



## ECSP's ESG Webinar Series

# Managing Europe's energy crisis – A Brussels response

## 5 KEY TAKEAWAYS

### *Preparing for winter and how the EU is adapting its energy framework*

Real estate is already under the spotlight of EU legislators seeking to tackle the impact of climate change. A summer marked by droughts, wildfires and water shortages will soon be replaced by a winter of discontent, that will impact consumers and businesses.

On 27 September 2022, ECSP hosted a webinar on the current energy crisis and how it could impact Europe's retail property sector. We discussed the EU's emerging energy framework and how it is being re-shaped by a rapidly changing geopolitical landscape. In summary, our key takeaways are:

- 1. *The European Green Deal is here to stay:*** *The Green Deal creates a new framework in which all businesses across every sector will have to operate to ensure Europe hits its ambitious climate targets, moving from simple reporting to engaging in a large-scale transformation. The energy crisis is already reinforcing its objectives rather than replacing it.*
- 2. *Beyond climate neutrality commitments:*** *Expectations have been set very high, and generic climate neutrality targets from companies are not enough. The EU Green Deal is being positioned as a catalyst for systemic change that creates risks that need to be managed, but also new commercial opportunities. Every company will have to lay out a clear pathway as to how it is going to reduce its environmental impact across all its operations, conversely how it can also help Europe reach its ambitious new targets.*
- 3. *An impact on all business activities:*** *The EU Green Deal consists of a set of interrelated initiatives, that link climate change to how the European economy operates. Whatever the issue or topic, when engaging with policymakers it is going to be increasingly important to consider how this may impact the environment.*
- 4. *The Gas Security of Supply Regulation:*** *This regulation from 2017 defines 'protected consumers' as those to which gas providers must ensure an uninterrupted supply in case of disruption. Given the current energy crisis, regulators may have to determine which sectors should be classified as 'essential' to be prioritised in case of any shortage of energy supply/provision. It may become critical for real estate, and specifically retail property, to differentiate itself from other energy users, and why it should fall into this group based on its fundamental role in supporting communities across Europe.*
- 5. *Engagement at EU level:*** *The biggest immediate risk for the retail property sector is the revision of the Energy Performance of Building Directive, the EU's flagship initiative to decarbonise its building stock. The current proposed revision includes a commitment to targeting 2030 for all new buildings to be carbon neutral, not 2050. It is imperative that the sector continues to monitor and engage in upcoming developments and be prepared ahead of potential market interventions amid the energy crisis.*

**ABOUT ECSP** - The European Council of Shopping Places provides a European voice for an industry that designs, creates, funds, develops, builds and manages places anchored by retail across Europe. Its members are a catalyst for sustainable urban regeneration and represent an important civic function in virtually every European community. For more information, please visit [www.ecsp.eu](http://www.ecsp.eu)