

Cromwell Property Group & Deepki: ESG partnership for a pan-European platform

	PROJECT: ESG Digitalisation		LOCATION: Australia, New Zealand and Europe
	COMPANY: Cromwell Property Group & Deepki		FOCUS: ESG Data Collection

The hub has the potential to be fully integrated with Cromwell’s property management software and building management systems.

Deepki was identified as the best online solution to meet Cromwell’s varied requirements following an in-depth review of current market solutions available.

Challenge

Increasing more stringent sustainable investment. European regulations require the need to reduce carbon emissions in line with Cromwell’s ESG strategy. The Group identified the need to implement an ESG data collection platform to collate all relevant data from real estate asset portfolios, in the most efficient and effective manner. Furthermore, in addition to meeting regulatory and voluntary reporting obligations, the team needed additional asset insights to better understand how to improve/enhance the operational efficiency of the assets.

Solution / Approach

Cromwell adopted the Deepki system, a central online hub allowing the Group to automatically collect on a recurring frequency, all existing utility consumption data from assets under management. Once fully rolled out, Deepki will be the single source of the truth, bringing together ESG data from various sources and enabling Cromwell to:

- > Better understand property performance.
- > Define energy and carbon reduction pathways and associated investments plans.
- > Set up energy reduction targets in line with the Group’s ESG strategy.
- > Easily aggregate data at funds/country levels.
- > Improve and deliver more accurate and transparent data for reporting purposes.

Results / Impact

As of 31st March 2023:

1. **Fact 1:** 125 buildings out of 156 in Europe have been integrated into the Deepki platform, representing 74% of the AUM managed in Europe.
2. **Fact 2:** 10 countries have been fully integrated into the system.
3. **Fact 3:** 98% of assets integrated are with landlord-controlled utility meters.
4. **Fact 4:** Of the 79% of landlord-controlled energy meters collecting data:
 - 89% are automated or semi-automated.
 - 22 assets are equipped with water smart meters allowing a direct API feed from supply chain partner Smartvatten to the Deepki platform.

- 5. **Fact 5:** The first API with Danish utility provider has been set up.
- 6. **Fact 6:** Climate risk exposure scores calculated for all assets.
- 7. **Fact 7:** 25% of tenants have provided mandates for Deepki to collect information on their behalf (especially in France).

Outcome

Cromwell wanted a solution that would enable the collection of a wide range of ESG data while also delivering regulatory and voluntary reporting in a more timely and efficient manner. This software provided more accurate and reliable data for reporting purposes.

This tool needed to cover Cromwell's pan European portfolio with data stored across the EU and in several different languages. After the review of several systems available on the market, Deepki was selected as the partner of choice. Prior to a group wide roll out it was decided in 2020 to first test the platform with one country. France was selected as the trial country as this would also help comply with the Décret Tertiaire deadlines and requirements.

Following a successful trial at the end of 2021, Deepki was extended to cover the European portfolio. Roll out started in early 2022 and was staged over 18 months (2 countries at time). All 125 buildings were set up on the

system by the end of 2022 and most of the 2022 data was collected by the end of Q1 2023.

The roll out faced some difficulties in certain countries (connecting to existing local systems, correctly mapping meters, retrieving data in exploitable formats, etc.). These were overcome thanks to pro-active project management and ongoing engagement of the local teams. In some instances Cromwell has even managed to integrate historical data.

In Q2 2022, Cromwell was able to use the Deepki GRESB form for 3 countries and in Q4 2022 we submitted successfully our first declaration for the Décret Tertiaire.

To aid Deepki's integration following the completed roll-out in their respective regions, all local teams (including property managers) have been trained on manual data inputting along with how to analyze and monitor data gaps.

The platform allows real estate teams to monitor asset performance on energy consumption, water leak detection and waste generation/disposal. Monthly dashboards assist in identifying consumption trends and highlighting anomalies.

Looking forward:

Cromwell is now working on obtaining data from tenants across all countries to further redefine carbon accounting at asset/fund levels by integrating tenant data.

After completing energy audits for the Group's main funds, Cromwell is aiming to establish energy and carbon reduction pathways with associated investment plans and set up energy reduction targets in line with the Group's ESG strategy by the end of 2023.

The Group is also aiming to use Deepki's platform for regulatory reporting (Décret Tertiaire, SFDR, EU Taxonomy) and non-regulatory reporting (TCFD, GRESB).

ABOUT THE COMPANY

Cromwell Property Group is a real estate investor and fund manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As of 31 December 2022, Cromwell had total assets under management of €7.6 billion across Australia, New Zealand and Europe. In Europe, Cromwell manages €3.9 billion of real estate assets across a variety of funds and mandates, encompassing over 150 assets.