DIRECTOR FORUM 2022

Thai Institute of Directors

MIT

"Net-Zero" to "Set-Zero"... reimagining business landscape

Climate breakdown has recently become one of the biggest global threats. The real estate sector is well known as a significant polluter, but it is unavoidable to be a global playground for almost all industries.

Such commitment has arisen a big challenge for real estate sector around the world on how to implement decarbonization policy profitably and timely.

Nowadays, many regions have responsively adopted public policies to address the requirement while the capital market has gradually shifted towards the ESG mandate.
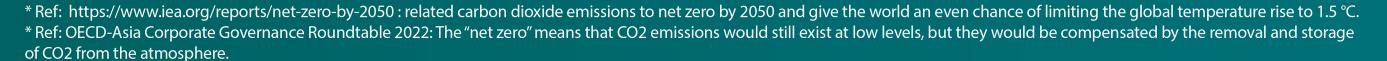
"Digital Twin" is another technology transformation providing virtual representation of the objects/ properties that helps forecasting and optimizing energy, water, carbon, and waste in the operation. This allows companies to disclose their ESG impact correctly and in the real time basis.

Key Takeaway

This circumstance led to the emergence of global initiative and effort, accordingly. One of those is decarbonizing the economy. Many regions worldwide started setting "Net-Zero Economy"* by 2050-2070. Thailand has committed to achieve the target by 2065.

The success would depend on many factors, including public policy, incentives, innovative finance, capital market paradigm shift, and many more.

Data and technology transformation play a crucial role throughout the business supply chain. They are potentially adopted in order to revolutionize the real estate sector. As far as the reference concerned, smart cities will be distributed and become significant in the future.

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Key Questions for Board

How are our existing (or future) business models be impacted by "Net Zero"?

The future business models would require us to...

- Calculate the cost of "Net Zero" as part of business activities.
- Motivate other players in the private sector to commit the "Net Zero".
- Set a long-term goal for "Net Zero".

Is our current data quality and availability leading us towards "Net-Zero" ready?

Without the data and progress, it's difficult to reach the target...

- Many international communities and advocate bodies are currently working on these data standard to help industries increase their data disclosure and transparency.
- Standardization across the board would help facilitate the data.

How will "Net-Zero" change our business landscape?

Changes must come from the top...

- Top-down changes are from leaders... not only political leaders, but also business and academic leaders.