

## PRESS RELEASE

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# Research reveals building sector is dangerously behind on climate progress and planning for net-zero

- *The World Benchmarking Alliance (WBA) has assessed 50 major companies across the building sector, representing property development, construction, and property management.*
- *The latest assessment shows that 54% of companies do not have climate transition plans in place for a low-carbon future, and 44% do not have emissions reduction targets.*
- *Companies analysed include JLL, Brookfield, China Evergrande, Country Garden, Greenland Holdings, Vonovia, New World Development, SEGRO, Unibail-Rodamco-Westfield, Ayala, Gecina, Hyundai E&C, Lendlease, LEG Immobilien, Macrotech, Godrej, Mitsubishi Estate and Prologis.*

**Amsterdam, 29 March 2023** – The World Benchmarking Alliance (WBA), in partnership with CDP, the world's leading environmental disclosure system, has assessed 50 influential companies across the building sector. The first Buildings Benchmark, published today, finds that most property developers, managers, and construction companies don't have both emissions targets and climate transition plans in place.

The building sector is responsible for 37% of global emissions, so this lack of progress and planning from a critical industry is particularly alarming, especially in light of the UN's latest Intergovernmental Panel on Climate Change report, which warned that the world is on the brink of catastrophic warming.

The Buildings Benchmark paints a picture of a sector sleepwalking into a situation where damaging emissions are locked into the design and build of many properties, and highlights the need for urgent action across the whole sector. Fifty four percent of companies assessed have not developed a climate transition plan and 44% fail to even set any targets to reduce emissions. The plans that exist lack detail, such as what finances they are committing to this plan.

The assessment uses the Assessing low-Carbon Transition (ACT) methodology that drives climate action by benchmarking companies against advanced, science-based metrics.

Companies assessed include JLL, Brookfield, China Evergrande, Country Garde, Greenland Holdings, Vonovia, New World Development, SEGRO, Unibail-Rodamco-Westfield, Ayala, Gecina, Hyundai E&C, Lendlease, LEG Immobilien, Macrotech, Godrej, Mitsubishi Estate and Prologis, and operate across 91 countries, including China, the USA and Europe.

### **Vicky Sins, Decarbonisation and Energy Transformation Lead, said:**

*“Building companies don't have low carbon strategies in place, but neither are they thinking about people. Only a few companies within the Buildings Benchmark are engaged with topics that are necessary for a just transition. The lack of plans and action by companies could risk the success of the low-carbon transition and could lead to increased inequality, mass unemployment and civil unrest.”*

*“Despite the fact that buildings are built by and for people, no one is taking accountability for the people who work or live in buildings. We need every company in the building sector to step up efforts to accelerate the transition to more efficient buildings and more sustainable materials and resources, but for the transition to be just, it is essential that companies consider the millions of workers who will need to reskill or retrain. Not a single company is currently planning the transition for their workforce.”*

Only five (16%) of the 32 companies with significant development or construction activities (Ayala, Gecina, Hyundai E&C, Lendlease and Prologis) have a net-zero target that includes the in-use emissions of delivered buildings. However, none have a time-bound roadmap of how they will deliver solely zero-carbon-ready buildings by their target year.

Gecina is the only company that targets the delivery of zero-carbon ready buildings in line with the IEA net-zero scenario requirement that all new buildings delivered from 2030 onwards will be zero-carbon ready. Currently, only two companies (LEG Immobilien and Gecina) are developing zero-carbon ready buildings in their property development operations.

Analysis also found that as a result of the longevity of buildings, the choices that the sector makes today risk locking in emissions for decades to come. The wrong design, construction, and renovation decisions today will have a lasting impact on companies’ ability to decarbonise at the speed and scale required if we are to avert the worst impacts of climate change.

Both the construction processes and the energy efficiency of new building stock are key factors impacting the ability of the sector to decrease emissions. Far too many companies risk causing a continued cycle of high emissions by using unsustainable materials and creating buildings which lock-in continuing demand for fossil gas or which require unnecessarily high energy consumption.

WBA and CDP call on all building companies to develop zero-carbon-ready buildings that can reduce emissions, and to stop building inadequate ones that will need either renovation or rebuild. The sector must also prioritise renovating and retrofitting older buildings to reduce their environmental impact. Unless these aspects are considered, buildings will continue to create a ripple effect that ends in tenants and homeowners emitting more CO<sub>2</sub>.

**Amir Sokolowski, CDP’s Global Director, Climate Change, said:**

*“The findings from the Buildings Benchmark are alarming. Across the sector we see a lack of the urgent action required if we are to reduce emissions at the scale required. Climate transition plans that include financial commitments are crucial to ensure that companies’ targets are realistic and achievable. A climate transition plan should outline how a company plans to align with a 1.5°C world. It must include commitments with clear timescales for their implementation, as well as tracking measures of success. The 54% of companies in the benchmark who currently lack transition plans must urgently put these in place and companies must continue to disclose their commitments and actions to ensure they are kept transparent and accountable’*

The companies whose management of climate change is most aligned with a net zero future are Gecina, JLL, URW, HDEC and Mitsui. All these companies are headquartered in countries that have set net-zero emissions targets for no later than 2050 – namely France, the United States, the Republic of Korea and Japan – highlighting the importance of national policies and regulations to speed up change.

The Buildings Benchmark is the second of WBA’s Climate and Energy Benchmark series that combines the ACT (Assessing low-Carbon Transition) methodologies and WBA’s just transition and social assessments to provide an overall score and company ranking. Three more

benchmarks will be published this year, covering various sectors - Oil and Gas, Electric Utilities and Heavy Industries.

ENDS

### **Notes to editors**

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### **About the Buildings Benchmark**

Please see the full Buildings Benchmark available here:

<https://www.worldbenchmarkingalliance.org/buildings-benchmark/>

To see the full Buildings Benchmark methodology, visit:

<https://www.worldbenchmarkingalliance.org/research/methodology-for-the-2023-buildings-and-construction-benchmark/>

### **About the World Benchmarking Alliance**

- *Founded in 2018, the World Benchmarking Alliance is a non-profit organisation holding 2,000 of the world's most influential companies accountable for their part in achieving the Sustainable Development Goals.*
- *It does this by publishing free and publicly available benchmarks on their performance and showing what good corporate practice looks like.*
- *The benchmarks provide companies with a clear roadmap of what commitments and changes they must make in order to put our planet, society and economy on a more sustainable and resilient path.*
- *They also equip everyone – from governments and financial institutions to civil society organisations and individuals – with the insights that they need to collectively incentivise leading companies to keep going and pressure the laggards to catch up.*
- *Visit [www.worldbenchmarkingalliance.orgscoreg](http://www.worldbenchmarkingalliance.orgscoreg) and follow @SDGBenchmarks*

### **About ACT**

- *ACT (Assessing low-Carbon Transition) is a publicly funded initiative, founded by CDP and Ademe, and hosted by the World Benchmarking Alliance. It provides credibility to companies' climate transition plans by using forward-looking, holistic and operational approaches to corporate climate accountability.*
- *It includes sector-specific, free and publicly available methodologies, developed according to a standardised, multi-stakeholder process, and tested by companies.*
- *This process ensures an assessment of all aspects of a company's contribution to limiting emissions and aligning with the Paris Agreement mitigation goals.*
- *You can read more about the ACT Methodology used for the 2023 Buildings Benchmark here: <https://www.worldbenchmarkingalliance.org/research/methodology-for-the-2023-buildings-and-construction-benchmark/>*

### **About CDP**

- *CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions.*
- *Founded in 2000 and working with more than 740 financial institutions with over \$130 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests.*
- *Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half of global market capitalization, and over 1,100 cities, states and regions.*



- *Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy.*
- *CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Visit [cdp.net](https://www.cdp.net) or follow us @CDP to find out more.*
- *For more about CDP's climate transition plans, please see:*  
<https://www.cdp.net/en/guidance/guidance-for-companies/climate-transition-plans>