

Real estate sector mobilised to play a significant role in limiting global temperature increase below 2°C

Leading financial institutions support a sustainable and energy efficient real estate sector and commit to considerably increase their investments in energy efficiency.

Paris/Geneva, 3 December 2015 - For the buildings sector to contribute to a below 2 degree pathway, current levels of investment in energy efficient buildings need an estimated additional investment of USD 300 Billion per year by 2020. A coalition led by the UNEP Finance Initiative (UNEP FI) is presenting today a new briefing on [Integrating Climate Risks in Real Estate](#), to give a strong signal of support to governments by the real estate finance industry and call on other investors to scale up investments in energy efficient and sustainable buildings.

The coalition, composed of the Investor Network on Climate Risk (Ceres- INCR), the Investor Group on Climate Change (IGCC), the Institutional Investors Group on Climate Change (IIGCC), the Principles for Responsible Investment (PRI), the Royal Institute for Chartered Surveyors (RICS), UNEP FI and with the support of Climate Strategy Limited is currently working on a resource for real estate investors to scale up investments in energy efficient buildings.

During the last months, an unprecedented global mobilization has taken place to support increased investments in energy efficiency, a topic lacking visibility and focus, yet extremely relevant for the building sector and its impact on climate change. UNEP FI, together with the European Bank of Reconstruction and Development, mobilised over 100 banks, and, additionally, as part of a collective effort with the PRI and CERES mobilized investors collectively managing close to US\$ 4 trillion to endorse the [G20 Energy Efficiency Investor Statement](#). Both mobilizations aim to further embed energy efficiency in their operations and investment process.

Eric Usher, acting Head of UNEP FI, said: “This leadership from the real estate sector is most welcome and comes at a crucial moment. With 30% of global emissions coming from the building sector, such leadership in fostering transformative change is critical. But public action is also needed, for instance governments should consider including the buildings sector in their Intended Nationally Determined Contributions (INDCs).”

Tatiana Bosteels, Head of Responsible Property Investment, Hermes Investment Management, and UNEP FI Property Working Group co-Chair said: “There is strong evidence that the integration of ESG and climate risks is cost effective today and can both protect and enhance value across the commercial property industry while supporting the 2°C global UN target. As institutional investors, it is thus our fiduciary duty to build and manage energy efficient and climate friendly buildings. By doing so we also have a better chance of leaving to our pension beneficiaries a world they can live in.”

In parallel, on the policy side, a significant step forward has been achieved with the G20 Energy Ministers welcoming in their communiqué the [Voluntary Energy Efficiency Investment Principles for G20 participating countries](#), as proposed by the G20 Energy Efficiency Finance Task Group, the first G20 working group dedicated to energy efficiency finance, in buildings and SMEs/Industry.

Following increased recognition of the buildings sector's vital role in limiting global temperature increase under 2°C, the UNEP FI is among the initiating organizations of the Global Alliance for Buildings and Construction (GABC) which is being launched today at COP21 during the first ever COP Buildings Day. The GABC represents an unprecedented alliance of organizations collectively committed to catalyse stronger collaboration and alignment between different real estate stakeholders and existing initiatives to achieve greater scale and increase the pace of efficiency actions.

Frank Hovorka, Caisse des Dépôts and co-Chair of UNEP FI Investment Commission, said: "I welcome the launch of the Alliance and the current work on energy efficiency, bringing the different stakeholders together to gather the enabling conditions of transparency and confidence for a real change of scale and pace."

Additional quotes

Fiona Reynolds, Managing Director, PRI: "Regulators are increasingly seeking out energy efficient, green building initiatives, which reduce energy and water use, so that means the property sector has a critical role to play in helping the world transition to a low carbon environment. This is why we are pleased to support an investor consultation with our signatories, focusing on an upcoming resource from the UNEP FI, an Investor Framework on how to integrate ESG and climate risks into real estate, partnering alongside the Royal Institution of Chartered Surveyors, the IIGCC (Institutional Investors Group on Climate Change), the IGCC (Investor Group on Climate Change Australia/New Zealand), and the Investors Network on Climate Risk (INCR – Ceres). We feel this framework will help create further momentum around sustainable property activities."

Stephanie Pfeifer, CEO of the Institutional Investors Group on Climate Change, a European network representing €13 Trn assets under management: "At least 35% of all carbon emissions stem from the built environment. In many countries, the delivery of national climate plans will require significant progress on energy efficiency in the commercial property sector. The investor community will play an important role in helping to drive this facet of the low carbon transition."

Emma Herd, Chief Executive, Investor Group on Climate Change: "The built environment is a major part of every country's emissions profile, and has an important role to play in transitioning to a low carbon economy. Understanding the risks and investing in energy efficiency and cleantech solutions is vital for investors engaging with the sector."

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About UNEP FI

The United Nations Environment Programme Finance Initiative (UNEP FI) is a unique partnership between UNEP and a global network of over 200 banks, insurers and investors from 51 countries. Created in the wake of the 1992 Earth Summit, UNEP FI's mission is to mainstream the integration of sustainability across the finance sector. It provides a neutral space to convene stakeholders and acts as a platform at the intersection between finance, science and policy. Please visit www.unepfi.org.

For more information on UNEP FI's work on real estate and download the Real Estate briefing – please visit: <http://www.unepfi.org/fileadmin/documents/IntegratingClimateRisksInRealEstate.pdf>, <http://www.unepfi.org/work-streams/property/>

For more information on financial institutions' mobilization on energy efficiency, please visit: <http://www.unepfi.org/work-streams/energyefficiency/>