

## CSRD: Reporting of GHG emissions relating to tenant energy consumption

July 2025

**The FEI and ASPIM consider it necessary to clarify their position regarding the calculation method to be applied by landlords for reporting greenhouse gas (GHG) emissions relating to their tenants' energy consumption.**

Specifically, the CSRD was developed to create closer links between financial and non-financial reporting (alignment of scopes covered, etc.). While this is welcome progress, it is important to take into account the physical and legal realities of this sector.

The concept of financial control should guide both the accounting method (recognizing emissions at 100% and not proportionally to the share of ownership for instance) and the definition of the scope (to minimise exclusions). However, this alignment principle should not influence the categorisation of emissions, as it is necessary to introduce a notion of operational control to define a suitable action plan.

Specifically, greenhouse gas emissions related to tenants' energy consumption must be reported by landlords (real estate companies) under category 3.13 of the GHG Protocol (Scope 3 – Downstream Leased Assets).

### **An established industry practice for several years**

In line with the GHG Protocol, the industry-standard practice is for **landlords to report their tenants' GHG emissions under Scope 3**. This concerns two cases:

- Multi-tenant buildings: The landlord or its property manager takes out energy contracts for the communal areas and shared equipment: the corresponding GHG emissions fall under the landlord's Scope 1 and 2; each tenant sets up their own electricity contract with their preferred supplier: the corresponding GHG emissions are reported under Scope 1 and 2 for the tenant and Scope 3 for the landlord.
- Single-tenant buildings: The tenant is responsible for the building's routine maintenance. It selects its own energy suppliers: the corresponding emissions are reported under Scope 1 and 2 for the tenant, and Scope 3 for the landlord.

***The FEI and ASPIM believe that this reporting method, which is recognised outside of Europe as well, should not be called into question under the CSRD: the tenants' GHG emissions should not be reported under the landlord's Scope 1 and 2.***

**This reporting method reflects an operational reality:**

1. The emissions in question are linked to private energy use, consumed and paid for by tenants in real estate assets: the related contracts and the maintenance of the equipment consuming this energy are outside the scope covered by the landlord. This would therefore amount to assigning the landlord a responsibility that does not reflect the operational reality. The categorisation of emissions must reflect the level of actual control over the energy contracts and equipment, particularly with regard to drawing up and managing the corresponding action plans.
2. All emitters in our sector (real estate companies / property owners), worldwide, report tenants' GHG emissions under Scope 3: emitters in France (and even in the EU) subject to the CSRD cannot be the only ones to change their reporting approach. Such a change in reporting would reduce comparability and have a negative impact on both issuers and investors (Scope 1 and 2 emissions would significantly and artificially increase). This would notably affect responses to rating agencies, starting with the CDP, which are all aligned with the GHG Protocol. Moreover, real estate companies have for several years adopted publicly disclosed targets and medium- to long-term trajectories, in some cases as part of a Science Based Targets (SBTi) approach. This approach is also based on a carbon accounting method that is compliant with the GHG Protocol. Transferring emissions previously reported under Scope 3 to Scopes 1 and 2 would therefore create a disconnect between companies' public objectives and the CSRD reporting framework.
3. Requiring landlords to report their tenants' GHG emissions under Scopes 1 and 2 would present a significant risk of double counting, as tenants will also continue to report them in their own Scope 1 and 2 emissions.
4. For landlords to integrate their tenants' energy consumption emissions, this would require extensive work to redefine these targets and action plans (and to validate them with benchmarking organisations such as the SBTi, which applies a carbon reporting method that is aligned with the GHG Protocol), which include a strong focus on external factors (tenants and their actions). This would create an additional reporting burden, without adding value to the rollout of companies' transition plans as required by the CSRD.

**About ASPIM**

The French Association of Real Estate Investment Companies (ASPIM) represents and defends the interests of its members, managers of alternative investment funds (AIFs) in real estate (SCPIs, OPCIs and other AIFs “by purpose”). Created in 1975, ASPIM is a non-profit association that brings together stakeholders in the management of unlisted real estate funds. In France, as of 31 December 2024, real estate AIFs represented a total capitalisation of €294bn and 4m savers.

ASPIM has a total of 145 members, including 114 asset management companies (AMCs) approved by the AMF, subsidiaries of banking, insurance, foreign or entrepreneurial real estate management groups, and 31 corresponding experts who are professionals in the real estate and financial ecosystem (lawyers, consultants, auditors and experts).

**About the FEI**

The Federation of Real Estate Enterprises, or Fédération des Entreprises Immobilières (FEI), unites together real estate operators who build, rent and manage a range of properties on a daily basis, including offices, retail spaces, hotels, logistics warehouses, housing and managed residences, in France and internationally.

It is made up of listed and unlisted real estate companies, representing €268 billion of assets and 51 million square metres around the world, with nearly 50% in France, accounting for 40% of the total real estate assets held by institutional investors.