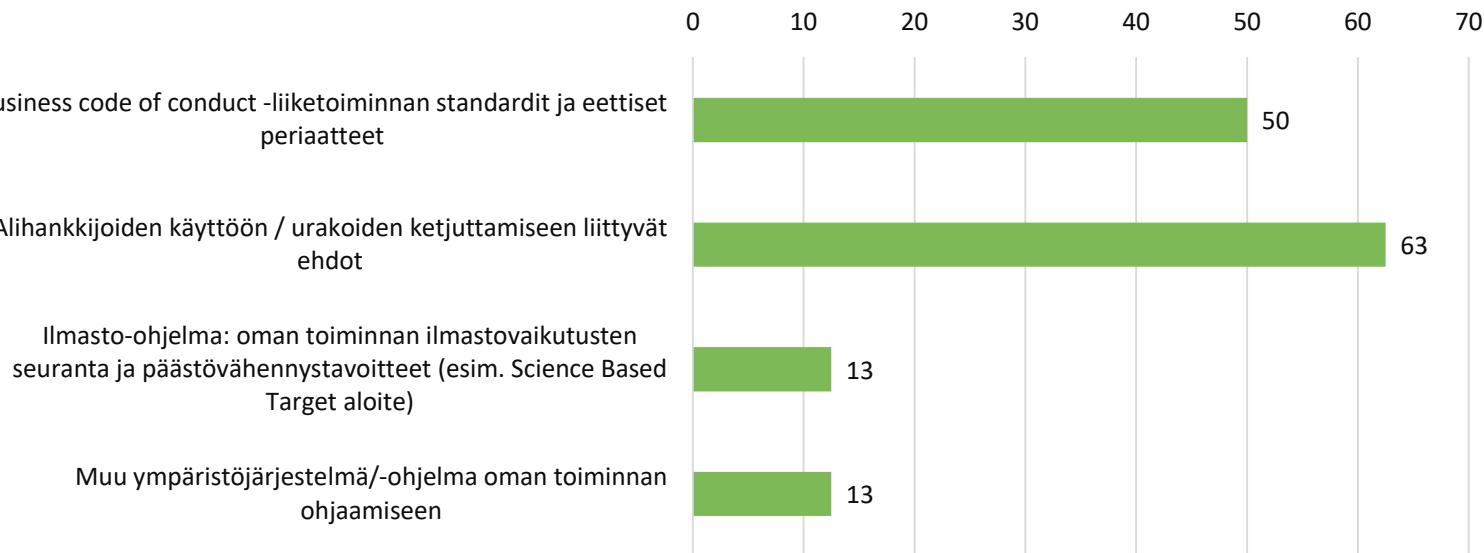
Toimitusketujen hallinta: 80 % institutionaalista sijoittajista asettaa yhteistyökumppaneille vastuullisuuteen liittyviä vaatimuksia.

Asetatteko yhteistyökumppaneille vastuullisuuteen liittyviä vaatimuksia (lainmukaisten velvoitteiden täyttämisen lisäksi)?



- Kyllä, kaikille yhteistyökumppaneille
- Kyllä, pitkääikaisiin sopimuskumppanuuksiin ja/tai euromäärisesti suuriin tilauksiin
- Kyllä, vain tietyille palveluille/toiminnolle
- Ei vielä, mutta lähitulevaisuudessa kyllä
- Emme aseta

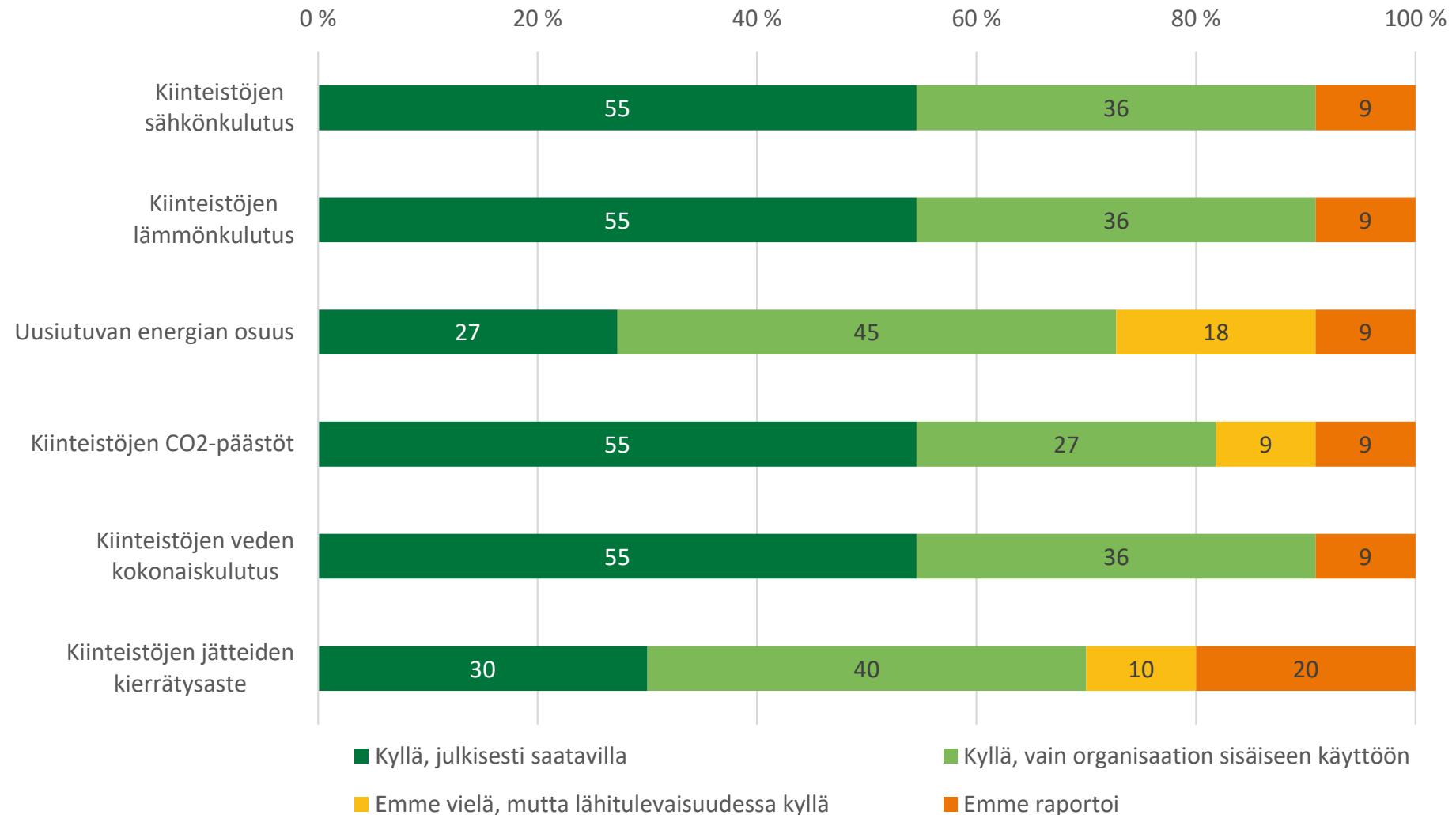
Mitä vaatimuksia yhteistyökumppaneiden tulee hyväksyä? (n=8)



Kiinteistöjen ympäristötunnusluvut: raportointi

Kooste: instituutiota sijoittavat

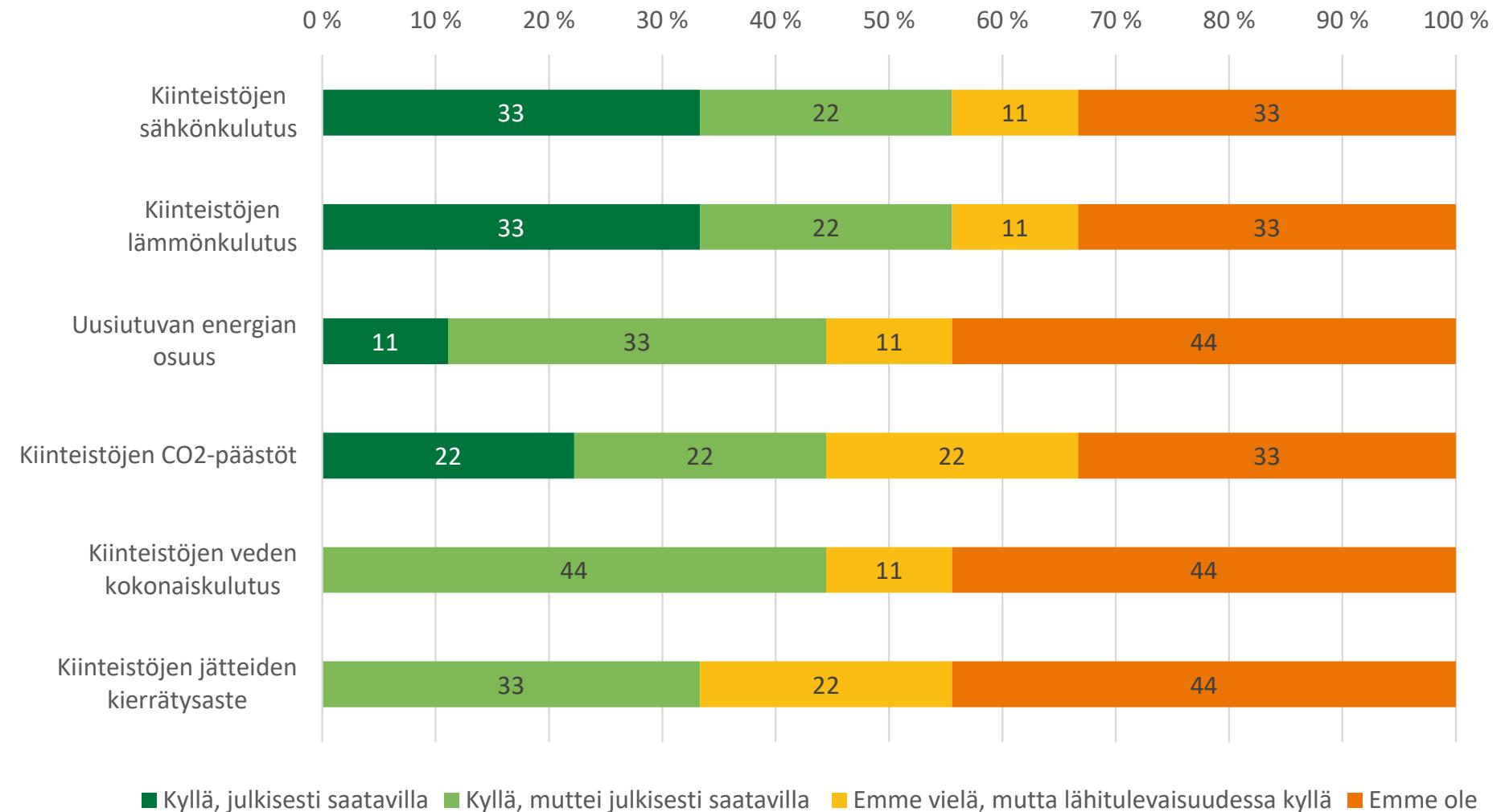
Raportoiko organisaationne seuraavia kiinteistöjen ympäristötunnuslukuja?



Kiinteistöjen ympäristötunnusluvut: tavoitteet

Kooste: institutionaaliset sijoittajat

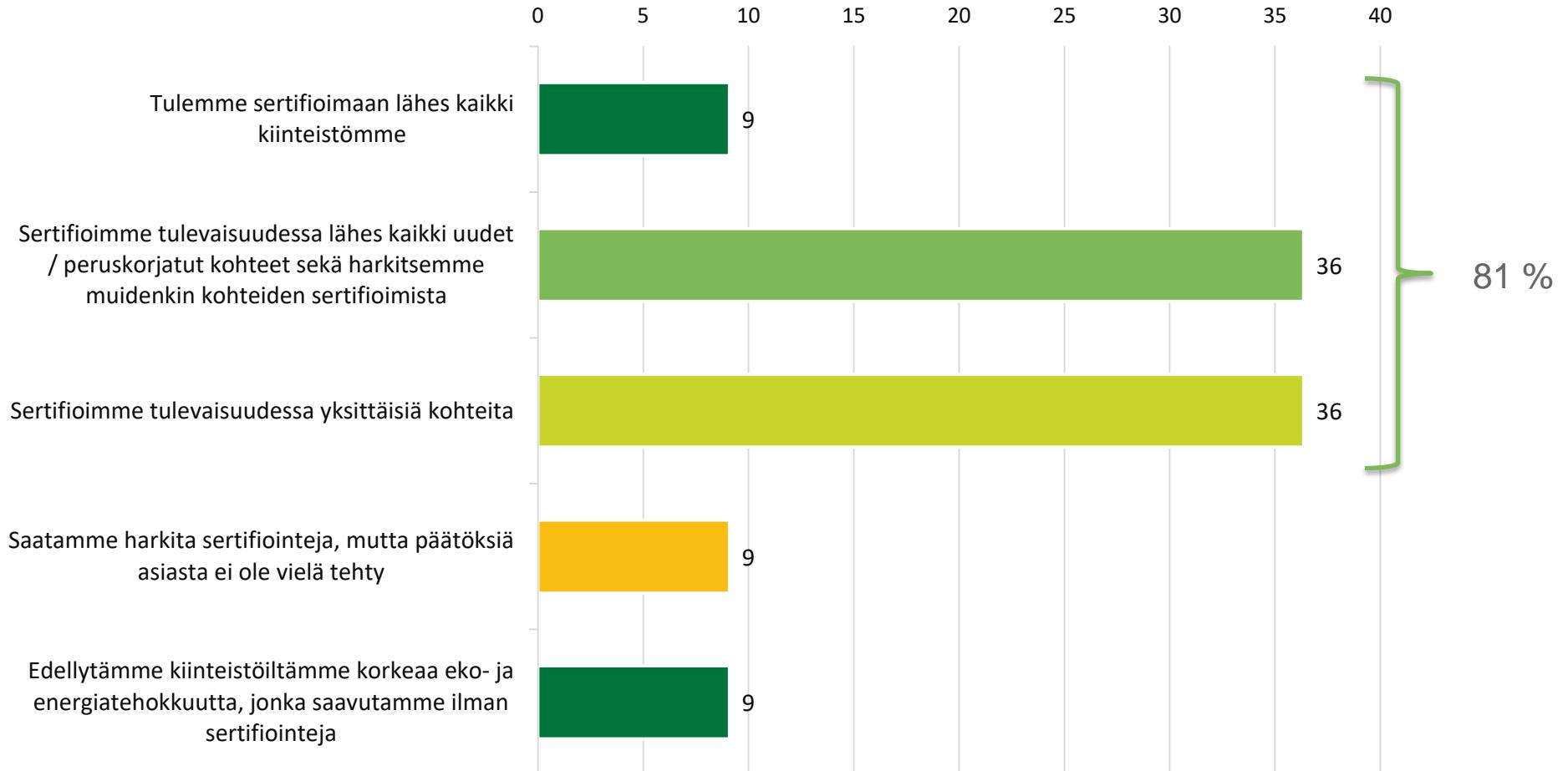
Oletteko määritelleet numeeriset tavoitteet vähintään 3 vuodelle?



Kiinteistöjen ympäristösertifioointi kiinnostaa barometriin vastanneita institutionaalisia sijoittajia.

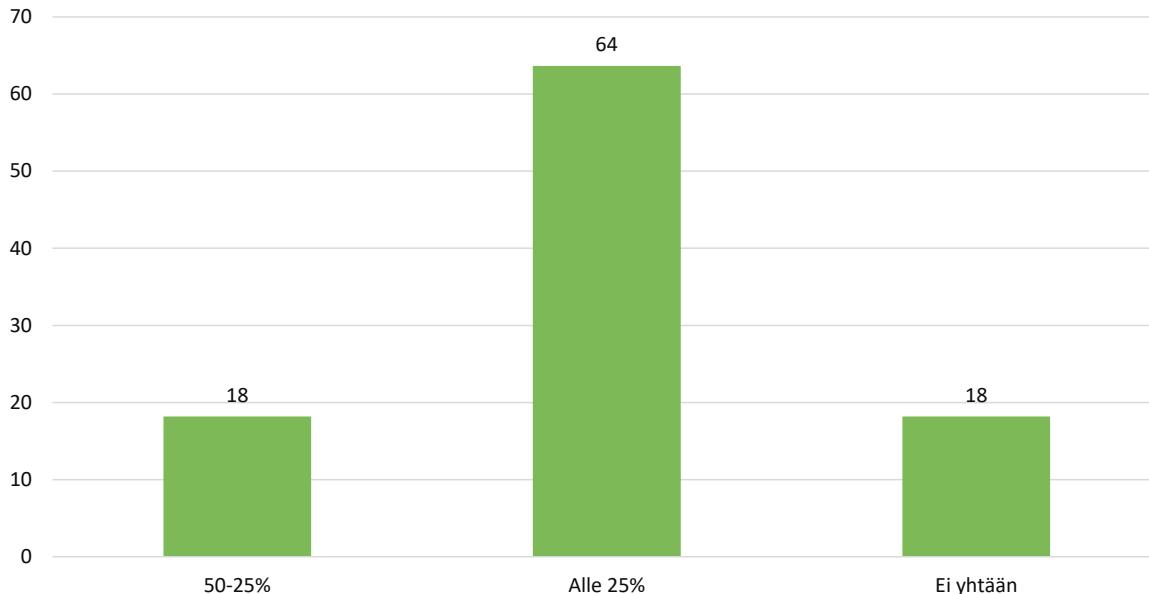
Kooste: institutionaaliset sijoittajat

Millainen on organisaationne näkemys kiinteistöjen ympäristösertifioinneista? %

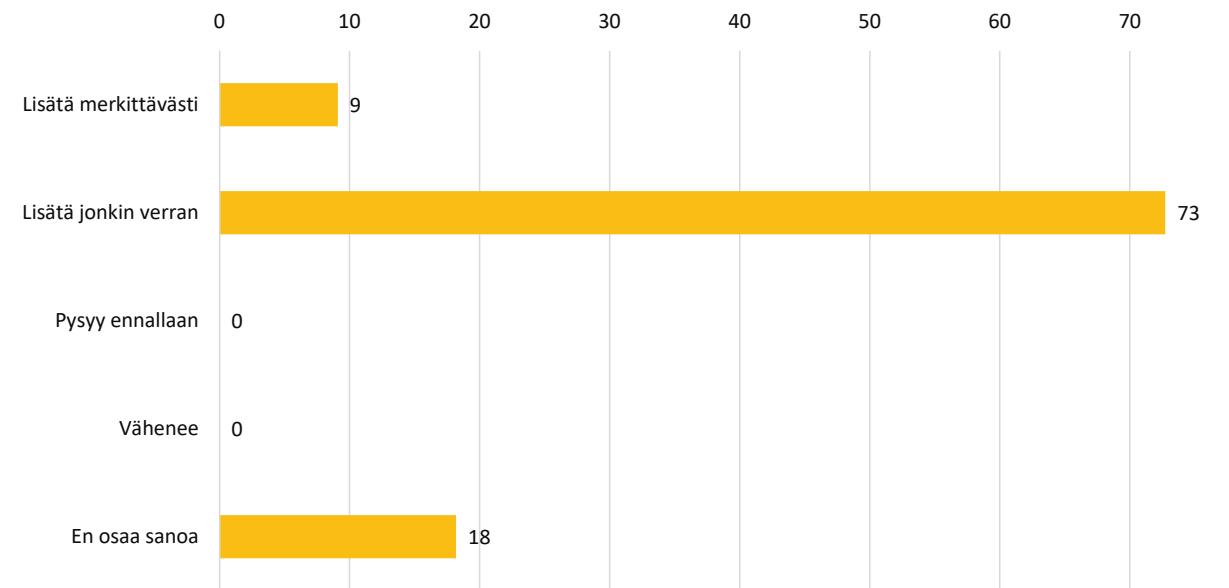


Ympäristösertifioinnit tällä hetkellä ja arvio määrän kehitymisenstä

Kiinteistöjen ympäristösertifioinnit tällä hetkellä
(%-osuuus kiinteistökantanne markkina-arvosta)



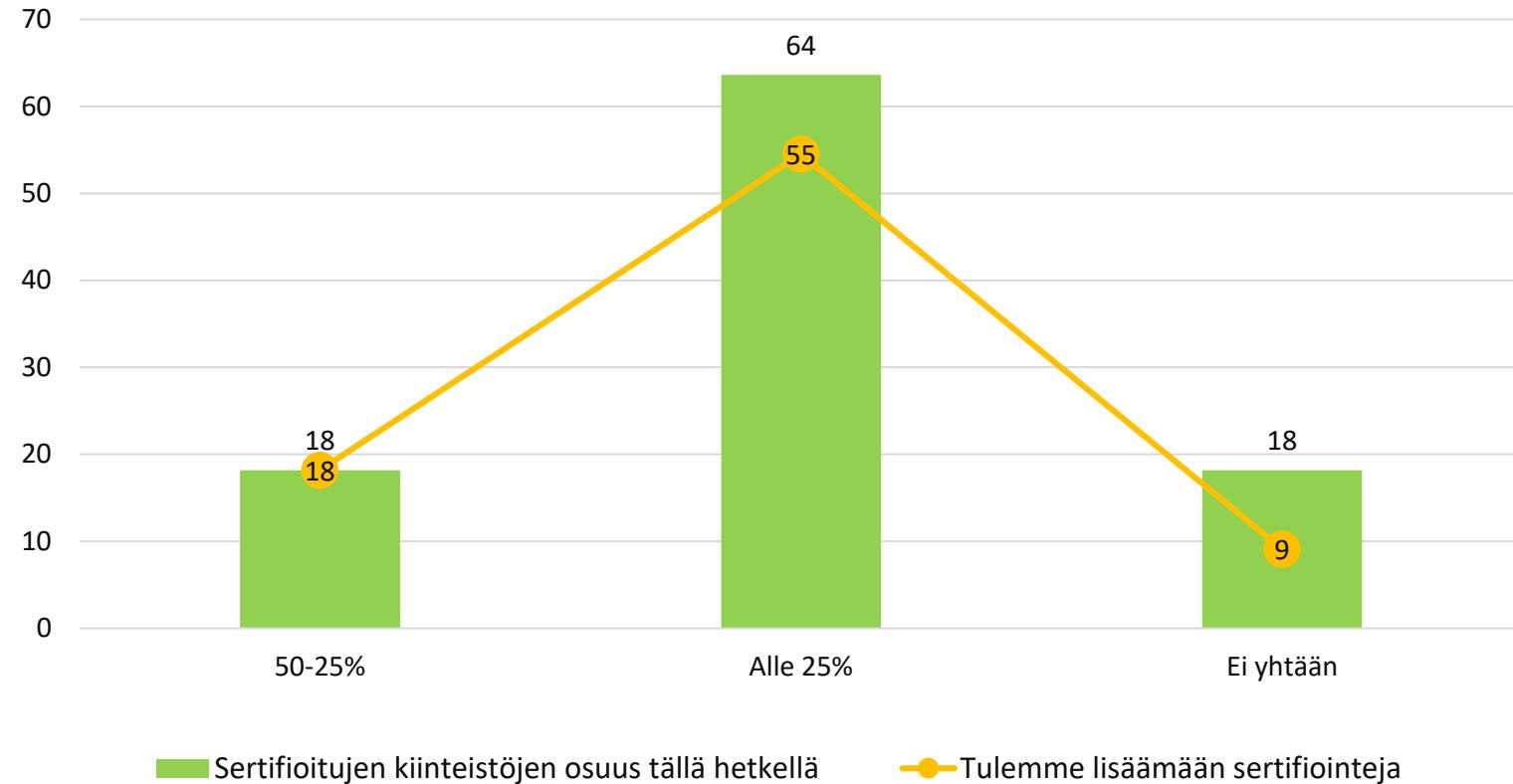
Entä miten arvioitte määrän kehittyvän? Tavoitteenne seuraavan 3 vuoden kuluessa...



Ympäristösertifioitujen kohteiden määrän odotetaan kasvavan seuraavan kolmen vuoden kuluessa.

Kooste: institutionaaliset sijoittajat

Ympäristösertifioitujen kohteiden %-osuus koko kiinteistökantanne markkina-arvosta tällä hetkellä ja arvio sertifointien kehittymisestä seuraavan 3 v. aikana



Kiinteistöjen energajohtaminen

Kooste: institutionaaliset sijoittajat

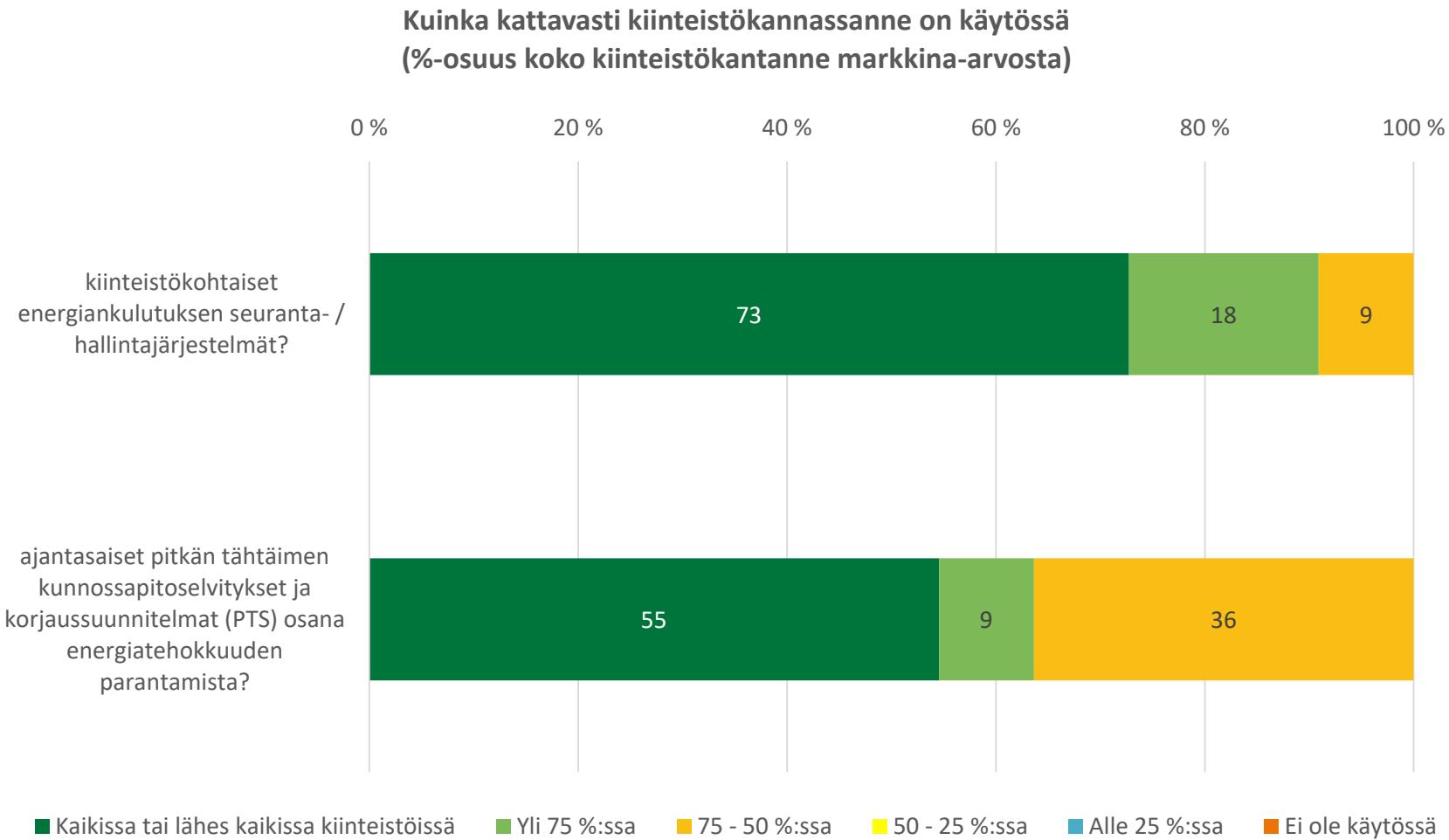
Onko organisaatiollanne kiinteistöjen energiankulutuksen vähentämiseen ja energiatehokkuuden parantamiseen tähtäävä energajohtamisen malli?



- Kyllä, sertifioitu energiatehokkuusjärjestelmä (esim. ISO 50001, ETJ+)
- Kyllä, ulkopuolisen konsultin tarjoama tai meille räätälöimä palvelu
- Kyllä, itse määrittelemämme energajohtamisen malli
- Ei vielä, mutta lähitulevaisuudessa kyllä
- Ei ole

Kiinteistöjen energiaseurantajärjestelmät ja PTS:t osana energiatehokkuuden parantamista tällä hetkellä

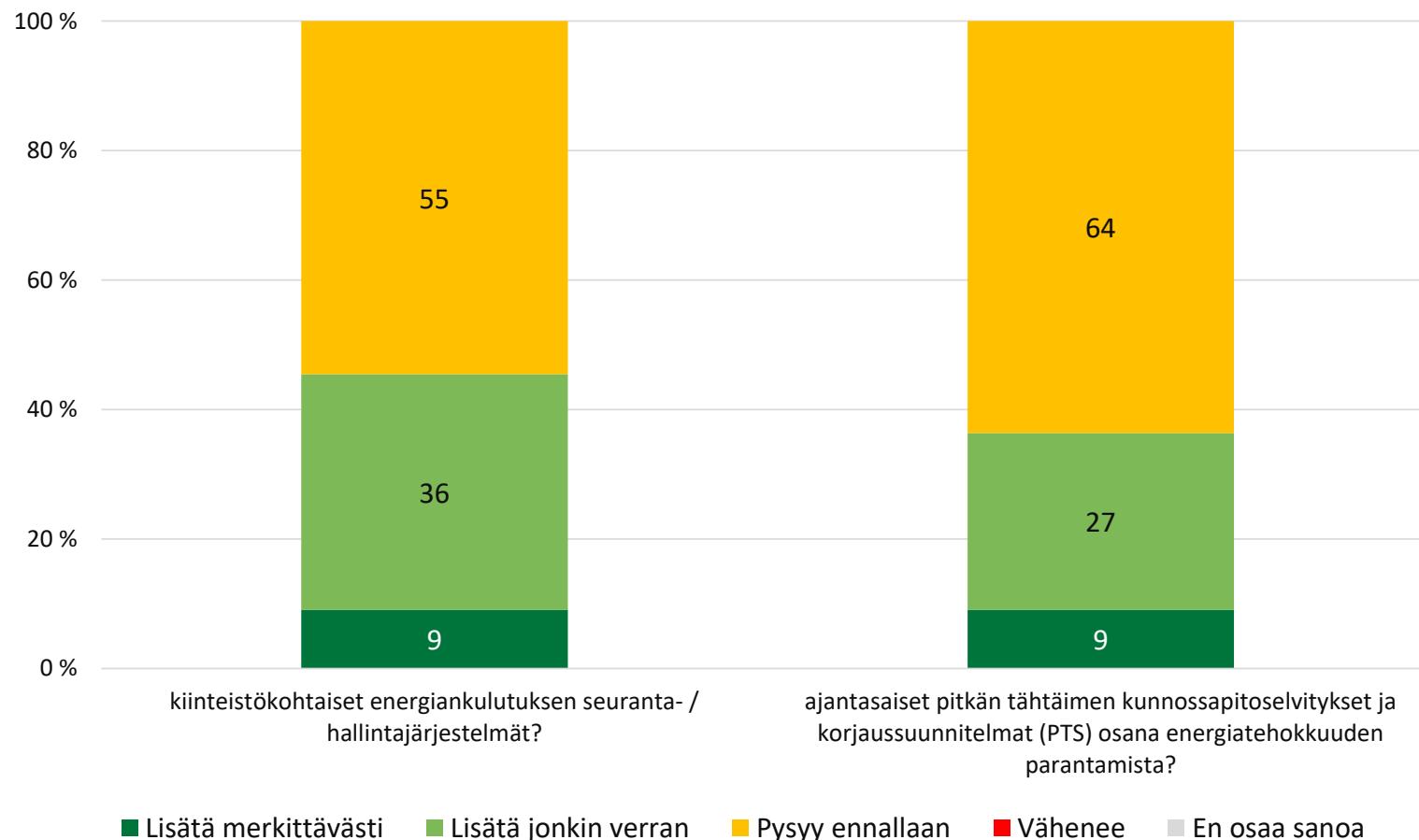
Kooste: institutionaaliset sijoittajat



Kiinteistöjen energiaseurantajärjestelmät ja PTS:t osana energiatehokkuuden parantamista: tavoite 3 vuoden kuluessa

Kooste: institutionaaliset sijoittajat

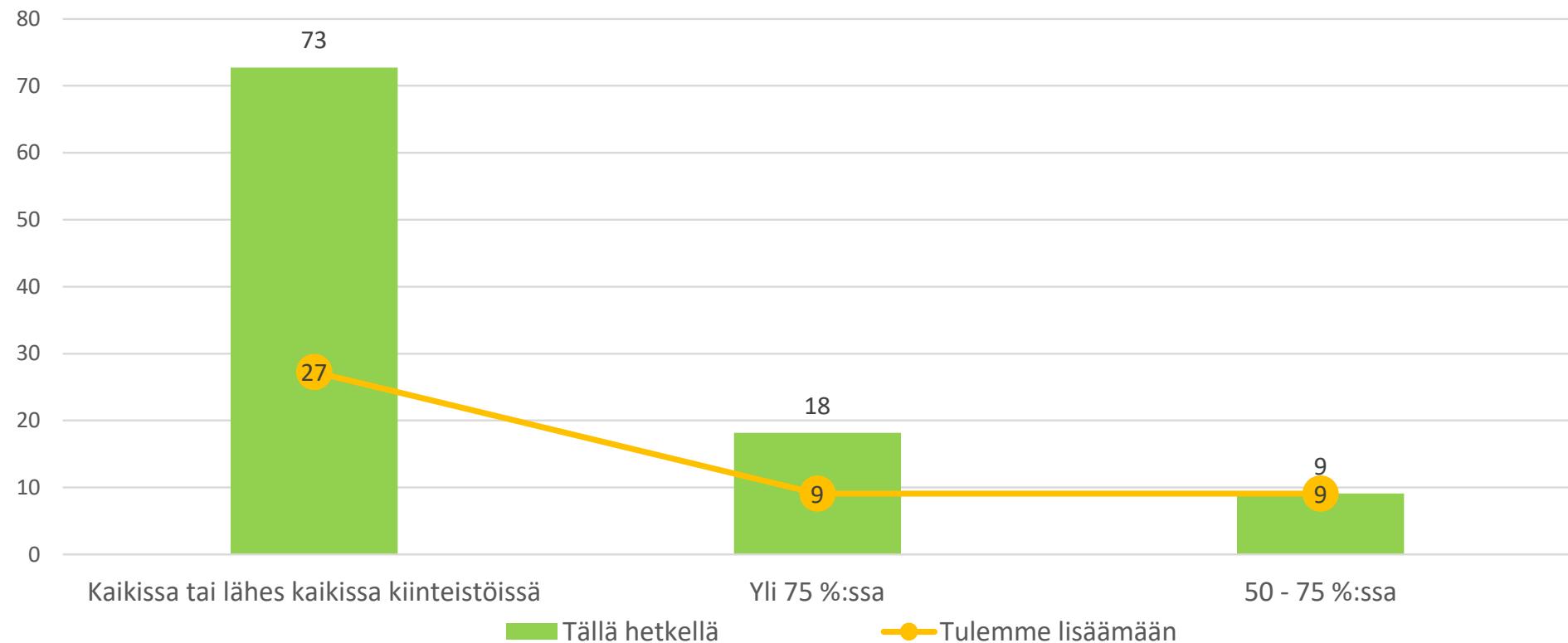
Tavoitteenne 3 vuoden kuluessa



Kiinteistökohtaiset energiankulutuksen seuranta-/hallintajärjestelmät

Kooste: institutionaaliset sijoittajat

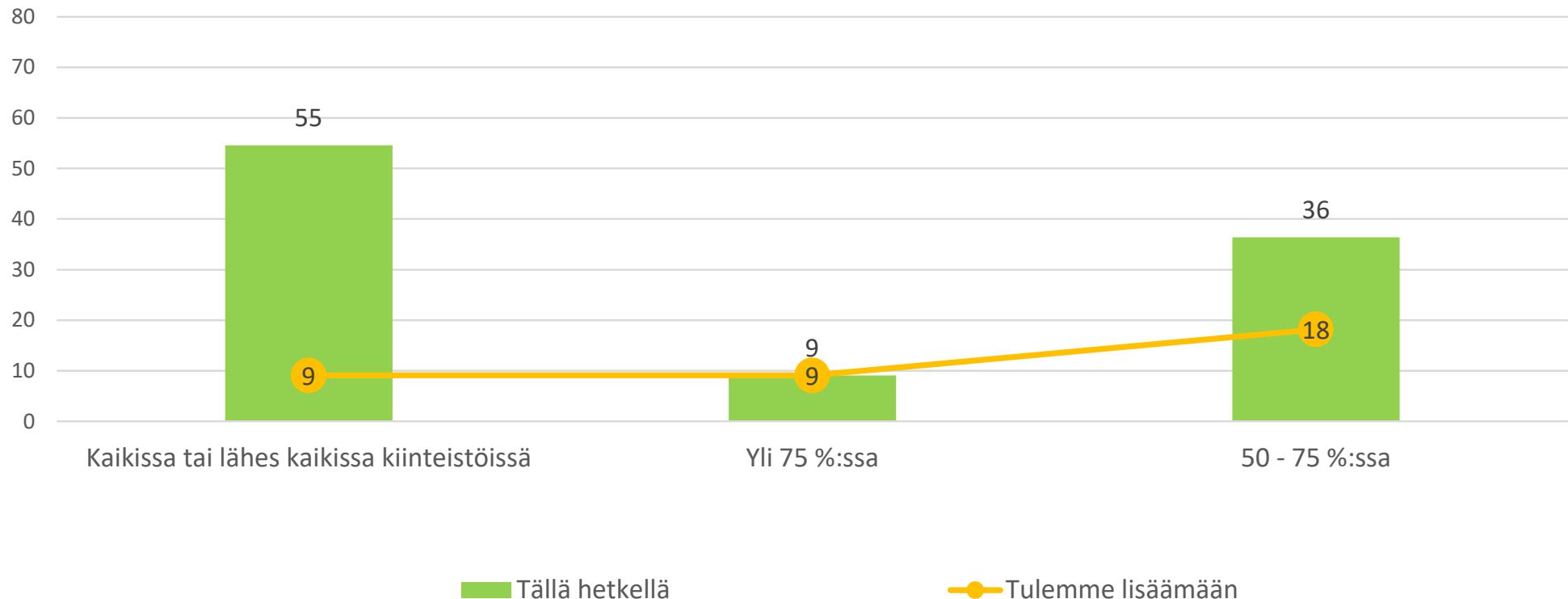
Kuinka kattavasti kiinteistökannassanne on käytössä kiinteistökohtaiset energiankulutuksen seuranta- / hallintajärjestelmät?



Ajantasaiset PTS:t osana energiatehokkuuden parantamista

Kooste: institutionaaliset sijoittajat

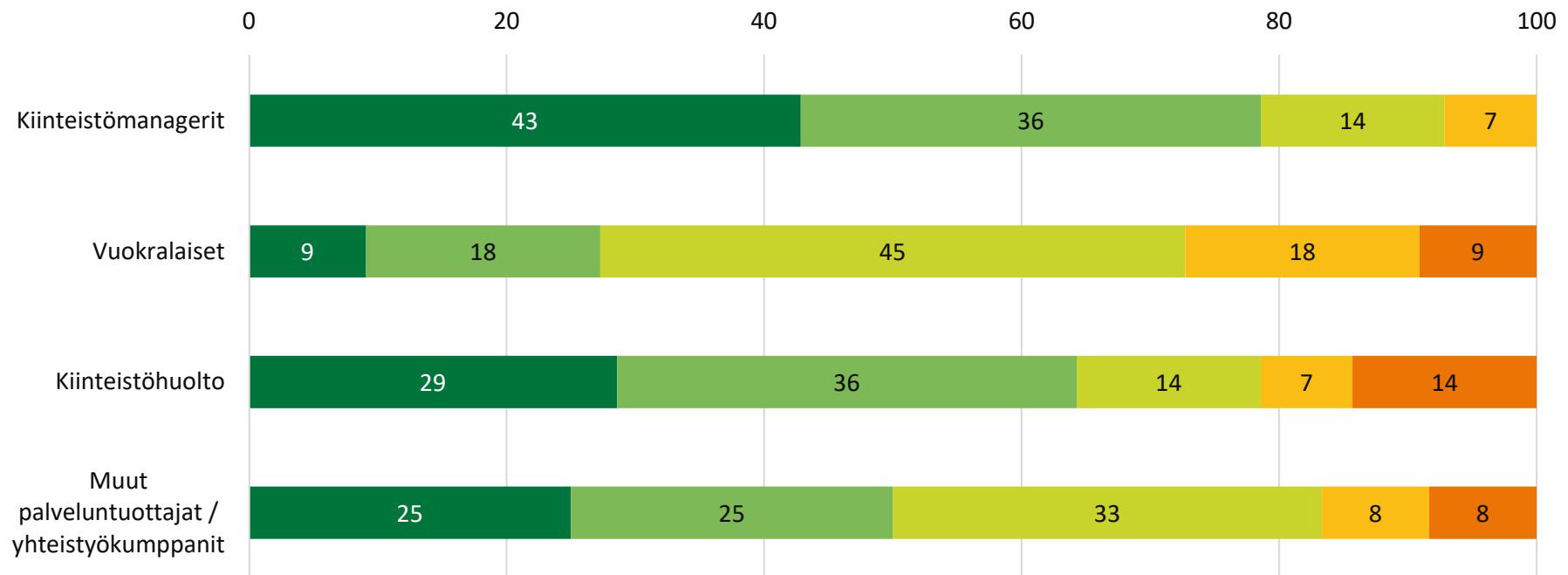
Kuinka kattavasti kiinteistökannassanne on käytössä ajantasaiset pitkän tähtäimen kunnossapitoselvitykset ja korjaussuunnitelmat (PTS) osana energiatehokkuuden parantamista?



Sidosryhmäyhteistyö energiatehokkuuden parantamiseksi

Kooste: institutionaaliset sijoittajat

Teettekö aktiivista yhteistyötä sidosryhmien kanssa energiatehokkuuden parantamiseksi? Onko organisaationne osallistanut sidosryhmiä mukaan energiatehokkuustoimenpiteisiin?

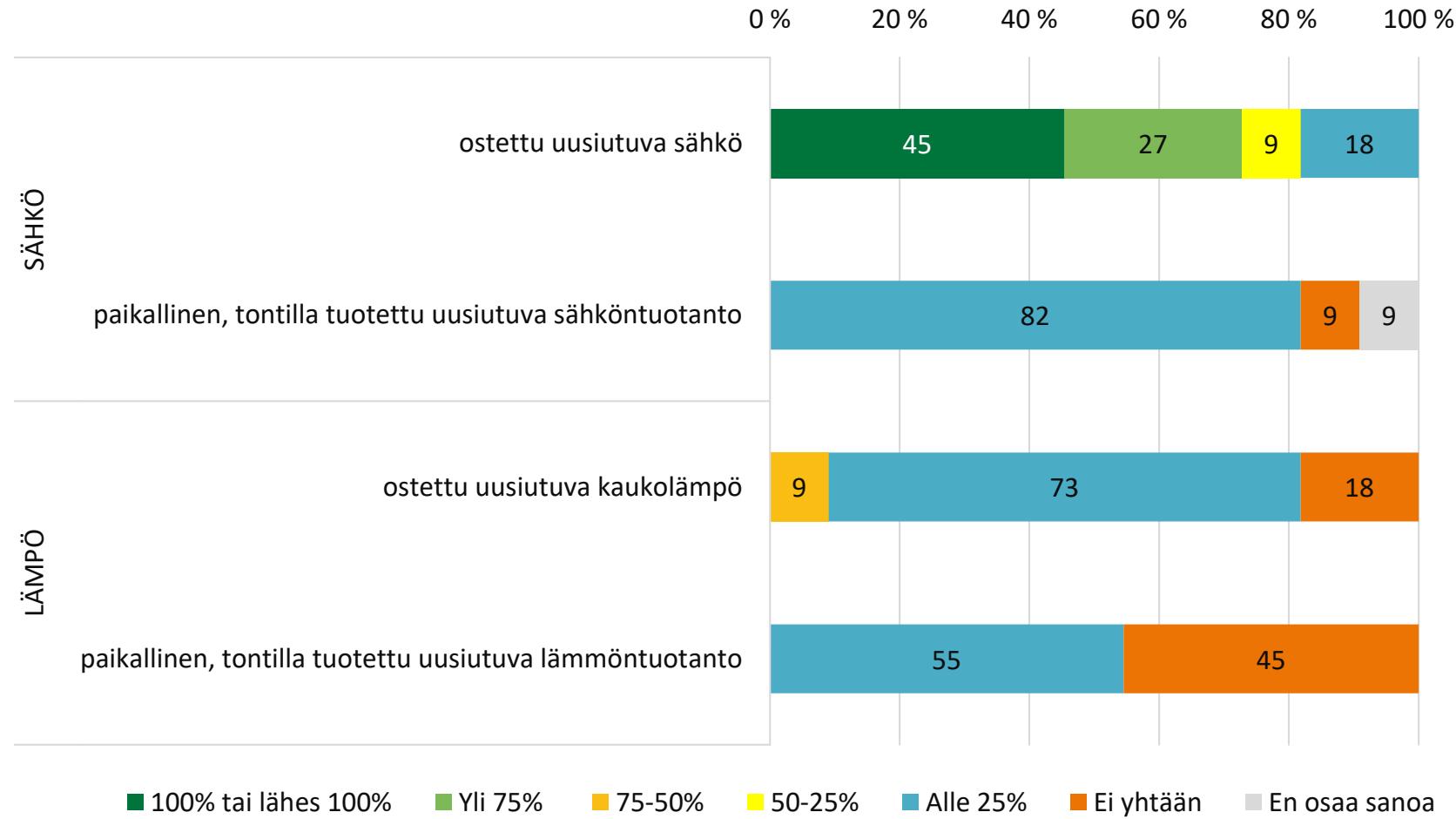


- Olemme yhdessä määritelleet tavoitteita energiatehokkuuden parantamiseksi ja niitä seurataan säädöllisesti.
- Teemme jatkuvaa yhteistyötä energiatehokkuuden parantamiseksi.
- Ohjeistamme toimenpiteistä energiatehokkuuden parantamiseksi.
- Emme vielä, mutta lähitulevaisuudessa kyllä.
- Emme ole osallistaneet energiatehokkuustoimiin.

Uusiutuvan energian käyttö tällä hetkellä

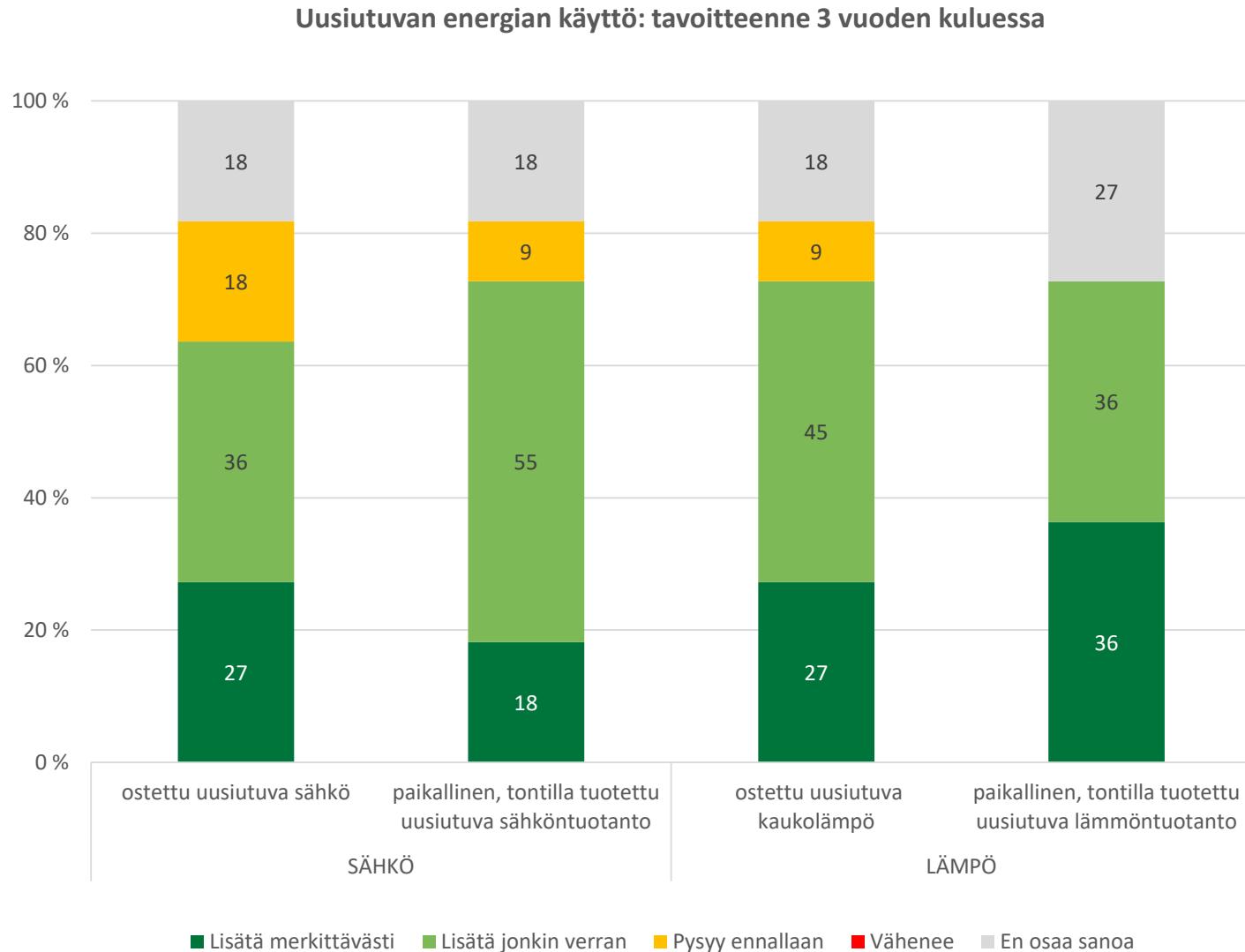
Kooste: institutionaaliset sijoittajat

Kuinka suuri osuus kiinteistökantanne sähkön- ja lämmönkulutuksesta on tuotettu uusiutuvalla energialla?



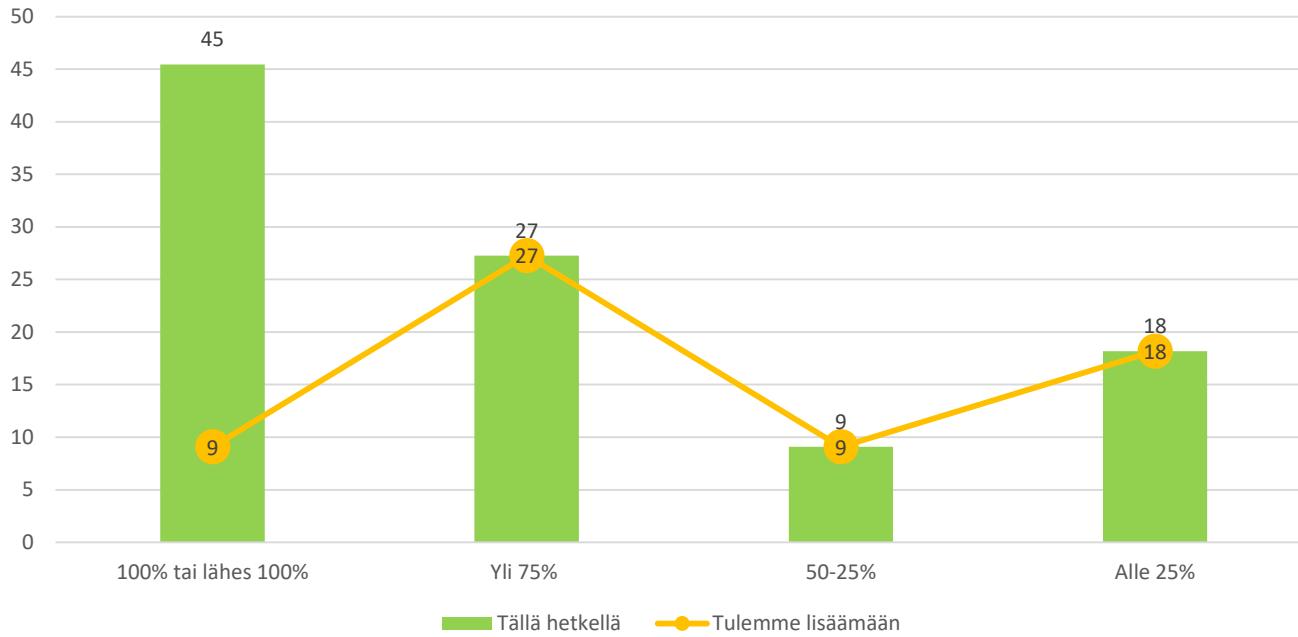
Uusiutuvan energian käyttö: tavoitteenne 3 vuoden kuluessa

Kooste: institutionaaliset sijoittajat

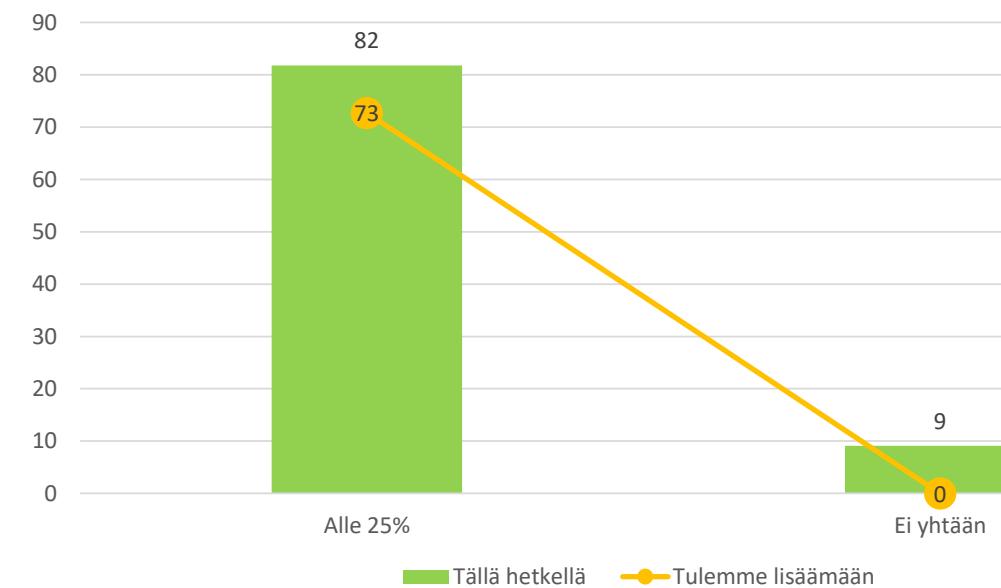


Uusiutuvan sähkön käyttö ja tavoite 3 vuoden kuluessa

Kuinka suuri osuus kiinteistökantanne sähkökulutuksesta on ostettua uusiutuvaa sähköä?

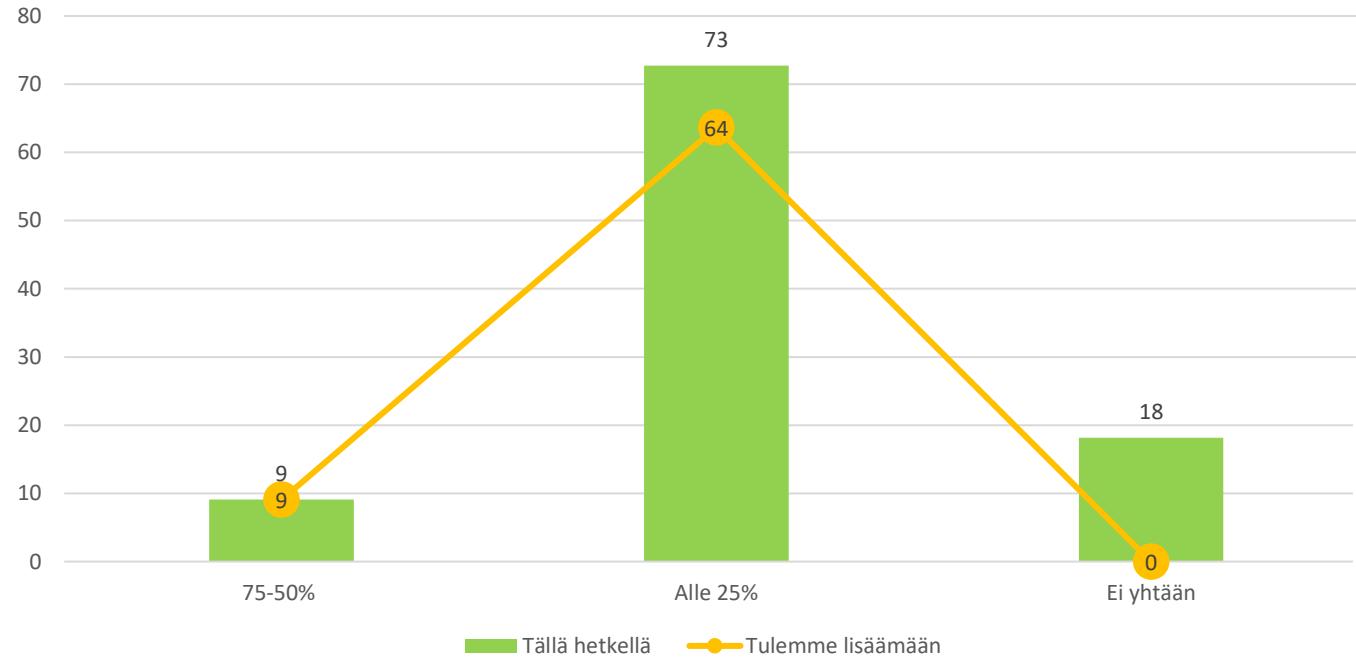


Kuinka suuri osuus kiinteistökantanne sähkökulutuksesta on tontilla tuotettua uusiutuvaa sähköä?

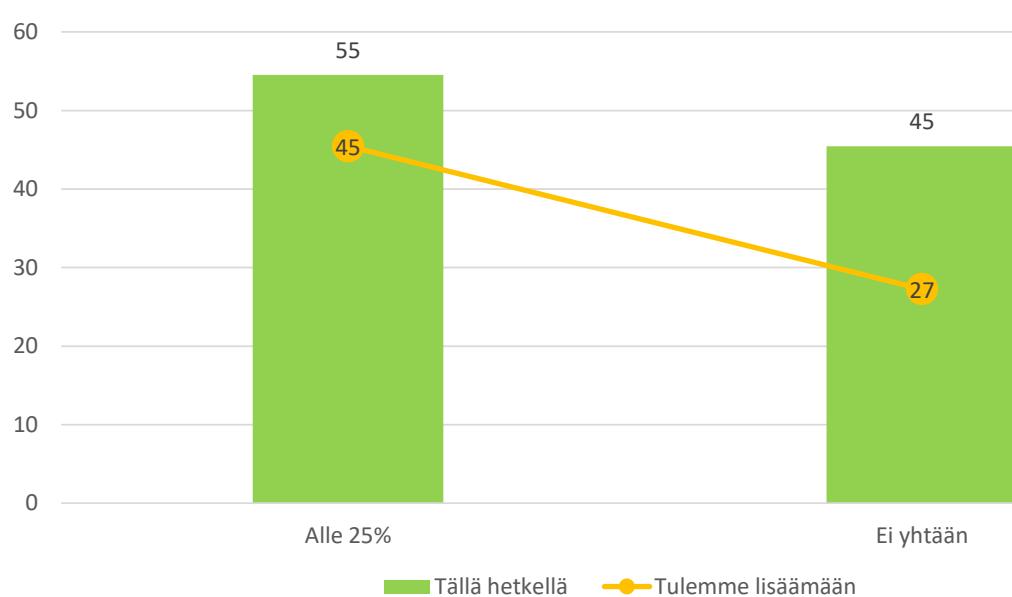


Uusiutuvan lämmön käyttö ja tavoite 3 vuoden kuluessa

Kuinka suuri osuus kiinteistökantanne lämmönkulutuksesta on ostettua uusiutuvaa kaukolämpöä?

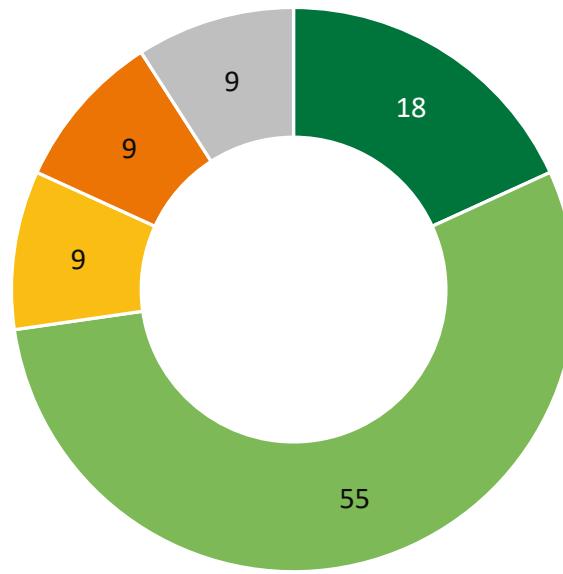


Kuinka suuri osuus kiinteistökantanne lämmönkulutuksesta on tontilla tuotettua uusiutuvaa lämmöntuotantoa?



Uusiutuvan energian hankinta ja päästövähennystavoitteet

Mikä seuraavista kuvaaa parhaiten linjauskianne koskien uusiutuvan energian hankintaa?



Onko organisaationne määritellyt tavoitetason ja aikataulun kiinteistöjen päästövähennyksille?



- Kiinnitämme erityistä huomiota uusiutuvan energian tuotantomuotoon ja hankimme vain ympäristö- ja ilmastovaikutuksiltaan suositteltavia vaihtoehtoja: tuuli- ja aurinkosähköä sekä polttoon perustumatonta lämmöntuotantoa
- Osa hankkimastamme uusiutuvasta energiasta on tuottettu ympäristö- ja ilmastovaikutuksiltaan suotuisilla vaihtoehdilla
- Selvitämme mahdollisuuksia hankkia ympäristö- ja ilmastovaikutuksiltaan suotuisia uusiutuvan energian tuotantomuotoja
- Meillä ei ole vaatimuksia uusiutuvan energian tuotantomuodon suhteen
- En osaa sanoa

- Kyllä, olemme sitoutuneet ilmastotieteen mukaiseen kiinteistöjen päästövähennyksiin tähtääväan aloitteeseen (esim. Science Based Target -aloite)
- Kyllä, olemme sitoutuneet muuhun aloitteeseen / sitoumukseen, jonka tavoitteena on kiinteistöjen päästövähennykset
- Kyllä, olemme itse määritelleet tavoitetason ja aikataulun kiinteistöjen päästövähennykset
- Ei vielä, mutta lähitulevaisuudessa kyllä
- Ei ole

Kooste: institutionaaliset sijoittajat

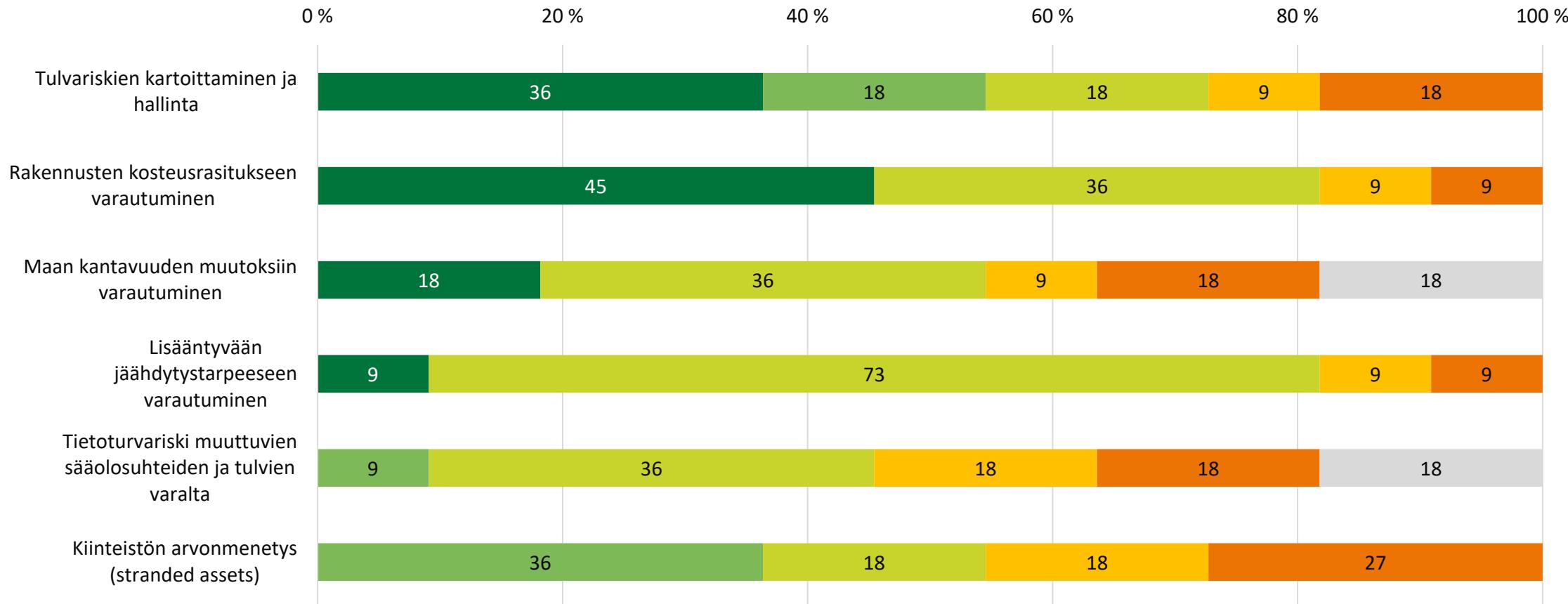
Jos olette sitoutuneet päästövähennyksiin tähtäävän aloitteeseen / sitoumukseen, täydennä alle mikä? Tai jos olette itse määritelleet, niin mikä on tavoitetasonne ja aikataulu?

- *Kyllä, olemme sitoutuneet ilmastotieteen mukaiseen kiinteistöjen päästövähennyksiin tähtäävään aloitteeseen (esim. Science Based Target -aloite)*
 - Net Zero Carbon
 - GBC Net Zero Carbon Buildings -sitoumus; Energian käytön päästöjen puolitus 2025 ja nollaus 2030 mennessä on linjassa ilmastotieteen/Pariisin sopimuksen aikataulujen kanssa.
- *Kyllä, olemme sitoutuneet muuhun aloitteeseen / sitoumukseen, jonka tavoitteena on kiinteistöjen päästövähennykset*
 - TETS ja VAETS, päästöt vähenevät, kun energiatehokkuus paranee
 - Kiinteistöjen energiasäästösopimus. Hiilineutraalisuus 2028.
- *Kyllä, olemme itse määritelleet tavoitetason ja aikataulun*
 - Tavoitteemme on olla hiilineutraali vuonna 2030
 - Kiinteistöjen sähkökulutus päästötöntä v 2025 ja lämmönkulutus päästötöntä v 2030 mennessä

Kiinteistöihin kohdistuvat ilmastoriskit

Kooste: institutionaaliset sijoittajat

Onko organisaationne varautunut kiinteistöihin kohdistuviin ilmastoriskeihin?



- Kyllä, koko tai lähes koko kiinteistökannan osalta
- Kyllä, osassa kohteita
- Kyllä, uusien kohteiden hankinnan ja/tai peruskorjausten yhteydessä
- Emme vielä, mutta lähitulevaisuudessa kyllä
- Emme ole varautuneet
- En osaa sanoa

Millä muilla keinoilla organisaationne pyrkii vähentämään kiinteistöjen ilmastovaikutuksia? Minkälaisia ilmastonmuutokseen sopeutumiskeinoja kiinteistöissänne on otettu käyttöön (esim. viherkatot, vettä läpäisevät kiveykset)?

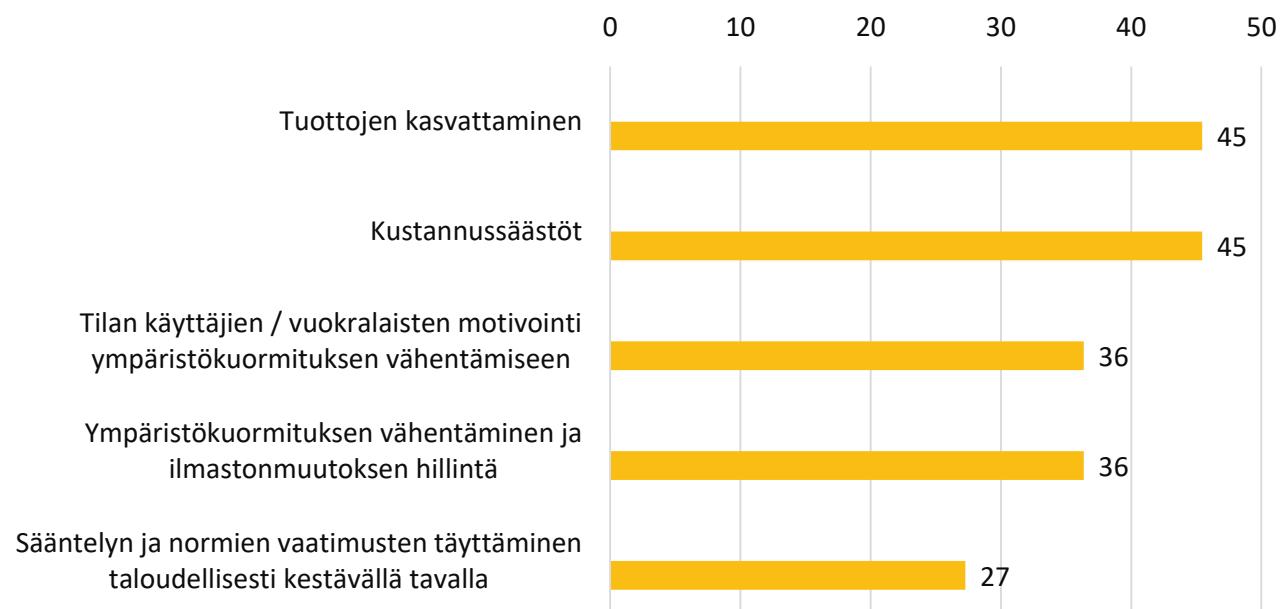
- Viherkattoja on tehty muutamia ja sen lisäksi mielellämme kuuntelemme mitä muita mahdollisuuksia on tarjolla. Tätä tarjontaa tulee rakennusliikkeiltä vielä vähän.
- Jätteiden materiaalikierrätyks ja sen kasvatus on nostettu fokusseen, sen elinkaaristen ilmastovaikutusten vuoksi (neitseellisten materiaalien tarpeen pienennys maailmassa).

Yritysvastuutoiminnan hyödyt ja haasteet (TOP 3)

Mitkä ovat organisaatiollenne keskeiset syyt panostaa yritysvastuuseen?



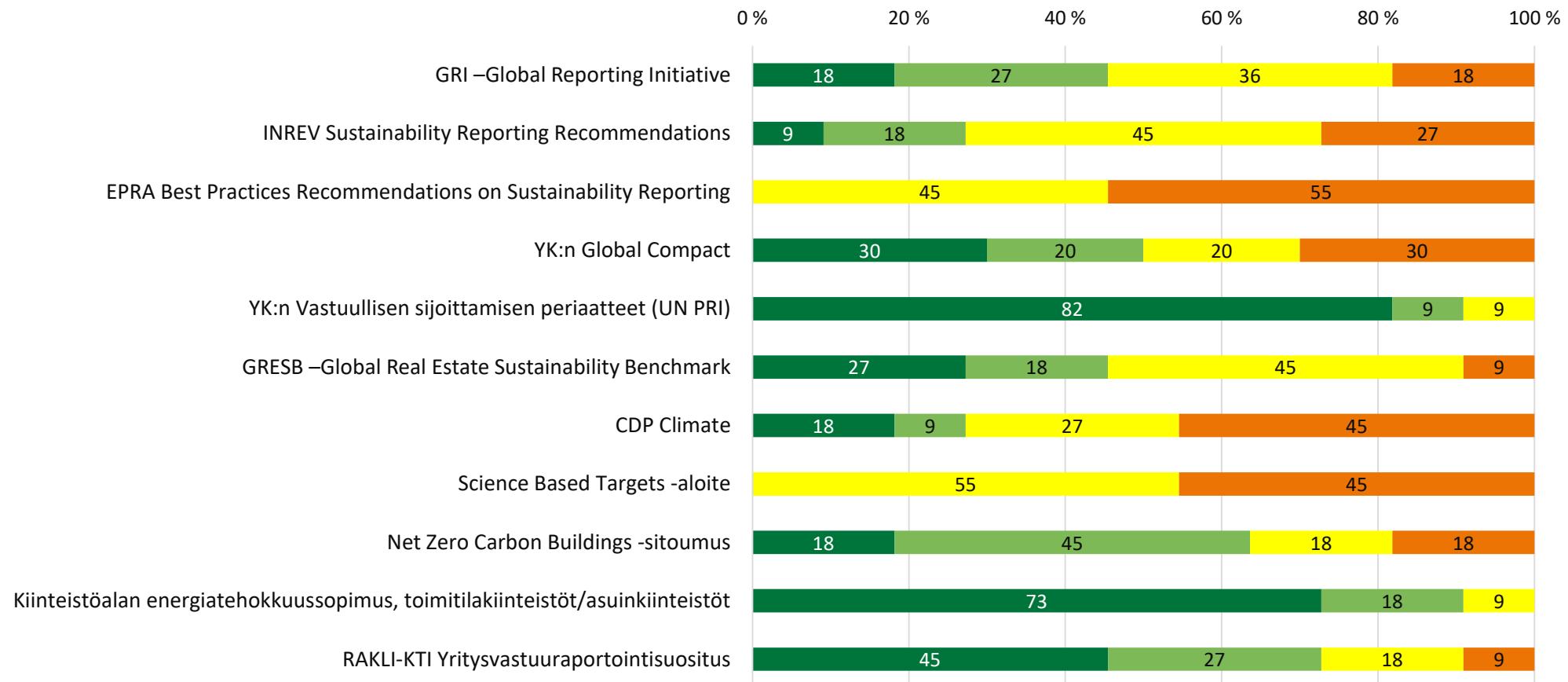
Mitkä seuraavista teemoista ovat haastavimpia kokonaisuksia yritysvastuun edistämisessä?



Barometriin vastanneista institutionaalista sijoittajista 82 % on allekirjoittanut YK:n Vastuullisen sijoittamisen periaatteet (UN PRI) ja 73 % on mukana kiinteistöalan energiatehokkuussopimuksesta.

Kooste: institutionaaliset sijoittajat

Kuinka hyvin tunnet seuraavat:



- Tunnen, organisaatiomme osallistuu / noudattaa
- Tunnen, ja osallistumista / noudattamista harkitaan
- Ei ole meille sopiva
- En tunne lainkaan

Palvelun tekijänoikeudet kuuluvat KTI Kiinteistötieto Oy:lle. KTI luovuttaa tilaajalle oikeuden käyttää luovutettavia tietoja sisäisesti. Tilaaja sitoutuu olemaan luovuttamatta tai myymättä palveluun kuuluvaa informaatiota tai raporttia kolmannelle osapuolelle. KTI on tehnyt parhaansa varmistaakseen tietojen oikeellisuuden ja vertailukelpoisuuden. KTI ei kuitenkaan vastaa siihen mahdollisesti jääneistä virheistä tai niiden mahdollisesti aiheuttamista vahingoista.

Kiitos!

KTI Kiinteistötieto Oy

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Economise



LIFE16 GIC/FI/000072

Energy Efficiency Scorecard 2017

Mervi Ukkonen

How companies were assessed?

The WWF Energy efficiency scorecard measures commitments, plans and actions on energy efficiency of buildings of eight institutional investors based in Finland. Many of them have direct real estate investments also abroad and thus operate internationally. Seven of the investors are among the twelve largest real estate investors in Finland in 2017 (rating is given in the brackets): Ilmarinen (4th largest real estate investor), Varma (5th), OP (6th), LähiTapiola Group (7th), Keva (Local Government Pensions Institution, 8th), Elo (9th) and Fennia Group and Funds (12th) (Rakli, n.d.). Two pension funds, Veritas and Pensions-Alandia, are considerably smaller in size. Pensions-Alandia was excluded from the study because it will merge with Veritas on 1st of January 2019. As a result of the merger, property of Pensions-Alandia will be included in Veritas' property portfolio. Reporting and long term planning will fall on Veritas while management and renting will remain in the hands of Pensions-Alandia's property team. Veritas and Pensions-Alandia will be rated as one company in the two following scorecards published in 2019 and 2020. State Pension Fund (Valtion eläkerahasto, VER) doesn't have any direct direct real estate investments and was therefore excluded from the study. Nordea Life Insurance was the only investor that not to participate in the study and was marked as a non-respondent.

Companies were assessed both on commitments, t and actions as is outlined in the table below. **The maximum achievable score is 19.**

Commitment/Action	Maximum number of points
Setting targets	5
Set targets for the property portfolio	4
Set targets for green leases	1
Active property management	14
Using an Energy Management System	3
Flow of property information	1
Monitoring performance against targets	3
Monitoring and analysing climate-related risks to property	3
Investment approach for integrating on-site renewable energy and highly energy efficient buildings	3
Company guidelines for refurbishment include climate risks requirements	1

Methodology – Why this framework?

Criteria of the Scorecard is adapted from the Sustainable Real Estate Investment Framework developed by Institutional Investors Group on Climate Change (IIGCC), Royal Institution of Chartered Surveyors (RICS), UNEP Finance Initiative (UNEPFI), Investor Network on Climate Risks (INCR), The Investor Group on Climate Change (IGCC) and The Principles for Responsible Investment Initiative (UNPRI) and published in 2016 (please see a presentation of these organisations in attachment 1). The framework is designed for different types and sizes of real estate investors, for both asset and portfolio level investments. The purpose of the framework is to secure returns that are adjusted to risk. There are different sections - each with recommended actions - to specific audiences including owners, trustees, direct real estate investment managers, property companies, real estate consultants or equity, real estate investments trusts (REITs), bond or debt Investors and advisors. The framework provides information what to do with complex property development and management supply chains to set clear expectations and incentives for consultants, managers and service providers (IIGCC, RICS, UNEPFI, INCR, IGCC, UNPRI, 2016).

How were investors assessed? - Commitments, setting targets and actions

Investors were assessed on both actions and commitments. The Finnish Government's Energy Efficiency Agreement for the period 2017-2025 is the primary tool to improve the efficiency of energy use, an important tool for fulfilling the *national* energy and climate strategy, the Energy Efficiency Directive (EED) and to some extent the Energy Performance of Buildings Directive (EPBD). Implementation of the agreements is supported by the state institution Motiva. Participating organisations report annually their energy efficiency measures through an online monitoring system. There are separate agreements to four sectors, including industries (industry, energy, private service), property, municipal and oil sectors (distribution of liquid heating fuels). This is a continuation to the period 2008-2016 (Motiva, 2016). Investors were credited for this commitment.

Investors would have been awarded for additional commitments, such as Science-based targets for financial institutions (Science-based targets, n.d.) or The Net Zero Carbon Buildings Commitment of the World Green Building Council (World Green Building Council, 2018). None of the Finnish institutional investors had made such commitments, so far. We believe that these schemes have the strongest social and environmental standards and credible verification mechanisms.

The assessed investors are classified into five groups:

- Leading the way
- Well on the path
- Started the journey
- Not yet in the starting blocks
- Non-respondents

What do the scorecard results show? – Baseline for Objective 2

The overall result of 2017 scorecard is disappointing. WWF Finland assessed 8 institutional investors in Finland. One investor (13%) is “well on the path”, meaning it is making progress on energy efficiency measures and climate risk control of its property. Seven investors (87%) have only “started the journey”, meaning they have taken some first steps in the right direction but still have a long way to go.

Results:

Investor	Sector	Target for property portfolio (4p.)	Strategy for energy efficiency or renewable energy (3p.)	Target for green leases (1p.)	Management: Energy management system (3p.)	Management: Flow of property information (1p.)	Management: Monitoring and reporting (3p.)	Management: Climate risk analysis (3p.)	Management: Climate risk in refurbishment guidelines (1p.)	Score 2017 (19p.)
Varma	Pension fund	2p.	2p.	0p.	3p.	1p.	1p.	0p.	0p.	9p.
LähiTapiola	Insurance	1p.	1p.	0p.	1p.	1p.	3p.	1p.	0p.	8p.
Ilmarinen	Pension fund	2p.	0p.	0p.	2p.	1p.	2p.	0p.	0p.	7p.
Keva	Pension fund	2p.	1p.	0p.	1p.	1p.	1p.	1p.	0p.	7p.
OP	Insurance	1p.	1p.	0p.	1p.	1p.	2p.	0p.	0p.	6p.
Veritas	Pension fund	1p.	0p.	0p.	2p.	1p.	1p.	1p.	0p.	6p.
Elo	Pension fund	1p.	0p.	0p.	2p.	0p.	2p.	0p.	0p.	5p.
Fennia	Insurance	1p.	0p.	0p.	2p.	0p.	0p.	0p.	0p.	3p.
Nordea	Insurance									Non-respondent

Analysis

Commitments and targets

Set target for property portfolio:

Three of eight (37%) investors earned higher points for having set a quantitative target to reduce either energy, carbon intensity, water or waste of its property portfolio. Four of the remaining five investors were awarded lower points for committing to Finnish government's Energy Efficiency Agreement while one investor had made an ambitious, internal commitment to cutting energy and electricity consumption instead of committing to the voluntary government agreement.

Energy consumption in property: All investors except Veritas had joined the Finnish Government's Energy Efficiency Agreement for the period 2017-2025 for residential or commercial properties or in most cases for both. A few investors had committed to internal or published energy saving commitments that go beyond the energy saving target of the government's Energy Efficiency Agreement as several respondents considered the government agreement unambitious, insufficient and not in line with the Paris agreement. Additional energy saving targets include:

- Keva: 7% reduction in energy consumption during 2014-2021
- Veritas: 2%/year for electricity and heat

Carbon footprint of property: A few investors have published their own targets for reduction of carbon footprint in their property which they were awarded for:

- Varma: 25% reduction during 2015-2025
- Ilmarinen: 20% reduction during 2016-2025 for direct property investments in Finland

Water: Investors have both internal and published targets for reducing water consumption in residential buildings:

- Keva's published target: 10% 2014-2021 in residential buildings
- Varma's internal target: 1% reduction/year

Waste: One investor was drafting a target for waste at the time of the interview (Elo).

Investment approach for integrating on-site renewable energy and highly energy efficient buildings

One investor (13%) had a numerical and relatively ambitious target for increasing consumption of green electricity in its properties and earned higher points for it. Three of eight investors (37%) had targets for increasing green electricity or on-site renewable energy in their properties that were either unambitious or ambitious but non-numerical which awarded them with lower points. Half of investors had no targets for adding energy provided from renewable sources, on-site renewable energy and highly energy efficient buildings in their property portfolio.

A few investors had a target for energy provided from renewable sources, on-site renewable energy and highly energy efficient buildings:

- Keva: increase of green electricity from 14% to 15% by 2020
- Varma: increase of green electricity from 60% in 2017 to 100 % in 2018 used in common spaces of rental houses
- LähiTapiola: increase of on-site solar energy by 20% in certain property, a total of 20 kWh increase/year.

Set target for green lease

None of the investors had a target for including green lease clauses in lease agreements but two investors had already implemented them (Keva, OP) to recover a part of a larger on-site renewable energy investment. A green lease refers to an agreement between the tenant and owner of the property on common goals and allocation of costs in a construction project to enable a larger, environmentally motivated investment. Two investors were also exploring a possibility of implementing a green lease (Veritas, Fennia). Some investors identified a need for green leases (LähiTapiola, Varma) as they would enable larger environmentally sustainable investments and involve tenants in the socio-economic shift to a sustainable economy. Investors identified also barriers to implementing green leases in a larger scale: negotiating an agreement requires scarce resources e.g. time (Keva), it is difficult to change terms of a lease in the middle of a lease term so the property owner has to wait until the end of a current lease (may last for 10 years) (LähiTapiola), it may be difficult to find tenants willing to pay a higher rent as rents are determined by the market and highly competitive (OP). Possibly the greatest obstacle is the current lack of demand for green leases from tenants reported by several respondents (Ilmarinen, Elo, LähiTapiola). Many investors would have been willing to provide a green lease if a customer took the initiative and asked for one.

Actions:

Energy management system:

Five of eight investors (63%) of investors (Ilmarinen, Elo, Fennia, Varma, Veritas) used an energy management system in all properties, excluding triple net leases. Trip net lease is a commercial lease in which the tenant pays all operating costs including insurance expenses, maintenance and utility expenses, property taxes of the rented property and the landlord receives a net rent. Landlord doesn't have access to

consumption records. None of the systems were audited by a third party although in one case the energy consumption records were checked by an external company (Varma).

Flow of property information and monitoring performance against targets:

Six of eight investors (75%) have routines and systems in place for monitoring the quantities the investor has set targets for. One investor reports using the GRESB (Global Real Estate Sustainability Benchmark) reporting framework in addition to a comprehensive monitoring routines and systems which awarded it the highest points. Three investors of eight (37%) have also monitoring routines and systems while three investors have significant shortcomings and earned less points. One investor (13%) started more structured and strategic development of its property to improve environmental and energy performance in the end of 2017 and understandably could not yet account for comprehensive monitoring and reporting systems. For most investors an external energy manager manages the energy management systems, transfers the information regularly to the investors and makes proposals to improve energy efficiency of property which is discussed with the investor's property team usually four times a year (Varma, LähiTapiola).

Monitoring and analysing climate-related risks to property

All investors had significant shortcomings in climate risk analysis of their property. Three of eight investors (63%) had conducted some analysis on climate risks although they were not comprehensive, detailed nor carried out systematically and regularly. Two investors had also taken limited action to safeguard their direct property investment against climate-related damage. Five of eight investors (63%) had not done any analysis.

Measures taken by investors in 2017 included: familiarizing with flood maps of a specific region (Keva), commissioning a study on flood risk for a planned building project (Keva), conducting a rough analysis on climate risks on new building projects (e.g. located too close to the sea shore, Veritas), planning to make a few climate adaptation measures (piping) in an on-going construction project (Veritas) and taking sea level rise into consideration when buying property (OP). Some respondents admitted that the issue required more attention in years to come (LähiTapiola, Fennia).

Company guidelines for refurbishment include climate risks requirements

No investor had included minimum climate risk requirements in their company guidelines for refurbishment.



This publication reflects only the Economise project's view, and the EASME/ Commission is not responsible for any use that may be made of the information it contains.

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- World Green Building Council (2018). The Net Zero Carbon Buildings Commitment. Retrieved on October 3rd 2018 at <https://www.worldgbc.org/thecommitment>

Attachment 1

Assessment criteria

Commitments – Set targets:

- 1) Set targets for the portfolio:** A company has a quantitative target to reduce energy, carbon intensity, water and waste of the portfolio over specified timeframes.
- 2) Investment approach of direct property investments:** A company has a published or an internal strategy to integrate the assets below into the investment approach of direct property investments:
 - energy provided from renewaböe sources (green electricity, green district heating)
 - on-site renewable energy (solar panels, geothermal heat)
 - highly energy efficient buildings (low-energy building, passive house, zero or plus energy house)
- 3) Green lease:** A company has a quantitative target for inclusion of green lease clauses in the lease agreements with tenants.

Actions - Active property management

- 4) Energy Management System:** A company implements/uses Energy Management Systems in properties that are audited by a third party.
- 5) Flow of property information:** A company has a system and routines in place for a systematic collection, exchange and analysis of property information between property managers, asset managers and sustainability experts.
- 6) Monitoring:** A company monitors regularly (monthly, quarterly or yearly) and reports performance yearly against targets for properties.
- 7) Risks and responsibility:** A company monitors and analyses climate risks to property regularly and systematically.
- 8) Guideliens for refurbishment:** Company's recommendations for refurbishment include minimum climate risk requirements.

Methodology

The Sustainable Real Estate Investment Framework was chosen as a basis for criteria of the Scorecard after thorough consultations with members of the WWF project team and additional external energy efficiency experts conducted in September 2018. The external energy efficiency experts included representatives from Motiva (state company consulting various actors on efficient energy and material use), The Finnish Real Estate Federation, Environmental Services of Lappeenranta region, Kuusio Solutions Consulting (energy efficiency and circular economy), Bionova consulting (carbon footprint calculations and tools) and Fourdeg Service Company (smart heating). Selection process was supported by an extensive literature review on institutional investors' transition to sustainable and risk-adjusted investment practices carried out by the author. The eight criteria used to score the targeted institutional investors were chosen and

adapted to the Finnish context from the numerous recommendations of the framework with the above-named experts.

Sustainable Real Estate Investment Action Framework

Sustainable Real Estate Investment Action Framework is a joint project of the following organisations

UNEP Finance Initiative (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) 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.

Institutional Investors Group on Climate Change (www.iigcc.org) is the investor voice on climate solutions in Europe. It represents 120 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) 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.

The Investor Group on Climate Change (www.igcc.org.au) is a collaboration of 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. The 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) 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.

http://www.unepfi.org/fileadmin/documents/SustainableRealEstateInvestment_pressrelease.pdf