

# Fidelity International Real Estate

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## Integrating ESG into Real Estate

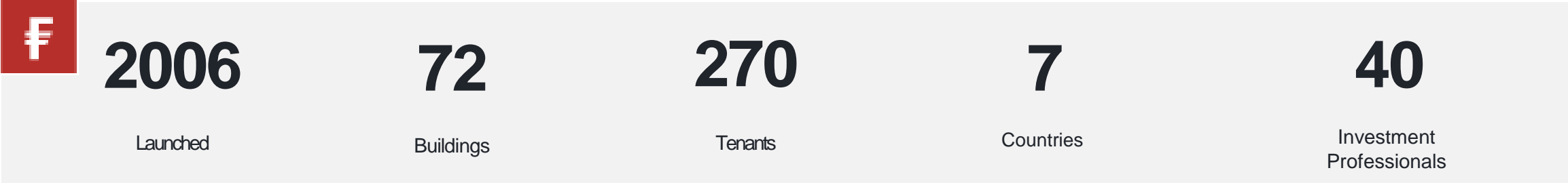
Isabella Nicoll  
Investment Specialist, Real Estate

Ewan Montgomery  
Portfolio Manager, Real Estate

March 30th, 2021

# Addressing the challenge

Fidelity International Real Estate

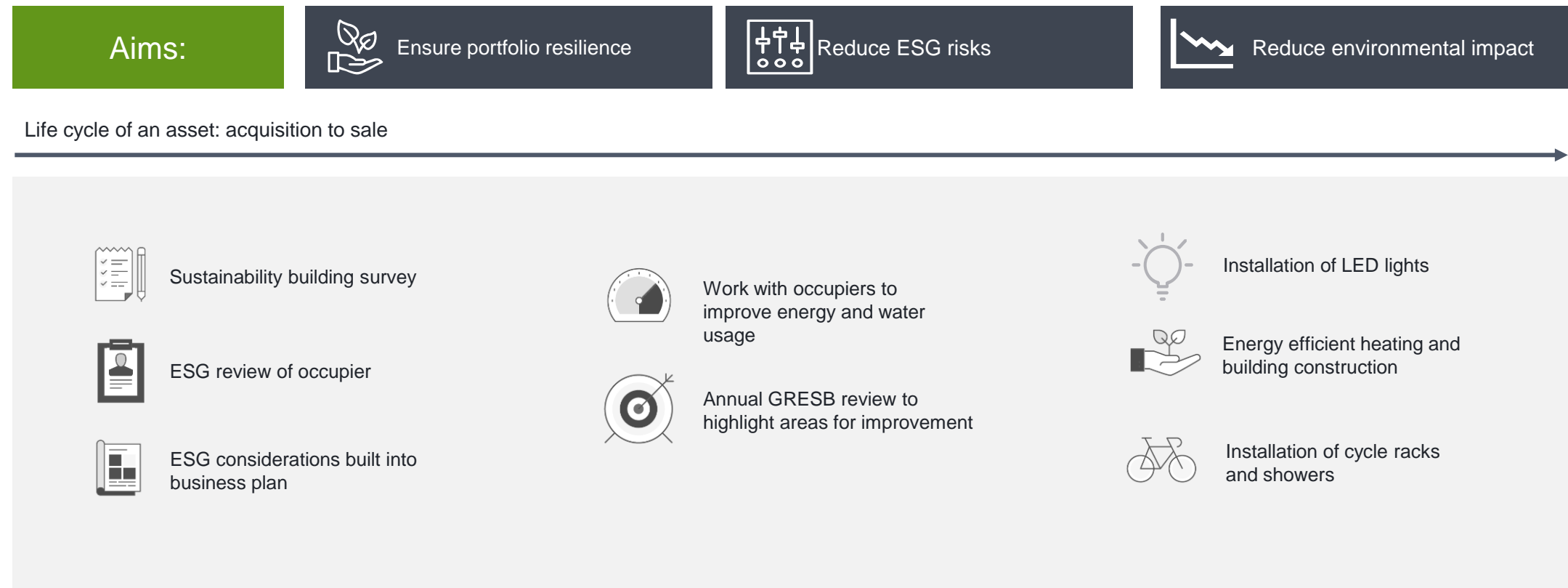


Source: Fidelity International, 31/12/2020.



# Active sustainability

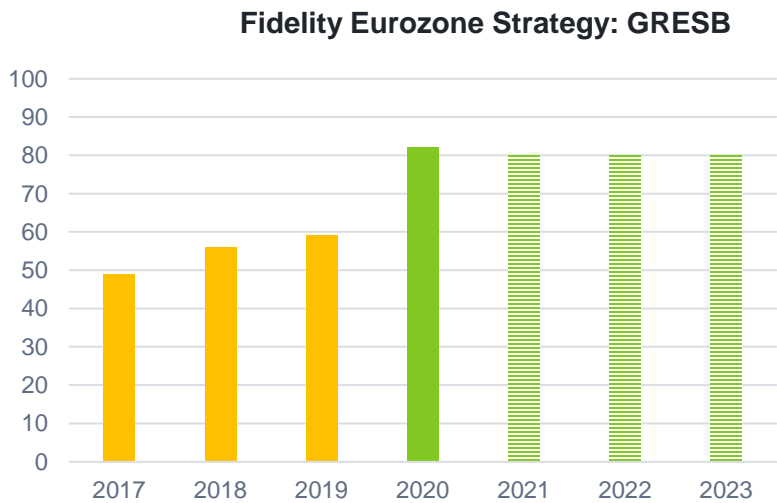
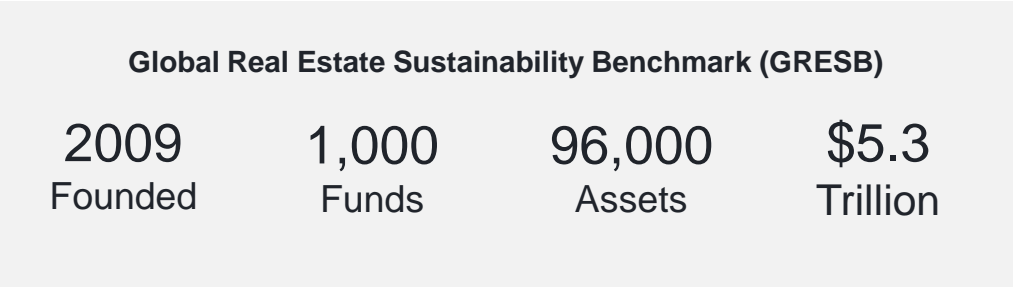
Integrated throughout the investment process



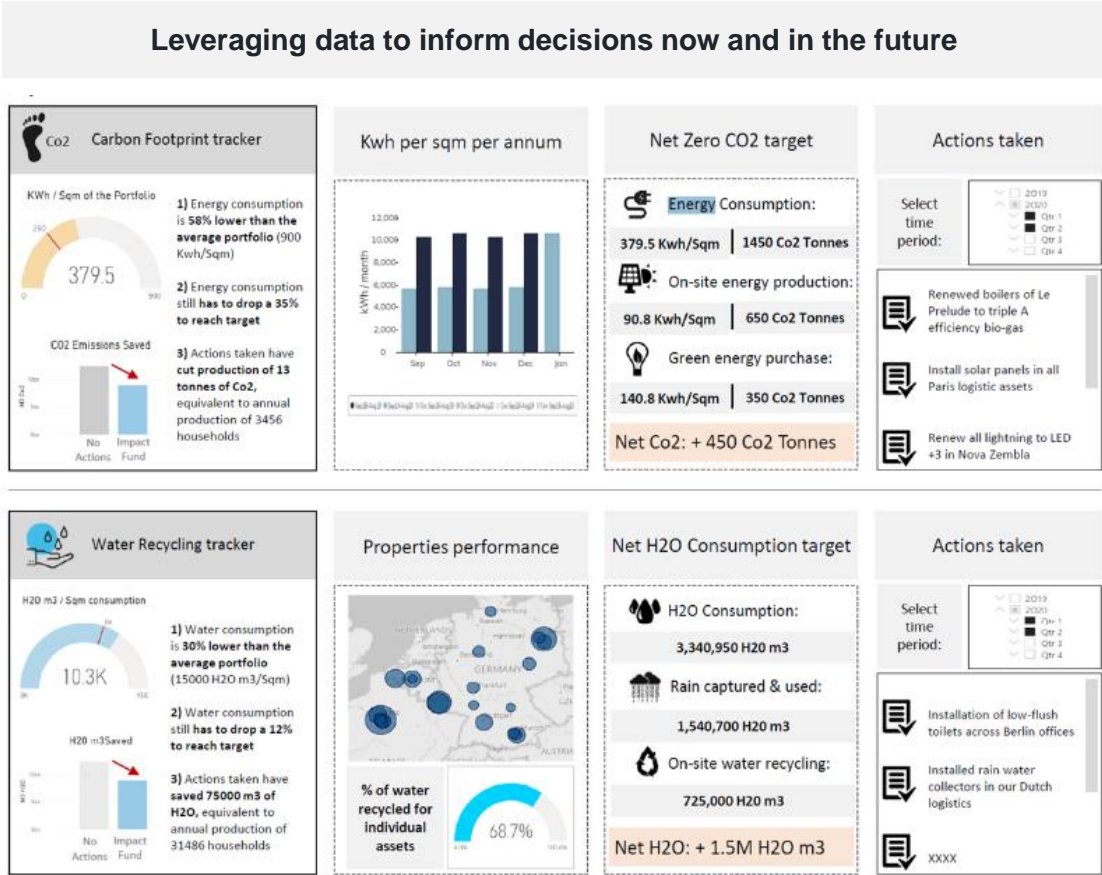
Source: Fidelity International, 31/12/2020.

# Benchmarking and data collection

Measuring and quantifying the impact



Source: Fidelity International, 31/12/2020.



# Partnering with occupiers

Aligning interests in order to deliver mutual benefits for all our clients

## Office occupier seeking lease extension, delivered successful outcomes:

- Fidelity receive full data on energy consumption
- Occupier fostered a better working environment for staff
- Property has reduced energy consumption – with financial and carbon reduction improvements
- Clients get access to sustainable income, with long term capital value potential



Source: Fidelity International, 31/12/2020.

# Building Certifications

A methodology to promote standardisation across Global Commercial Real Estate

There are a broad range of building certifications depending on geography and the stage of the asset's lifecycle.



Design



In-use



Refurbishment



DGNB

Deutsche Gesellschaft für Nachhaltiges Bauen  
German Sustainable Building Council

BREEAM®

HQE®  
THE WAY TO PROGRESS

greenstar

Source: Fidelity International, 31/12/2020.

# Quantifiable, measurable and comparable

Clear targets will enable transparency on progress



Reducing energy consumption by 3% per year and carbon emission by 25%, from 2018 baseline, by 2023 at managed buildings



Increase coverage of BREEAM / LEED certification across our portfolios for each of the next five years



Develop a method to formally evaluate Fidelity's contribution to social value by 2023.



Reduce water consumption by 10%, from 2018 baseline, by 2023

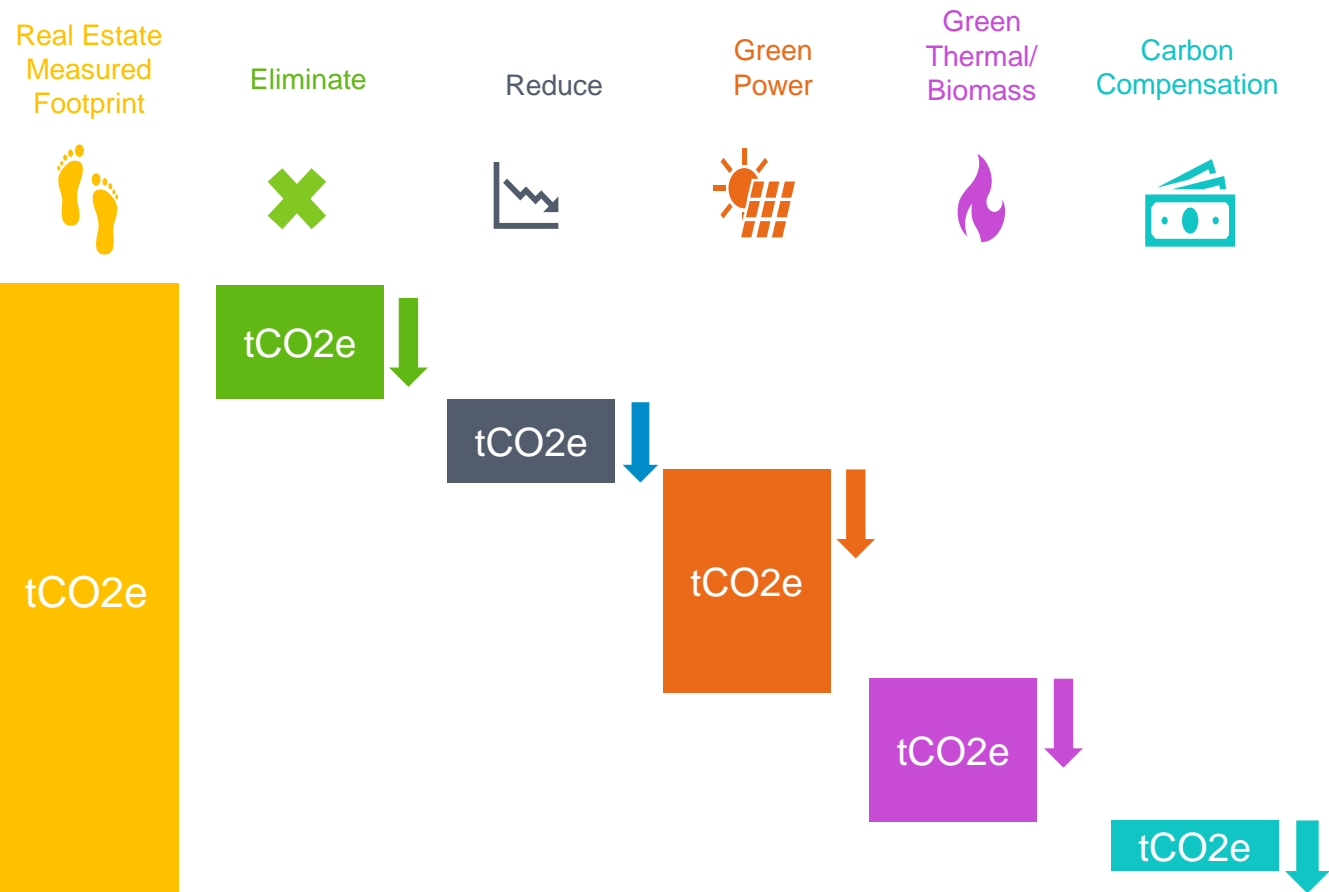


Net zero carbon – *in progress*

Note: Energy, water and waste targets relate to performance that is under Fidelity's operational control. In practical terms this is where we are directly responsible for controlling consumption in our buildings. Source: Fidelity International, 31/12/2020.

# Achieving Net Zero Carbon – we have two options

## Option A - High Investment, minimising carbon emissions



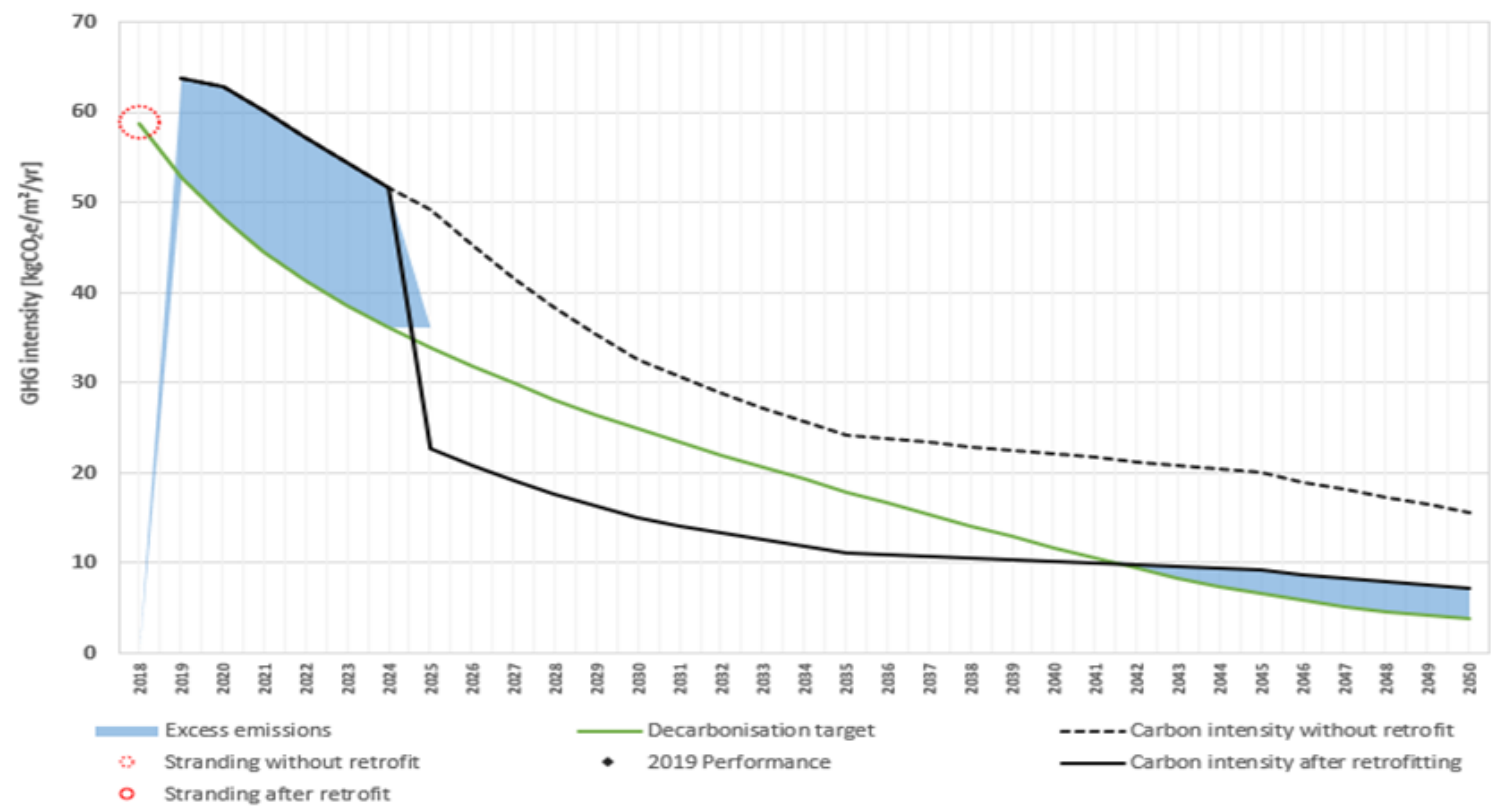
## Option B – Low investment relying on Carbon Compensation



Source: Fidelity International. Note: tCO2e – tonnes of CO2 equivalent

# Net Zero Carbon – An Asset illustration

Net Zero Pathway – avoid asset stranding



Source – Evora global

# Refurbishment – Before and After

Using asset management to deliver sustainability improvements



# Ownership of delivering our sustainability agenda

Part 1: 13 targets addressed by relevant working groups, reporting quarterly to governance committees on progress



**Energy & Carbon**



**Water & Waste**



**Occupier Engagement**



**Social Value**



**Sustainable Acquisitions**



**Sustainable  
Refurbishment**

Part 2: A clear framework and governance to review and monitor the progress and set the agenda.



**Sustainability Investing Steering Committee**

Comprised of individuals from client solutions, investment and asset management and an external ESG consultancy.



**Real Estate  
Management Committee**

Comprised of senior individuals from the Real Estate Management Team.

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