CLIMATE RESILIENCE SERVICES

Creating real asset value in a changing climate
Climate risk is now considered an investment risk for real estate assets.

Resilience to climate change has two dimensions for real estate investors:

1. Setting a pathway to Net Zero Carbon emissions from your assets

2. Managing climate risks - physical, transition & litigation - and identifying opportunities

Our services are end-to-end from strategy to assets.
Meet our Climate Resilience Team

The EVORA team is comprised of leaders in climate strategy and building performance for real estate.

We have a long history of working on real estate sustainability and ESG programmes, and we are excited to partner with you to manage your portfolio’s climate resilience.

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SERVICES OVERVIEW

OUR CLIENTS TRUST OUR CLIMATE RESILIENCE EXPERTISE

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• EVORA performed a gap analysis to assess alignment with TCFD recommendations
• We developed a roadmap to address these gaps
• We undertook Climate Resilience assessments of social and transition risks, including an assessment of socio-economic sensitivity to climate change
• We set science-based carbon reduction targets for the fund

Grosvenor

• EVORA completed a secondment with Grosvenor Europe to develop a net zero carbon (NZC) pathway for their European portfolio
• We created asset-level NZC pathways to identify specific interventions necessary for the portfolio to reach NZC
• We hosted workshops to train the senior management team on NZC principles

EVORA

• EVORA undertook a gap analysis of internal processes against TCFD recommendations
• We developed a roadmap to address the gaps over a 2-3 year period
• We reviewed pre- and post- due diligence papers to the Transaction Committee
• We identifying how climate related risks and opportunities could be integrated into the investment process
NET ZERO CARBON PATHWAYS
Net Zero Carbon (NZC) is more than a buzzword for the industry. This target is underpinned by climate science and it is required to prevent damaging change.

The UK and EU have adopted laws requiring net zero, or carbon neutrality, by 2050.

The pathway to Net Zero is an ambitious challenge but also a wonderful opportunity.

We work with real asset investors to develop Net Zero strategies.

We work with all stakeholders in your organisation to integrate NZC throughout the investment process.

1 Portfolio Strategy
2 Carbon Footprint Analysis
3 Target Setting
4 Asset Pathways
ASSET PATHWAYS
- Net Zero Feasibility (Operational)
- Net Zero Feasibility (Embodied)
- Climate Resilience Audit

TARGET SETTING
- Science Based Target
- Comparative Peer Analysis
- Monitoring, Tracking & Reporting

PORTFOLIO STRATEGY
- Acquisitions Due Diligence
- Development & Refurbishment
- Asset Management

CARBON FOOTPRINT ANALYSIS
- Metering Strategy
- Data Collection Strategy
- Scope 1, 2, 3 Greenhouse Gas Inventory
EVORA’s experience in the real estate sector is unparalleled. Achieving ambitious sustainability goals such as net zero carbon will require wholesale review of your organisation’s business strategy.

**EVORA will work with you to develop strategies to support:**
- acquisitions due diligence
- developments & refurbishments
- property management
- tenant engagement

**EVORA has a depth of experience in carbon footprinting.** We have completed total value chain Scope 1-3 carbon footprinting for many major organisations.

It is essential to capture all relevant carbon emissions associated with each stage of ownership. Setting boundaries for emissions is important to reflect what is material and practical to collect and to avoid double counting.

**EVORA has set and tracked numerous science-based targets for diversified Pan-European portfolios.** We set targets that are ambitious, credible, and achievable.

We understand the diverse nature of real estate and the impact fund strategies have on carbon and energy reduction targets.

We have methodologies and tools to enable development of long-term targets running to 2030 and 2050.

Our team of engineers can implement your strategy by performing asset-level net zero and resilience studies. EVORA is also skilled at completing embodied carbon assessments for new developments - and guiding design teams to minimise this large carbon impact for portfolios.

**EVORA can identify opportunities to reduce emissions at your assets** - and quantify the impact of their progression on your bottom line.
CLIMATE RISK MANAGEMENT
Climate Risk is now considered an investment risk for real estate assets.

Climate risks include *transition* risks such as Net Zero Carbon and energy reduction regulations; *physical* risks exacerbated by climate change; and *liability* risks due to insufficient or improper governance and disclosure.

There is an urgent need for real estate investors to gain confidence in how to manage and disclose these risks. Data intelligence can support making smart decision-making about how to manage them.

EVORA can give you confidence in understanding, managing and mitigating the material climate risks to your investments.

1. Gap Analysis of Risk Readiness
2. Asset Risk Audit
3. Risk Materiality Assessment
4. Training & Coaching
SERVICES OVERVIEW

SERVICES MAP FOR INTEGRATED CLIMATE RISK MANAGEMENT

CLIMATE RESILIENCE

INVESTMENT MANAGEMENT

- Material risk analysis aligned to investment strategy
- Training & coaching for investment managers on climate risk
- Review of due diligence processes to avoid acquisition of unmanageable climate risk
- Development of key risk indicators and impact on value drivers for assets

DEVELOPMENT MANAGEMENT

- Integration of climate risk into new development guidance (e.g. net zero targets)
- Training and design team coaching for net zero carbon design
- Development of carbon targets and KPIs for new developments (i.e. embodied carbon, energy use intensity)

CORPORATE GOVERNANCE & INVESTOR MANAGEMENT

- Gap analysis of organisational preparedness using Climate Risk Radar
- Training & coaching for Board & Committee members on fiduciary duty on climate risk
- Incorporate material risk analysis into relevant corporate strategies
- Develop key risk indicators and targets
- Assist with corporate reporting and disclosure (e.g. GRESB Resilience Module, TCFD)

ASSET & FUND MANAGEMENT

- Material risk analysis (by region and asset type) and management
- Completion of asset-level climate resilience audits
- Training & coaching for asset and fund managers on climate risk
- Development and reporting of key risk indicators and asset risk register

Using our Climate Risk Radar, EVORA can help you communicate and visualise risk preparedness to investors and peers.
1. Increasing environmental & social disruption (i.e. extreme weather)
2. Increasing ESG policy & regulations
3. Increasing (internalised) costs of ESG mitigation & adaptation

RISK MATERIALITY
- Floods
- Heatwaves
- Storms
- Fires
- Civil Unrest
- Litigation
- Pandemic

IMPACT PATHWAYS
- Physical damage
- Regulation
- Business disruption
- Cost of operation
- Covenant strength
- Competitive advantage
- Legal action
- Brand reputation
- Fiduciary duty
- Health and safety

DRIVERS OF VALUE
- Rental Income
- Rental Growth
- Occupancy
- Capital/Exit
- Value
- Cost Recovery
- Asset Quality
- Desirability
- Connectivity
- Price Sensitivity

ESG MEGA-TRENDS
- 2020 - 2030
NZC & CLIMATE RISK
DATA INTELLIGENCE
Data intelligence is the foundation of every successful ESG strategy. We fully understand this principle which is why we have integrated SIERA into our services for managing ESG risks and opportunities.

SIERA

EVORA’s unique capability is in part due to our proprietary sustainability software.

SIERA is used across the real estate investment sector with data intelligence provided to more than 40 international investment management companies.

- Reduces the time and effort of data acquisition by automatically acquiring, manipulating and transforming data for achieving NZC, Climate Risk and ESG goals.
- To support the conversations you need to have with your stakeholders to improve asset performance, fulfil asset plans and meet targets.
- Makes internal reporting and external disclosure of performance easy and ensures high integrity of data quality.
SERVICES OVERVIEW

Sustainability Leads
SIERA data intelligence is key to engaging stakeholders to deliver your ESG strategy.

• Automate and centralise the key data you need to drive efficiency and quality in your data collection process.
• Visualise and track target pathways at portfolio & asset level to get buy-in.
• See progress against decarbonisation pathways.
• Share data easily with investment management teams.
• Prioritise budgets and actions for interventions to deliver sustainability action plans.
• Maintain an overview of data completeness and coverage.
• Manage ESG & climate risks.

Fund Managers
SIERA gives you a portfolio summary of ESG performance & risks.

• Clearly see which aspects of ESG are most important to your fund strategy.
• Ensures you have good quality and consistent sustainability data to make informed decisions.
• Easily share data with clients, ESG leads and asset managers about investment decisions and their impact on ESG performance.
• Visualise the impact of acquisitions, disposals and developments on fund-level ESG targets such as carbon reduction and key risk indicators.

Asset Managers
SIERA simplifies data collection and gives you the intelligence to make informed investment decisions.

• Key ESG performance & risk data at your fingertips.
• Dashboard summary of your asset/s to support conversations with Fund Managers, clients & Sustainability Leads.
• Review performance against targets in the context of budgets and business plans.
• Access to key asset information to support decision making such as new leases.
• Manage regulatory risks such as EPCs in the context of rental income and lease renewals.

Agents & Advisors
SIERA helps you deliver on commitments to your clients.

• See asset and portfolio progress against targets.
• Easily identify priority assets requiring further intervention and which actions will contribute to improvement.
• Monitor the status of interventions in sustainability action plans.
• Ensure site-based teams are engaged and have visibility of asset performance to take ownership for actions.
• Keep track of data quality and completeness and benefit from validation tools to drive consistency in process across clients.
EVORA has been acquiring and managing ESG data for 10 years. We have developed our SIERA software to make this process easier and more robust for our clients, their advisors and our consultants.

Our easy process for improving data quality will ensure that you have a data strategy which is aligned to accelerate your ESG & Climate strategy with practical steps to integrate into your organisation.

1. **BUSINESS REQUIREMENTS**
   - Understand the data requirements for the ESG strategy including the cadence of reporting.

2. **USER REQUIREMENTS**
   - Define requirements for key users and stakeholders for collection, reporting and disclosure.

3. **DATA SOURCES**
   - Identify the best data sources and highlight the opportunities for data quality improvements.

4. **PROCESS DOCUMENTATION**
   - Document the process for automated and manual data collection, including a regular review of procedures.

5. **USER MOBILISATION**
   - Mobilise and train stakeholders to deliver on the ESG data strategy to get maximum value.
THE SIERA ECOSYSTEM

MAXIMISING VALUE THROUGH PARTNERSHIPS

SIERA can integrate with other web-based software; whether your requirement is to automate GRESB submissions, push data to business intelligence tools or integrate with a 3rd-party platform.

Automated meter reading. Easy invoice data acquisition to reduce manual effort in data collection. Easy-to-use tools for site teams to load and validate data where full automation is not possible.

Integration capability to push & pull data

Data Acquisition & Quality automation and property level tools

ESG Specialist Data to cover the details

Apps & Dashboards to communicate and engage

SIERA is a hub for ESG data and these data needs are intensifying.
SIERA is partnering with the best specialist providers.
SIERA provides robustness, consistency and integrity to ensure the best ESG data intelligence.

Tailored views and features created for specific client roles to communicate and engage teams in the ESG strategies you’re developing, implementing and monitoring.

SIERA is partnering with the best specialist providers.
SIERA provides robustness, consistency and integrity to ensure the best ESG data intelligence.
To engage asset and fund management teams the NZC Target Setting features in SIERA provides dynamic science-based target pathways at portfolio and asset level.

Key capabilities include automated data uplift to include assets and portfolios with limited data availability.
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