

# Bespoke Net Zero Carbon Portfolio Strategy

Craft Success Through Customised  
Pathway Development

V1.0





## What Is a Net Zero Carbon Portfolio Strategy and Why Does It Matter?

To meet changing and increasingly stringent government rules and growing public concerns, the commercial real estate sector needs to swiftly reduce carbon emissions following established scientific guidelines.

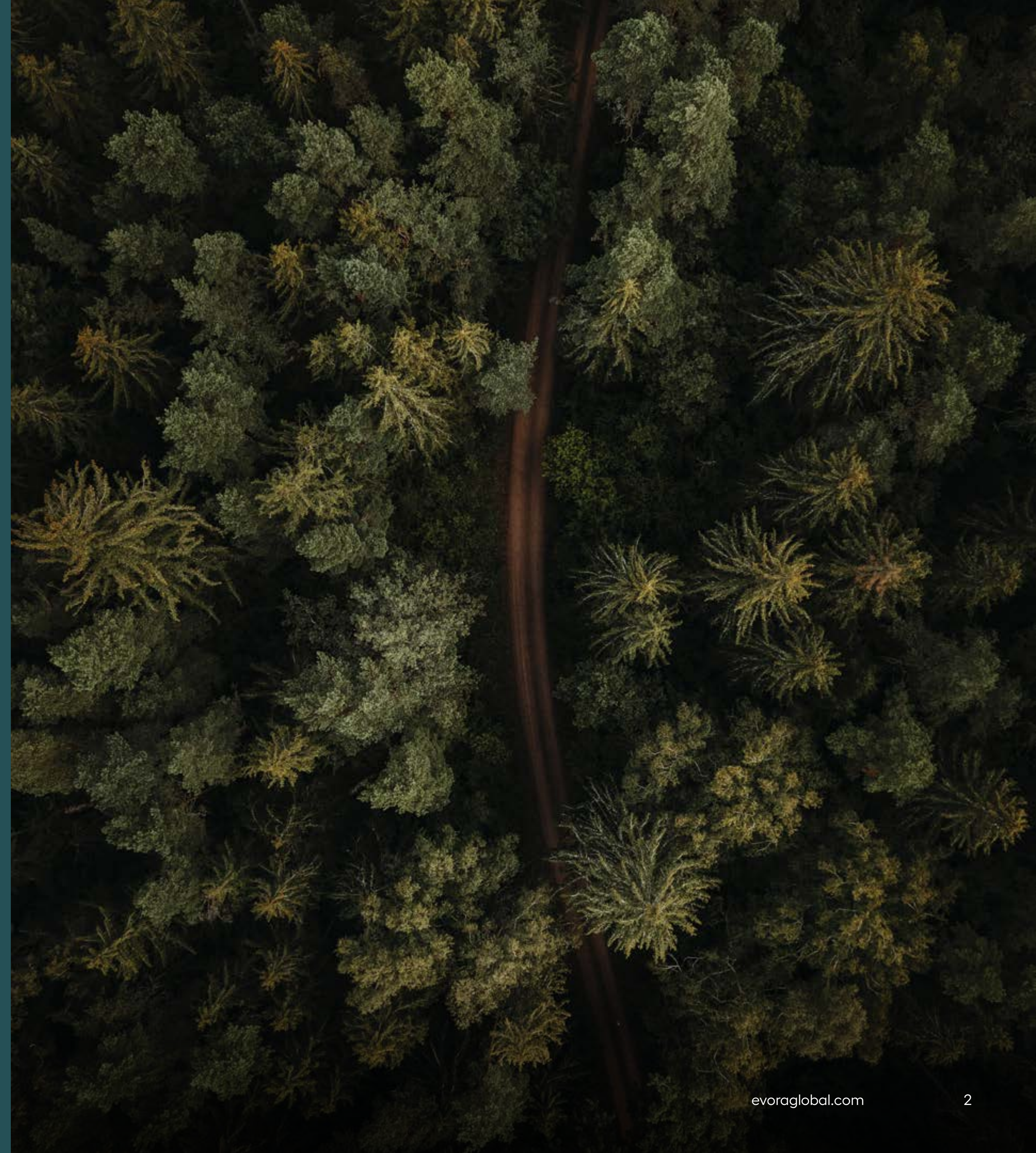
Investors looking to adjust to a low-carbon economy and protect long-term value, while managing reputational risks, typically use a **Top-Down Net Zero Carbon Portfolio Strategy**.

But you can opt for a **Bespoke Net Zero Carbon Portfolio Strategy**.

A **Top-Down** approach uses portfolio data to apply reduction scenarios, assessing future carbon pathways and setting targets. It efficiently leverages portfolio-level data and benchmarks, addressing a group of assets collectively (such as the combined impact of deep retrofit savings) rather than specifying actions for individual assets.

However, a **Bespoke** approach selects representative reference assets based on their specific characteristics, current condition, and performance. These individual reference asset pathways can then be scaled up and applied to your entire portfolio, resulting in a comprehensive portfolio pathway. The effectiveness of this approach depends on a reasonable level of data completeness and accuracy at the reference asset level.

A Bespoke approach can also be applied to **debt funds** when there's extremely limited data available, as well as for **homogeneous portfolios** with poor access to performance data.





# Bespoke NZC Portfolio Strategy

## Assess Current Investment

Our **Bespoke NZC Portfolio Strategy** meticulously assesses your current investment portfolio, scrutinising total AUM and the breakdown of asset/fund types by sector, region, and country to evaluate the portfolio and agree the most appropriate methodology.

This comprehensive evaluation employs a whole building approach, but can also be extended to examine other Scope 3 indirect carbon, data coverage, and insights from your **GRESB** submissions (where applicable).

This process culminates in a succinct **report** for your portfolios, featuring a summarised overview of its estimated carbon footprint, the approach undertaken, and suggestions for future improvements.

This includes recommended energy and carbon reduction targets, high-level intervention pathways, indicative costs, and prioritised assets (where possible).

Following this, a dedicated stakeholder meeting is convened to facilitate an in-depth discussion of the methodology, the level of confidence in the findings, and the final results.

There are **four key steps** to achieve this outcome.

### 1

#### Kick-off Meeting & Assessment

- Establish project team, scope, and timeline
- Review data requirements and availability

### 2

#### Project Scope

- Agree approach, data sources, and assumptions
- Agree on reference assets for detailed analysis

### 3

#### Carbon Reduction Trajectory

- Establish baseline carbon footprint for your portfolio
- Model business-as-usual scenario, considering plans and portfolio changes
- Guide assessment with grid decarbonisation projections

### 4

#### Energy Efficiency & Carbon Optimisation

- Assess impact and cost of interventions
- Model scenarios for energy and carbon savings
- Quantify CapEx and deployment rates for key initiatives
- Outline carbon reduction pathway, aligning with science-based approaches



## Bespoke NZC Portfolio Strategy Annual Strategic Review

After establishing your carbon reduction pathways, we continuously monitor progress against targets, making necessary adjustments to accommodate changes in portfolio structure, new performance data, or regulatory developments.

During your **Annual Strategic Review**, we diligently update your portfolio's energy and carbon intensity to align with the established **CRREM** target pathways. This thorough analysis covers crucial information for each asset, such as sector classification, floor area, and energy consumption data.

Furthermore, we initiate another **kick-off meeting** to meticulously compare and validate your most recent data, confirming if the previously undertaken approach is still the most appropriate or if actions undertaken in the interim period have enabled reporting with increased accuracy and confidence. Where suitable, an alternative approach to target setting may be recommended.

In cases where we've conducted additional asset-level assessments, these insights are seamlessly integrated into the overarching evaluation. This process also includes any pertinent updates to the fund composition and adjustments to underlying assumptions since your initial **Bespoke NZC Portfolio Strategy**.

Our evaluation encompasses a holistic view of performance, identifying areas of strength and areas for improvement. We provide insightful advice on the primary factors influencing both individual asset and overall portfolio performance, ensuring that your portfolio remains optimised for success.





# How Can Our Bespoke NZC Portfolio Strategy Unlock Prospects?

**Our NZC Portfolio Strategy unlocks several key benefits.**

## Establish a Baseline

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Use representative reference assets to establish a baseline for whole building energy consumption.

## Develop a Roadmap

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Streamline your path to net zero with a data-driven approach, creating realistic scenarios and identifying key actions at portfolio and asset levels, along with deployment timescales.

## Reveal Strategic Insights

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Uncover crucial insights into asset performance to steer strategic decision-making for sustained success.

## Align Science-Base Target Pathways

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Collaborate with SBTi and CRREM to align with 1.5°C (2.0°C where necessary) decarbonisation pathways for robust target setting.

## Plan Resources

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Identify resource requirements in line with net zero and interim targets.





## EVORA: Your Partner for Bespoke NZC Portfolio Strategy

Our dedicated **Climate Resilience** team stands as your cornerstone for Bespoke Net Zero Carbon Portfolio Strategy success. Leveraging meticulously collected fund data, we use CRREM Analysis to assess your portfolio's performance, revealing crucial insights into potential stranding years and asset performance factors.

Initiating with kick-off meetings that solidify project specifics, we meticulously compare your latest and historical data against industry benchmarks. Collaborating with **SBTi** and **CRREM**, we align with 1.5°C decarbonisation pathways, offering a clear roadmap for both individual assets and your overall portfolio.

To learn more, please read our Product Note on **TOP-DOWN NET ZERO CARBON PORTFOLIO STRATEGY**.





# Trust EVORA Global for Sustainable Assets

**We go beyond consultancy, serving as your trusted partner for sustainable real asset investments.**

With our unparalleled **Collaborative Expertise**, we provide actionable insights that empower your real asset community to thrive in sustainable investment.

Our proven expertise in strategic consulting, climate resilience, net zero, sustainable finance, infrastructure, reporting, and social wellbeing ensure your investments are aligned with environmental, social, and governance goals for a secure ROI.

# Driven by Collaborative Expertise

## STRATEGY

Driving value and impact with sustainable ESG strategies

## TECHNOLOGY

Streamlining operations and insights with advanced real asset technology, **SIERA**



## ADVISORY

Navigating sustainable solutions with expert real asset advice



## Our Mission

To establish sustainability and carbon as foundational factors for investment decisions.

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## Our Purpose

To accelerate the adoption of real asset sustainability and enhance the wellbeing of the planet and its people.

## Our Clients

**250+**  
CLIENTS

**45,000**  
ASSETS

**\$880 billion**  
AUM



**This has been a journey since our start with Fund I. It now needs to be something we think about from the moment we wake up in the morning and think about our investments to when we go to bed and reflect on whether we've succeeded. I just want to say thank you, EVORA, for leading us on this journey and supporting our team along the way."**

**Rob Rackind**  
Global Head & Partner  
**EQT**



## Contact Us

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