



# NET ZERO 2030

## Our Response to the Environmental Emergency

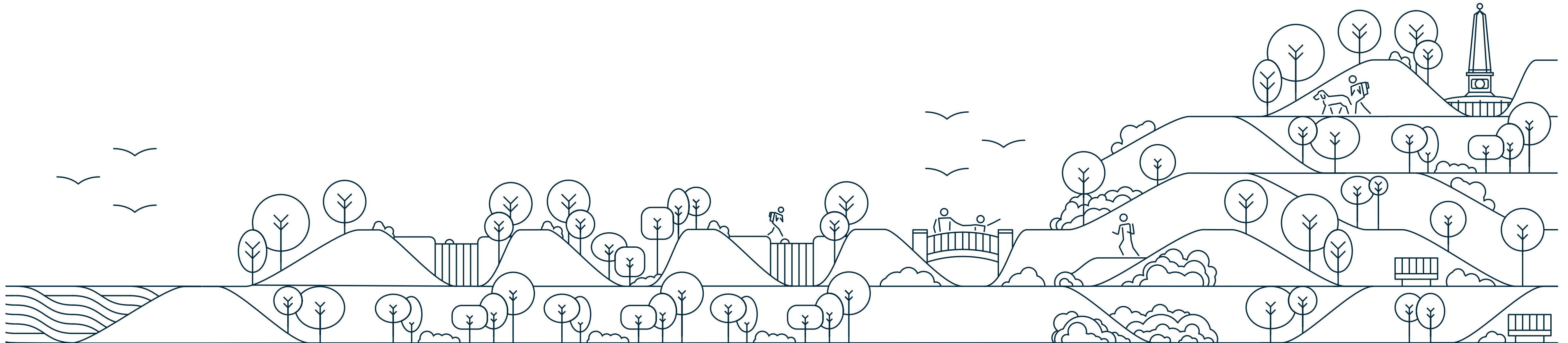
# NET ZERO 2030

“When we consider the scale of the environmental crisis it can feel hard to know where to start, but at The Crown Estate we are clear that ‘doing nothing’ is not an option.”

– Dan Labbad, CEO of The Crown Estate

Our business touches so many parts of modern life, with a history and heritage rooted in the fabric of the nation. We have a responsibility to do more than grow financial returns; we must also help the nation to take on the challenges it faces, including addressing the environmental crisis.

Climate change and protecting the environment is the shared challenge against which history will judge our generation. We are optimistic that, together, we can rise to meet this challenge.



To respond to the environmental crisis, we commit to aligning our business to a 1.5°C ‘Paris proof’ climate scenario, with a target to be a net zero business by 2030 and climate positive thereafter.



# The crisis facing our climate is matched by a crisis in our natural world and these cannot be looked at in isolation.

The environmental crisis presents a twin challenge. In committing to net zero, as well as decarbonising our business, we will seek solutions to restore the natural world by providing and protecting habitats and removing carbon from the atmosphere.

By addressing ecological resilience and climate change together, we will:

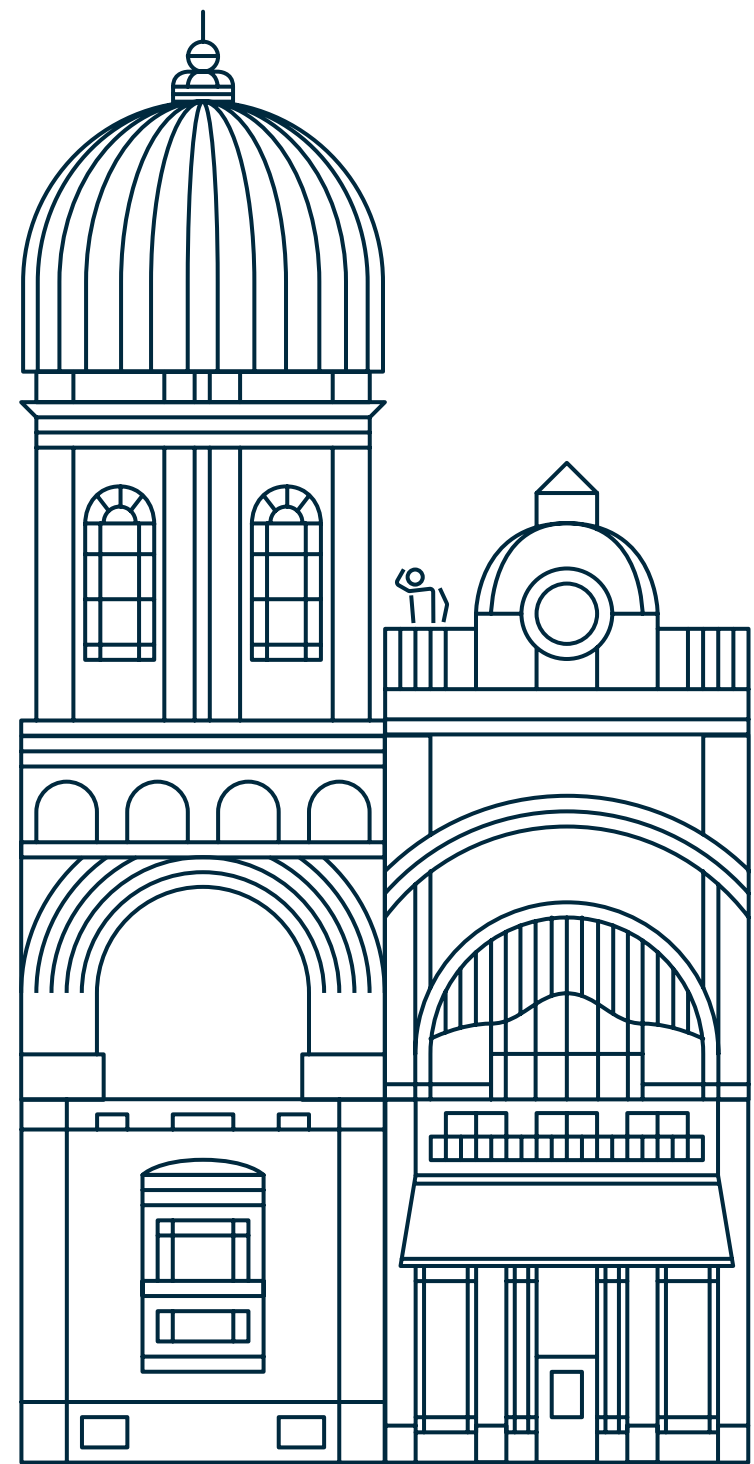
- optimise the potential of the nation's seabed as a source of clean energy and promote healthy seas and ecosystems.
- ensure Windsor Great Park and our rural portfolio reach their potential to help reinvigorate the nation's ecological fabric.
- find new ways to bring wildlife back to our places and cities.



With our unique heritage and diverse business, we will be ambitious in how we work with our customers, stakeholders and communities, to strengthen the UK's response to the twin crises facing the world's climate and ecosystems.



## The five core elements to our commitment



**01** Strategic alignment to 1.5°C goal of Paris Agreement

We commit to helping create the world we want to live in by becoming a net zero business by 2030 and be climate positive thereafter, aligning with a 1.5°C 'Paris proof' climate scenario. This includes all Scope 1-3 emissions associated with the operation of directly managed assets.

**02** Climate resilience

We will prepare our business to be resilient in the face of higher levels of warming, including through the application of the TCFD (Task Force on Climate-Related Financial Disclosures) framework.

**03** Integrated approach to climate and ecology

We will address the crises in our climate and ecological environment in a joined up way, including identifying opportunities for carbon sequestration and finding ways to restore nature by encouraging biodiversity in marine, rural and urban environments.

**04** Real estate decarbonisation

We will decarbonise emissions associated with the design, construction and operation of our real estate across the country. This includes carbon embodied in new development, energy use in directly managed and customer occupied spaces and procurement of 100% renewable energy across the portfolio.

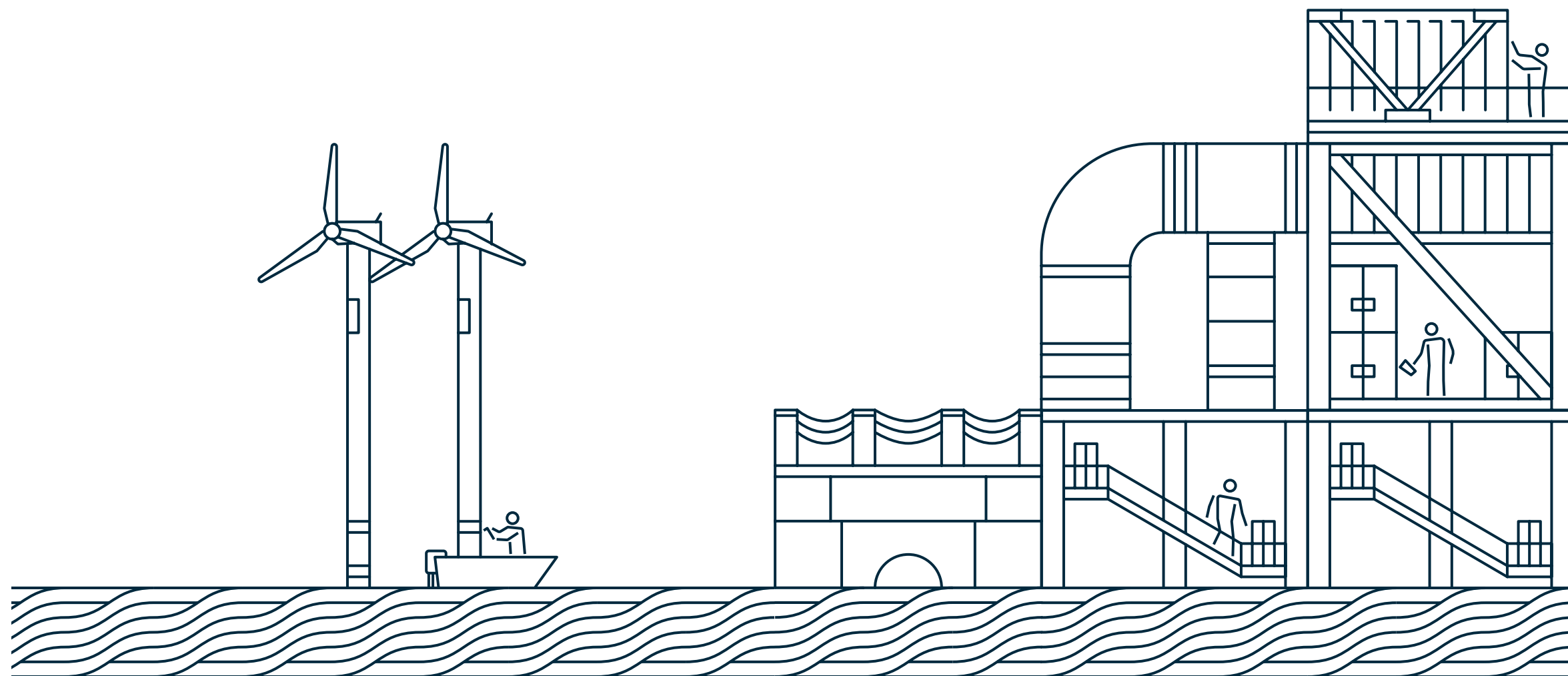
**05** Realising the potential of the seabed

We will manage the nation's increasingly busy seabed to help realise its potential to enable green growth. This includes facilitating the development of offshore wind to support the Government's goal of delivering 40GW by 2030 and new technologies like Floating Wind and Carbon Capture, Utilisation and Storage (CCUS), in a way which protects marine biodiversity and the natural environment.

## Working together

Meeting this goal will be tough and we make this commitment knowing that we don't have all the answers. We cannot do this alone and we will need to work with our many customers and partners who share our ambitions. There will be big challenges to solve along the way and there's so much to play for when it comes to innovation in technology and digital, where big strides will be needed.

We're not the only ones on this journey and now, more than ever, we're all in this together. By collaborating and encouraging each other in an open and honest way to do more and do better, we will forge a new future that will afford those who come after us the opportunity to enjoy at least the same quality of life and hope that we do today.



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We will hold ourselves to account in the decade ahead and know that our stakeholders will do so too.



We know that society will judge us not on our commitment but on how we deliver against it.

As we make progress, we will...

- Be open about our progress and upfront when we encounter challenges along the way. Where we encounter challenges, we will be open about those and clear on how we will do things differently in future.
- Invest to support our goal and challenge ourselves to work as hard and as fast as we can towards it, adjusting accordingly if we need to, as we understand the opportunities and challenges further in the years ahead.
- Disclose our progress against our net zero pathway on an annual basis, including our operational energy performance of our real estate portfolio, alongside the reporting standards and methodology used, within our Annual Report and Performance Against Capitals Report.\*

\*We will continue to quantify and report our organisational Greenhouse Gas (GHG) emissions according to the GHG Protocol, reporting both location-based and market-based Scope 2 emissions (and Scope 3 where applicable). Further details of our methodology and environmental reporting criteria can be found [here](#).



We will review progress against our net zero goal annually and develop detailed plans to drive progress to be completely fossil-free as soon as possible.

We are working with the Science Based Target initiative (SBTi) to agree appropriate decarbonisation targets in line with our 2030 1.5°C trajectory. We have also signed up to:

- The World Green Building Council's Net Zero Carbon Buildings Commitment
- The Better Building Partnership (BBP) Climate Change Commitment



# 01

## Our Scope

Our Scope sets out our current reporting boundary in line with industry best practice.\* It covers Scopes 1, 2 and 3 GHG emissions, including all relevant GHGs in line with the GHG Corporate Standard. We will report on decarbonisation of our directly managed real estate but have set a wider goal to be ambitious in how we influence and innovate beyond our reporting scope, enabling net zero carbon outcomes right across our value chain and diverse business.

\* BBP Net Zero Carbon Pathway Framework

# 02

## Our Roadmap

Our roadmap outlines the milestones and activities that we will deliver in order to make progress towards our 2030 goal. We will build on this in the years ahead to continually evolve our thinking, including a review every two years of our targets. The first review of these will be published in 2021.

# 03

## Our Approach

We will prioritise on-site energy and carbon reduction of both operational and embodied carbon, followed by maximising renewable generation and procurement, with the use of carbon offset being a last resort. This is in line with the industry standard energy hierarchy.

# 01

## Our Scope

Our scope will guide our reporting of progress and it will evolve over time. We will seek to influence and innovate on carbon and ecology right across our diverse business.



Our net zero reporting scope includes all Scope 1-3 emissions from the operation of directly managed assets

- **Real Estate:** emissions associated with the design, construction and operation of our buildings and supply chain, including:
  - Carbon embodied in the development and refurbishment of our buildings (Scope 3).
  - Emissions associated with the operation of our buildings – energy, water and waste (Scope 1-3). This includes JV-managed assets on a proportional basis by ownership.
  - Emissions from customer activities within our spaces (Scope 3).
- **Windsor:** carbon impacts from management of the natural environment of our Windsor Estate (Scope 3) .
- **Corporate:** emissions from corporate activities including our own offices, travel, and purchasing of goods (Scope 1-3).

## Areas we will seek to influence beyond our reporting scope

- **Supply chain emissions** not directly associated with the management of our portfolio e.g. running of head office (Scope 3).
- **Customer operations** beyond the use of our real estate (Scope 3).
- **Visitor related emissions** including travel and use of sold goods and services (Scope 3).
- **Historic carbon** embodied in our existing portfolio (Scope 3).
- **Customer enabled activities**, including on the seabed and rural portfolio (Scope 3).



# 02

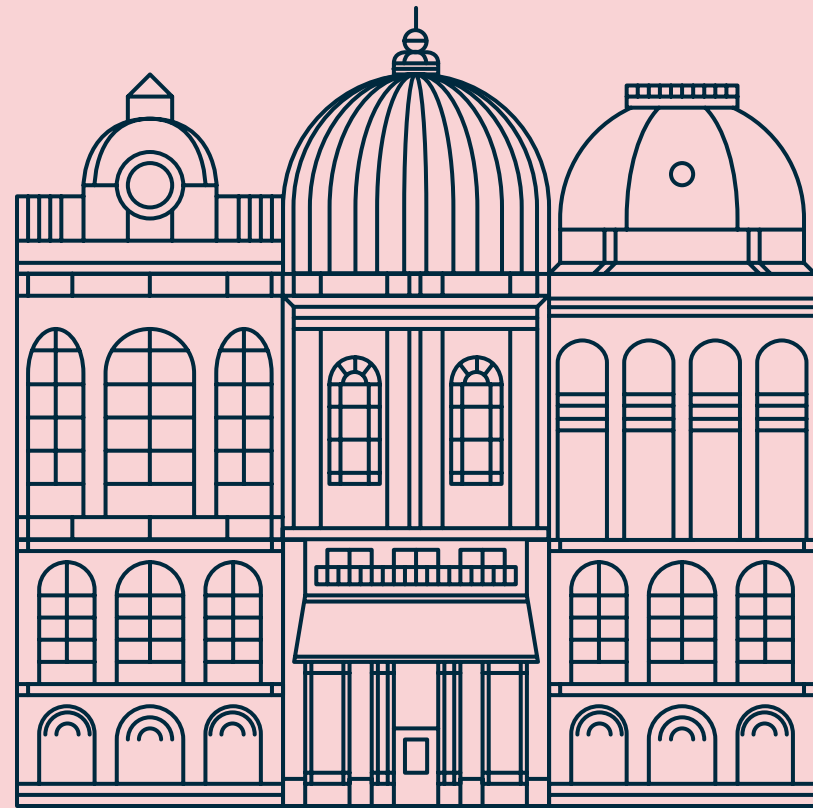
## Our Roadmap

To support our commitment we have set out a high-level roadmap, which we will build on in the years ahead.

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Our commitment to net zero builds on progress we have made in the past.

## 2012



- Adopted 2030 Aspirations including a commitment to reduce carbon emissions by 80%.
- Regent Street achieved green gas status as part of our commitment to procure 100% renewable energy.

- Signed up as BBP Design for Performance pioneer – including mandating NABERS UK across all major developments through our Development Sustainability Principles.
- Delivered first WELL Platinum in Europe, at our headquarters in 1 St James's Market.

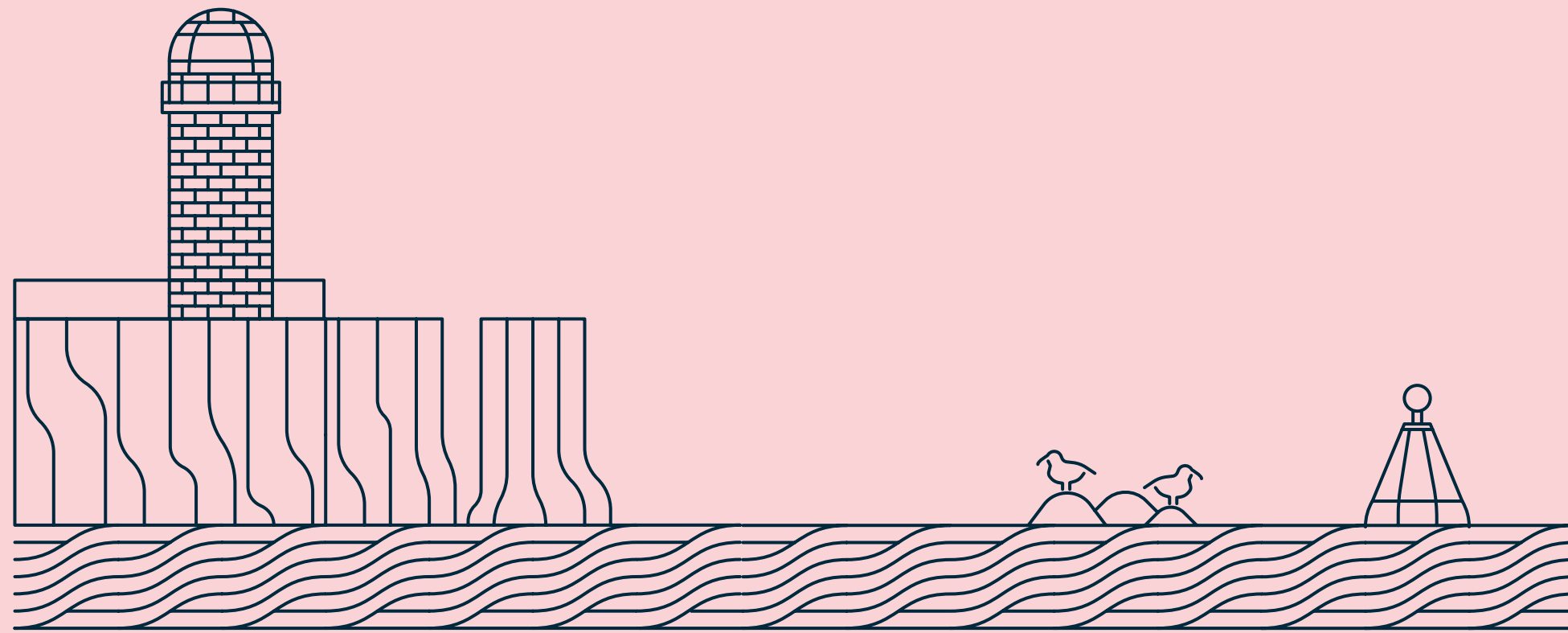


- Completed Phase 1 climate risk analysis for real estate, in line with TCFD Framework.
- Concluded the first Natural Capital Accounting report for Windsor.
- Achieved first BREEAM Outstanding on a Listed Building: 7 Air Street.

## 2020

Launched our commitment to become a net zero business by 2030 and climate positive thereafter.





## 2020

- Manage the nation's seabed to continue realising its full potential to enable the UK's transition to a green economy in a way which protects marine biodiversity and the natural environment.
- Develop a plan for restoring and creating biodiversity in marine, rural and urban environments and opportunities for carbon sequestration and environmental net gain.



- Embed response to the environmental emergency within our strategy including climate risk and opportunity scenario planning.
- Champion a comprehensive approach to sustainable investment, including through application of the TCFD framework and an internal carbon price.
- With the SBTi, review and agree appropriate decarbonisation targets in line with a 1.5°C 2030 trajectory, covering: operations, embodied carbon, renewable energy generation and procurement.
- Build capacity, expertise and knowledge of our employees and supply chain.
- Enhance digital capabilities and adopt smart technology platforms to enhance management of the environmental performance of our assets.

## 2021

- Collaborate within our sectors and shape new partnerships and ways of working with customers and stakeholders.
- Review our approach to renewable energy procurement and carbon offsetting.

# NET ZERO 2030

- Annually review our interim net zero targets to ensure we remain on track.
- Establish a plan for becoming entirely fossil fuel free.
- Complete asset level net zero plans to inform longer-term approach for standing assets.
- Progress delivery of our first net zero enabled development in operation.
- Continue to find new ways of partnering with our customers.
- Define our approach to becoming a climate positive business.
- Continue evolving our roadmap as we learn more about the challenge.

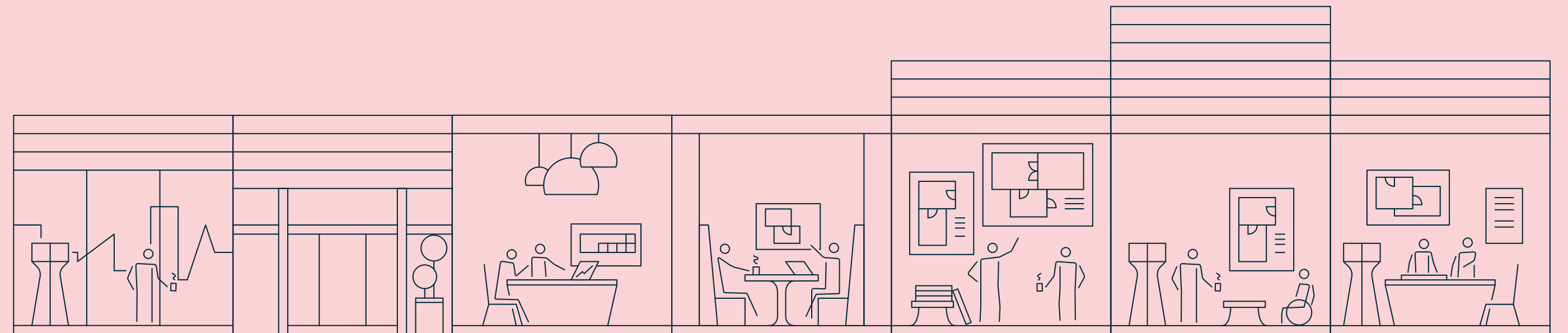
- Extend our scope and approach to consider headlease assets.
- Set pathway for achieving net zero without the use of carbon offsets by 2050 or sooner, for all direct emissions.

Additional targets to be identified as part of ongoing review.

## 2023+

The roadmap will be reviewed annually to inform planning and adjusted to reflect progress, including targets which will be recalculated and revalidated every two years.

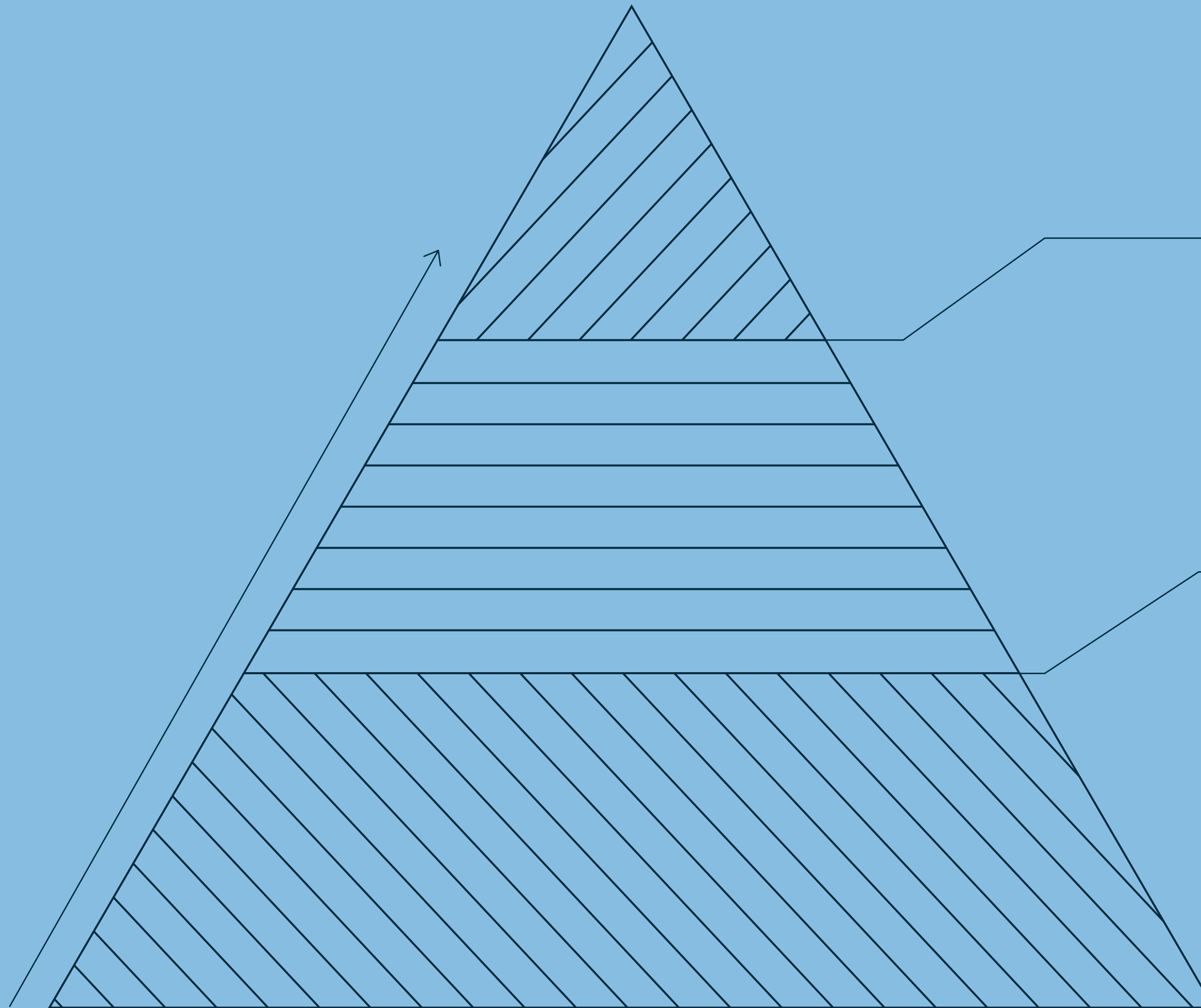
## 2022-2023



# 03

## Our Approach

We will focus on reducing energy and carbon on-site, then increasing renewable energy supply on and off-site. Carbon offsetting will be a last resort and our goal is to phase it out over time.

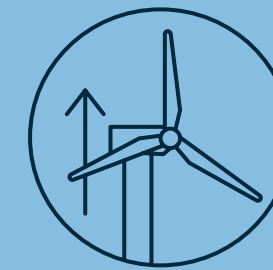


### 3. Offset remaining carbon



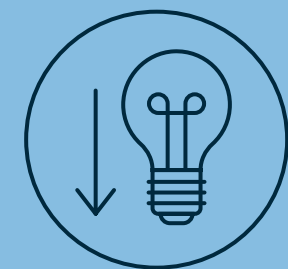
- Identify credible carbon offsetting schemes, including exploring opportunities for offsetting within our own portfolio.
- Phase out the need for the use of carbon offsetting longer-term by 2050.

### 2. Increase renewable energy supply

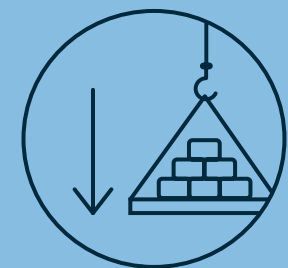


- Increase on-site renewable energy installation for new and existing buildings.
- Identify credible renewable energy procurement routes for both landlord and customer supplies.

### 1. Reduce whole life carbon and energy in our construction and operations



- Invest in energy and carbon reduction measures to reduce operational emissions.
- Reduce embodied carbon of developments and refurbishments.



- Develop a strategic approach to engage and partner with customers.

### Better Buildings Partnership (BBP)

The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock.

### Carbon offsetting

Compensating for the creation of carbon emissions through the removal or avoidance of the equivalent amount of carbon or other GHG emissions elsewhere.

### Carbon, capture, utilisation and storage (CCUS)

An emission reduction technology that captures carbon dioxide emissions at source and either reuses or stores it to prevent the emissions from entering the atmosphere.

### Climate positive

Climate positive is a term which indicates that an organisation or activity goes beyond achieving net zero carbon and creates an environmental benefit by removing additional carbon from the atmosphere.

### Design for Performance (DfP) / NABERS UK

An industry backed project established to tackle the performance gap and provide an approach, based on measurable performance outcomes, to ensure new office developments deliver on their design intent.

### Embodied carbon

The total carbon emissions generated to create a product. This covers the extraction, manufacture, processing, transportation, assembly, replacement and deconstruction of materials required to create the product.

### Energy hierarchy

The energy hierarchy is a prioritisation of activities which, if followed, will reduce the environmental impact of an energy system.

### Greenhouse Gas (GHG) Protocol Corporate Standard

The GHG Protocol is the most widely recognised accounting standard for organisations to report their greenhouse gas emissions.

### Internal carbon price

An internal carbon price is a mechanism that puts a monetary value on carbon emissions to inform organisations of the environmental impact of their decision making.

### Science Based Target initiative (SBTi)

The Science Based Targets initiative is an NGO partnership that provides a clear framework for organisations to understand how much and how quickly they need to reduce their GHG emissions in order to achieve the Paris Agreement's goal of limiting global warming to below 2°C.

### Scope 1 emissions

Direct GHG emissions from sources owned or controlled by the business.

### Scope 2 emissions

Indirect GHG emissions from the generation of purchased electricity. Emissions physically occur at the facility where electricity is generated.

### Scope 3 emissions

Other indirect emissions as a consequence of the activities of the business, which occur from sources not owned or controlled by the business.

### Task Force on Climate-Related Financial Disclosure (TCFD)

The TCFD is a market-driven initiative, set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings.

### UK Green Building Council (UKGBC)

A charity with over 400 member organisations spanning the entire property sector, who represent the voice of the industry's current and future leaders who are striving for transformational change.

### World Green Building Council (WGBC)

Green Building Councils are independent, non-profit organisations made up of businesses and organisations working in the building and construction industry, to transform the sector's impact on society and the environment.

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