



HUDSON PACIFIC PROPERTIES: STRATEGY FOR REDUCING PORTFOLIO-WIDE GHG EMISSIONS

SOLUTION OVERVIEW

Hudson Pacific Properties' environmental, social and governance (ESG) platform, Better Blueprint™, guides their portfolio of creative office and studio properties in creating buildings and cities that are sustainable, healthy, and equitable. A key component of Hudson Pacific's sustainability strategy is centered around reducing greenhouse gas (GHG) emissions in their operating portfolio and embodied carbon in their development pipeline. Their strategy includes but is not limited to various climate targets, clear policies and procedures focused on reducing emissions and energy, low impact design, and renewable energy procurement. Hudson Pacific achieved 100% carbon neutral operations in 2020 through a four-part strategy (outlined below) and will maintain this going forward. Hudson Pacific will continue to drive down absolute emissions while pursuing their Science Based Target (SBT), reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030, from a 2018 baseline.

CHALLENGE

Implementing a GHG-reduction strategy for a portfolio of creative office and studio properties that are sustainable, healthy, and equitable

SOLUTION

Developed a strategy that includes but is not limited to various climate targets, clear policies, and procedures focused on reducing emissions and energy, low impact design, and renewable energy procurement.

OUTCOME

Hudson Pacific achieved 100% carbon neutral operations in 2020 through a four-part strategy and will maintain this while pursuing their Science Based Target (SBT).

POLICIES

To guide property teams and document best practices, Hudson Pacific has various ESG policies in place for its in-service, operational properties, including an Energy Management and Climate Change Policy, Zero Waste Policy, and Green Cleaning Policy. They are publicly-available [here](#).

Hudson Pacific's [Sustainable Design Vision](#) outlines their ESG expectations and aspirations for all

(re)developments and major repositioning projects. This policy includes criteria aimed at reducing GHG emissions and embodied carbon in their development pipeline, including but not limited to the following requirements:

- Deploy adaptive reuse whenever possible
- Achieve LEED Gold or Platinum certification
- Implement embodied carbon management program, including project-specific reduction target and final report
- Install on-site renewables (e.g., solar)

PROCESS

Hudson Pacific achieved 100% carbon neutral operations through a four-part strategy:

- **Energy Efficiency:** Engineering and property management teams are laser-focused on driving energy efficiency through a mix of capital and operational projects designed to achieve the Company's target to reduce energy consumption 10% by 2025 from a 2019 baseline. Projects include but are not limited to: LED lighting, roof and window replacements, major equipment upgrades, real-time energy management software, tenant engagement, and innovative "proptech" (property technology) pilots.
- **Onsite renewables:** Hudson Pacific generates renewable energy on-site wherever possible and has a requirement that all new (re)developments and major repositioning projects deploy at least one form of on-site renewable power. Currently they have nearly 600 kW of on-site solar across the portfolio, and increasing on-site renewable energy generation is a key part of their strategy to meet their SBT.
- **Offsite renewables and RECs:** All of Hudson Pacific's in-service, operational properties are powered by 100% renewable electricity. Many of Hudson Pacific's properties purchase carbon-free electricity directly from local utilities. Beginning in 2019, the company converted all remaining electricity in their portfolio to 100% renewable sources by purchasing Green-e certified, unbundled RECs from a wind farm in Texas.
- **Offsets:** After significant reductions, Hudson Pacific offsets all remaining Scope 1 GHG emissions—which are primarily from the natural gas used to heat buildings—with verified emission reduction credits from a landfill gas-to-energy project in Illinois. The resulting carbon offsets are Verified Carbon Standard (VCS) certified.

Embodied carbon reduction for development projects

Early on in the strategizing process, Hudson Pacific realized the importance of addressing embodied carbon (Scope 3 GHG emissions) in the development portfolio in addition to their Scope 1 and 2 GHG emissions from operations. In their Sustainable Design Vision for development properties, they commit to creating project-specific embodied carbon reduction targets for each development or major repositioning. This includes creating a baseline through whole building life cycle analysis (WBLCA), determining how Hudson Pacific can reduce embodied carbon through design choices and material procurement and conducting a final WBLCA to determine realized reductions. To pursue these project-specific targets, teams also ask about embodied carbon capabilities as part of

the partner selection process, incorporate low-carbon principles into the initial design plans, and ask for embodied carbon data as part of the materials procurement process.

Embodied carbon reduction for interior fit-outs at existing buildings

As interior spaces in existing buildings turnover and require construction, Hudson Pacific recognized the opportunity to reduce embodied carbon in these smaller scale construction projects as well. To address this, construction and sustainability teams worked with architects and product manufacturers to collect environmental product declarations (EPDs) for existing building standards and requested lower embodied carbon alternatives that maintained a similar design and cost. In addition to procuring lower embodied carbon materials, construction teams are also focused on reusing materials wherever possible and engaging with vendors on takeback programs for recyclable products like carpet and ceiling tiles.

Hudson Pacific published their learnings in a “Lower Embodied Carbon Tenant Fit Out Guide,” which is available [here](#).

Embodied Carbon project takeaways:

Hudson Pacific identified the following activities as crucial to project success and completing their goals:

- Get educated to understand what steps you can take to reduce embodied carbon for your projects.
- Get buy-in. Determine which stakeholders you’ll need to include in conversation around reducing embodied carbon conversation and begin socializing the idea.
- Consider early in the process how you might be able to reuse structures/materials and optimize design to reduce the amount of materials needed.
- Understand your baseline and the high-impact materials. Then, identify alternative lower embodied carbon options.
 - For developments, this includes concrete, structural steel, building envelope components, etc.
 - For interiors, this includes steel studs, concrete, carpet tile, ceiling/acoustic tiles, and gypsum board.
- Request environmental product declarations (EPDs) from the architect or product manufacturer and ask for lower embodied carbon alternates.

MEASURING SUCCESS

Hudson Pacific continually monitors progress against existing targets for the operational and development portfolio. These targets include:

Existing buildings:

- Carbon: Maintain carbon neutral operations indefinitely
- Carbon, science-based target: Reduce Scope 1 and 2 GHG emissions across all operations

by 50% by 2030, from a 2018 baseline

- Energy: Reduce energy consumption by 10% by 2025, from a 2019 baseline
- Energy: Maintain 100% renewable electricity across operating portfolio
- Certifications: Achieve LEED certification at 90% of the in-service office portfolio by 2025
- Certifications: Achieve ENERGY STAR certification at 75% of the in-service office portfolio by 2025

Development

- Carbon: Measure all material Scope 3 GHG emissions annually, including but not limited to embodied carbon in all (re)development and major repositioning projects
- Carbon: Require all (re)development projects to set project-specific embodied carbon reduction targets
- Carbon: Help 100% of Tier 1 critical suppliers measure and disclose their Scope 1 and 2 GHG emissions by 2025
- Continue to obtain LEED certification for 100% of new developments (LEED Gold or higher)

OUTCOMES

Early wins for the existing buildings portfolio include achieving 100% carbon neutral operations in 2020, five years ahead of the original 2025 target year, and sharing lower embodied carbon fit-out products across various regions, among others. An early win for the development portfolio includes a successful adaptive reuse project that converted an outdated shopping mall into new, Class A office space and resulted in a 33% embodied carbon reduction from an alternative full demolition/ground-up scenario. Hudson Pacific is committed to their targets and continuously evaluates opportunities to improve their Better Blueprint™ ESG platform.

TOOLS AND RESOURCES

- [Low Embodied Carbon Tenant Fit-Out Guide](#)
- [Hudson Pacific Properties ESG Policies June 2022](#)



<https://betterbuildingssolutioncenter.energy.gov/implementation-models/hudson-pacific-properties-strategy-reducing-portfolio-wide-ghg-emissions>

For more information, visit <https://betterbuildingssolutioncenter.energy.gov>