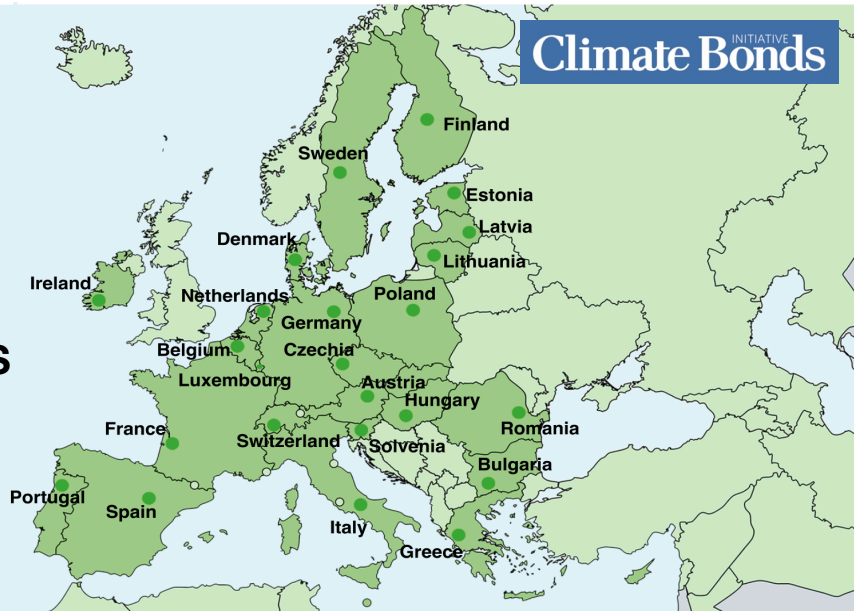


# ELIGIBLE COMMERCIAL BUILDINGS EUROPE

## Low Carbon Buildings Criteria Under the Climate Bonds Standard



### What are the Low Carbon Buildings Criteria?



CBI Buildings Low Carbon Criteria are technical standards that buildings or a portfolio of buildings must satisfy to be eligible as nominated Use of Proceeds (UoP) bond, in a certified Climate Bond.

Any bond being certified must also meet the reporting and transparency requirements of the overarching [Climate Bond Standard](#) (v3.0).

This brochure outlines the new and existing Buildings Criteria for commercial buildings in Europe. For full details on the methodology and requirements, refer to the detailed [New Building Criteria document](#).

### How do we determine what a low carbon building is?

Low carbon emissions trajectories or proxy's, represent rapid decarbonisation trajectories aligned with the goals of Paris Agreement to limit global warming to 1.5 degrees.

- Trajectories are expressed as an emission intensity metric ( $\text{kgCO}_2/\text{m}^2$ ), while
- Accepted proxies represent a range of national and international building codes and sustainability rating schemes that represents the top 15% best energy performance of the considered buildings in that specific country. Information assessed to determine them are: build year, post occupancy evaluations, performance rating and standards.

### When does a commercial building in Europe become eligible for certification?

It is eligible for certification if it meets the following Climate Bonds requirements:

- It meets the low carbon emissions trajectory OR an approved proxy.

- It has or will undergo an upgrade or retrofit which reduces its emissions intensity by 30- 50% (depending on the tenor of the bond).

### How have the trajectories been established?

Trajectories have been established by taking the emissions intensity of the top 15% of buildings in that city and a linear pathway is drawn down to zero carbon in 2050. They are location specific to reflect a number of factors which vary significantly by region.

### About this document

This brochure contains information on the new trajectories established in Europe. CBI had initially developed trajectories in the European region covering 50 cities. Recent updates to this work, and in collaboration with [FluxCo](#) have expanded these trajectories, now totalling 699 cities in Europe.

Please find here the link to the webpage of the Europe cities baseline estimates map.

### How to use the webpage

The link takes you to a map containing points locations around Europe (cities/countries) for which a trajectory has been developed. When you select a location, the baseline target carbon emissions ( $\text{kgCO}_2/\text{m}^2$ ) for that location as well as the information on the city's energy supplier mix, percentage mix (of electricity and gas), Normalised Carbon Intensity (NCI) is presented. A net zero pathway (trajectory) is provided from the baseline emissions intensity towards zero target (achieved by 2050).

### Want more information?

Please contact us at [standards@climatebonds.net](mailto:standards@climatebonds.net) regarding the Low Carbon Building Criteria.

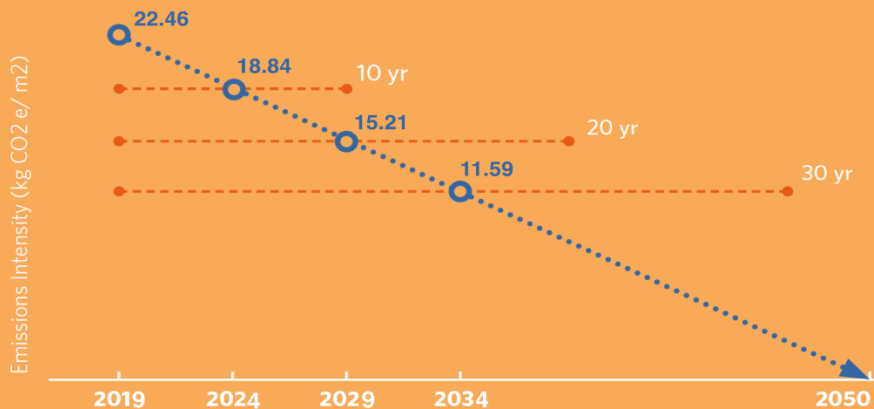
### Example: Netherlands, Amsterdam Commercial Trajectory

Commercial Buildings are eligible for certification if the asset's emissions intensity lies below the established trajectory.

The trajectory chart (Figure 1) shows the established low carbon Buildings trajectory for commercial building in Amsterdam. Any commercial building is eligible if it meets the emissions intensity target for the mid-point of their bond.

For example, for a 10-year bond issued in 2019, the emissions intensity at the time of issuance for a Building in Amsterdam must be at or below 18.84 kgCO<sub>2</sub>e.

Figure 1. Low Carbon Trajectory for Amsterdam, Netherlands



**Note:** Examples have been included for three different bond tenors 10yr, 20 yr and 30 yr showing how the desired tenor of the issuer affects the emissions intensity target of the bond.

## How is an emissions performance trajectory established?

### Steps for developing a trajectory

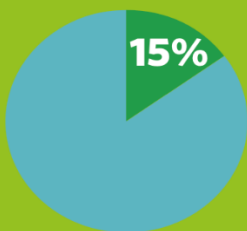
Each trajectory uses the same approach, making global reporting more harmonised, allowing issuers and investors to compare across markets. The following steps highlight the fundamentals.



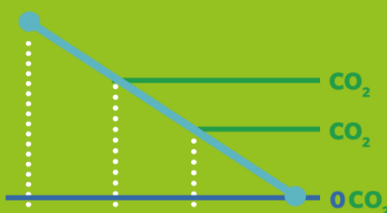
Trajectories are established for specific building types (offices, hotels, shopping centers) on a city/region or country basis where data is available.



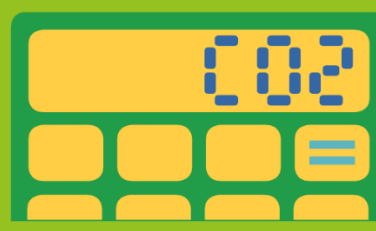
Trajectories are used to derive emissions performance targets that bond issuers must achieve to gain Climate Bond Certification.



The start of the trajectory is the top 15% most emission efficient buildings in a city given as the carbon intensity metric kg CO<sub>2</sub>/m<sup>2</sup>.



Trajectories are linear and aim for zero emissions in 2050. This means emissions performance targets for bond issuers become more demanding over time.



The Climate Bonds CO<sub>2</sub> Target Calculator automatically calculates the emissions performance targets for an issuer based on city, building type, bond issuance year and bond term.

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