

JUNE/JULY 2025

# IMPACT

The Journal of ESG & Social Impact Investment

Embracing nature in  
real estate strategies

Rewilding in Scotland

Profile: PLP Architecture

## Living with nature

How biodiversity has  
become real estate's  
new must have

### INSIDE:

A special 18-page  
biodiversity report  
from PwC



IMPACT JUNE/JULY 2025

### Interview

Susanne Eickermann-Riepe, RICS  
European World Regional Board



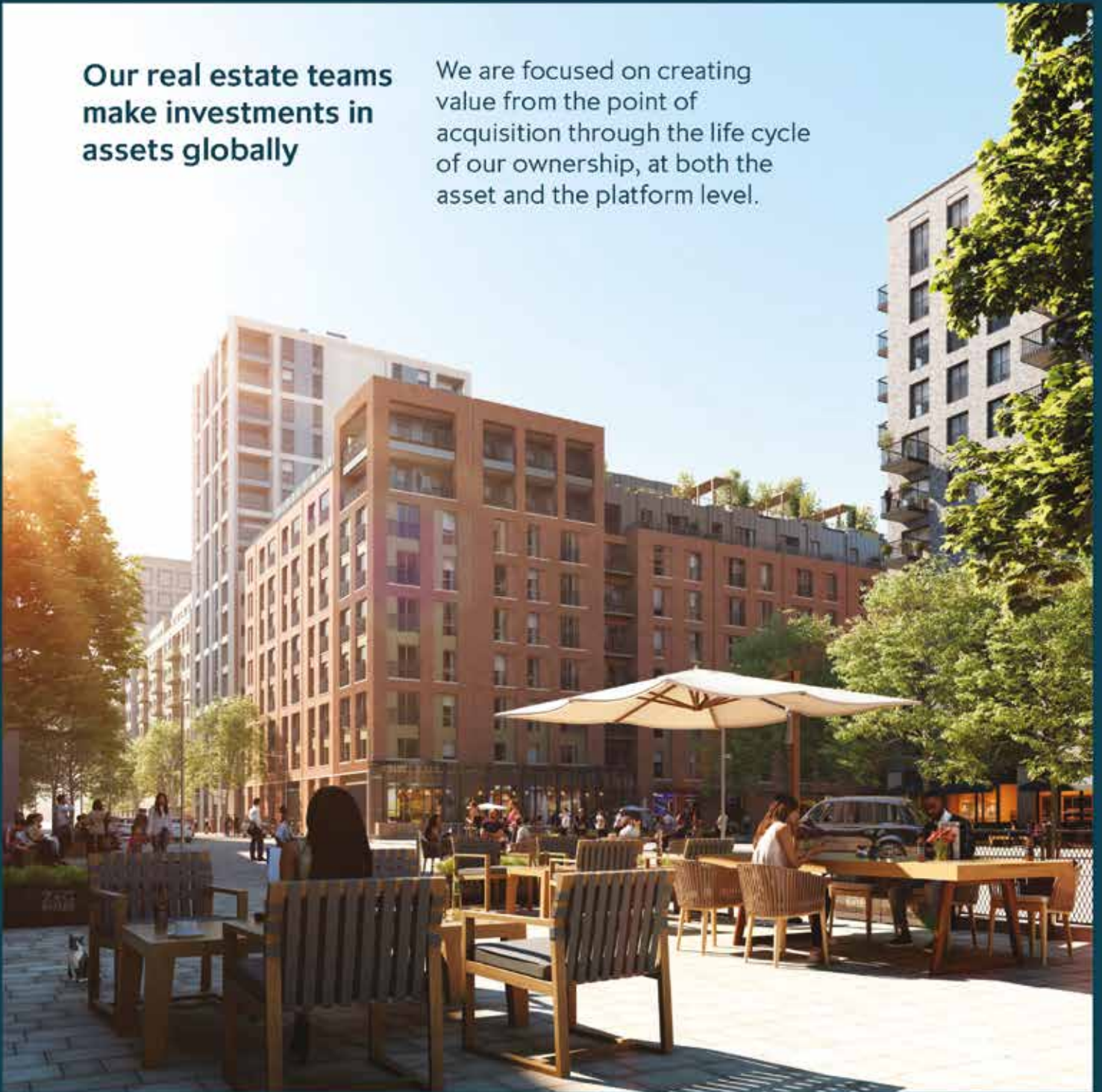
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# Biodiversity is now critical to projects



**‘Biodiversity has become an integral part of the way projects are structured.’**

**Nicol Dynes, editor,  
Real Asset Impact**

Welcome to the 16th edition of *Impact*, which is largely devoted to biodiversity. This is a topic that has come a long way in a short time. Until recently it was often an afterthought, a beehive or insect hotel or green wall hastily added on to a project to gain some sustainability credentials. Now it has become an integral part of the way projects are structured from the start.

In this issue we explore how the concept and the implementation of biodiversity have evolved, how it is changing the built environment, what the challenges are and how it is likely to develop in the future.

Our collaboration with PwC allows us to present the highlights of their groundbreaking study on the subject, and the results of a global survey they have undertaken (see below).

We have also asked the opinion and experience of many experts from various organisations, including RICS, CBRE IM, Redevco, DGNB, the Landbanking Group, AEW, Aecom, BGY. There’s a recognition that we need global scientifically credible state-of-nature metrics that can be adopted in different contexts and different geographies, but we also need regional and local biodiversity concepts, because there can be no ‘one-size-fits-all’ in this field.

Regulation is emerging in different European countries, but the real change is happening at tenant and company level. There’s a growing recognition that biodiversity works on many different levels: enhancing urban resilience to flooding; combatting extreme heat; reducing emissions; and improving wellbeing, which leads to less stress, more productivity and less absenteeism.

Integrating nature-based solutions into built environment projects makes them more attractive and sustainable, of course, but it also makes them healthier, more resilient to climate change and therefore more valuable.

There’s a broad shift underway. As Robbie Epsom of CBRE IM writes in this issue: “Nature is evolving from an environmental aspiration to a regulatory and design imperative across urban markets.” It is a shift that *Impact* is happy to track, explain and support. ■



## Nature moves from margins to mainstream



**Christiane Conrads, partner and  
global real estate sustainability  
leader at PwC**

Biodiversity is rapidly moving from the margins to the mainstream of real estate sustainability – and rightly so. As the built environment grows, the need to protect and restore nature is no longer just an ecological responsibility; it is becoming a strategic imperative for resilience, liveability, and long-term value.

At PwC, we see biodiversity increasingly shaping how companies think about risk, regulation, and opportunity. Yet many are still unsure how to begin. That’s why we developed the *Global Biodiversity Thought Leadership Report* – to provide a clear foundation, highlight best practices, and offer practical tools for action.

This special edition of *Impact*, produced in collaboration with Real Asset Media, brings our findings to life. Through case studies, expert interviews, and market insights, it shows how biodiversity is already influencing investment decisions, urban planning, and user experience across regions.

We hope this joint publication supports a wider conversation – one that connects ambition with action and strategy with people. Biodiversity is not only about protecting ecosystems; it’s about shaping healthier, more inclusive places for communities, cities, and future generations. ■



## The IMPACT interview



### Susanne Eickermann-Riepe, RICS European World Regional Board

Real estate must do more to evaluate social and biodiversity impact and to develop scientifically meaningful metrics.

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## Special Report: 29-46

### Real Estate and Biodiversity: A Critical Nexus

In a new global biodiversity thought leadership report, PwC brings insights into how real estate can respond to the biodiversity challenge – not only through risk management, but by unlocking opportunities to add long-term environmental, social, and economic value. The report presents strategic foundations, emerging standards, practical tools, and global perspectives that can support more informed and proactive approaches.



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Respect for biodiversity and nature will improve our lives – and add value for investors.



# 60mt

So far this year China, the world's largest power polluter, has made its biggest cut to power emissions since 2020. But global power emissions have remained largely flat due to higher fossil fuel power generation in the US and Europe.

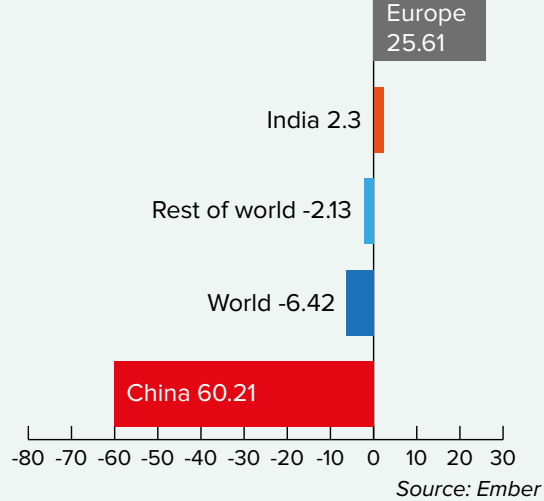
The US and Europe emitted a combined 801 million tonnes of carbon dioxide (CO<sub>2</sub>) from fossil fuel-based power production during January to March, data from Ember shows.

This emissions total was 53 million tonnes, or 7%, more than during the same period in 2024, and was the highest since 2022 for the opening quarter of the year.

The greater discharge from the US and Europe largely offset a 60 million-tonne drop in emissions from fossil-based power in China, and means that global power sector pollution levels remain elevated, despite reductions in the top polluting market.

## Change in fossil fuel power emissions Q1 2024 to Q1 2025

Million tonnes of CO<sub>2</sub>

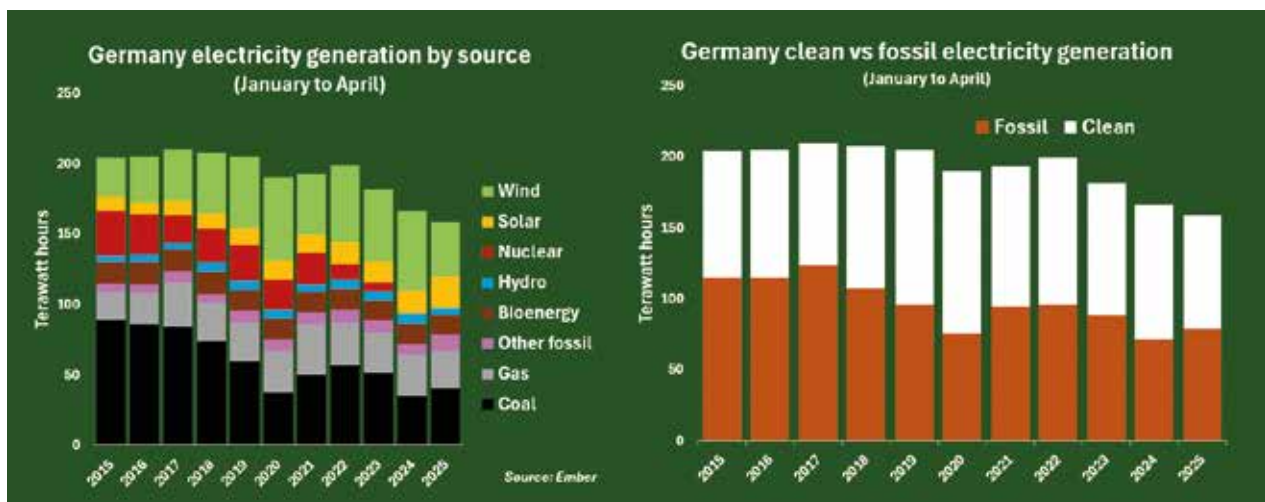


# £200m

GB Energy, the UK state-owned company, plans to spend £200m on solar projects across schools and NHS sites. The aim is to lower energy bills and free up cash to reinvest in frontline services.

# 80TWh

Electricity generation from clean power sources in Germany totaled just under 80 terawatt hours (TWh) during the first four months of 2025, according to data from energy think tank Ember. It is the lowest amount of electricity generated by clean energy sources in Germany in over a decade. The share of fossil fuels in the German generation mix has climbed to its highest since 2018.



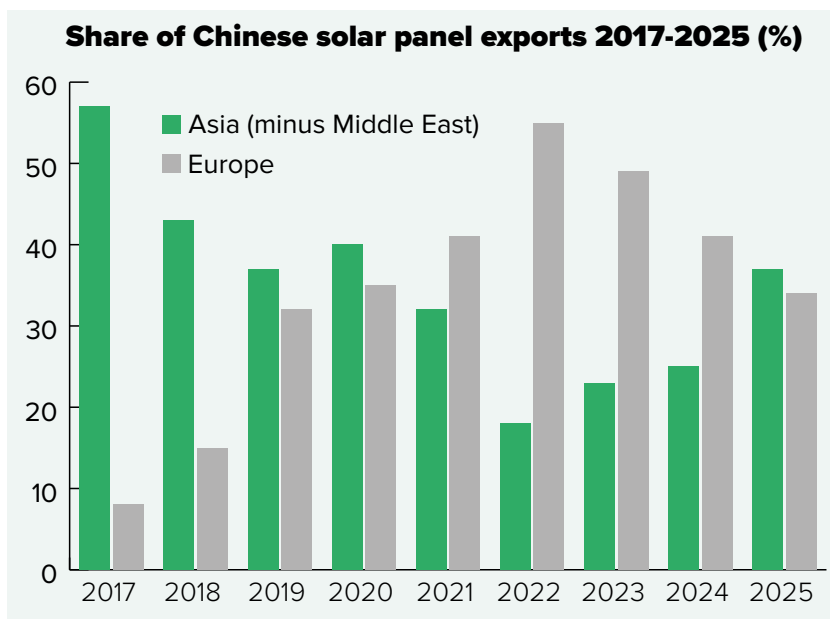


# \$600bn

To meet national climate targets, grid investment needs to nearly double by 2030 to over \$600 billion per year after over a decade of stagnation at the global level, according to the International Energy Agency. While global investment in renewables has nearly doubled since 2010, investment in grids has remained constant. The European Commission estimates that Europe needs to invest \$2-2.3 trillion in grids by 2050.

# 34%

Europe's share of Chinese exports of solar panels declined to 34% from 41% in Q1 2025, while Asia's share increased to 37% from 25.4% last year. Total Chinese exports have remained steady despite lower demand due to high stockpiles in Europe – its biggest market.



# \$145bn

The amount that hurricanes, storms, floods and other natural disasters may cause in insured losses in 2025, nearly 6% up from the \$137 billion recorded in 2024, according to reinsurance company Swiss Re. Total losses from natural catastrophes, including those not covered by insurance, was \$318 billion in 2024, up from \$292 billion in 2023 and significantly above longer-term averages.

## THE IMPACT INTERVIEW

# ‘Good governance will give us the power to survive’

Real estate must do more to evaluate social and biodiversity impact and to develop scientifically meaningful metrics, says Susanne Eickermann-Riepe, chair of the RICS European World Regional Board.

By Nicol Dynes

**S**usanne Eickermann-Riepe FRICS, chair of the RICS European World Regional Board, member of the RICS World Regional Board and chair of the Institute for Corporate Governance (ICG), has decades of experience in the German and European real estate sector, focusing on governance, accountability, innovation and sustainability. *Impact* asked her about her assessment of progress real estate has made on governance and biodiversity so far and what is still on her to-do list.

**It is well known that the real estate industry has taken its time in acknowledging its impact on the environment. Do you think in the last few years it has been catching up fast enough?**

The industry is well aware of the issues and how it can contribute to reducing emissions and improving biodiversity and social and societal issues. The question is whether the resulting product can survive in the market. Is it affordable? Are users ready for change? Are investors willing to pay? Supply and demand still need to level off, similar to electric cars.

But what is more important are the risks that arise from inaction. As any risk manager knows, ignoring risks doesn't make them go away. These risks are clearly priced into the financing and lead to uncertainties and volatility that have brought the market to a standstill. We still need to catch up and work on solutions

for better data quality. We should be aware that the integration of new technologies and artificial intelligence will change our industry.

**Who is driving positive change, in your experience? Is it a few big players leading the way, or has it become more widespread?**

Positive change usually occurs when opportunities are seized and economic success and/or an improvement in the situation becomes apparent. There is hardly any difference between large and small players. However, large players have considerably greater leverage and perhaps also more resources when implementing measures.

It is therefore also a question of responsibility that is being asked here. Not many take on this role as pioneers: instead, the majority wait for regulations or laws that force them to act. That is why it is always a question of attitude when it comes to the speed of positive change.

And we should not underestimate the impact of many varied startups on property and construction. They make a positive contribution to increasing the speed of innovation.

**You have developed an IMPACT format to discuss these important issues with the industry. How is it working in practice?**

With the ICG, we have developed a think-

and-do tank that picks up on megatrends and discusses solutions for operational implementation. We involve commercial enterprises, universities and stakeholders, which enables us to offer practical ideas.

Over the past three years, we have worked intensively on social impact investing and are delighted to present the Social Impact Investing Award for the fourth time in 2025.

Attitudes and values are important to our members and play a significant role in our work, which revolves around good governance in the real estate industry. We have developed and applied valuation criteria and included all alternative asset classes in this grid. We are confident that the certifiers will take up these criteria and offer corresponding certificates. It must become part of our standards.

**Companies often complain of the lack of harmonious regulations and benchmarks across countries. What changes would you make to the regulatory framework?**

It is not only countries that issue regulations, but also regions such as Europe on the one hand, and cities and municipalities on the other. It is a challenge for market players to comply with all these rules, especially when they are as heterogeneous as they are at present, or subject to uncertainty. A regulatory framework is important, but it should be organised from the top down and also involve stakeholders at the local level.

**‘Long-term planning, political commitment and stability are important for sustainability strategies. Only then will investors align their capital allocation with real estate investments.’**

Susanne Eickermann-Riepe, RICS European World Regional Board



Long-term planning, political commitment and stability are important for sustainability strategies. Only then will investors align their capital allocation with real estate investments. Overall, it needs more long-term thinking and stability. We are building for the future and the buildings will be used for decades, so we need foresight and security.

#### **What about the certification system? What works and what needs changing?**

There is no single certification system – you have to look closely at what is being certified in each individual case. Rate the raters! It could be the building itself, but also the feelgood factor, accessibility or even social impact. There are also different systems and categories for energy efficiency. It is definitely worth taking a

close look at when and for what a certificate was awarded.

In principle, however, any certificate can help to provide a quick overview of special features and advantages, but also of risks. Greater standardisation would be nice, but as long as regulatory authorities or legislators do not set the pace, we will have to live with diversity. However, it is foreseeable that emissions will set the pace in the future, as trading systems and taxation will be geared towards this.

#### **There seems to be a consensus that refurbishing and upgrading existing buildings is preferable to demolishing and building. What are the main obstacles?**

Existing properties are a real opportunity for the future. But depending on their previous use and the diverse framework

conditions, we are often faced with the question: are they simply distressed or an opportunity?

In a recent study, the ICG examined future opportunities. The results showed that too little attention is being paid to the status quo and development opportunities of existing properties, and that this realisation is coming too late. The prevailing opinion is often that everything is fine as long as the lease is still running. But even an upcoming loan agreement renewal can result in shockwaves that may call the value of the building into question and require additional equity.

Those who fail to consider future opportunities and possible changes of use or technological upgrades are not giving the building a second chance. Of course, it is more complex and can also be costly, but there are many buildings where it is

worthwhile utilising the location, preserving its beauty and incorporating new uses.

Reuse also reduces emissions, emphasises sustainability and, in the best case, prevents lengthy approval procedures. In particular, in central business districts that are suffering from a loss of attractiveness, conversions will play a major role.

**Real estate companies, like all companies, need to make returns for their investors. Do you think that the case for sustainability being a driver of returns rather than just a cost has been made?**

Those who have not merely used sustainability as a marketing argument are already reaping the benefits. They are seeing stronger demand and can rely on satisfied tenants. However, it cannot be denied that billions have flowed out of ESG funds. Political trends are certainly behind this, but if return forecasts are not met, an exodus is to be expected.

It is now clear that the ambitions were very high and, unfortunately, underfunded. Measures and resource allocation did not match the promises. This impacts on trust and is being punished by investors. It is time to return to normality and set appropriate goals.

However, this does not mean slackening our efforts to achieve a resilient, sustainable future and throwing all our successes overboard. Once again, ignoring climate and transition risks does not make them less likely to impact financial stability. It just leaves financial markets less prepared and less resilient.

**How important is the drive for change from below, as it were? Tenants and employees for example are increasingly demanding 'green' offices.**

Satisfied employees who are motivated and loyal are what companies struggling with a shortage of skilled workers want. A new office concept often brings the opportunity for change, because positive change takes place not only externally, but also in the inner attitudes of employees.

In addition, social discourse has brought the issue of sustainability to the fore and employees' expectations of their workplace are rising. The same applies to tenants. Many companies have set themselves a sustainability agenda which will also

apply when they are renting premises. It is important to design products and buildings that meet these requirements.

Often, these are not only 'green' requirements, but also 'social' ones. Good accessibility, barrier-free access, amenities and participation in social life are becoming more important. Depending on the type of use and location, other elements may be added, such as medical care, sports facilities or even housing. Demand for such things will increase.

**Social impact, the S in ESG, has come to the fore recently, especially with community engagement. Is that working, in your view, and have you seen some positive examples?**

It's not in the headlines, but social impact already plays a significant role, especially for responsible financiers and investors. Everyone is aware of the importance of integrating a building or its use into neighbourhoods or districts as optimally as possible, and also offering space for social interaction and community services. This not only increases the long-term attractiveness of the building, but improves the environment and enhances the location.

Many urban development concepts already base their evaluation on qualities that promote these criteria. But more is needed, because it benefits everyone and counteracts the risk of social injustice.

There are already several examples of this, and it is not only philanthropists who support these investments. Of course, social impact investing must also generate a return, but this must be complemented by social and societal impact.

**We are devoting this issue of the magazine to biodiversity, which has come a long way in the last few years from being a token gesture to something more relevant. What has been your experience and who should take the lead on biodiversity: municipalities, developers, investors?**

The biodiversity risk is real and is likely to be one of the most frequently underestimated. Biological diversity is declining dramatically. Yet it provides us with food, fresh water and clean air. If we do not take care of it, our livelihoods will be destroyed and environmental change will accelerate. With climate change, we will also lose the diversity and natural balance of nature.

Unfortunately, all regulatory interventions, such as the EU Biodiversity Strategy, show that it is not so easy to get all EU countries on board with restoring nature and preserving biodiversity. The political process and the agreement on binding targets will lead to cuts in land and marine areas.

Less sealing and more green spaces in cities will also lead to a transition for the real estate industry. To manage the balance



**Susanne Eickermann-Riepe CV**

Susanne Eickermann-Riepe FRICS is chair of the RICS Europe World Regional Board. RICS is a global professional body ensuring the highest level of professionalism across the built and natural environment with more than 139,000 members globally. She is also chair of the board of the ICG (<https://icg-institut.de/en/>) which works on standards, values and sustainability to improve good governance in the real estate industry.

Before joining RICS she was a partner at PwC for nearly 20 years and headed its German real estate business as well as being part of the EMEA and global leadership team.

appropriately, it will be necessary to develop regional biodiversity concepts. This is the only way to ensure that the positive contribution of each project, whether it be new construction or adaptation of existing buildings, is integrated in a meaningful way.

There is therefore a legitimate interest at several levels in taking action here. The framework must be set and supported by political decision-makers. However, project developers, investors and property developers are also being called upon to make their contribution.

### **Is there credible evidence of the economic benefits of biodiversity interventions?**

Whatever the motivation, measuring progress towards a nature-positive world is essential to drive our efforts and to know if we are on course to achieving it. We know how to measure nature. Not in all dimensions, of course – we don't even know much of about nature's diversity – but enough to document more clearly than ever before the decline of its ecosystems, species, and natural processes.

The objective, however, is not to measure nature for intellectual purposes, but to set a framework that helps mobilise the broad collective effort needed to achieve the global nature-positive goal of halting and reversing biodiversity loss by 2030, which was codified in the UN Global Biodiversity Framework agreed in 2022.

Alongside metrics that allow us to assess pressures or impacts and responses, we also need metrics that assess the recovery of the state of nature – the outcome of our efforts. This is what ultimately matters the most. As the nature-positive goal requires an effort from the whole of society, we need to choose state-of-nature metrics that can be universally adopted across entities, geographical scales and use cases.

Although awareness is quickly growing, for many companies that are just getting used to measuring their impacts and progress made against the climate goal of net-zero emissions, living nature – biodiversity – is still a bit of a black box. There is a need to develop a set of scientifically meaningful, but also practical and affordable, state-of-nature metrics for universal adoption to encourage companies and other actors to embark on a meaningful nature-positive transition.

## **‘There is a need to develop a set of state-of-nature metrics for universal adoption to encourage companies and other actors to embark on a meaningful nature-positive transition.’**

**Susanne Eickermann-Riepe, RICS European World Regional Board**

### **Do you know of any successful examples of real estate firms partnering with public or philanthropic funds to co-finance nature-positive interventions?**

During RICS' last Built European Environment Summit in Bilbao, in 2024, all participants agreed that Nature-based solutions can be integrated into built environment projects to align with values of sustainability, inclusiveness, and aesthetics, making them attractive to investors by increasing property values, reducing operational costs, and enhancing resilience to climate change and extreme weather events.

All stakeholders are aware that failing to focus on biodiversity issues can lead to financial risks and unattractive neighbourhoods. Rating agencies and stewardship organisations have already included biodiversity risks in their guidelines. It will probably come down to promoting measures or designing innovations that emphasise these aspects.

The EU's New European Bauhaus has already published investment guidelines describing the criteria for eligibility for funding with its 'Beautiful, Sustainable, Together' approach. We will probably have to wait a while longer for philanthropists to better understand and implement the new investment principles.

### **Is there a risk of balance sheet manipulation through overly optimistic biodiversity valuations? How can independent verification help mitigate this?**

We are currently in a phase in which a discussion on value determination has been initiated by financing banks. The 'prudent value' is contrasted with the 'property value' and is used as a key factor in financing decisions.

At present, the 'brown discount' is more likely to play a role, but we must also consider possible upgrades. This ranges

from the 'social premium' to positive assessments of biodiversity.

However, we are still at the beginning of the discussion and ultimately, the market will decide which criteria will determine value. The already evident risk aversion of banks when it comes to financing, as well as further guidelines from the EBA, will help to accelerate this process.

### **How does the integration of biodiversity metrics influence ESG ratings and access to green or sustainable finance?**

The influence is still minor at present. Energy efficiency is at the top of issuers' priority lists. The large number of green bonds is driven by resilient portfolios with good certificates and energy efficiency labels. This is a real lever for access to finance.

As an industry, we need to take a closer look at how we can measure and evaluate social and biodiversity impact. Only when there are credible certificates and calculation methods will standard-setters follow suit and make appropriate offers. Demand from banks, investors and users plays a decisive role here.

### **What is next on your to-do list?**

The to-do list is long, especially in uncertain times. I am prioritising issues such as governance and the industry's stance in times of change. Good governance will give us the power to survive in a polarised world, manage positive exchanges with stakeholders, drive growth and continue to do good business.

This requires leadership and attitude. Trust becomes a currency. It won't be easy, especially when the business has to operate across borders. But the attitude and values underlying one's own actions are more important than ever, and I want to support all players in tackling the challenges with strength and courage. ■

# Promoting biodiversity one certification at a time

Christine Lemaitre, CEO of the German Sustainable Building Council, explains her work getting real estate companies to take responsibility.

By Nicol Dynes

Christine Lemaitre's mantra is "never give up and always push the boundaries when we talk about sustainability". A trained structural engineer, she has worked in the US and in Germany on efficient buildings. Since 2010, she has been CEO of the German Sustainable Building Council (DGNB), the largest green building council in Europe, which has the most advanced certification system for buildings and city districts.

Over the past 15 years Lemaitre has developed the DGNB's international activities and promoted collaborations with like-minded organisations in other European countries. Here, she discusses how biodiversity certification is working in Germany and the challenges of measuring nature-based outcomes.

## **In what ways does the DGNB certificate incentivise real estate companies in Germany to demonstrate control and derive measurable benefits from biodiversity-related spaces?**

From the DGNB's point of view, incentives should primarily be about getting companies to take responsibility. One benefit for them could be increased satisfaction among employees or residents. If an outdoor space is designed to promote biodiversity and, for example, it can be used for breaks, which boosts wellbeing.

Germany's state-owned investment and development bank, KfW, offers financial incentives as part of its environmental programme for natural climate protection measures. Companies that promote biodiversity can get good interest rates,

as well as a subsidy on repayments. Local authorities can receive grants as part of the bank's funding programme for natural climate protection in communities.

Certification experts trained by the DGNB can expand their services by undergoing further training to become a DGNB Biodiversity Manager. This allows them to support customers by certifying outdoor areas under the DGNB System for Biodiversity-Promoting Exterior Spaces. This training is also open to people qualified in the broader field of landscape management.

## **Are there any specific cases in Germany where including biodiversity status in building certificates has led to measurable economic or environmental benefits?**

It's too early to say. What we do see is a sharp growth in awareness, so there's more interest in the topic, particularly from companies. But it's still early days for the certificate, so we're waiting to see how it works out over time. Things are different with biodiversity – you can do things with buildings to prepare for and support it, but ultimately you've just got to give the concept time for the ecosystems to develop.

## **How does the DGNB ensure transparency and avoid greenwashing when certifying buildings with nature-based solutions?**

Developing the criteria that are used, and the associated documentation of the DGNB System, took place and still take place in

collaboration with technical experts. We attach great importance to feasibility and what can be assessed. Also, the certification process is organised into different stages that build on each other. This includes retrospective quality checks to see what has actually been achieved.

## **How does the DGNB collaborate with public-private partnerships or local nature funds in Germany to promote biodiversity in real estate developments?**

We developed the system with the Lake Constance Foundation, which has tremendous expertise. We're also a member of a biodiversity roundtable organised by the Ministry of the Environment, and we use the many events we're involved in to raise the topic with all kinds of target groups – from investors to banks, to architects and the producers of construction materials.

## **What influence does it have for German real estate projects in accessing sustainable finance when DGNB sustainability criteria are integrated?**

As a topic it's becoming increasingly important. A number of banks have already aligned their internal lending processes to match the DGNB System and they received official recognition from us. We also launched our new banking initiative – Sustainable Finance – to support the financial sector and facilitate the process of translating technical sustainability factors into the world of finance.

**‘Things are different with biodiversity – you can do things with buildings to prepare for and support it, but ultimately you’ve just got to give the concept time for the ecosystems to develop.’**

**Christine Lemaitre, DGNB**



**How close is cooperation between the DGNB and similar organisations in other European countries?**

Very close. We’re involved in strong partnerships with the green building councils in Austria, Switzerland, Denmark, Spain and Croatia. We regularly exchange ideas on all kinds of topics and work together actively, because we’re faster when we learn from each other instead of each climbing the same learning curve alone.

**Are there established valuation methodologies for nature capital in real estate (e.g. carbon sequestration, urban greening) that meet auditing standards?**

Not yet. But we’re working on it. The Intergovernmental Panel on Climate Change has made it clear that we won’t meet climate targets if we don’t cut carbon emissions. But urgent action is needed to prevent greenwashing, which is why we need criteria and regulations on how this should be assessed.

**How important is the local context when integrating biodiversity into urban areas?**

It’s essential. We tried one-size-fits-all in modern architecture – and failed. Biodiversity is much more about the context and the local area, so you have to look into that on an individual basis.

**How important is cooperation with local authorities? Can municipal policies or zoning rules support or hinder nature capital initiatives at a district level?**

It’s very important. Ultimately, this is the sort of thing that can only be decided and assessed meaningfully at a local authority level. There are exceptions, of course, such as designating expansive nature conservation areas or, extremely importantly, peatland restoration. This goes beyond the borders of municipal areas and local competences.

**What nature-based solutions offer both ecological and financial returns in urban projects?**

In the short term, there are certainly benefits from the sometimes significant reductions in the cost of maintaining exterior spaces. Leaving enough space for nature means intervening less, so the running costs go down for maintenance like mowing or removing weeds. Then there are the social benefits for employees or residents, who spend more time enjoying such open spaces.

**What role should global standards (e.g. GRESB, TNFD, EU Taxonomy) play in driving this change?**

Global standards are important because they help frame the issues from lots of different angles and this boosts relevance.

What they shouldn’t do, however, is continuously reinvent the wheel; they should be based on scientific and regulatory frameworks. Take GRESB, which is a private company that provides its customers with reporting services.

EU taxonomy is an instrument of the European Commission and as a result it should be taken as a basis for private standards. ■

# Quantifying the value of nature to real estate

Sonja Stuchtey founded The Landbanking Group to provide a natural capital management platform for portfolios and businesses.

By Nicol Dynes

It all started with a firm belief that nature is wealth. As Sonja and Martin Stuchtey saw the degradation of nature around their family farm in Austria, caused by unsustainable land-use practices, they concluded that the only way to ensure the reliability of nature as a partner in creating products and services was to give it a monetary value. They subsequently founded The Landbanking Group, gathering scientists, technologists and economists to develop solutions and leverage technology to align nature and business.

Their wealth management platform for nature assets, called Landler, monitors natural capital – ie the value of the quality of a piece of land like the health of soil or the biodiversity. The platform collects near real-time data about carbon and water storage, soil quality and biodiversity on the ground, in order to turn natural capital into bankable assets.

This allows real estate companies to assess the resilience of their nature-related assets, standardise nature data in their portfolios, incentivise land use change and record positive nature outcomes as green assets on their balance sheet. Here, *Impact* learns more from Sonja Stuchtey.

## What led you to establish The Landbanking Group?

Managing and actively mitigating climate and ecosystem risks is critical for business success. As a serial entrepreneur, I have experience in addressing crucial issues in the past with technology-based solutions. The exponential risk to our food system, to real estate assets and safe business facilities due to a lack of

investment into healthy and resilient ecosystems has become so tangible and evident, that I could not ignore it. There is a huge opportunity to be embraced. In my previous incarnation as a consultant in a restructuring firm, I saw first-hand what these risks can lead to – and I was asked by clients where and how to find appropriate nature investments.

## What are your objectives and what successes have you had so far with Landler, the world's first platform for nature asset management?

Whether it is supply chain management or real estate, the objective is to help decision-makers in a completely new world that brings unprecedented risk profiles. It has been rewarding to help a chocolate company to not only identify the material business risk it is exposed to, but also the opportunities it has when actively managing these exposures.

We helped a construction company to understand that the capacity for storing water in the soil on the property and in adjacent plots is crucial for future usability in a substantially hotter world. It changed its plans and sealed less ground to reduce the growing cost of air conditioning.

So we plan to continue to improve and grow Landler, our natural capital platform that allows for risk assessment, contextualisation and mitigation.

## Would you say that biodiversity and natural capital investments meet the asset recognition criteria under International Financial Reporting Standards (IFRS) or HGB (the German commercial code)?

Natural capital investment is critical to business value and essential for future resilience. These investments provide the infrastructure for future success, so they have a defined economic value. IFRS and HGB requirements that such investments are identifiable and controllable can be met with the rigorous and continuous monitoring we provide with Landler and the standard contracts that wrap the digital representation of the results.

## What is the likelihood of future economic benefits and to what extent can they be quantified? Are there credible cases of real estate value uplift or revenue through ecosystem services?

The preservation or improvement of

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**‘Whether it is supply chain management or real estate, the objective is to help decision-makers in a completely new world that brings unprecedented risk profiles.’**

Sonja Stuchtey, The Landbanking Group

▼ **Sonja Stuchtey: “There is a huge opportunity to be embraced.”**



natural capital brings an economic benefit. We know this more implicitly from real estate valuation. Properties in upmarket areas of bigger cities are expensive because of the natural capital and the health of ecosystems in the vicinity. Meanwhile, we are able to quantify this ecological health, which we call ‘ecosystem condition’. It contains aspects like the capability of soil to store water (and cool down the surface) or the biodiversity of flora and fauna. While the former is important for drought or flood resilience, the latter can mitigate against pests and adds aesthetic and recreational value.

Real estate that is located in the neighbourhood of high-value ecosystems is valued higher and even increases if

the state of the ecosystem is secured for a significant amount of time.

#### **Why has natural capital not yet been widely recognised on balance sheets?**

In the past, we were not able to monitor natural capital at scale, but this has changed thanks to technology improvements. In particular, satellite data and AI have contributed significantly to the progress which is required for scalable and auditable monitoring. The value of real estate is driven by local context and neighbourhood – and natural capital, the material climate and nature risks will add an additional valuation vector going forward as these risks influence usability and insurability of assets.

#### **Can biodiversity assets be consistently reported across regions without greenwashing?**

Biodiversity is a very broad term. If we talk to food companies, they want to understand biodiversity reduce supply chain risks. There is no greenwashing intended. For real estate, natural capital should be considered as investment, too, rather than as compensation.

Natural capital contributes to resilience against floods, against wildfires, improves the surface temperature of areas and hence reduces the need for cooling on hot days. It increases the usability of an asset, improves the health of users and the insurability of assets. All of this is relevant to companies’ bottom line. ■

# From industrial warehouse to modern mixed-use space

Buckley Gray Yeoman has retrofitted a 200-year-old factory in London using circular economy principles and sustainable innovations.

**T**he renovation of 27 Eccleston Place in central London – known as the Ice Factory – has breathed new life into a former industrial building to create 28,900 sq ft of workspace, retail space and two restaurants. It completes Buckley Gray Yeoman’s two-stage masterplan of Eccleston Yards in London’s Belgravia Conservation Area, close to rows of Grade II-listed Regency and Victorian houses. It is also a shining example of how a retrofit project can transform old buildings to create new destinations and public spaces.

27 Eccleston Place was built in 1830 for Shingleton’s Ice Company and in its near 200-year history has been used as a coachworks, a power station and most recently, a garage. Ice Factory sits to the north of the Eccleston Yards courtyard and has been phased to follow the first part of the redevelopment. The scheme has created a new (third) pedestrian route into Eccleston Yards.

BGY’s design removed the pitched roof of the building, inserting a new structure within the retained fabric to extend the building upwards, adding two new floors with a step down in height towards the terraced houses on Ebury Street. The new sawtooth roofline with ribbon lights maximises natural light and references the site’s industrial history.

BGY specified rooftop-mounted photovoltaic panels and an all-electric heating and cooling system with 100% green energy procurement.

The added two storeys are clad in brick with a subtle tonal difference marking the distinction between old and new. Where windows and other apertures on



the existing building have been infilled, the same tonal difference marks where work has taken place and record the modifications to the building.

“We borrowed this honest approach to ‘layering’ for the new ‘brick’ addition, very much informed by the notion of celebrating the new intervention without losing the reference to the building’s past,” said BGY architect Krystin Schwendel Smith, “A new brick insertion was conceived, ensuring the new extensions were sympathetic to the host building, with the new brick blend selected based around the tonal qualities of the host brick architecture.

The facade’s cast iron beams and columns which face onto Eccleston Yards have been retained, with the riveted

ironwork repainted in red oxide paint. The existing arched openings have also been restored to provide entrances to the retail and office space.

The office element of the proposals was designed to achieve BREEAM Excellent and the retail element BREEAM Very Good. The project prioritised a circular economy by retaining the existing structure and reusing existing materials to reduce embodied carbon emissions, such as reclaimed raised access floors.

The circular economy approach was applied throughout construction to reduce material use and waste generation, including the use of low-impact materials such as Cemfree low-carbon cement to reduce embodied carbon. ■

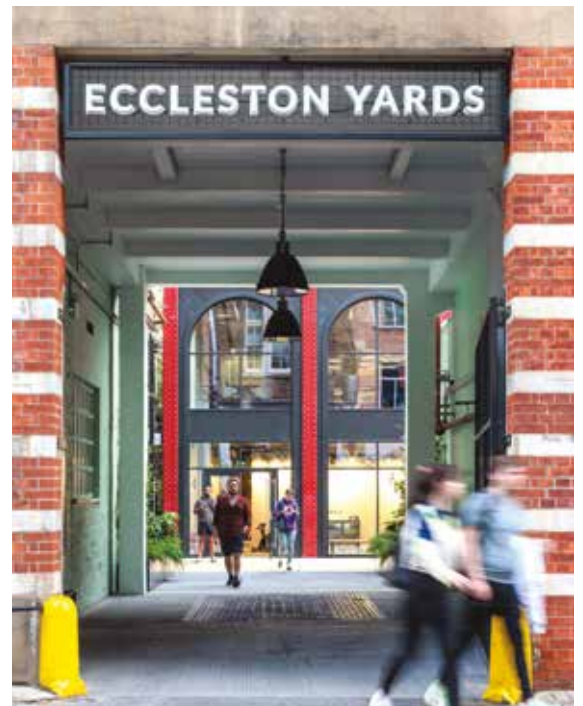


◀ **Eccleston Yards** has been transformed from a forgotten, light industrial service yard into a vibrant retail and restaurant hub set around a public courtyard

**Opposite page:** The new sawtooth roofline of the Ice Factory features ribbon lights that maximise natural light

**Below left:** Eccleston Place was a garage before its transformation into the Ice Factory by BGY

**Below:** The new scheme has created a new pedestrian route into Eccleston Yards



# Redevco evolves sustainability strategy to place new focus on nature and biodiversity

Clemens Brenninkmeijer, head of sustainability at Redevco, outlines how the group has developed its own broad impact framework.

By Richard Betts

**M**aking the built environment more sustainable has long been on Redevco's agenda. The privately held real estate management company has committed to make its entire portfolio net-zero carbon by 2040. More recently, it has focused on biodiversity and nature, collecting data on green areas and roofs, tracking water use and measuring waste generated during construction, as well as focusing on social impact and wellbeing.

Here Clemens Brenninkmeijer, head of sustainability, discusses the evolution of Redevco's sustainability strategy.

## **Redevco has just published its 17th Responsible Investment Report. How has this evolved over time?**

The evolution of the report has been in line with the evolution of sustainability as a whole. The earlier editions focused on what we were doing as a company, trying to balance people, planet and profit. Now it has become more sophisticated, going into detail on what is happening at asset level.

BREEAM was the main benchmark for environmental performance for a long time. It was a hugely valuable programme for the majority of the past decade to understand what was performing well and to guide our decision-making about future-proofing our assets. It still gives a holistic view of an asset's performance, including biodiversity, health and wellbeing, and circularity.

So, we've always had an integrated perspective, but over the past few years, we have developed our own impact framework, focusing on energy and emissions, but also on biodiversity, nature, and social value.

This framework was based on a double materiality assessment we carried out in 2023. Our activities have become more deliberate and detailed, and our reporting has mirrored this shift. It is great to see what we can achieve across our entire AUM, but also on individual assets.

## **Can you give examples of this shift in focus?**

Sustainability has to be an end-to-end exercise. This has always been our motto and, until now, our focus has been on reducing emissions, which remains a key topic. As climate change intensifies, adaptation is becoming more important. In the past, biodiversity was about putting beehives or insect hotels on the roof of a building; that ticked the BREEAM box and got you the credits.

Now it's about green roofs and gardens and planting trees to facilitate shading and water absorption, making the site more attractive and resilient, but also helping with air pollution. All these things are interlinked. We learn from every project and use that knowledge for other projects.

One example is The Leaf shopping centre in Ternat in Belgium, where every tenant has signed a green lease and every roof is green.

In Bordeaux, we have transformed an abandoned industrial site into a pleasant pedestrian district in the heart of the city.

In the James Street development we are currently doing in London, there will be a substantial rooftop garden for office occupiers, and a green wall will be added to the facade to improve air quality and attract insects and birds.

## **How do you make the investment case for sustainability and show it delivers better value?**

This is the crux with a lot of sustainability topics: making the link to value as explicit as possible. Depending on the asset type and location, it plays into the business case.

If you strongly believe that biodiversity will promote occupiers' health and wellbeing, evidence suggests it leads to better productivity levels and lower absenteeism, so there is value to be found.

At James Street, we truly believe the rooftop garden will make it a stronger commercial proposition and yield real benefits. For us, it has always been a very intentional strategy.

The business case for green roofs on out-of-town retail parks might be less immediately obvious, but we think it is the right thing to do, and enhancing the retail park makes it more attractive for customers wanting to shop there.

Does it translate into higher rents? Maybe not immediately, at least not explicitly, but it makes the asset more resilient, maintains the value, and it keeps customers coming back.

## **We are launching a new report on biodiversity in this issue. How do you see this from your point of view as an investor and asset manager?**

We work with annual asset business plans in which the focus has broadened to include biodiversity and nature as an integral part of our strategy. We have 57 different biodiversity actions spread across 46 assets, from water management and

capture, to increasing green areas and species diversity.

In our development projects, we aim to reduce soil sealing by using permeable materials to allow water to seep through, instead of sealing off the soil with thick areas of asphalt or concrete.

Biodiversity action plans are presented at the investment committee stage; they are not an afterthought, but are included and budgeted for.

In our next *Responsible Investment Report*, we will be able to showcase some of the projects that are in progress now.

### **Redevco has been a leader in including biodiversity, but how are other companies doing?**

It is hard to make sweeping generalisations. We are glad to see that many of our peers take the topic of biodiversity very seriously and we hope to be considered as part of this group.

It helps that some countries, like the UK, have made biodiversity a legal requirement. The UK's Biodiversity Net Gain legislation mandates a 10% improvement in biodiversity for new developments in England. So, some companies in the UK are very advanced because of the legislation that is in place.

In Belgium, too, it is important to include biodiversity and nature in the planning application process.

It is being embedded more structurally across Europe, so in years to come, developers, investors and managers will not be able to get around it. There is a growing realisation that it makes the built environment more pleasant and attractive, and it also slows down climate change. We're all making progress.

### **Carbon pricing is an interesting element. How is this influencing decisions in asset management and discussions with your clients?**

There's the theoretical aspect and the practical implementation.

We started with an embodied-carbon approach, challenging our teams to be deliberate in the choices we make with the design teams to reduce the impact of the materials we use.

The strategy is intended to incentivise choices about lower-carbon materials and



**‘We strongly believe biodiversity can promote occupiers’ health and wellbeing, and research suggests it leads to better productivity levels and lower absenteeism, so there is value to be found.’**

**Clemens Brenninkmeijer, Redevco**

encourage the use of recycled and bio-based materials, including for insulation, as well as mass timber rather than carbon-intensive materials.

This is helpful for reducing embodied carbon, but also has health and wellbeing benefits for occupiers and a positive impact on the commercial side. All these aspects are linked.

As to the practical implementation, for one client, we're starting to apply an internal carbon fee in projects that are currently at the design phase or under construction, but we haven't finished the first project where this fee is being applied.

With other clients, we use a shadow price of carbon. We do the calculations and show the clients, then it's up to them to decide whether to charge a fee and use the money to invest in lower-carbon materials or to purchase carbon credits.

It is a work in progress, and over the next couple of years, we'll start to have some interesting cases to show the impact of the carbon fee, whether it has resulted in a lower embodied-carbon footprint compared with business as usual.

By thinking about it early in the process, making the right choices, really good results can be achieved to create efficient buildings that perform well over time, with close to zero emissions in operation, which is where we want to get to.

### **How does technology come into this?**

One aspect relates to the data side of things, enabling us to track and measure and take decisions accordingly. The sensors and smart meters we have in our buildings feed through energy-consumption data that we can analyse to make action plans or to reduce consumption further.

Other aspects of this are also tech-related, such as operational energy-efficiency improvements. Artificial intelligence algorithms drive more efficient installations through building management systems.

In most of the buildings we manage, our tenants are in the driving seat. It has been more challenging to engage on the retail real estate side than with offices. In James Street, we are experimenting with a lot of tech: an integrated app will be available for the building – not only to facilitate practical functions such as meeting-room bookings and reporting issues to the facilities manager, but also to foster greater interaction and engagement among tenants.

We're continuously evolving our approach, learning from each asset to refine and enhance the experience. ■

# Using nature-positive actions to fight climate change

Leonie Haakshorst, corporate sustainability manager at Redevco, highlights four projects that incorporate biodiversity.

**B**iodiversity is our strongest natural defence against climate change – a fact underscored by the United Nations. As sustainability manager, I believe it is crucial that our industry recognises the intrinsic value of nature and biodiversity.

At Redevco, we have started to embed these elements into our real estate strategies. This is not only key to achieving our net-zero ambitions, but fundamental to safeguarding asset value, reducing climate risk, and supporting the well-being of communities.

We're working on a more structured approach to executing and tracking the results of our activities to enhance natural value across our assets under management (AUM) and development projects. Reducing soil sealing and expanding areas dedicated to biodiversity – which in turn promotes species diversity – are central to this plan.

These measures are not just add-ons; they are integral to how we manage and develop our assets.

Throughout 2024, we laid the groundwork for robust data collection on green areas, water intensity and waste management across our AUM. This will feed into our sustainability tracking tool, Deepki, allowing us to build a comprehensive inventory and monitor our biodiversity initiatives effectively. This insight will help us continuously increase our impact over time.

Our latest *Responsible Investment Report* highlights four case studies that illustrate the practical steps we are taking to foster biodiversity within our portfolio. This reflects our dedication to integrating nature-positive actions into every level of our asset management work.



## ▲ PROMENADE SAINTE-CATHERINE, BORDEAUX

In 2024, a series of social and environmental initiatives were organised at the Promenade Sainte-Catherine, including:

1. Promenade dans le Parc, a three-day transformation of the asset into a giant garden to educate on the topic of biodiversity. Grass, shrubs and flowers were installed and distributed to visitors for their own gardens at the end of the event. The event featured workshops on aromatic herbs and indoor plants, roundtables on eco-responsible projects and a farmers' market promoting local produce. The event attracted over 56,000 visitors, increasing footfall by 23%.

2. Its fourth annual Ocean Days event, focusing on protection of the seas, included open-air concerts, films, roundtables and workshops.

3. A specialised consultancy carried out a waste audit to ensure the asset is compliant with new French regulations, and highlighted areas for improvement. The results were positive. Waste sorting is carried out correctly: residual waste represents 46%, and cardboard 40% of total waste. The asset fulfils the obligation to sort waste at source and the seven-streams waste decree.

4. Water-retention tanks were installed to collect rainwater. This will be used to water the new green areas, plants and vegetable garden. The centre's rating improved from an initial score of 51 in 2020 to 87 in 2024.

Promenade Sainte-Catherine achieved a four-star and green-star rating in the GRESB certification, signifying exemplary ESG performance.



### ◀ **KURINGEN RETAIL PARK, HASSELT: RESPONSIBLE WATER CONSUMPTION**

In Belgium, Redeveco installed a system to collect water that would otherwise be discharged into the sewer every two weeks during the testing of a store's sprinkler system. Instead, the collected water is now reused for subsequent sprinkler tests. This significantly reduces the amount of water required for this essential health and safety procedure.

### ▼ **BPM PARIS: GREEN ROOFTOP, OPEN TO THE PUBLIC**

The Radisson Collection will be on the fifth to eighth floors of 126 Rue de Rivoli, Paris, with a spectacular green rooftop that will be open to the public.

The BPM (beats per minute) prioritises interaction between activities and areas of the building, which spans eight floors, covering more than 13,000 sq m. Of the 500 sq m of roof, 250 will be designated as a green area. The rooftop will be open to everyone, not just hotel guests, so that the whole community can benefit.

Due to the building's architecture, height and prominence, the rooftop – which is set to be the largest in central Paris – will provide a unique, uninterrupted 360-degree view of all the city's landmarks, including the Eiffel Tower, Montmartre and Notre Dame.



### ▲ **JAMES STREET, LONDON: IMPROVING BIODIVERSITY AND MAKING USE OF PROPTech**

The redevelopment of 1 James Street, on the corner of Oxford Street, addresses several aspects of sustainability. Initiatives include a green roof, which enhances urban biodiversity and provides a natural space for tenants.

As part of the refurbishment, which began in 2024, redundant plants on the roof were removed to make space for the new rooftop garden. With photovoltaic panels and battery storage, the roof will not only contribute to the building's energy efficiency, but serve as a habitat for plants and

animals. Integrating vegetation and natural elements into the design will mitigate urban heat islands, manage stormwater and improve air quality.

The green roof will reduce energy consumption – and tenants' utility costs – by providing natural insulation. It will enhance the wellbeing of occupants by creating a more pleasant and sustainable urban environment.

Proptech will cut energy use further. Each floor will have a new automatic meter reader, providing detailed data on energy consumption.



# The Natural Capital Laboratory: rewilding in action

A five-year project supported by Aecom has monitored the restoration of 100 acres of ancient forest in the Scottish Highlands.

By Nicol Dynes

Alex Brearley, nature director, UK & Ireland, at Aecom, has just completed a five-year labour of love: the Natural Capital Laboratory, a unique and experimental pro bono project to monitor the impact of rewilding and restoration interventions in the remote Scottish Highlands.

Its findings will be valuable for real estate investors and businesses wanting to quantify their natural capital and maximise the positive impact of their biodiversity interventions.

The 'living' outdoor laboratory is located on a site called Birchfield, covering 100 acres of ancient Caledonian forest south of Loch Ness. A live environment, it is ideal for identifying, quantifying and valuing the impact of rewilding. It is a partnership between landowners Emilia and Roger Leese, environmental and infrastructure consultancy Aecom, nature restoration and rewilding charity The Lifescape Project, and the University of Cumbria.

"It has been an innovative and significant project because when it started it was on a much bigger scale than anything that has been done in the past in landscape restoration," Brearley tells *Impact*. "It has been a safe space for us to experiment and test new ideas with a very engaged team and a lot of support from everyone involved, including local volunteers."

Over the five-year period, the Natural

Capital Laboratory team worked on quantifying carbon sequestration and storage associated with woodland and other habitats across the site, and reintroduced species such as wood ants, monitoring their impact on the site's natural capital account.

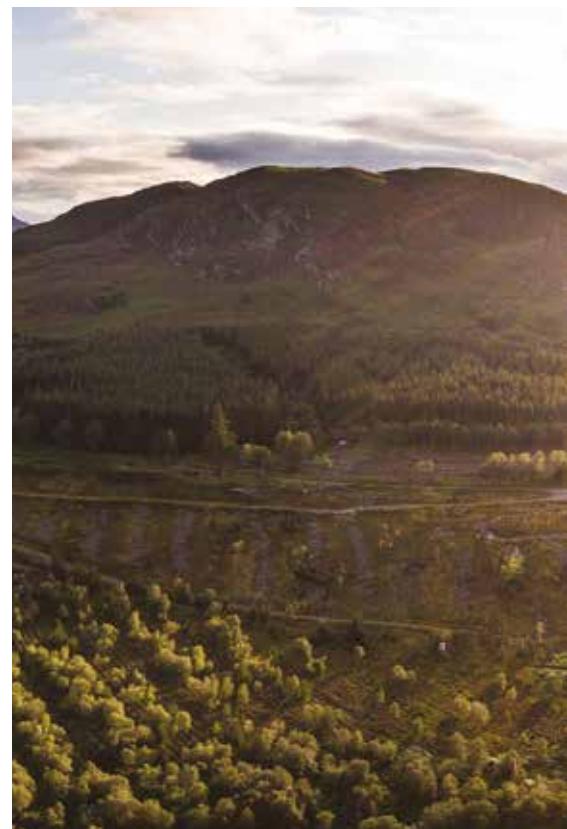
"The reintroduction of wood ants may seem a small thing, but it has kickstarted the ecological value of the site," explains Brearley. "The project has given us the opportunity to trial and test technologies and methodologies that measure and value different aspects of the biodiversity of a site.

"The project's lessons in rewilding, capital accounting, peatland restoration, soil surveys and remote sensing are invaluable for companies across sectors in the UK that are looking to track and measure their impact on nature in a way that is understood and valued by investors and other capital providers."

## BIODIVERSITY MONITORING

Different techniques for biodiversity monitoring and adopting relevant biodiversity metrics for the site were used, including camera traps and acoustic monitoring devices, and the team experimented with different approaches to natural capital accounting.

"Our team of environmental economists looked at the value the ecosystems provided, flood regulations, water quality, the amount of carbon stored in the



trees and so on, and then turned it into a financial value," says Brearley. "It is an evidence-based approach and there are established methods of doing this, supported by Defra."

The team built up a balance sheet of values of the natural resources. Some are easily quantified, like the value of timber on site or the tourism generated. Others are harder to quantify, like the social and wellbeing benefits of a restored landscape, but natural capital accounting established an objective baseline, indicating a core value of the site.

Brearley believes that the natural capital accounting lessons from the Natural Capital Laboratory will help companies that own or manage land to better quantify natural resources and biodiversity, making it easier for decision-makers to appreciate the value of their assets and the potential benefits of restoration and rewilding interventions.

"After tracking and understanding the changes year after year, we can see what management interventions enhance the value of the site and increase the value of the natural capital," he says. "Some



clients have undertaken natural capital accounting across all their catchments to support decision-making when investing. This methodology is valuable because it is replicable.”

The project in the Highlands included peatland, which is common in Scotland, but the process of planning, undertaking restoration, measuring and then adopting the best monitoring techniques can be replicated elsewhere.

“Understanding the practicalities of land restoration is crucial,” Brearley explains. “Hands-on delivery and management is something we can take to clients and give quality advice. For example, one of the tools we developed is Eco-uplift, which allows us to look at large landscapes at scale and estimate their natural value.”

Brearley and his team adopted new digital tools and techniques, including a digital accounting tool, to track and communicate the complex data at scale, showcase the changes on the site, and create solutions which help tackle two of the biggest challenges of our times: climate change and biodiversity loss.

The digital platform has been used for recording changes in soil, air, or water quality and the movement and growth of animal populations. It has also helped generate financial estimates for ecosystem services such as the amount of carbon captured by habitats.

### TECHNOLOGICAL POWER

“Technology has been critical,” Brearley emphasises. “The sudden ramp-up of technological power, particularly artificial intelligence, came at just the right time for us, allowing us to interpret satellite data, for example, and do habitat identification remotely.”

Ongoing biodiversity monitoring processes were established, and camera traps were strategically deployed following a randomised sampling grid, capturing primarily mammals and occasionally birds. In addition, AudioMoth acoustic recording devices were set up across the site.

The AudioMoths captured 30 seconds of sound every hour for two years, picking up a variety of bird and mammal species. However, with 87,600 hours of recordings

**‘This is just the tip of the iceberg in terms of what technology can do for nature. Nature is such a complex web, and tech is really helping us decipher it.’**

**Alex Brearley, Aecom**



and 42,473 images from the camera traps, analysing all the data posed a significant challenge. The use of AI platforms like BirdNet and Kaleidoscope was crucial in identifying some of the sounds and images, classifying them and minimising error.

It is also possible to analyse a sample of water in a lab and trace the environmental DNA (eDNA) – the generic material left by organisms in the environment – to identify all the species that are present in that water source, speeding up a process that would otherwise be time-consuming. The equally fast interpretation of geospatial data can improve understanding of the landscape, and of habitat connectivity, revealing how species interact.

“This is just the tip of the iceberg in terms of what technology can do for nature,” notes Brearley. “Nature is such a complex web, and tech is really helping us decipher it.”

Following the completion of the first phase of the project, Aecom will continue to support it.

“We have delivered this project on a pro bono basis as an experiment and a learning process, but we are keen to work with other clients and research partners and apply our knowledge on a larger scale because the opportunities are many,” adds Brearley. “There is so much more to learn from this site, we plan to maintain our interest in this project. With nature it is always work in progress.” ■

# The green shift: embracing nature in real estate strategies

Real estate companies that embed nature into their investment decisions will be best positioned to capture the upside.

By **Robbie Epsom**

**N**ature is the thread that connects climate action, physical and value-chain resilience, social value, and long-term asset outperformance.

In real estate investment, it primarily concerns the protection and restoration of natural systems in and around the built environment and across the value chain.

This includes biodiversity, which refers to the diversity of life on Earth, encompassing variation within and between species and across ecosystems. It is one of several interdependent systems – alongside water cycles, soil health and climate-regulating functions – that are becoming increasingly material to investment risk.

Nature enhances urban resilience to extreme heating and flooding, improves wellbeing, and plays a key role in removing atmospheric greenhouse gas (GHG) emissions.

It is also becoming a marker of asset quality, with nature-integrated real assets increasingly seen as aligning with what will define ‘prime’ in the future: resilient, healthy and sustainable places. Access to nature has been shown to both reduce stress and improve productivity in office environments.

While many climate adaptation measures focus narrowly on risk mitigation, nature interventions simultaneously offer broader benefits, including increasing tenant satisfaction.

Nature has long lagged behind climate in both recognition and investment maturity. Whereas emissions reduction and energy efficiency are now widely integrated into risk frameworks and investment strategies, nature has been harder to define, measure

and value. As a result, it has been less successfully embedded into risk and value creation considerations.

Moreover, its impacts are highly localised, benefits are often indirect, and regulatory frameworks are only just beginning to take shape. All this has left many real estate stakeholders with only a peripheral awareness of biodiversity risks and opportunities: but that is changing.

As regulators, investors and communities demand more resilient, liveable and ecologically sound places, nature is moving from the margins to the mainstream. Nature now represents both a transition risk and opportunity, where shifting regulation, investor expectations and community demands are reshaping what it means to futureproof assets.

Early adopters that embed nature into their risk frameworks and investment decisions will be best positioned to capture long-term upside.

## FROM RISK TO OPPORTUNITY

For many investors, biodiversity is first considered through the lens of regulatory compliance.

In England, Biodiversity Net Gain (BNG) has been introduced as a formal planning requirement: new developments must result in a better-quality natural habitat than existed before. Developers must deliver a 10% improvement in biodiversity as a condition of planning approval, measured using a government-developed and approved process. This gain must be secured for at least 30 years, placing long-term obligations on developers, asset owners and occupiers. Projects

that fail to factor in BNG at an early stage risk costly redesigns, delayed planning consent, or reliance on offsite biodiversity credits, which may be expensive without careful strategic planning and limited in availability.

While the BNG framework is most advanced in England, similar regulatory momentum is building across the UK and Continental Europe.

The EU Taxonomy includes biodiversity among its core environmental objectives, and the European Commission aims to achieve no net land take by 2050.

In parallel, countries such as France and Germany are embedding nature-based solutions, such as green roofs and facades, into planning policy, supported by local incentives.

Elsewhere, the Netherlands is piloting biodiversity credits and ecological assessments for new developments, Spain is integrating nature into planning through national and city strategies like Madrid’s Urban Forest, and Austria and Switzerland mandate green infrastructure in Vienna and Zurich. The trend is also evident beyond Europe, in countries including Canada and Singapore.

Together, these examples signal a broad shift: nature is evolving from an environmental aspiration to a regulatory and design imperative across urban markets.

Nature presents a clear transition risk. Shifting regulation, rising investor expectations, and evolving market standards are exposing portfolios to planning delays, reputational damage and stranded value. Inaction compounds cost,

particularly when nature is left out of early-stage planning and development decisions.

But unlike many physical climate upgrades, which tend to address single issues, nature-based solutions (NbS) can deliver multiple advantages, from urban cooling and improved drainage, to flood resilience and land stabilisation. Indeed, NbS support climate-mitigation measures and are estimated to be able to contribute up to 30% of required global GHG mitigation by 2030.

Nature-focused actions can also support tenant appeal, staff wellbeing and workplace retention, while strengthening the case for planning approval. For investors repositioning assets, these co-benefits increasingly shape what tenants and regulators expect from prime, resilient real estate.

The business case may be harder to model, but the long-term value is broad and enduring. Investment managers who move beyond compliance and integrate nature considerations into early-stage acquisition, development and refurbishment decisions will be better placed to meet evolving regulatory requirements and tenant expectations.

Early adoption opens the door to opportunities that may remain inaccessible or be significantly more expensive later.

## FROM COMPLIANCE TO INTEGRATION

Once asset managers recognise the strategic value of nature interventions, the next step is to embed nature-positive decisions across the real estate value chain.

Nature considerations should be factored into underwriting and asset strategy, just as energy efficiency is, across site selection, acquisition, development, refurbishment and management.

This requires more than ad hoc greening or superficial landscaping. It starts with understanding where nature already exists across the portfolio, mapping the most material impacts and the best opportunities for creation and restoration alongside value-chain engagement. The risks and opportunities that arise from these 'nature gaps' will vary by sector and local context.

Market-recognised tools used in the BNG regulation can help establish a baseline,

## 'Nature is evolving from an environmental aspiration to a regulatory and design imperative across urban markets.'

**Robbie Epsom, CBRE Investment Management**



enabling investors to identify nature risks and prioritise action based on risk and planning exposure.

Asset managers should consult ecologists to design appropriate, site-specific interventions following the mitigation hierarchy. These include minimising land take and damage to existing habitats, enhancement of existing habitats, or habitat creation such as rooftop meadows, rain gardens, nature corridors or sustainable urban drainage features.

Strategic offsite enhancements may also be suitable where onsite options are limited. Early-stage integration ensures nature is not treated as an afterthought, but embedded as a core element of long-term asset strategy.

## FRAMEWORKS FOR PORTFOLIO-SCALE INTEGRATION

Managing nature risk at scale requires a broader perspective than bespoke site-level interventions.

The leading emerging standard for embedding biodiversity into portfolio strategy is the Taskforce on Nature-related Financial Disclosures (TNFD), which helps financial institutions assess, report and act on their nature-related dependencies, impacts, risks and opportunities.

Alongside TNFD, frameworks like the BNG strategy and forthcoming ISO guidance on biodiversity are helping to define consistent principles for planning, delivering and verifying nature outcomes across projects and portfolios. At its core is the four-phase LEAP approach: locate, evaluate, assess and prepare, drawing on established methodologies already used by market participants.

LEAP begins by mapping where assets intersect with nature, then evaluates dependencies and impacts, identifies material risks and opportunities, and prepares a strategic response.

For real estate investors, this applies to individual sites and broader workflows across planning, acquisition and refurbishment.

While adoption is still in its early stages, TNFD is gaining traction among financial institutions. CBRE Investment Management has an ambition to evaluate biodiversity across its portfolio through this lens.

Tools and data such as ENCORE, datasets provided by IBAT, and the screening for NbS opportunity areas included in the GRI Risk Viewer can help establish baselines and screen for potential impacts and opportunities where interventions can be prioritised.

The challenges remain real. Nature is highly localised, data is inconsistent, and there is no common quantitative definition of a nature-positive asset or portfolio. Outcomes often take years to materialise, but the direction of travel is clear.

As regulation, public expectations and investor scrutiny converge, nature will become a greater strategic necessity. Integrating it into investment processes today secures a first-mover advantage that will be harder to replicate once new norms are established.

Investors that act now will be the ones to define what resilient, high-performing real assets look like in the years ahead. Nature is fast becoming a new marker of prime, both a risk lens and a lever for long-term value creation.

As the thread that connects climate action, resilience, social value and future asset quality, integrating nature into investment strategy is no longer optional. It is a pathway to future-proof portfolios and deliver sustainable outperformance over the long term. ■

*Robbie Epsom is EMEA head of sustainability at CBRE Investment Management*

# Nature-related interdependencies: a Japanese case study

A case study based on a real estate company in Japan seeks to unravel the complex interdependencies within the value chain.

By Takuya Shirashi

**T**his case study examines a leading Japanese real estate company's collaboration with PwC Sustainability, a member firm of the PwC Japan Group, focusing on a comprehensive assessment of its interactions with nature.

The analysis seeks to unravel the complex interdependencies within the company's value chain. The primary objective is to illuminate the nature-related risks and opportunities stemming from the company's operational activities, thereby providing a holistic perspective to inform strategic decision-making and foster sustainable practices.

## NAVIGATING NATURE: A STORY OF STRATEGIC INTEGRATION

Embarking on this journey, we adopted the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) framework as a guide to explore the company's intricate relationship with nature. We started with the Locate phase, identifying crucial points where the company intersects with ecosystems.

We then transitioned to the Evaluate phase, conducting an in-depth examination of priority areas; and then to the Assess phase, where we assessed the interrelated risks and opportunities via quantitative assessments.

In the final Prepare phase we drew up an action plan. This structured methodology ensured that the initiative not only mapped the company's ecological footprint, but empowered it to adopt sustainable practices while making strategic decisions in harmony with nature.



## ALLOCATION OF ANALYSIS SITES BY BUSINESS UNIT

In agreement with the company, we decided on a structured allocation of sites for analysis across the value chain and a diverse range of business segments, as follows:

### 1. Timber and Building Manufacturing:

This involved analysing supplier listings, in-house production facilities, and

downstream selling partners, while excluding entities not directly aligned with the housing business.

### 2. Custom-Built Houses and

**Subdivisions:** The focus was on a comprehensive list of suppliers, particularly for housing plots held for sale within the company's operations.

**3. Tree Planting:** Largescale environmental greening initiatives were assessed,

## ‘Opportunities in forest management and biomass energy emerged as significant, driven by consumer awareness and regulatory changes.’

Takuya Shirashi, PwC Japan



considering suppliers of materials used in these projects.

**4. Construction and Real Estate Business:** Here, the focus extended to detached houses available for sale and complex real estate development projects.

**5. Resources and Environment Business:** The analysis encompassed forests owned by the company, overseas forest management, and biomass power generation, as well as the timber and building materials supply chain.

This detailed, phased approach ensured a thorough examination of the company’s interactions with the environment, setting the groundwork for informed sustainable decision-making and responsible environmental stewardship.

### PRIORITIZING SITES AND IMPACT EVALUATION

To identify and evaluate priority areas, tools such as Geographic Information Systems (GIS) were used to uncover specific locations where business operations intersect with the natural environment and to determine where intervention is necessary. Key factors taken into account include the geographical location of the client’s operational sites, biome characteristics within plant communities, biodiversity significance, ecosystem integrity and potential risks of decline, the importance of ecosystem services for indigenous and local populations, and risks connected to water.

More than 30 priority sites were earmarked as strategically important, and classified according to their financial significance and ecological sensitivity.

Priority was given to multiple overseas sites for forest management and timber and building materials manufacturing.

For the Resources and Environment Business, we considered the impact on forest-dependent communities and biodiversity, while promoting enhanced ecosystem services through sustainable management practices.

For the Timber and Building Materials Business, we highlighted concerns over habitat fragmentation and pollution, while recognising the benefits in timber supply and erosion prevention.

For the Housing and Construction Business, we emphasised waste and pollution concerns, but also acknowledged significant advances in sustainable building practices.

The detailed examination of ecological interfaces, guided by GIS and other analytical tools, provided comprehensive insights into where the client’s operations intersect with the natural environment. By identifying key priority areas and diagnosing the nature of impact and dependency, the client was able to make informed decisions that enhance ecological stewardship and sustainability within their operations.

### ASSESSMENT OF NATURE-RELATED RISKS AND OPPORTUNITIES

Incorporating nature-related risks and opportunities into strategic decision-making has become vital for businesses globally. TNFD provides a framework that categorises these risks into physical, transition, and systemic types, and further

classifies business opportunities into two types: business performance and sustainability performance.

Our assessment of multiple sites identified a range of nature-related risks and opportunities. These risks are organised into categories, including acute and chronic physical risks, regulatory and market transition risks, and systemic risks affecting ecosystem and financial stability.

For high-priority risks and opportunities, quantitative assessments were conducted to forecast the financial impact by 2030. This approach integrated extensive internal and external data to explore hypothetical market evolutions and regulatory developments. For example, opportunities in forest management and biomass energy emerged as significant, driven by consumer awareness and international regulatory changes.

Initiatives like smart forestry technologies capitalise on market trends, though challenges such as rising biomass fuel costs highlight resource-dependent energy volatility.

In the housing sector, climate change has amplified risks, affecting insurance premiums and disaster vulnerabilities, especially in developments on sloped terrains. This necessitates resilient construction practices but also presents opportunities to create residential properties that foster sustainable coexistence with nature.

Consumers’ willingness to pay a premium for eco-certified homes reflects this trend, offering financial benefits through efficient construction methods and eco-friendly developments.

Overall, this global assessment underscores the importance for businesses to integrate nature-related risks and opportunities into their strategic planning. The detailed analysis through qualitative and quantitative lenses demonstrates the intricate connections between ecological sustainability and business resilience. By prioritising these factors, companies can not only mitigate risks, but unlock opportunities that align with shifting market dynamics and regulatory landscapes. This comprehensive approach strengthens businesses against future challenges while promoting sustainable growth and ecological stewardship.

One example of the volatile landscape is the biomass power generation sector, with significant risks posed by rising fuel costs due to competition for resources like wood chips. To counteract these fluctuations, companies should diversify procurement strategies, explore alternative fuels, and secure new supply chains. Long-term contracts can provide stability against unexpected price increases, supporting companies during market uncertainties.

In the manufacturing sector, particularly for timber and building materials, challenges arise from severe flooding events that threaten operations and increase restoration costs. Companies can mitigate these risks by assessing flood conditions during site selection and enhancing disaster preparedness through resilient business continuity plans. These strategies help ensure swift recovery and minimise disruptions.

Opportunities are plentiful, especially with smart forestry technologies such as remote sensing and satellite applications, allowing for a deeper understanding of forest health and resources. Companies can market these innovations to local authorities and major forest owners, thereby unlocking new revenue streams and addressing the growing demand for sustainable management practices.

Likewise, factories and construction sectors can benefit from resource efficiency initiatives, developing products from reused materials to gain a competitive edge and embed circular models within business operations.

Pilot projects centred on biodiversity credits represent forward-thinking

## ‘In the housing sector, climate change has amplified risks, affecting insurance premiums and disaster vulnerabilities, especially in developments on sloped terrains.’

Takuya Shirashi, PwC Japan

approaches to forest management. These initiatives explore the viability of biodiversity credits and contribute to rulemaking, positioning companies as pioneers in this field while enhancing ecological preservation and market leadership. In parallel, the demand for nature-based housing highlights shifting consumer preferences towards eco-friendly spaces. By conducting market research and building certified model homes, companies can align product offerings with environmental values, fostering credibility and consumer appeal.

The focus on circular business initiatives within the value chain identifies regulatory trends that promote sustainability. By engaging in feasibility studies and partnerships, companies can align their business models with industry trends, supporting decarbonisation strategies and fostering long-term economic resilience. Moreover, developing payment programmes for forest public benefits through collaboration with municipalities showcases proactive measures that leverage ecological assets, thus enhancing both business and ecological landscapes.

In summary, these strategic initiatives produce actionable insights and comprehensive reports that equip companies to navigate environmental complexities and showcase ecological stewardship. This preparedness reinforces business resilience and positions companies for success in an era where environmental considerations drive innovative and sustainable development.

### THE STRATEGIC PATH FORWARD: BUILDING CORPORATE VALUE

In pursuit of sustainability and enhanced corporate value, businesses must integrate ecological objectives within their strategic frameworks. By balancing decarbonisation

with ecological preservation and addressing both climate and nature-related risks, companies can unlock substantial value through nature-positive initiatives.

The forest industry faces changing consumer demands requiring shifts in management practices, particularly in ecologically sensitive areas. Although these shifts may have cost implications, opportunities abound in smart forestry technology sales, Payment for Ecosystem Services (PES) programmes, and biodiversity credits.

The timber sector is vulnerable to severe flooding, affecting sales and increasing restoration costs, yet new product developments offer significant growth potential. Construction faces climate risks, leading to higher insurance premiums, but natural housing developments offer promising opportunities. In alternative energy, rising biomass fuel costs challenge profitability, but utilising incinerated ash supports a circular bioeconomy.

To implement changes, businesses should incorporate assessment indicators into both business segment and sustainability targets. Business targets need to translate detailed opportunity analyses into actionable strategies, whereas sustainability targets should include risk management indicators, aligned with frameworks like TNFD and the Science Based Targets Network. Exploiting opportunities and minimising risks enhances medium and long-term corporate value via nature-related business initiatives.

Ultimately, aligning business strategies with ecological goals allows companies to mitigate risks while fostering nature-based opportunities, securing a balanced improvement from both a corporate and an environmental standpoint. ■

Takuya Shirashi is sustainability and nature manager at PwC Japan



# Real Estate and Biodiversity: A Critical Nexus

A Global Thought Leadership Report on Nature-Positive Strategies for the Built Environment



Impact Magazine:  
See special edition on  
living with nature.





## Technical Key Findings from the PwC Report – Real Estate and Biodiversity: A Critical Nexus

This section uncovers the pivotal insights from the PwC study "Real Estate and Biodiversity: A Critical Nexus," which explores the crucial relationship between biodiversity and the built environment. The findings make a compelling business case for integrating biodiversity, essential for crafting resilient, high-value assets and managing the associated risks through robust frameworks. As biodiversity regulations evolve, the study underscores the importance of embedding these considerations into ESG disclosures and sustainability reports and embracing natural capital's role in urban development. It also sheds light on diverse global market strategies for leveraging biodiversity, enhancing climate resilience, and securing long-term financial returns. These insights are backed by a meticulously conducted survey, highlighting the growing industry awareness and the pressing need for strategic dialogue and collaboration to capitalize on biodiversity-driven opportunities within the real estate sector.

### PwC Global Survey: High Awareness, Limited Action

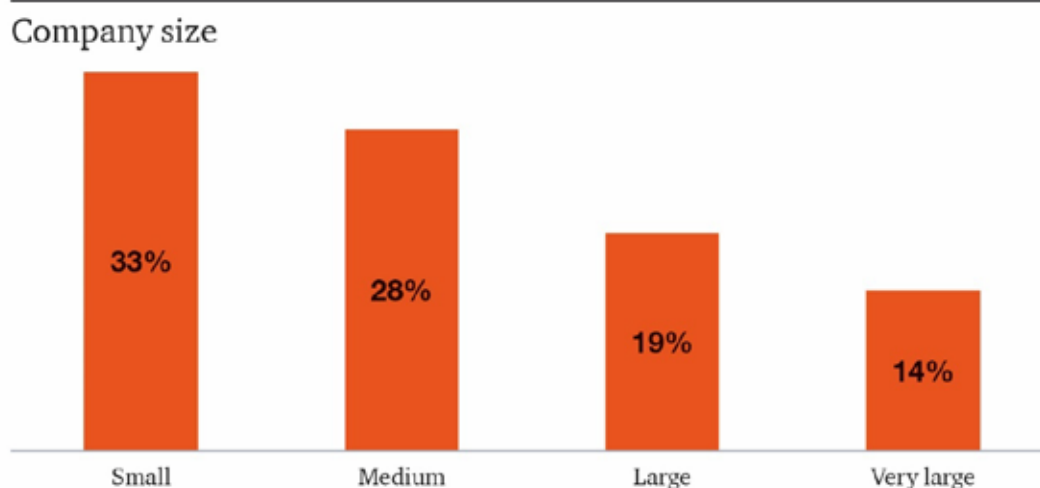
***Despite growing awareness, biodiversity integration in real estate strategies remains limited and fragmented.***

Our global survey of almost 100 real estate professionals – conducted between March and May 2025 – confirms that while biodiversity is widely recognized as a material sustainability issue, meaningful implementation remains limited. While the response rate reflects the emerging nature of biodiversity as a strategic priority, the sample includes decision-makers from diverse regions, company sizes, and roles. The survey, together with this report, is intended not only to reflect the current state of practice but also to raise awareness, support cross-sector dialogue, and accelerate capacity-building for biodiversity integration in the built environment.

The survey sample includes professionals from organisations of all sizes: 33% from small firms (1–50 employees), 28% from medium-sized firms (51–250 employees), 19% from large firms (251–1,000 employees), and 14% from very large firms (over 1,000 employees). Nearly half (49%) are affiliated with international corporations, while 35%



represent national companies and 9% regional ones. This diversity ensures that the insights reflect a wide range of operational contexts, from local and global investors, developers, asset managers, planners, and ESG professionals.

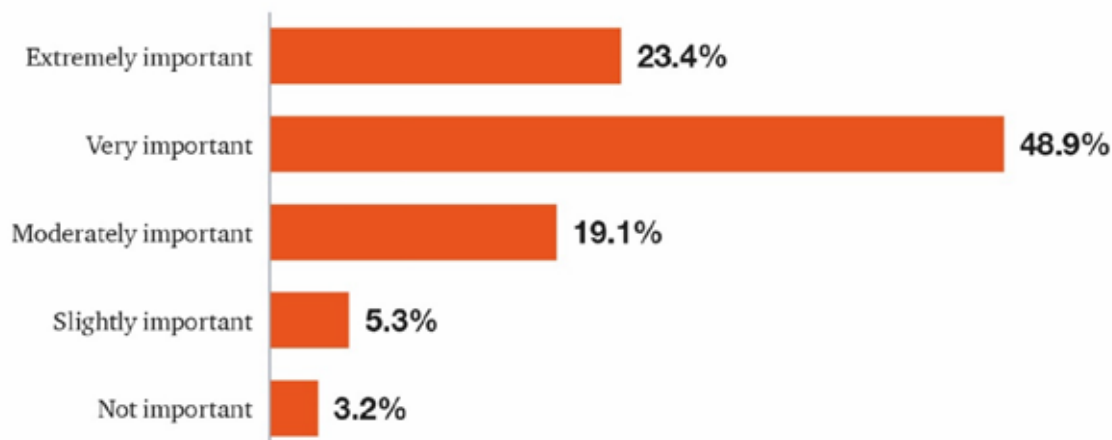


Geographically, the survey captures perspectives from across Europe, the Americas, Asia, and Oceania. This broad representation provides a global snapshot of how biodiversity is perceived and addressed in different regulatory, cultural, and ecological settings.

### **Strategic Importance and Integration of Biodiversity**

Biodiversity is widely acknowledged as a critical issue. Over 72% of respondents rated it as very or extremely important for the built environment. However, this recognition has not yet translated into consistent or systematic action. Only 41% said biodiversity plays a

#### **How important is biodiversity for the built environment?**





significant role in their daily work, while 33% reported it as slightly or not significant. This gap between awareness and implementation suggests that while the topic is gaining traction, it remains under-integrated in strategic and operational decision-making.

Some respondents noted that biodiversity is often seen as more relevant for new developments than for existing assets, indicating a lack of lifecycle integration. Others highlighted that biodiversity is frequently treated as a compliance issue rather than a strategic opportunity.

### Regulatory Expectations and Market Enablers

There is a clear demand for more precise and enforceable biodiversity regulations in the real estate sector. Respondents emphasize the need for tailored, sector-specific rules and stronger enforcement mechanisms. It's crucial for these regulations to be context-sensitive, reflecting local ecological and planning realities. In addition to regulatory changes, the enhancement of biodiversity in real estate requires several key enablers. Economic incentives and supportive government policies are critical, as are real estate valuation criteria that consider biodiversity. Growing stakeholder demand, coupled with increasing public awareness, technological innovation, and stringent reporting

What factors could elevate the importance of biodiversity in real estate?





requirements, are also vital components. Overall, a coordinated strategy that integrates financial, regulatory, and reputational drivers is essential to effectively enhance biodiversity within the real estate sector.

### **Support Needs and Strategic Content**

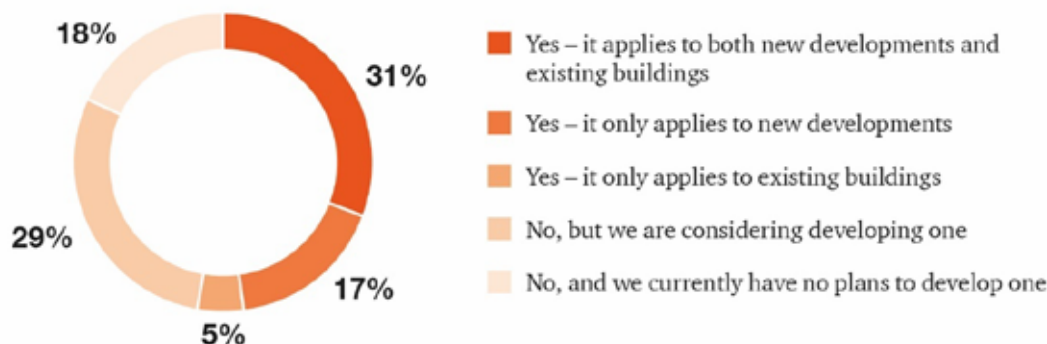
Respondents pointed to several forms of support crucial for integrating biodiversity into real estate, emphasizing real estate valuation, increased funding, clearer regulatory guidance, and public awareness. Access to expert knowledge and technical support is also important, highlighting that while motivation exists, the necessary infrastructure remains underdeveloped. When considering development features, priorities included sustainable water management, native plant species, and green roofs, along with wildlife corridors and green facades. Biodiversity strategies should focus on resource use requirements, nature-based solutions, and design guidelines that reduce artificial light pollution. Additionally, climate-resilient plant species, monitoring plans, and stakeholder engagement are key. These preferences reflect a holistic approach, combining technical, operational, and collaborative elements for effective biodiversity integration.

### **Strategy Adoption and Maturity**

Despite this shared vision, implementation remains uneven. Only 31% of respondents reported having a formal biodiversity strategy that applies to both new and existing buildings. Another 17% have strategies focused solely on new developments, while just 5% apply them only to existing assets. Nearly half of respondents either do not have a strategy but are considering one (29%) or have no plans to develop one (18%).

Some companies embed biodiversity in day-to-day practices without formal documentation, while others rely on external certifications like BREEAM. Several firms view biodiversity as part of broader ESG goals, while others take a reactive or project-specific approach. These findings suggest that while biodiversity is increasingly prioritised, many organisations still lack systematic, organisation-wide strategies.

Does your company have a biodiversity strategy for new developments and/or existing buildings?



### Reporting Practices and Frameworks

Biodiversity's role in sustainability reporting remains limited. Only 10 respondents described it as a very significant reporting theme. Most (38) considered it somewhat significant – mentioned but not deeply analysed – while 34 said it is only occasionally referenced, and 13 reported it is rarely or never addressed.

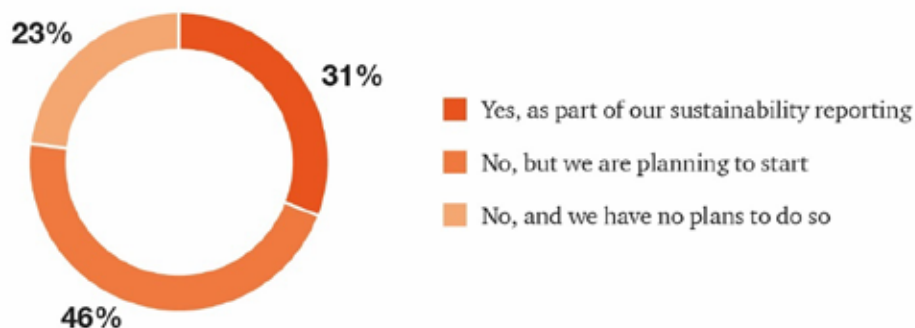
The main barriers to robust reporting include lack of standardised metrics (34), limited resources (28), internal expertise gaps (26), and low regulatory pressure (23).

Respondents also cited difficulties in collecting meaningful data, time-consuming processes, and inconsistent expectations across regions. Many disclosures are surface-level and not clearly linked to measurable outcomes.

Despite these challenges, 29 companies currently report biodiversity-related impacts, and 43 plan to begin. Common frameworks include the Corporate Sustainability Reporting Directive (14), GRI (7), and GRESB (6), though usage is inconsistent. Respondents called for standardised assessment tools (62), regulatory KPIs (55), financial incentives (50), and expert support (26) to improve reporting and measurement.

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Does your company currently report on biodiversity-related impacts and initiatives?



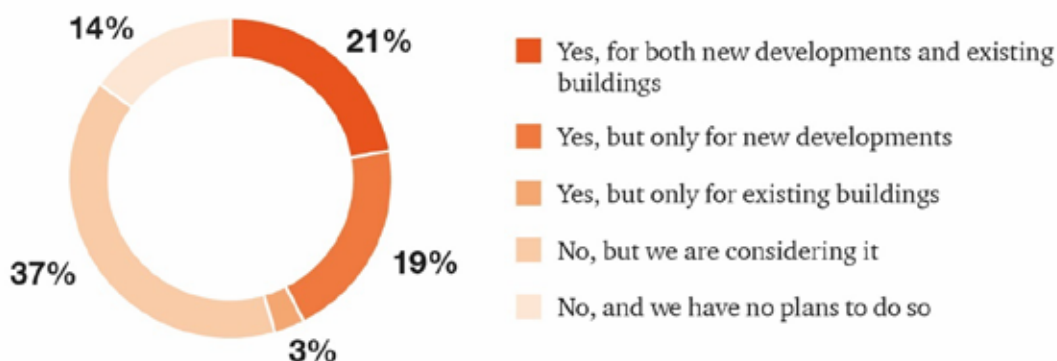
### Risk Assessment and Impact Evaluation

Risk assessment practices are still emerging. Only 16 respondents assess biodiversity-related risks systematically, while 24 do so occasionally. A significant number (27) are considering implementation, and 17 have no plans. Among those assessing risks, physical (29), regulatory (28), reputational (25), and operational (23) risks are most common. Market and financial risks are less frequently considered, despite their potential impact on asset value.

Impact assessments are similarly limited: only 21 companies evaluate biodiversity impacts for both new and existing buildings, while 19 do so only for new developments. Just 3 assess existing buildings alone. Thirty-seven companies are considering starting assessments, suggesting that capacity and guidance - rather than interest - are the main barriers.

Common tools include third-party environmental impact assessments (26), GIS-based ecological mapping (8), biodiversity monitoring platforms (6), and collaboration with ecologists or conservation organisations (12). These findings highlight a growing awareness of the need for impact data, but also a lack of scalable, standardised tools to support consistent evaluation.

Does your company assess the impact of its developments and/or existing building operations on biodiversity?



### Organisational and Regional Disparities

The survey results paint a diverse picture of biodiversity engagement across the real estate sector, heavily influenced by company size and regional context. Smaller and medium-sized firms show a nimble approach, taking the lead with comprehensive strategies and risk assessments, while larger firms often concentrate on new projects amidst operational complexities.

Regionally, East Asia and the Middle East prioritize biodiversity more than North America, with East Asia and Eastern Europe making notable strides in strategy adoption. Many companies in North America and the Middle East remain in the planning stages, although systematic risk assessments are prevalent in East Asia.

Despite growing recognition of biodiversity's significance, a gap persists between awareness and active implementation. The sector needs stronger regulatory frameworks, standardized tools, and financial incentives to drive progress. As biodiversity takes center stage in sustainability discussions, real estate is poised for advancement through coordinated efforts and clear guidance.

### The Biodiversity Imperative

***Biodiversity is a foundational system that underpins real estate value and resilience - yet the sector contributes significantly to its decline while remaining heavily dependent on its services.***



Biodiversity – the rich variety of life on Earth – is fundamental to the ecosystems that regulate climate, purify air and water, support food systems, and buffer natural disasters. **Real estate development and operations** not only **contribute significantly to biodiversity loss** – accounting for nearly **30% globally** – but are also **highly dependent on the health of these ecosystems**, both globally and in the immediate vicinity of a property. As biodiversity declines, so too does access to critical ecosystem services such as flood protection, air quality, temperature regulation, and reliable water supply. At the same time, increasing pressure on natural systems contributes to growing resource scarcity, driving up the cost and volatility of essential materials like timber, aggregates, and clean water. These compounding effects pose rising financial, operational, and regulatory risks across real estate portfolios.



## Key Barriers Block Progress

*The sector faces structural, financial, and regulatory hurdles – but also calls for clearer rules, tools, and incentives to move forward.*



Key barriers to progress include **unclear or inconsistent regulations, limited internal expertise, insufficient financial incentives**, and a **lack of standardised tools** for measurement and integration. At the project level, respondents cited **high costs, valuation gaps, and technical complexity** as major implementation hurdles.

Importantly, the industry is calling for more **specific and enforceable regulations, standardized biodiversity KPIs**, and the **integration of biodiversity into valuation frameworks and certification systems**. There is also strong demand for **funding mechanisms, public-private collaboration, and practical guidance on implementation** – particularly for asset-level strategies and nature-based solutions.

Despite the challenges, momentum is building. The survey indicates a **growing appetite for cross-sector alignment** and greater clarity on how biodiversity can be embedded into ESG and investment strategies. This report is aimed at supporting that momentum by offering strategic guidance, fostering collaboration, and highlighting scalable solutions.

## Structured approach for Strategy Development

*Developing a credible biodiversity strategy requires ambition-setting, risk assessment, stakeholder engagement, and clear targets.*

Developing a comprehensive biodiversity strategy requires a structured and deliberate approach. The report identifies six key steps to lay the foundation for effective integration:

Integrating biodiversity throughout the real estate lifecycle involves several strategic steps. Initially, it requires setting clear ESG ambitions and specific biodiversity targets. This is followed by analyzing regulations and reporting standards, like CSRD and TNFD, to ensure compliance. Benchmarking against peers helps in understanding industry positioning and ambition levels. Stakeholder analyses are crucial for aligning goals with expectations and identifying key players. Conducting a biodiversity risk assessment considers physical, transitional, and reputational risks. Finally, setting clear targets paired with a gap analysis reveals where current practices fall short, identifying resource needs for effective integration.

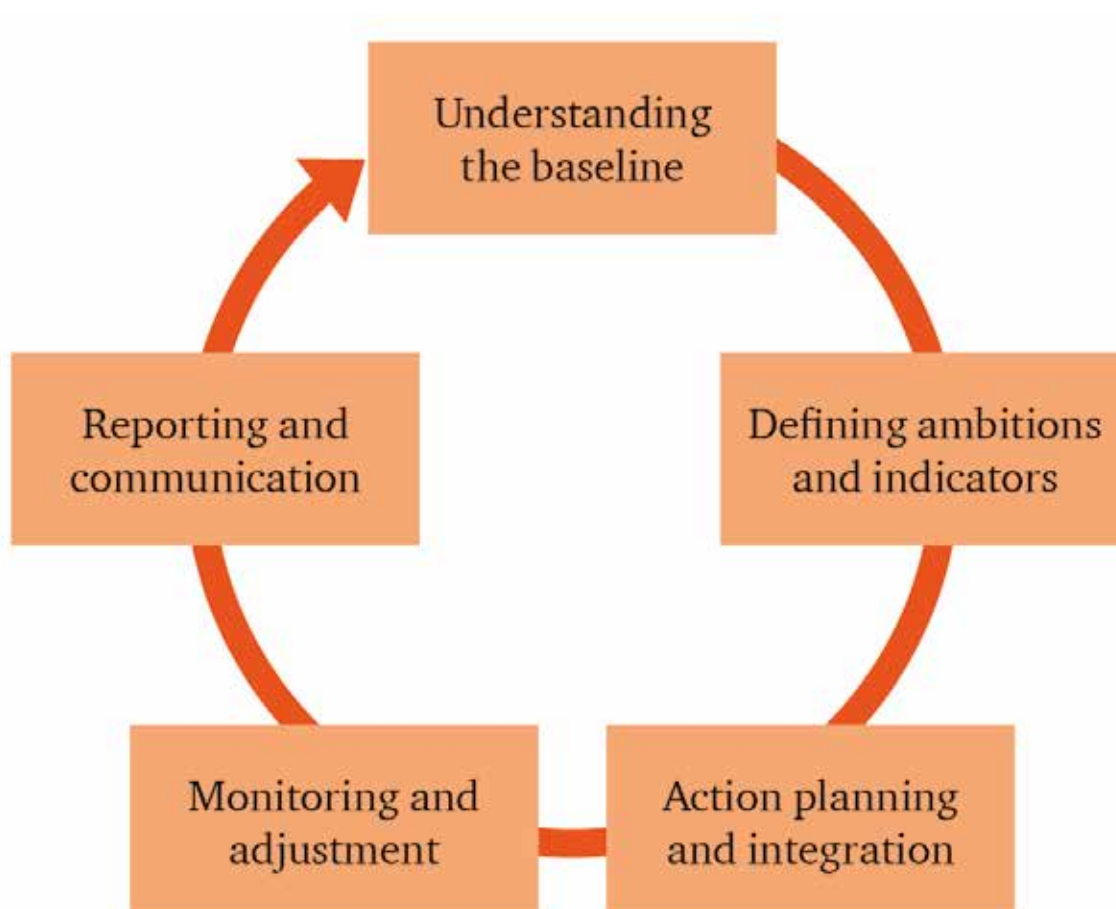
These steps must be implemented through a **lifecycle-based approach** that embeds biodiversity considerations from planning through to divestment. Equally important is recognising the **interconnection with other sustainability priorities**, such as climate

risk, water use, and circularity, as well as social equity. A credible strategy integrates internal governance, cross-functional coordination, and capacity-building to ensure implementation is both technically robust and operationally feasible.

Furthermore, companies are encouraged to **engage communities, future users, and local stakeholders early in the strategy development process**, ensuring biodiversity efforts align with place-based needs and contribute to healthier, more inclusive built environments. Done well, this process not only supports regulatory readiness but enhances long-term value for investors, occupants, and ecosystems alike.

## Process for Lifecycle Integration

*A five-phase framework enables biodiversity to be embedded across the real estate lifecycle – from baseline setting to reporting.*





Once developed, a biodiversity strategy must be embedded across the real estate lifecycle. The report outlines a five-phase process for doing so:

1. **Understand the Baseline** – assess ecological conditions, regulatory context, and site-specific risks;
2. **Define Ambitions and KPIs** – establish measurable goals aligned with ESG and investor expectations;
3. **Integrate Across the Lifecycle** – embed biodiversity into site selection, design, construction, operations, and divestment;
4. **Monitor and Adjust** – track performance over time and adapt to changing conditions;
5. **Report and Communicate** – align disclosures with reporting frameworks and demonstrate value creation.

Lifecycle integration also requires considering biodiversity at both **project and portfolio scale**. For new developments, this means engaging biodiversity experts early and identifying local ecological opportunities. For existing assets, retrofitting green infrastructure or enhancing on-site biodiversity can help improve building performance and occupant wellbeing. This process also supports **nature-positive placemaking**, where natural elements are **not only protected but actively contribute to the livability and appeal of spaces for residents, tenants, and surrounding communities**.

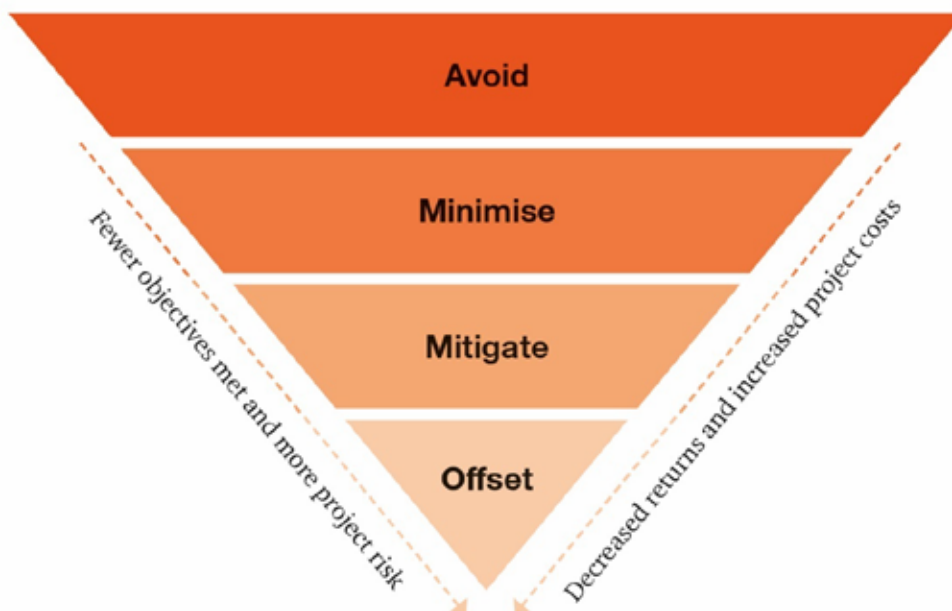
## Tools and Metrics for Biodiversity Management

***Reliable and standardised tools and KPIs are essential for measuring, managing, and scaling nature-positive practices across portfolios.***

Operationalising biodiversity strategies requires reliable tools and indicators to enable consistent measurement and decision-making. Defining clear KPIs and conducting baseline assessments are essential for tracking progress over time. Advanced tools – such as **Geographic Information System (GIS) mapping, remote sensing, and natural capital accounting** – help quantify nature-related impacts and dependencies across assets and geographies. GIS, for example, is increasingly used to map biodiversity hotspots near project sites or track habitat loss, while natural capital accounting supports ecosystem service valuation and scenario planning.

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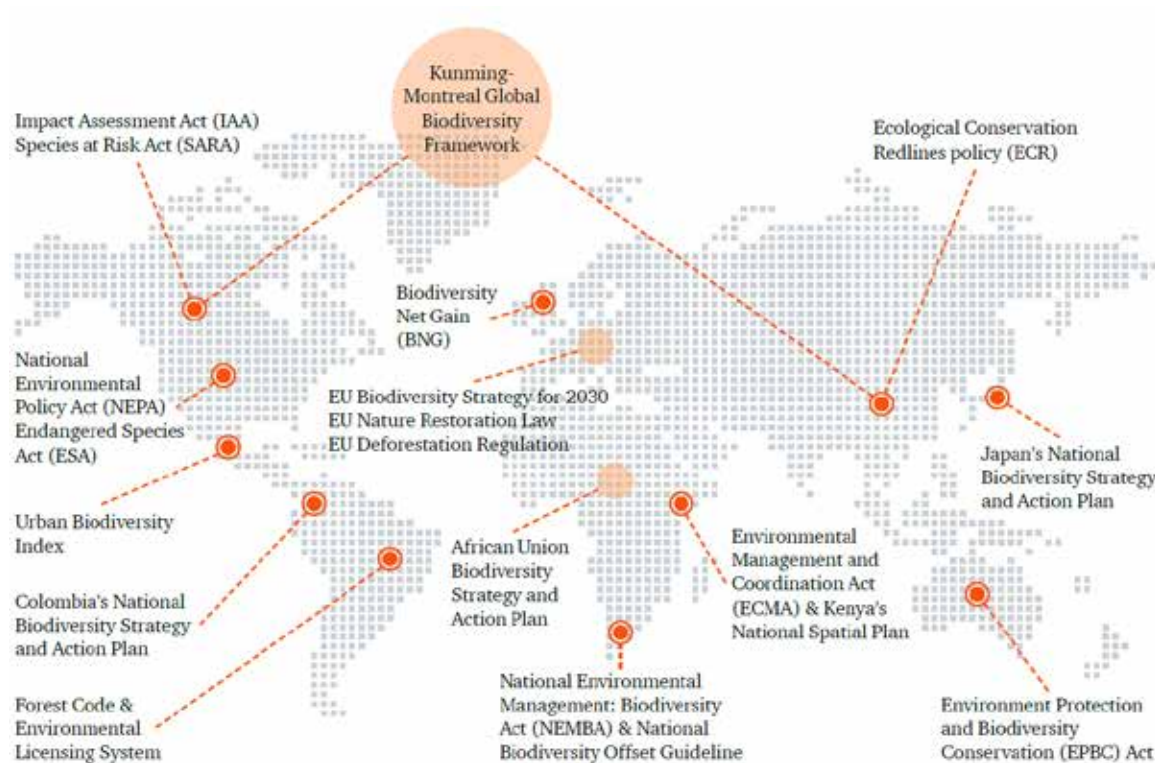
## Mitigation hierarchy diagram



In some jurisdictions, mechanisms like **Biodiversity Net Gain** provide structured approaches to ensure measurable ecological improvements. While many of these tools and methodologies are still evolving, **early adoption provides a strategic edge**: companies can build internal capacity, contribute to the refinement of emerging standards through pilots and networks, and position themselves at the forefront of nature-positive innovation.

## Global Regulations and Frameworks Are Reshaping Biodiversity Expectations in Real Estate

*Rapidly evolving global and regional frameworks are defining new compliance and disclosure expectations for biodiversity.*



Global and regional frameworks are rapidly establishing the direction for how biodiversity must be addressed in real estate planning, development, and investment. Key regulatory initiatives – including the **Kunming-Montreal Global Biodiversity Framework (GBF)**, the **EU Biodiversity Strategy for 2030**, the **EU Nature Restoration Law**, and the **EU Deforestation Regulation (EUDR)** – are introducing restoration mandates, land use restrictions, and supply chain due diligence requirements. Similar shifts are visible in other regions: the **UK's mandatory Biodiversity Net Gain policy**, the **U.S. Endangered Species Act** and **NEPA requirements**, **Canada's Impact Assessment Act**, **China's Ecological Conservation Redline policy**, and **Brazil's Forest Code** are shaping biodiversity expectations across land use, permitting, and impact mitigation.



At the same time, emerging disclosure and target-setting frameworks such as the **Taskforce on Nature-related Financial Disclosures (TNFD)** and the **Science Based Targets Network (SBTN)** are defining best practices for how companies should assess, disclose, and act on their biodiversity impacts and dependencies. Real estate firms will increasingly be expected to quantify nature-related risks, set science-aligned targets, and report on progress through recognised frameworks. Early alignment with these evolving standards enables companies to anticipate regulatory expectations, reduce risk exposure, and strengthen long-term ESG performance in an environment moving steadily toward mandatory biodiversity integration.

## Building the Business Case for Nature-Based Solutions

*Nature-based solutions can deliver long-term value, but clearer cost-benefit data and investment models as valuation criteria are needed to scale adoption.*

Nature-based solutions (NbS) offer promising environmental and financial value, though the business case remains in early development. While upfront costs can be significant, NbS - such as green roofs, tree canopies, and permeable surfaces - can reduce operational costs, avoid damage, improve climate resilience, and enhance asset attractiveness. Scenario comparisons in the report show outcomes vary widely by location, ambition level, and design integration, with benefits becoming more visible over longer timeframes.

To unlock the value, companies should:

- **Integrate NbS into lifecycle cost assessments and planning processes**
- **Develop site-specific performance indicators**, particularly for water management, heat mitigation, and biodiversity value
- **Align projects with evolving investor expectations** and explore **blended financing models** (e.g. public-private partnerships, green bonds)
- **Collaborate with municipalities and stakeholders** to identify shared benefits and co-investment opportunities

Crucially, the report underlines the need for **greater availability of cost and benefit data**, more **standardised metrics**, and **better valuation methods** that reflect ecosystem



services. By participating in pilots and contributing data to shared platforms, companies can help improve benchmarks, reduce uncertainty, and scale NbS adoption more effectively across the built environment.

## Biodiversity as a Critical Factor in Sustainable Finance

***Biodiversity performance is increasingly shaping access to sustainable capital and investor decision-making.***

Biodiversity is becoming a material ESG issue, increasingly influencing how capital flows into real estate. Frameworks such as the **EU Taxonomy, CSRD, and TNFD** embed nature-related criteria into financial decision-making and reporting. Investors are starting to evaluate biodiversity risks alongside climate disclosures, driving demand for transparency and measurable action.

To align with these expectations, real estate firms should:

- **Map nature-related risks and dependencies** (e.g. with ENCORE, GIS)
- **Align with science-based targets and define biodiversity KPIs**
- **Quantify and disclose material impacts** in line with TNFD/SBTN guidance
- **Demonstrate performance via certifications** (e.g. BREEAM, LEED, DGNB, and WELL)
- **Engage investors early with credible targets and reporting**

Innovative financing mechanisms – such as green bonds, ESG-linked loans, and PPPs – can support nature-positive investments. Early alignment enhances capital access, improves cost of financing, and differentiates companies in a rapidly evolving ESG finance landscape.

## Cultural and Regional Drivers of Biodiversity Integration in Real Estate

***Culturally rooted relationships with nature and regional policy landscapes shape how biodiversity is understood, valued, and integrated into real estate practices worldwide.***

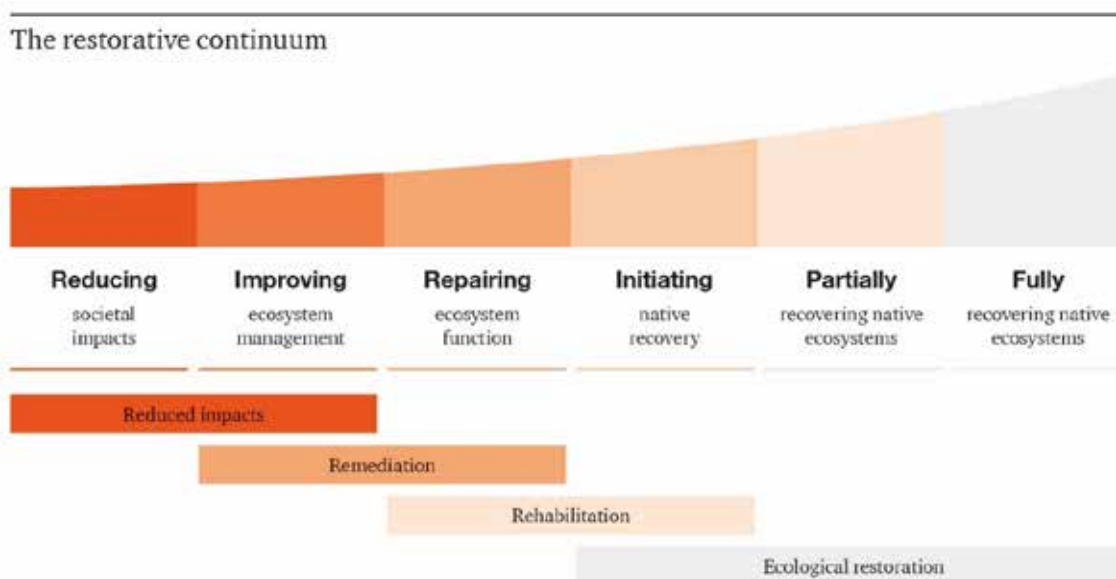
Approaches to biodiversity integration vary by region, shaped by policy, capacity, and cultural relationships with nature. In Europe, strong regulatory frameworks lead; Asia-



Pacific is advancing through digital tools and green urban design; and North America responds to investor-driven ESG pressure.

In Latin America, biodiversity is viewed as a shared good, with bio-finance and Indigenous collaboration at the forefront. Nature stewardship is deeply embedded in cultural identity, and real estate projects often reflect this by integrating ecosystem services and working with local communities. African cities are piloting NbS for urban resilience, underpinned by models like peace parks and community-based conservation, which reflect long-standing traditions of people and nature coexisting in shared landscapes.

These differences highlight the need for **locally adapted strategies and culturally informed urban design**. For real estate, this means creating built environments that reflect ecological realities and local values – through shared green spaces, informal infrastructure, and integrated conservation-development approaches. Developers and investors must consider how nature is experienced by future users and communities to ensure long-term social acceptance, resilience, and impact.



***On the following page, you will find a QR code that directs you to our website, where you can download the full study on biodiversity and the built environment at no cost.***



## Real Estate and Biodiversity: A Critical Nexus

**Biodiversity is emerging as one of the most important yet under-recognised dimensions of sustainability – and the built environment both significantly impacts and heavily depends on the natural ecosystems that sustain it.**

Yet, the sector is a major contributor to biodiversity loss, responsible for nearly 30% globally, despite relying heavily on robust ecosystems. As biodiversity wanes, access to vital services – flood protection, air quality, temperature control, and water supply – diminishes, while resource scarcity drives up costs and volatility for materials like timber and clean water. These challenges pose significant risks to real estate portfolios.

### In this report you will unlock the insights into:

- Why biodiversity is essential for resilient, high-value assets.
- Importance of assessing biodiversity impacts and risks in real estate projects.
- Frameworks and indicators for managing nature-related risks.
- Stay updated on evolving global and regional biodiversity regulations.
- Embed biodiversity into ESG disclosures and sustainability reports
- Build biodiversity into asset strategies and stakeholder engagement.
- Recognise the value of natural capital and ecosystem services in urban development.
- How biodiversity is addressed across different global markets.
- Unlock climate resilience and long-term returns.



**Discover more by scanning the QR code to instantly access the webpage and explore the newest insights regarding biodiversity in the built environment.**



**Christiane Conrads LL.M.**  
Partner Global Real Estate  
Sustainable Leader  
Germany  
Tel. +49 160 96219612  
[christiane.conrads@pwc.com](mailto:christiane.conrads@pwc.com)

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Subscriptions Manager  
[john.oconnor@realassetmedia.com](mailto:john.oconnor@realassetmedia.com)  
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The Journal of ESG & Social Impact Investment



# Climate change won't wait – nor should we

As extreme weather events threaten asset values and result in higher insurance costs, the urgency to act is overriding.

By **Thierry Laquitaine**

Climate change remains the defining challenge of our time, yet global attention is drifting elsewhere. The US has pulled out of the Paris Agreement, and governments worldwide are fixated on the race to harness artificial intelligence. But while political priorities shift, the climate crisis continues to escalate.

Recent data confirms that 2024 marked a new milestone: for the first time, the global average temperature exceeded pre-industrial levels by 1.5C – crossing a critical threshold set by the Paris Agreement nearly a decade ago. This was supposed to be a warning line, a limit never to be breached. Instead, we have reached it with 75 years to spare.

This failure could have far-reaching consequences, not least for the real estate sector. Extreme weather events threaten asset values, while the built environment remains a major contributor to carbon emissions. As investors and custodians of real estate, we have both a responsibility and an opportunity to mitigate climate risks, adapt our assets, and ensure that new developments are designed with sustainability at their core.

The urgency to act has never been greater. Climate disruption will not wait, nor should we.

## WHY ACT: TRANSITION RISK AND LOSS OF VALUE

The climate change risk to real estate assets globally may be existential. Certain buildings could simply become unusable, meaning that people may abandon locations altogether as a result. There is much talk about the risk of real estate assets becoming stranded due to decarbonisation initiatives, particularly under pressure from CRREM (Carbon Risk Real Estate Monitor) studies. But discussions about adaptation and how assets can withstand extreme weather events are limited, even though these risks already exist.

There is no shortage of examples of how real estate assets can lose their value almost overnight due to a changing climate. The recent flooding in Spain and regular flooding in the UK, as well as devastating fires across Europe, are not black swan events – they are the real and predictable impact of climate change on real estate.



With this, we have seen a rise in the cost of insurance claims, which doubled between 2020 and 2023 compared to the period from 2000 to 2009. According to France Assureurs this will automatically lead to an increase in insurance costs. Beyond the increase in insurance premiums, the very possibility of being insured and the survival of the insurance system are at stake. In France, there is a risk of transferring costs from insurers to the state, leading to unsustainable costs.

We have not yet reached that level of warming, but insurers have already begun to disengage from the most exposed areas. According to the *Financial Times*, reinsurers are minimising their exposure to disaster regions while, according to sustainable finance expert Novethic, the wildfire

▼ Recent flooding in Alfafar, Valencia, Spain, highlights the devastating effects of climate change



**‘Beyond the increase in insurance premiums, the very possibility of being insured and the survival of the insurance system are at stake.’**

**Thierry Laquitaine, AEW**

outbreaks are expected to deepen an insurance crisis in the region.

### **HOW TO ACT: ADAPTATION AND COLLABORATION**

The first step in adapting assets to the reality of transition risks is awareness among investors, landlords, local and city authorities, and emergency services, that buildings at risk do not exist in isolation, they are part of the urban fabric.

At AEW Europe, we believe that the role of an asset manager is to adapt to changes by adjusting properties to their environment. This is what we have been doing for years, adapting buildings to tenant expectations, market needs, investor strategies, and regulatory changes. In fact, one could say that the value of an asset

is the monetary translation of its level of adaptation to its broader environment. Therefore, adaptation to climate disruption is the latest factor – though not the only one – in the adaptation of buildings.

Since 2018 we have been conducting climate risk analysis for the assets in our portfolio, followed by a vulnerability study if necessary and adaptation plan for the identified risks, which is subsequently implemented. Based on our experience with a portfolio of several hundred buildings, every euro invested in adaptation can avoid approximately €3 to €12 in losses, depending on the types of properties and their location. The estimated loss amount only accounts for the costs of restoring properties following projected climate-related events. So the losses could be even

higher. Overall, real estate adaptation not only protects the value of assets but also constitutes a profitable investment.

However, adapting real estate to climate change should not undermine our collective efforts in minimising the impact of climate change and reducing carbon emissions in our operations. Without limiting climate change we risk condemning ourselves – like Sisyphus and his rock – to adapting buildings in a climate that continues to degrade. It is important to act on both the causes and consequences of a changing climate, leveraging any improvement in one to enhance the other. ■

*Thierry Laquitaine is head of socially responsible investment at AEW Europe*

# Listed real estate's guide for sustainability reporting

What began as a niche guidance tool has matured into the only pan-European ESG disclosure standard built for listed real estate.

By **Lourdes Calderón Ruiz**



**W**hen EPRA launched its Sustainability Best Practices Recommendations (sBPR) in 2011, the listed real estate (LRE) sector faced a fragmented and inconsistent ESG reporting landscape.

There was no standardised approach tailored to the dual identity of LRE companies as both corporate entities and asset owners. The EPRA sBPR emerged to fill that void, grounded in the international standards organisation the Global Reporting Initiative (GRI), and aimed at promoting transparency, consistency and comparability in sustainability disclosures among LRE companies.

They were developed by a committee of experts, including leaders from listed real estate companies and institutional investors, ensuring the framework reflected both industry realities and investor expectations.

Over the years, this voluntary framework gained significant traction and evolved into a widely adopted reference across Europe. By 2024, more than 70% of the world's top 100 companies were reporting under GRI standards, reaffirming the relevance of EPRA's alignment strategy. What began as a niche guidance tool has matured into the only pan-European ESG disclosure standard built for LRE.

As the framework became more deeply embedded in the sector, the regulatory landscape began to shift. In 2023, the European Commission adopted the first

set of European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), with the first wave of large and listed companies required to begin reporting for financial years starting on or after 1 January 2024.

These new standards, while comprehensive, were sector-agnostic and not tailored to the operational complexities of real estate. Recognising the need to support members through this regulatory shift, EPRA responded swiftly with a comprehensive mapping exercise in 2024.

## PREPARING FOR CSRD COMPLIANCE

This analysis compared the EPRA sBPR with the sector-agnostic ESRS to identify areas of alignment and divergence. The aim was to provide real estate companies with clarity on how to reconcile voluntary industry practices with mandatory reporting requirements, and to help them start preparing more confidently for CSRD compliance.

As a result of this effort, EPRA published the fourth edition of the EPRA sBPR guidelines in April 2024. The update included 'Bridge Requirements', from the EPRA sBPR to the ESRS, as well as flagged ESRS datapoints that are not mandatory under the sBPR, but are relevant to its indicators and necessary for CSRD-aligned reporting. This positioned the EPRA sBPR

not only as a voluntary framework, but as a practical and strategic complement to the ESRS.

Then, in early 2025, the European Commission proposed the Omnibus Simplification Package, which marked a turning point in the EU's approach to sustainability reporting.

The package removed the mandate to develop sector-specific ESRS, confirming that the sector agnostic/generalist standards would remain the only reference under CSRD going forward. While the policy change aimed to simplify compliance and reduce administrative burden, it created a critical gap for sectors like LRE that require tailored guidance.

### GROWING RELEVANCE OF EPRA SBPR

For companies in this space, characterised by complex assets, regulatory oversight, and operational diversity, the absence of sector-specific standards makes the EPRA sBPR more relevant than ever. It now stands as the only structured, real estate-specific disclosure framework aligned with European regulatory expectations.

This growing relevance is clearly reflected in the 2024 EPRA sBPR Annual Survey report, *Adapting and Adopting*, which showcases the sector's increasing commitment to high-quality sustainability disclosures. A total of 71% of participating companies received an EPRA sBPR award for their disclosures, up from 68% the year before, with nearly half showing year-on-year improvements.

The number of companies reporting on all Environmental, Social, and Governance performance measures increased, with 54%, 44%, and 86% of members respectively meeting these full disclosure thresholds. And 20% of members reported on all performance measures across the three categories, a clear indication of the sector's rising maturity.

New entrants and first-time award winners also underscored the growing appeal and credibility of the EPRA sBPR framework. These trends reinforce how the sBPR is being used not only to comply with expectations, but to drive continuous improvement and stakeholder confidence.

A key enabler of this progress is the EPRA sBPR database, which now contains

## 'For listed real estate companies, the absence of sector-specific standards makes the EPRA sBPR more relevant than ever.'

Lourdes Calderón Ruiz, EPRA



more than a decade of high-quality, portfolio-level ESG disclosures. This database is freely accessible to all EPRA members through the EPRA website, with information available for download to support analysis.

Looking ahead, the 2025 EPRA sBPR assessment is already underway. The results will be presented at the EPRA Annual Conference in September, offering the sector a timely point of reference and practical insight at a moment when voluntary, sector-specific guidance has become not just valuable, but essential for navigating evolving reporting expectations.

The EPRA sBPR continues to stand not because it is required, but because it works. Built by and for the industry, it has evolved with the sector, proving its value through

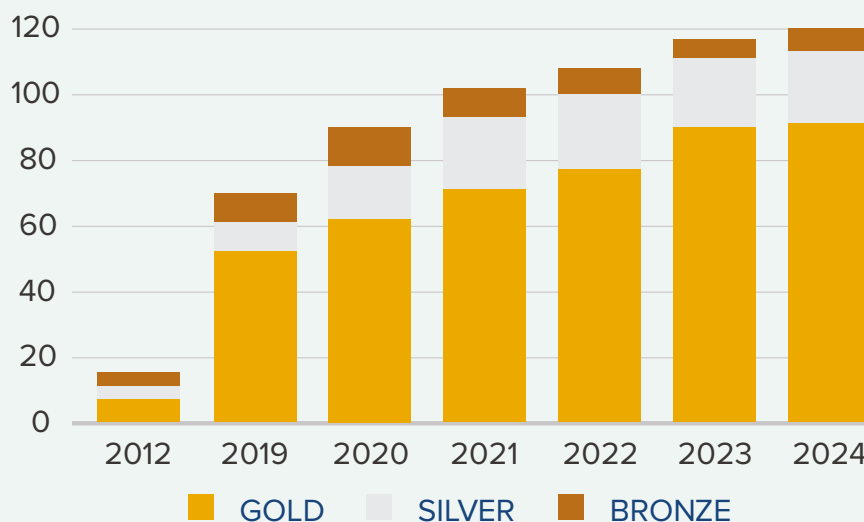
more than a decade of use. In a shifting regulatory landscape, it remains a trusted, real estate-specific tool, relevant, resilient, and essential. ■

Lourdes Calderón Ruiz is ESG manager at EPRA

Download the report using the QR code below



### Total number of EPRA sBPR award winners per category: 2012, 2019-2024



▲ A total of 71% of participating companies received an EPRA sBPR award for their disclosures in 2024, up from 68% the year before, with nearly half showing year-on-year improvements change

# Growing sovereign wealth funds can set the tone for sustainable FDI

State funds are increasing in number, and ESG is on their radar.

Once rare and somewhat opaque figures in the world of global investment, sovereign wealth funds (SWFs) are growing both in number and in remit, with large implications for capital flows. The total number of SWFs globally has roughly tripled since 2000, reaching approximately 160-170 funds, with 13 new entities established between 2020 and 2023 alone. SWF assets under management are forecasted to reach \$18 trillion by 2030, driven by continued capital inflows and the establishment of new funds.

Their impact is now felt in most economic segments, but in particular in the global effort to fund the low-carbon transition, where SWFs are taking on a more strategic and potentially transformative role. Traditionally viewed as passive investors focused on financial returns, many SWFs are now reorienting their portfolios to align with environmental, social and governance (ESG) priorities. In doing so, they are reshaping the geography and structure of foreign direct investment (FDI) in sectors critical to climate resilience and sustainable development.

According to the International Forum of Sovereign Wealth Funds, more than 60% of member funds now integrate ESG considerations into their investment strategies. Some, like Singapore's Temasek and Norway's Government Pension Fund Global, are leading the charge with dedicated sustainability mandates. Others, such as Indonesia's INA and Chile's Economic and Social Stabilization Fund, are beginning to weave sustainability into national development priorities, making climate-resilient infrastructure, clean energy, water management and agritech central pillars of their investment strategies.

## EXPERT VIEW



Courtney Fingar

In the Global South, this trend has huge implications. SWFs from emerging markets are uniquely positioned to drive catalytic sustainable FDI in their own regions. These funds have a longer-term horizon than most private capital, greater tolerance for perceived risk, and the ability to attract co-investors through their signaling power. When an SWF invests in a project, it sends a message to the global investment community: this market is investable and this project has national backing.

Renewables remain a core focus. In regions like Africa and South East Asia, where energy demand is rising rapidly and grid infrastructure is often weak, SWFs are increasingly active players in scaling solar, wind and geothermal energy. The UAE's Mubadala and Saudi Arabia's PIF are investing in clean energy far beyond their borders, while local funds such as Malaysia's Khazanah and Nigeria's NSIA are aligning with national goals to increase energy access and reduce emissions.

Beyond energy, SWFs are also moving into less conventional but high-impact areas. Water security is one. As climate volatility puts increasing stress on water resources, investments in treatment, distribution, and conservation technologies

are gaining attention. Agritech (ranging from precision farming and vertical agriculture to regenerative soil solutions) is another area of quiet but growing interest. These sectors are essential for long-term food and water resilience, particularly in climate-vulnerable economies.

Still, challenges remain. ESG integration among SWFs is uneven, and transparency varies widely. Some SWFs continue to invest in fossil fuel expansion or infrastructure that lacks adequate social safeguards. Without common standards and reporting mechanisms, it is difficult to assess the real sustainability impact of these investments. There is also the risk of greenwashing without meaningful local development outcomes.

To address this, international frameworks for sustainable FDI, such as those being advanced by the UN and the OECD, must include SWFs as central actors. At the same time, host countries must strengthen governance and policy coherence to ensure that sustainable FDI supports inclusive, long-term development. That includes embedding environmental and social goals into investment promotion strategies, and creating bankable project pipelines that match the risk-return expectations of institutional capital.

With trillions of dollars needed to finance the green transition, SWFs are more than just another source of capital. They are strategic vehicles with the potential to set the tone for global investment. Their role in driving sustainable FDI should only grow. ■

*Courtney Fingar is the founding partner of Fingar Direct Investment and a contributing editor to Real Asset Impact.*

# We can speed up decarbonisation... if we can cut through the data spaghetti

Leading institutional investors are joining forces to break down the systemic barriers that hinder adequate climate risk management.

**D**espite growing awareness of the financial materiality of climate risk, progress on climate risk management in the real estate sector remains slow. The issue is not always a lack of ambition, but that progress is often hindered by systemic barriers.

One of the key barriers is the lack of access to consistent, high-quality, and financially material climate data. A wide range of certifications and industry standards exist, each with different data points, thresholds, and definitions.

Many frameworks bundle all ESG aspects into a single score, which makes it difficult for investors to compare metrics and integrate them into their investment decisions. At the same time, the growing ESG reporting burden is increasing costs and preventing managers from focusing on value creation.

At the Global Real Estate Engagement Network (GREEN), we have seen this challenge first-hand in our conversations with investor members and in our members' engagements with real estate companies. We have found that a lack of transparency and uniform data availability has hindered a number of companies in accelerating their decarbonisation efforts. The absence of a supportive regulatory environment, and indications of limited demand for low-carbon buildings from lenders, tenants, investors and fund managers, also play a role.

That is why we launched the systemic workstream, where leading global investors and investment managers are committed to cutting through the ESG data spaghetti and focusing the industry on what truly matters: financially material climate

## GREEN LEADER



Rozemarijn van der Knaap

metrics. This workstream builds on the foundation of the Leaders of the Urban Future (LOTUF) initiative, which brought together investors to define what strong ESG performance looks like in real estate. Last year, we joined forces with LOTUF, and their work through this newly launched workstream complements our existing engagement efforts.

### TRANSPARENCY AND CONSISTENCY

The first priority of the workstream is to promote transparency and consistency. By aligning, as a global industry, on a focused set of climate metrics, we can provide investors with the tools they need to assess risk, and to price assets more effectively. This way it's possible to make informed investment decisions. These metrics should be useful for decision-making, improve comparability across portfolios, and result in real-world performance. The workstream's activities aim to improve the quality of information available to investors, enabling better decisions across the investment process.

Through the systemic workstream, our members are taking a collective step forward. The group includes institutional leaders such as APG, ATP, Bouwinvest, CBRE Investment Management, Genesta, HOOPP, MN, PGM, Savills Investment Management, Schrodgers, True North Real Asset Partners, and Urban Partners. Many more investors are interested in joining. Together we are working toward a clear and consistent set of metrics that reflect real climate risk, which can guide investment decisions. Ultimately, this should enable better pricing of brown discounts and green premiums.

This work is complex. Aligning climate metrics across a fragmented global industry is really about finding common ground as an industry to move forward together. That is why we are actively engaging with standard setters, industry bodies, and data providers. We are not aiming to replace existing frameworks. Instead, we are focused on making them more aligned, practical and relevant from an investor's perspective.

We are encouraged by the support we have seen for this workstream. In addition to the industry bodies and stakeholders that have already offered their support, we call on all other stakeholders not yet involved to contribute to this effort.

Only with the backing of the entire global real estate industry can we finally cut through the data spaghetti and unlock progress towards a decarbonised sector. ■

*Rozemarijn van der Knaap is lead of listed engagements at the Global Real Estate Engagement Network (GREEN)*  
[www.green-engagement.org](http://www.green-engagement.org)

# Powering the 2035 industrial and data-driven revolution

The energy and real estate worlds need to coalesce to attract the investment for infrastructure the UK needs.

By Peter Rolton

Download Rolton's white paper: *Powering the 2035 industrial and data-driven revolution*



Rolton recently launched its white paper focused on delivering sustainable energy and infrastructure in the UK. Developed through roundtable discussions, the paper recognises the role our energy and infrastructure industry plays in competitiveness and highlights what needs to be done to break down the barriers to investment.

Our first roundtable coincided with the announcement that Blackstone, with partner QTS, was investing £10 billion to build one of Europe's largest AI data centres in Blyth, Northumberland.

We facilitated this landmark project to revitalise the former Britishvolt site, provide the infrastructure investment upon which to build the wider economic activity, strengthen the UK's standing in the global AI sector and put up to £38 billion into the local economy.

Projects like this raise important questions about the role of sustainable energy and infrastructure in attracting investment to the UK, and the challenges of powering the industrial and data-driven needs of the future.

The government has been consulting on a 10-year plan for the UK's modern industrial strategy, Invest 2035, which highlights the challenges many businesses are facing, and highlights the barriers to domestic and inward investment. These include the fact that UK energy prices are uncompetitive and are affecting growth, the level of support for large strategic projects lags behind other nations, grid access needs to be improved, and a broader mix of energy types is required.

I was an adviser to the UK government when the EU Renewable Energy Directive came into force in 2009 with its target of 20% renewable energy by 2020. It was always my view that we needed to engineer the solution with better technologies, a viable business case, and a strategy to reduce costs with scale. We need to remove the emphasis on net zero and move the focus (and rhetoric) to using renewables to deliver solutions which are good for business and deliver energy efficiency and cost savings for homeowners too. An example of this would be decentralisation and microgrid approaches.

Overcoming barriers requires bold plans, involving the private and public sectors to deliver impacts that last longer than individual governments. It requires better funding, a focus on R&D and technology



adoption, joined-up planning strategies, and the development of the right skills in the sector.

Demonstrating that the UK is open for business and the best place to invest also requires a proactive approach, such as creating 'shovel-ready' sites and streamlining processes for major projects, as well as making the allocation of government funding quicker, less bureaucratic and less risk-averse.

For too long, the world of energy and infrastructure has been leading the conversation on macro-energy strategy. Historically, real estate largely ignored energy and running costs because it was not significant enough to be of concern. Today, energy is a big part of the conversation and tenants are now as concerned about energy costs as they are about lease terms or rent.

Energy strategy needs to be part of the conversation at the early development stages to make projects stack up. For example, by bringing local generation into our own portfolios and by supporting the development of decentralised infrastructure, we can take responsibility for our own power. To deliver effectively, these worlds must come together to create an environment where there are productive conversations about solutions and the investment required. ■

Peter Rolton is chairman of Rolton

# Is circular construction the answer to greener building?

Delegates at this year's Building Circularity Conference looked at how best to mitigate impact on the planet from building construction.

By **Hubert Bukowski**

**T**here is little doubt among built environment stakeholders about the detrimental effects of the construction sector on our planet, yet not enough is being done. Current sustainable and circular actions often limit themselves to showcasing possibilities instead of scaling up already available technologies. So what is the problem and what are the solutions?

The Building Circularity Conference in Warsaw brought together nearly 250 industry leaders, innovators, academics and policymakers from across Europe to discuss this matter. Its conclusion was that only a holistic, methodical approach at scale with broad stakeholder engagement can bring about meaningful change. This holistic approach should, in particular, encompass circular building design, strategic planning, sustainable building material selection, green procurement, secondary materials markets and regional material cadastres.

There is a need for more strategic thinking in the purpose and the design of buildings and their construction. It is crucial to have an overview of the various strategies, principles, and possible tools that can deliver successful solutions once implemented.

The circular construction concept is broad, as it looks at durability as well as disassembly, locally sourced as well as recyclable materials and multifunctional buildings as well as those that will have the same function for centuries. The one overarching principle is that the needs of users should be taken into account well into the future.

The conference focused on a largely

underrated step in the construction process, namely procurement. It is often associated with tedious, complex procedures and seen as a limitation rather than an opportunity to implement circular construction. It is time to break from the norm: thinking outside the box, increasing flexibility and putting greater effort into the procurement process can create benefits for investors, users, society and the planet.

## SWITCHING FROM PRICE

Circular and sustainable procurement can be encouraged mainly by switching from price as the main selection criteria in public procurement, simplifying the current regulations and laws, looking at the whole process as well as the benefits gained in the long term.

Another subject that was tackled was how legislation can be improved to support the implementation of circular economy practices and promote the use

**'Increasing flexibility and putting greater effort into the procurement process can create benefits for investors, users, society and the planet.'**



**Hubert Bukowski, Innowo**

of sustainable building practices and materials that can reduce greenhouse gas emissions and mitigate global warming. The materials with the highest potential for circular transition are various wood materials, followed by reused bricks and those made with reclaimed materials.

To make the built environment circular, we need to know in detail the existing building materials in the building stock and their dynamic. This is where material cadastres become relevant, as a tool to provide information on buildings material stocks and flows in cities and regions and to promote circularity-oriented processes.

The conference, moderated by Real Asset Media's Ron van Bloois, ended with a look at the future of the sector: the urgent need for innovation in building methods, the shift towards regenerative and circular systems, and the importance of scaling up practical solutions rather than remaining at the pilot stage.

The final message was that circularity and sustainability should become the norm, not the exception, and that the future of construction lies in rethinking how we use materials, spaces, and existing structures. Positive change is taking place, as more certified buildings are being constructed, building information modelling tools are more popular and carbon footprint calculations are more common.

However, these indicators are far from becoming the standard and the road ahead is a long one. ■

*Hubert Bukowski is research director at Innowo*

# Sustainability begins at home... and in the office

After designing some of the world's greenest buildings, PLP Architecture brought its expertise to its new London headquarters.

By Nicol Dynes

**P**ractice what you preach is a good rule to follow. Which is why PLP Architecture, designer of some of the world's most sustainable buildings, including BREEAM Outstanding The Edge in Amsterdam and Park Nova in Singapore, decided its headquarters in London had to change to reflect its values.

"We set out to do something that represented the values of our practice around collaboration, sustainability and health and wellbeing," Lee Polisano, president of PLP, told *Impact*. "Longevity as well: this building has a good skeleton, so it will not face an end-of-life dilemma in 20 or 30 years. It will last over a century."

The new studio, which has just been opened in Derwent London's The White Chapel Building near Aldgate, features a pioneering circular fit-out which prioritised materials reuse, minimised waste and was designed for longevity. It is also a model that can be replicated to encourage other businesses to take practical steps towards circularity.

The move from a nearby building cost £64/sq ft, 68% cheaper than traditional fit-outs and 92% of materials were reused. "This project demonstrates that circular fit-outs don't require compromise," says Polisano. "By rethinking value and designing with intention, we've created a space that reflects our ethos – and set a model others can follow to achieve more with less. There are sound economic as well as ethical reasons to be green."

The process involved critically evaluating all opportunities for reuse, repurposing, repair, recycling, donation and sales. Only 1% of items from PLP's old offices were

discarded, while 59.9% was reused in the new space, 32.4% was donated, returned, or sold, and 6.7% was recycled.

By retaining and reusing elements from both their previous office and the new space, PLP achieved a 75.4% reduction in embodied carbon for the new office fit-out – and newly sourced materials comprised only 24.6%.

A total of 175.78 tonnes of CO2 was saved by diverting materials – from both the new and old office – from landfill. The design team looked at every individual item to give it a second life and explored innovative material reuse.

## REUSE OF MATERIALS

"We have created terrazzo work surfaces in the office made from stone samples from PLP's previous projects, embedding the studio's architectural legacy directly into the fabric of the new space," explains Michael Polisano, industrial design lead at PLP. "We have reupholstered B&B Italia sofas from decades ago, repurposed and upcycled wooden chairs and salvaged

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**'By rethinking value and designing with intention, we've created a space that reflects our ethos – and set a model others can follow to achieve more with less.'**

**Lee Polisano, PLP Architecture**

marble from a City [of London] project that was transformed into an elegant new table. Where materials couldn't be reused, they were donated, such as seating to a local school, or recycled, including one tonne of glass."

New items were chosen with circularity in mind, such as timber cabinetry that was designed for disassembly and future reuse, or furniture with high recycled content. New technology was tested through the comprehensive use of material passports for components from PLP's old and new spaces. This digital tracking system enables materials to be catalogued and traced through their past, present, and future lifecycles – making it easier to redistribute, resell, or reintegrate items and reduce the need for new production.

"Working with PLP Architecture on their office move was a great example of how circular thinking in the built environment can extend beyond construction sites," says James Adams, managing director at Maconda Solutions, a circular construction specialist. "By tracking material reuse and carbon data, we helped bring transparency and impact to what's often an overlooked part of the industry. It's been inspiring to work with partners who share our passion for circularity."

Research is supported by in-house division PLP Labs, which explores new frontiers in architecture and urban design in collaboration with global experts. Its pursuit of innovation extends to sustainability, for example developing new biomaterials like mycelium blocks, made from mushrooms. These help to reduce operational carbon via their thermal



insulation properties, which reduce the need for heating and cooling.

The use of technology, AI and new materials is crucial, but the human element is even more important. “We are proud to have 37 nationalities and 45 different languages spoken in our London office, which was my goal from the very beginning,” says Lee Polisano. “People who speak English as a first language are a minority, and 60% of employees are women.”

### INTERNATIONAL PRESENCE

The multilingual, multicultural environment of the head office reflects PLP’s international presence. The practice has offices in London, Tokyo and Singapore and a presence in 15 countries. The portfolio spans more than 650 projects in 37 countries, including Japan’s largest regeneration district next to the Imperial Palace in Tokyo.

“We want to bring a unique blend of local knowledge and international experience to all of our projects,” explains Midori Ainoura, a partner at PLP, who divides her time between Tokyo and London. “It is important to see what is happening elsewhere and get ideas and inspiration.



▲ Above (l-r): Michael Polisano, Midori Ainoura, Lee Polisano

Left: terrazzo work surfaces in the office made from stone samples from PLP’s previous projects

Below: PLP achieved a 75.4% reduction in embodied carbon for the new office fit-out



Image: Vigo Jansons

There are some common themes and global perspectives, but also some very different ways of dealing with issues.”

The London office is a bright, open collaborative space with rows of desks and drawing tables, but no dead-ends. “We want people to be able to circulate and walk around,” says Michael Polisano. “We also experimented with greenery, asked people if they wanted a jungle effect or nothing and they opted for small plants everywhere. We see ourselves as an incubator space.”

While PLP had the architectural expertise and partnerships to explore circular design in depth, the team believes the core principles are scalable across sectors. By seriously considering reuse and refurbishment, and adopting new digital platforms during office moves and fit-outs, businesses in any sector can significantly reduce their environmental footprint and operational costs.

The practical steps that PLP can take towards circularity include: assessing existing materials before defaulting to new purchases, with a shift in mentality from seeing ‘waste’ to seeing ‘opportunity’; collaborating with partners at all levels of the value chain to encourage circular thinking during a move and fit-out; and using material passports to track, share and repurpose resources, extending their lifespan.

“Circularity can be a daunting term for designers,” says Michael Polisano. “But it is about creating new value. Each element is seen as an opportunity.” ■



▲ PLP’s new office is a bright, light, open collaborative space with rows of desks and drawing tables

Right and below: PLP’s portfolio of sustainable buildings includes the 100m tall biophilic Park Nova residential tower in Singapore, and the sustainable pioneer The Edge with a BREEAM 98.4% rating



Image: Ronald Tilleman

Image: Binyan

# Real Asset Live Events

## **Student Housing and Co-living Market in CEE**

London | 11-09-2025 | 09:00 - 11:30

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## **Logistics Investment Opportunities in the CEE**

London | 24-09-2025 | 08:00 - 11:30

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## **Netherlands Investment Outlook**

Amsterdam | 25-09-2025 | 09:30 - 11:30

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## **CEE Investment Briefing**

London | 23-10-2025 | 09:30 -

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## **Stay tuned for our events at Expo Real 2025**

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## **European Outlook - Focus on Germany**

Frankfurt | tba Nov 2025 | 09:30 - 11:30

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# ABP and CBRE IM launch Dutch affordable housing mandate

Dutch Pension Fund ABP and CBRE Investment Management have announced a partnership to launch a new residential development-led mandate with a focus on affordability and sustainability. The partnership has an initial commitment of €350 million, including a co-investment from CBRE IM.

“The mandate will invest in modern residential properties, delivering much-needed affordable homes with strong environmental credentials, at scale,” said Bas Tiemstra, head of separate accounts for EMEA at CBRE IM. “Historically, the Dutch residential market has seen low vacancy rates and a downward supply trend. The undersupply of high-quality rental homes, combined with expected population growth, means there will be strong demand for the affordable homes the mandate will invest in long into the future.”

The mandate’s strategy is to target newly built residential assets in the Netherlands and the goal is to create sustainable communities that contribute to solving the Dutch affordable housing shortage. The



The Cartesius residential complex in Utrecht, the first acquisition by the ABP/CBRE IM mandate

portfolio will comprise affordable homes in the mid-rent segment, as defined in the Affordable Rent Act, aimed at middle-income households, with all assets targeting BREEAM In-Use Excellent as a minimum.

With an initial capital tranche of €350 million, ABP and CBRE IM aim to grow the portfolio to €1 billion within five years and

deliver over 3,000 units. In the coming months, the partnership plans to invest capital towards 700 units.

“By investing in affordable rental housing, we are doing what ABP stands for as a long-term investor: building a good pension together in a liveable world,” said Harmen van Wijnen, chair of the ABP board.

## ULI’s seven principles to avoid stranded assets

A new report from the Urban Land Institute (ULI), supported by C Change and the Net Zero Imperative, outlines the key barriers to decarbonisation, presenting seven guiding principles that address asset-stranding risk.

Without deep retrofitting to meet tightening energy and carbon standards, about €1.5 trillion worth of property is at risk of devaluation in Europe alone, underscoring the urgent need for scalable, sector-wide solutions to accelerate decarbonisation and preserve asset value.

Failure to decarbonise buildings risks economic asset-stranding, with older, inefficient stock at higher risk. Risk factors include the cost and viability impacts of regulations concerning minimum energy-

performance standards, and disclosure rules; shifts in investor and occupier demand for sustainable buildings; physical climate risk from extreme weather and rising temperatures; and structural market trends such as demographic shifts and remote working increasing the risk of obsolescence.

“The decarbonisation of real estate is not solely an urgent climate imperative, it can become a social one too,” said Lisette van Doorn, chief executive of ULI Europe.

“This provides the potential for decarbonisation be a catalyst for very real social and economic revitalisation. However, this requires a totally different mindset.”

The seven principles outlined in the new ULI report are: first, a mindset shift,

meaning an approach to decarbonisation that shifts from a cost focus to an investment focus that generates a return. Second, clarity on who benefits, who pays and who leads; third, an integrated, place-based vision that recognises that decarbonisation is not solely about reducing emissions.

The fourth principle regards governance and collective ownership. The fifth principle is the need to build a business case for successful urban development, and the sixth is cyclical value creation, requiring a coherent placemaking vision.

The seventh principle is systems thinking, decarbonisation that holistically integrates strategies across building, neighbourhood and city.

# AMPERE raises €325m for French affordable rental housing fund

AMPERE Gestion, a French real estate investment management company, has raised €325 million from six institutional investors in the first closing of its third intermediate housing fund, Fonds de Logement Intermédiaire III (FLI III).

The fund will support the development of around 1,000 affordable rental homes across France.

FLI III continues the strategy of its previous funds by targeting 'intermediate' housing (rental properties priced below market rates but above social housing thresholds). These units are aimed at middle-income households and key workers in urban areas where housing is in short supply. The new fund is classified as an Article 9 product under the EU's SFDR, reflecting its environmental and social investment objectives.



**Nathalie Caillard:**  
**"FLI III aims to provide institutional investors with stable, long-term returns while addressing the need for affordable housing"**

Institutional investors participating in the first close include France's public pension reserve fund, Fonds de Réserve pour les Retraites (FRR), the civil service pension scheme Établissement de Retraite Additionnelle de la Fonction Publique (ERAFP), and leading insurers such as AG2R La Mondiale and Allianz.

"FLI III aims to provide institutional investors with stable, long-term returns while addressing the pressing need for affordable housing in France's most constrained markets," said Nathalie Caillard, chair of AMPERE Gestion.

The fund is managed by AMPERE Gestion, which specialises in structuring and managing residential real estate investments with a social purpose. The firm is a wholly-owned subsidiary of CDC Habitat, the residential housing arm of France's Caisse des Dépôts group.

A final close is anticipated in 2026, with AMPERE Gestion aiming to grow FLI III's capital base and deepen its impact footprint across the French housing market. The fund will invest in new developments and forward funding projects in partnership with public and private sector developers.

## Lysara expands fleet-charging across Europe

Lysara, the first pan-European platform focused on developing and operating fleet-charging and parking infrastructure to decarbonise commercial transport, is expanding its operations across Western Europe to create a £1 billion vertically integrated group to decarbonise commercial transport.

The group, which is backed by GreenPoint Partners, has appointed Scott Parsons, a former chief operating officer at Unibail-Rodamco-Westfield, as its new chief executive.

"Fleet electrification is speeding up, and infrastructure needs to keep pace," said Parsons. "What makes Lysara different is its ability to combine the physical with the operational. We plan to help shape the future of transport infrastructure across Europe."

Lysara was created when GreenPoint, an investment firm founded by Chris



Green, a former global head of real estate at Macquarie, consolidated ownership of the legacy Infinium Logistics business and contributed a 44-asset real estate seed portfolio. Lysara combines real estate ownership,

development, operations, technology and engineering into a unified platform. Its goal is to offer a one-stop solution for companies transitioning to electric commercial fleets, such as taxis, rideshares and rental cars.

# Kula launches blockchain-powered governance model for impact investors

Kula, the decentralised impact investment business, has launched a first-of-its-kind governance model for impact investors, powered by blockchain technology. It aims to “redefine real-world asset investment, opening access to local communities, retail and institutional players alike”.

Blockchain is a decentralised, digital ledger that records transactions in a secure and transparent manner. It is a shared database, meaning everyone on the network can see the record of transactions. The application of blockchain technology to traditional impact investment is designed to democratise it, driving greater transparency, equity and value.

Kula has launched a governance token, the \$Kula, which will allow holders to invest directly into real-world commodities across the planet, while the company’s blockchain-enabled governance model will grant local communities a stake in each project.

Blockchain governance offers enhanced security, improved transparency and reduced costs. It promotes consensus-driven decision-making and fosters accountability, as well as streamlining processes and reducing fraud.

Tokenising the governance of real-world assets will give a say to local communities, retail and institutional investors, Kula said.



**Micah Yeackley: “We have developed a tool for genuine ethical and profitable investment”**

“Our token launch is a pivotal moment for impact investing, as it proves blockchain technology can build a governance model where wealth is unlocked, maximised and shared,” said Micah Yeackley, co-founder of Kula. “We have developed a tool for genuine ethical and profitable investment, which aligns financial incentives with long-term social impact and gives token holders the

responsibility to govern real-world assets and shape global opportunities.”

Holders of \$Kula tokens, listed at a price of \$0.07 per token, will be able to participate and have specific responsibilities for projects and full voting rights on Kula’s overall investment strategy, including processes such as treasury allocations, project funding and strategic proposals.

The model will be more transparent and create greater accountability and active participation, as token holders will be unable to delegate or offer proxy votes. It will empower local decision-making in allocating funds to infrastructure and development initiatives. It will also enhance ESG asset compliance, Kula says, by providing structured risk mitigation and transparent tracking.

Kula has supported projects since 2021, including a limestone concession in Zambia, where it ensured sustainable water access for operations and local communities and ensured long-term environmental balance. Revenue from the project is reinvested into employment, healthcare, education and agriculture in surrounding communities.

Other projects include developing a hydropower-backed digital economy in Nepal.

## UK ponders streamlining of BNG obligations

The UK government is proposing a reduction in Biodiversity Net Gain (BNG) requirements for small and medium-sized developments. Environmentalists criticised the move as a “watering down” of nature-friendly policies.

In what it described as “world-leading” regulation, the Department for Environment, Food and Rural Affairs last year introduced a 10% BNG requirement for developers to leave wildlife habitats in a better state than they found them in when building new homes.

The goal was to ensure that “new developments enhance biodiversity and help deliver thriving natural spaces for communities”.

Now, as part of its mission to accelerate housebuilding and reduce red tape, the government wants to “streamline requirements” and is seeking to exempt developments of fewer than 10 homes from BNG, while simplifying the rules for developments of between 10 and 49.

The Home Builders Federation had said BNG placed a “disproportionate

burden on small and medium-sized home builders”, whose market share shrank in the past few years.

Dozens of environmental groups have complained that these reduced rules would mean the vast majority of housing developments would no longer need to compensate for nature loss.

“The government should not water down Biodiversity Net Gain as proposed in this consultation,” said Anna Hollyman, co-head of policy and places at the UK Green Building Council.



## Knight Frank: more investors opting for ESG

Global institutional investors are increasingly leveraging ESG strategies to create and preserve long-term value, and retrofitting assets is the preferred approach, according to the second edition of Knight Frank's ESG Property Investor Survey.

"Our 2025 survey reveals that ESG considerations remain firmly in investment and operational strategies," said Flora Harley, head of ESG research at Knight Frank.

"Driven by the prospect of enhanced returns, as well as net zero and disclosure requirements, ESG due diligence is embedded in investment decisions and informing action, and this is unlikely to waver."

Enhanced returns are cited by 63% of the investors surveyed as a driver for ESG implementation. The emphasis on financial performance follows a time of economic constraint and scrutiny of ESG as a business imperative, adding pertinence to the industry's continued commitment.

The initial survey, in June 2023, focused on ESG and property investments in the UK and Europe. This second edition has a global scope. It gathered responses from 40 investors representing assets under management totalling at least £140 billion.

The latest edition highlights internal net-zero commitments as a strong force behind ESG investment, with nearly 70% of respondents citing them as a key motivator. While disclosures play a role in transparency, ESG policies and commitments shape procurement and investor expectations in response to growing demand for sustainable practices, making net-zero policies essential to stay competitive.

Efficiency remains key: 30% target zero emissions and 27% nearly-zero when undertaking retrofits.

## AXA IM Alts enters battery energy storage sector in UK

AXA IM Alts has entered the battery energy storage sector in the UK, acquiring a 50% stake in the 500MW Coalburn 1 project in South Lanarkshire, Scotland (pictured).

The alternative investment manager made the investment on behalf of clients from Copenhagen Infrastructure Partners (CIP). Once commissioned, the asset will be the largest of its kind in Europe.

"Our investment in Coalburn 1 marks a significant milestone as we enter the UK energy storage market, reinforcing our commitment to supporting the transition to a zero-carbon economy," said Mark Gilligan, head of infrastructure at AXA IM Alts. "Battery storage infrastructure is critical to achieving national energy security and unlocking the full potential of [renewables]."

Coalburn 1 is one of three transmission-connected battery energy storage sector assets being developed by CIP in Scotland.

Collectively, they will have a power capacity of 1.5GW and be able to store and supply the grid with a total of 3GWh of electricity, enough to supply 4.5 million households for two hours.

CIP will continue to lead project delivery, with completion expected in early 2026 once Coalburn 1 becomes operational. The project's revenues are underpinned by a 10-year off-take agreement, providing it with a source of secured revenues.

Battery storage is critical to a reliable and sustainable energy system, as renewable energy sources like solar and wind are inherently intermittent. Battery energy storage systems, which can charge when electricity prices are low and discharge during periods of high demand, provide flexibility to the grid as well as a consistent power supply.

Battery energy storage will also be vital in meeting the UK's targets of a fully decarbonised power market by 2035 and net-zero greenhouse gas emissions by 2050.

AXA IM Alts said infrastructure was a strategic priority, as it plays a critical role in accelerating the transition to a carbon-neutral economy and meeting increasing investor demand for yield-generating markets that offer diversification and reduced volatility.

# Andrea Palmer to become first CEO of Carbon Risk Real Estate Monitor

The Carbon Risk Real Estate Monitor (CRREM) Foundation has announced the appointment of **Andrea Palmer** as its first chief executive officer, effective from 1 July 2025.

Palmer will lead the continued development of the CRREM Foundation following its incorporation in 2024 and its securing of €1 million in philanthropic funding.

“Having worked closely with institutional investors and real estate managers, I’ve experienced first-hand how the CRREM Pathways have reshaped risk assessments and informed ambitious, science-based decarbonisation strategies,”



said Palmer. “I look forward to working with the team and our partners around the world to scale our impact, strengthen data integrity, and ensure the real estate sector is equipped with the best scientific tools to align with global climate goals.”

Palmer brings more than a decade of experience in real estate sustainability to the CEO role. Her most recent position was responsible investment lead, global real estate securities for PGGM. She has also held roles at LaSalle Investment Management and GRESB, where she was part of its real estate team, leading the validation of the annual GRESB assessment and developing its training.

## Patlan appointed to lead people strategy at Measurabl

Measurabl, the global sustainability data platform for real estate, has appointed **Marta Patlan** as senior vice-president for people and culture.

Patlan will lead Measurabl’s global people strategy, including employee experience, talent development, and organisational culture, as the company continues to expand to meet growing global demand for investment-grade sustainability data.

With more than 20 years’ experience

in human capital leadership, Patlan has built and led high-performing, values-driven teams across the pharmaceutical, technology, and gaming sectors.

“We’ve long believed that being customer-first starts with investing in our own team, especially as the market and policy landscape continues to evolve,” said Maureen Waters, president of Measurabl.

“We are confident Marta will be instrumental in strengthening Measurabl

as a best-in-class workplace that drives real value for the industry worldwide.”

“What drew me to Measurabl was where they are in their transformational journey,” said Patlan. “The team is driven by purpose and committed to shaping a sustainable, profitable future for real estate. I plan to further improve an environment where every employee feels connected, supported, and empowered, because when people thrive, the business thrives.”

## I Squared hires head of sustainability

I Squared Capital, a global infrastructure investment firm with more than \$40 billion in assets under management, has announced the appointment of **Ben Harper** as its first head of sustainability, based in the firm’s Miami office.

“We are delighted to welcome Ben to I Squared Capital,” said Sadek Wahba, chairman and managing partner. “As we continue to strengthen our capabilities in climate risk mitigation across our portfolio assets, we are confident that Ben’s expertise and leadership will further enhance our

overall efforts to create long-term value for our stakeholders.”

Harper holds a BSc in Civil and Environmental Engineering from Southern Polytechnic State University. His previous roles include managing director and head of ESG at Stonepeak, and head of corporate sustainability at Zurich North America Insurance, where he led the development of Zurich’s sustainability strategy, corporate social responsibility initiatives, and climate targets.



## Li Destri Nicosia promoted to deliver Amro's climate goals

Amro Partners has promoted **Elisabetta Li Destri Nicosia** to managing director for ESG and sustainability. She will be responsible for delivering Amro's ambitious climate agenda and working closely with its investor partners to align capital with its ESG commitments.

She joined residential living specialist Amro Partners in 2022 as director for sustainability and ESG, tasked with developing Amro's capabilities and helping embed them at asset, portfolio and corporate level. In her new role, she will deliver the firm's climate goals across the UK and Europe, working in partnership with investors to ensure joint projects achieve the highest-possible ESG standards.

"This promotion is incredibly well-deserved," said Ami Kotecha, co-founder and president of Amro Partners. "Over the past three years, Elisabetta has played a significant role in developing our ESG strategy and the in-house tech platform we need to deliver it, truly setting us apart from our competitors."

Amro's in-house data intelligence



platform targets continuous emissions reductions throughout design, construction and operational stages, using machine-led learning, AI and automated reporting and intervention. It has achieved BREEAM Outstanding, WiredScore Platinum and Fitwel 3\* for every new residential living project since 2022.

## Richardt joins Periskop Partners as head of ESG

Periskop Partners, a German independent investment adviser in the real estate sector, has appointed Carlo Richardt as its new head of ESG, based at the company's Berlin headquarters.

As a certified sustainable finance manager, Richardt will oversee the strategic development and practical implementation of the group's sustainability objectives. He will work closely with Periskop Partners' subsidiaries to establish a sustainable risk management approach focused on long-term value stability.

He brings extensive experience in sustainability management and the real estate industry. Most recently he worked as an ESG specialist at ZBI, where he oversaw ESG integration at the property level and developed tailored sustainability concepts and solutions. Before that, he held various roles at Deutsche Kreditbank AG (Berlin), including in the Real Estate Services division, where he focused on digitising property valuations and measuring CO2 emissions for the bank's portfolio.

## IMPACT promotes Zimmerman to MD of investments

IMPACT Community Capital, an investment manager with a 25-year track record in affordable housing debt, has promoted Andrew Zimmerman to managing director of investments.

In his new role, Zimmerman will oversee the firm's investment strategy, deal sourcing, and execution, further positioning IMPACT as a premier platform for investors seeking competitive, risk-adjusted returns in the affordable housing credit sector.

Zimmerman joined IMPACT in 2014 and has been a driving force behind

several of the firm's most complex and successful initiatives. He has played a key role in developing innovative vehicles that align with investor needs, including IMPACT's collaboration with Freddie Mac on the first Q-Series issuance, bringing the liquidity of agency financing to a wider range of affordable multifamily lenders and properties.

"Andrew has brought crucial expertise and creativity to the platform," said Michael Lohmeier, president and CIO of IMPACT Community Capital. "His leadership

has been essential to our growth and ability to scale differentiated opportunities in underinvested communities across the country while delivering value to investors."

Before joining IMPACT, Zimmerman worked for Metropolitan Real Estate Equity Management, where he evaluated equity real estate and fund investment opportunities.



# Respect for nature adds value for everyone

Biodiversity lifts wellbeing – and the bottom line.

By **Ron van Bloois**, managing editor



This special edition of *Impact* is focused on integrating biodiversity, both in new developments and in the transformation of existing assets. It's a challenging topic for real estate professionals who (mainly) think, or assume, that the value of their assets lies in bricks and mortar.

At the Mipim conference in Cannes, we explored these perspectives in a lively and engaging session, which I co-moderated alongside Christiane Conrads from PwC. She wrapped up the key takeaways as follows:

- Who should lead? Which stakeholder should coordinate efforts to accelerate biodiversity? Municipalities, developers, general contractors, or investors? A clear lead is essential for effective stakeholder management.
- Biodiversity must be factored into real estate valuations, as it increasingly ties into the business case. It can drive value creation, reduce operational costs, mitigate long-term risks, and enable access to sustainable finance. Integrating nature is no longer just a 'nice-to-have' – it's becoming a strategic asset for investors.
- Tech solutions need to evolve. While many innovations address single issues (such as climate change mitigation), biodiversity requires more complex, interconnected solutions that work in sync.
- Simplicity is key. Although biodiversity is a complex topic, there is a strong need for



clear guidance and practical, collaborative approaches to enable real-world action.

- And finally, biodiversity contributes to happiness. More cities are beginning to measure residents' wellbeing, and younger generations are raising expectations around green spaces and nature-based solutions in the built environment.

This happiness factor is going to do the magic of interconnecting all factors. This will be in social terms, but it also includes hard, financial values. The greater resident/user/occupier appreciation becomes, along with increased wellbeing, lower sick leave and fewer risks on balance sheets, the greater the valuations will be for areas and the assets within them, and the higher the exit values.

So let's respect Mother Nature, please: by doing so you will do yourself and future generations a great service. ■



**Editor**  
Nicol Dynes  
nicol.dynes@realassetmedia.com



**Managing Editor**  
Ron van Bloois  
ronvanbloois@me.com



**Design and Production**  
Lucien Howlett  
lucien.howlett@realassetmedia.com



**Director Client Relations**  
Frank Beinborn  
frank.beinborn@realassetmedia.com  
+49 152 54 87 86 68



**Head of Sales and Marketing**  
Irina Gasson  
irina.gasson@realassetmedia.com  
+40 747 422993



**Managing Partner**  
Thorsten Herbert  
thorsten.herbert@realassetmedia.com  
+49 170 47 98 793



**Group Publisher**  
Richard Betts  
richard.betts@realassetmedia.com  
+44 (0) 755 7373 134



Investment Briefings Ltd  
10 Jesus Lane  
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VAT: 202 8685 13

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