

EU Taxonomy alignment supported by physical climate risk analysis



PROJECT:
EU Taxonomy for logistics assets



COMPANY:
Edmond de Rothschild REIM



LOCATION
Netherlands and Germany

Challenge

The pan-European logistics and industrial strategy set an objective to achieve at least 20% sustainable investments under SFDR. To reach this objective, EU Taxonomy compliance for both transition risk and physical climate risk was targeted.

A key challenge arose in the Netherlands, where EPC labels are only issued for office components, leaving the industrial and logistics areas without an official energy label. This created a significant gap in demonstrating the EPC A or top-15% energy-efficiency threshold required under EU Taxonomy.

Furthermore, to get high quality physical climate risks vulnerability assessments (to storms, flood) on asset level, a site visit is necessary, which is time consuming and is costly for many assessments.

Another challenge is robustness of reporting, as the SFDR Annex is part of the annual report. To avoid the risk of greenwashing, it is important to eliminate any ambiguity around alignment and provide robust assurance to investors and auditors.

Solution / Approach

Achieving EU Taxonomy alignment required a structured, multi-layered assessment combining energy performance, climate risk analysis, and external third-party verification.

The minimum energy performance requirement was applied through two routes: EPC label A (or better) where an EPC label existed, and BREEAM In Use energy rating criteria where no EPC was available for the logistics / industrial areas.

Energy management requirements were assessed through the presence of compliant building management systems and through Energy Performance Contracts with EnergySafe.

Physical climate risk was evaluated using MunichRe's pan-European climate risk scan. In the Netherlands, results were supplemented with detailed maps from the Climate Effect Atlas.

Longevity Partners combined site visits for asset-level vulnerability, energy efficiency and BREEAM and made tailored climate adaptation plans.



Riga 10 in Barendrecht (Rotterdam)

Finally, to ensure clarity for investors and auditors, EU Taxonomy certification was requested via the Dutch Green Building Council (DGBC) for Dutch assets, while in Germany the certification has been integrated into the BREEAM v6.1 certification process.

Methodology

The project covered EU Taxonomy alignment assessments for 17 assets: 15 in the Netherlands and 2 in Germany.

- > 11 Dutch assets were submitted for a stand-alone EU Taxonomy certificate to the DGBC;
- > 4 Dutch assets combined EU Taxonomy and BREEAM in Use certification;
- > 2 German assets used the combined EU Taxonomy and BREEAM in Use route.

The combined methodology created a consistent assessment framework across regions, addressed the absence of EPC labels for logistics and industrial components, and provided verifiable evidence for energy performance, climate risk, and adaptation planning.

Outcome

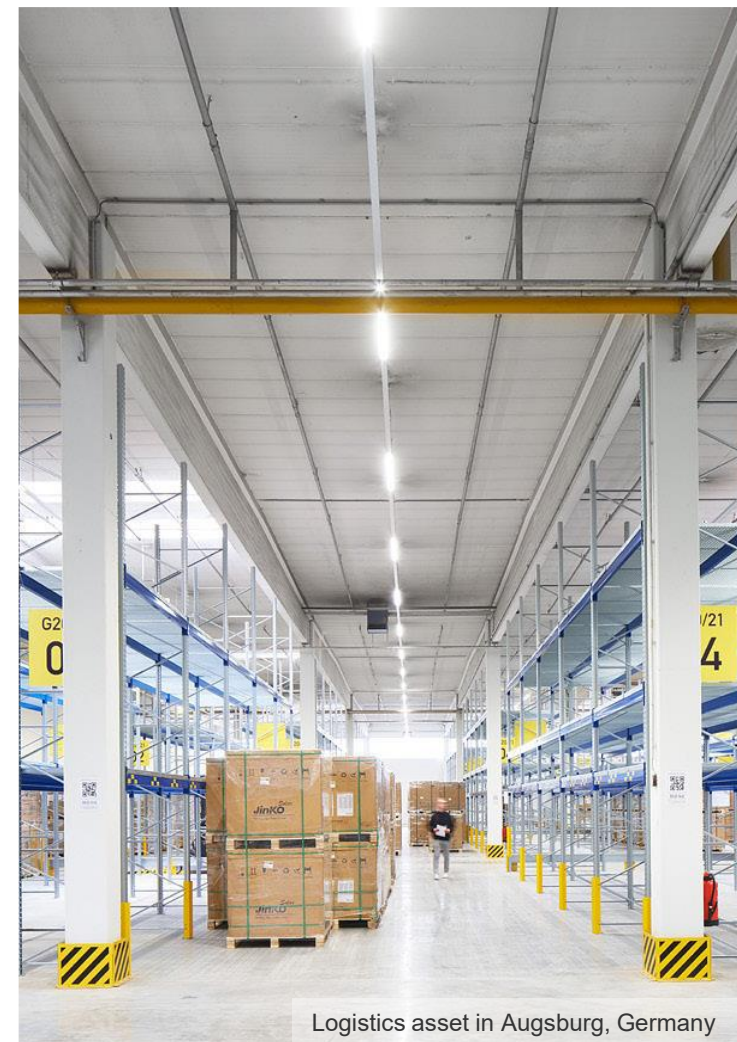
For (energy) transition-risk criteria, BREEAM in Use provided a practical route to demonstrate compliance with the EPC A / top-15% energy efficiency requirement for logistics and industrial assets lacking EPC labels.

This allowed the industrial sections to be evaluated against clear, standardised energy-efficiency criteria. BREEAM site visits verified the presence and adequacy of building management systems, while Energy Performance Contracts with EnergySafe strengthened ongoing optimisation of installation settings, based on smart-meter data.

For physical climate risk, MunichRe's climate risk scoring delivered a consistent pan-European baseline. Its Earth, (Defended) Flood and Storm scores offered a structured basis for comparing risks across multiple countries. In the Netherlands, the Climate Effect Atlas enriched the analysis with a higher level of detail, especially regarding flooding and subsidence patterns. The combination of European-scale data and national-level insights allowed for a more granular understanding of climate exposure.

Longevity Partners conducted asset-specific energy and vulnerability assessments by validating climate-risk results against BREEAM In-Use site observations. This approach provided a cost-efficient, practical view of how modelled risks manifest in real assets.

For example, an asset flagged for high rainfall-flood exposure on one side but without façade openings on that side, was classified as high hazard but low vulnerability, giving a more accurate reflection of risk at asset level.



Logistics asset in Augsburg, Germany

Based on the vulnerability assessment, Longevity prepared a climate adaptation plan for each asset. These plans outlined targeted measures to address identified vulnerabilities and aligned with the EU Taxonomy requirement for necessary improvements to be implemented within five years. The adaptation plans provided asset managers with clear guidance on maintaining compliance over time.

To conclude the process, external validation was sought. In the Netherlands, a BREEAM Expert and a separate Assessor perform reviews before the Dutch Green Building Council issues an EU Taxonomy certificate. In Germany, the integrated BREEAM v6.1 process was chosen as route for the EU Taxonomy review, creating a streamlined assessment and certification pathway.

The result was a consistent, transparent, and verified approach to EU Taxonomy alignment across a diverse logistics and industrial portfolio, providing clarity for auditors and strengthening confidence among investors.

By combining climate risk, EU Taxonomy and BREEAM in Use assessments, we achieved a comprehensive environmental risk assessment and external verification.

Martijn Vlasveld, Head of ESG at Edmond de Rothschild REIM



Source: Detailed flooding risk scan, Climate Effect Atlas

Edmond de Rothschild REIM

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