

# Webinar

## Mapping ESG Webinar (APAC and EMEA)

Date: April 12, 2023

00:00:00 --> 00:00:04: Analysts to also switch on their videos and I'm extremely  
 00:00:04 --> 00:00:08: pleased that I'm being joined today by Francesco Polastri,  
 Member  
 00:00:08 --> 00:00:12: of the Board of Directors for the Group Pension Funds  
 00:00:12 --> 00:00:16: and SVP, Head of Group Real Estate and Transactions for  
 00:00:16 --> 00:00:21: Unit Credit, which provides a very interesting double  
 perspective of  
 00:00:21 --> 00:00:25: Francesco looking at these standards from both.  
 00:00:25 --> 00:00:29: The, the occupier, the corporate occupier as well as the  
 00:00:29 --> 00:00:33: investor and we'll hear more about that later. We're also  
 00:00:34 --> 00:00:38: joined by Stefan Phileman, Head of Sustainable Investment  
 for Ivan  
 00:00:38 --> 00:00:43: O Cambridge. And last but certainly not least, Christina  
 Garcia  
 00:00:43 --> 00:00:48: Perry. She's Senior Partner, Head of Strategy and Business  
 Development  
 00:00:48 --> 00:00:51: at Azora Capital and based in Spain.  
 00:00:52 --> 00:00:57: Hi, everyone. Thanks for your flexibility. I usually appreciate  
 it.  
 00:00:58 --> 00:01:02: So let me kick off, while the audience hasn't seen  
 00:01:02 --> 00:01:05: the results of the study yet, you all have. So  
 00:01:05 --> 00:01:09: I just wanted to start with giving all of you  
 00:01:09 --> 00:01:14: the opportunity to reflect on the report you've been able  
 00:01:14 --> 00:01:18: to see the overall study, the approaches that were taking  
 00:01:18 --> 00:01:19: to.  
 00:01:20 --> 00:01:25: Categorize the different standards and also how that is useful  
 00:01:25 --> 00:01:28: or not in your own business, what you do in  
 00:01:28 --> 00:01:33: your normal life with these standards and regulations and  
 how  
 00:01:33 --> 00:01:37: this can help. Francesco, can I start with you please?  
 00:01:37 --> 00:01:42: Sure. Thank you, Lisette. So good morning, everybody. I'm

very  
00:01:42 --> 00:01:46: honored to be speaking with you today about ESG mapping  
00:01:46 --> 00:01:49: and how much sustainability is and will.  
00:01:50 --> 00:01:53: That shape the future of our industry as it as  
00:01:53 --> 00:01:57: was was mentioning I I aim to share my double  
00:01:57 --> 00:02:02: screen vision on sustainability being committed on a twofold  
role  
00:02:02 --> 00:02:06: at the group being portfolio manager on the corporate real  
00:02:06 --> 00:02:10: estate and investor as a pension fund. So two different  
00:02:10 --> 00:02:15: points of views with with a strong common commitment at  
00:02:15 --> 00:02:19: group level we are actually of course supporting UN.  
00:02:19 --> 00:02:24: 20-30 agenda and and SD G's we're planning to achieve  
00:02:24 --> 00:02:29: NET 0 by 2030 and actively participating to Net Zero  
00:02:29 --> 00:02:35: Banking Alliance. These are some of the critical steps we're  
00:02:35 --> 00:02:40: actually taking within the group, but I want to come  
00:02:40 --> 00:02:45: back to the discussion of today and how much we've  
00:02:45 --> 00:02:48: been working on reporting standards.  
00:02:49 --> 00:02:53: Also on real estate and and this come to the  
00:02:54 --> 00:02:59: question, I was asked time ago to map some kind  
00:02:59 --> 00:03:04: of real estate potential standards and if I had this  
00:03:04 --> 00:03:09: report at the time would be very, very useful to  
00:03:10 --> 00:03:14: be honest and I I found I would say more  
00:03:14 --> 00:03:15: than hundreds.  
00:03:16 --> 00:03:20: And it was difficult for us to find the one  
00:03:20 --> 00:03:24: fits all. To make a Long story short, I think  
00:03:24 --> 00:03:28: we then one year ago decided to go with GRESB  
00:03:29 --> 00:03:34: which was originally designed for fans, but we decided to  
00:03:34 --> 00:03:40: score our corporate portfolio across Europe with with them. I  
00:03:40 --> 00:03:43: believe this and and my wish is this.  
00:03:44 --> 00:03:50: Could be triggering a new wave also of corporate  
responsibility  
00:03:50 --> 00:03:54: also on scoring. So I hope we can do much  
00:03:55 --> 00:04:00: better on with the other banks and insurance on this.  
00:04:00 --> 00:04:04: So in the end thanks to BRIULI and in the  
00:04:04 --> 00:04:09: in the price for this excellent job I've been.  
00:04:10 --> 00:04:13: Reading all the report and and for the number of  
00:04:13 --> 00:04:18: sources and insights in there, I'll I'll actually be planning  
00:04:18 --> 00:04:23: to present this report to our internal relevant committees and  
00:04:23 --> 00:04:26: boards very soon. So thank you Lizette.  
00:04:27 --> 00:04:31: Thank you, Francesco. Christina, do you want to provide  
your  
00:04:31 --> 00:04:32: perspective?  
00:04:33 --> 00:04:38: Yes, hello everyone. Well, I think I was.

00:04:39 --> 00:04:43: I was lucky enough to be part of the steering  
00:04:43 --> 00:04:49: committee, so I've been from the very beginning in how  
00:04:49 --> 00:04:54: these this report was created and I really think it's  
00:04:54 --> 00:05:01: the most comprehensive and well structured report that I've  
seen  
00:05:01 --> 00:05:03: on the matter I've been.  
00:05:05 --> 00:05:10: Leading the sustainability efforts within Asora since 2014 and  
we've  
00:05:10 --> 00:05:14: come a long way. And I also, I actually chair  
00:05:14 --> 00:05:18: the sustainability committee of Bank Inter which is a bank.  
00:05:18 --> 00:05:22: You know that we work a lot with Sony Credit  
00:05:22 --> 00:05:25: and I think we're all in the real estate industry  
00:05:26 --> 00:05:30: and in general quite overwhelmed by the amount of  
standards,  
00:05:30 --> 00:05:34: principles, frameworks, benchmarks, ratings.  
00:05:35 --> 00:05:38: And this report it it really, I think it categorizes  
00:05:39 --> 00:05:43: really well the different standards and it creates itself a  
00:05:43 --> 00:05:47: framework to navigate them and understand what is what is  
00:05:47 --> 00:05:50: best for you. I think as investors and managers we  
00:05:50 --> 00:05:53: really need to have a view and an opinion on  
00:05:53 --> 00:05:57: you know what is best for our stakeholders in terms  
00:05:57 --> 00:06:00: of reporting, what are the KPIs that we want to  
00:06:00 --> 00:06:03: follow and that we want to that we want to  
00:06:03 --> 00:06:04: manage.  
00:06:05 --> 00:06:09: And many times investors I think have been trying to  
00:06:09 --> 00:06:14: come up themselves with the standards that they want to  
00:06:14 --> 00:06:18: follow. And and I think this report really will be  
00:06:18 --> 00:06:23: extremely helpful for everyone in the industry to understand  
what  
00:06:23 --> 00:06:27: is best for everyone. I really I would summarize my  
00:06:28 --> 00:06:32: opinion as saying if you if you read this report,  
00:06:32 --> 00:06:33: if you understand it.  
00:06:34 --> 00:06:38: Completely. I think you will probably know more than anyone  
00:06:38 --> 00:06:43: in the industry about TSG reporting because it is extremely,  
00:06:43 --> 00:06:47: extremely comprehensive. I think you know a report that  
when  
00:06:47 --> 00:06:49: you get to the annexes.  
00:06:50 --> 00:06:52: You still want to read them means it's a really  
00:06:52 --> 00:06:56: good report, It really takes you, It maps, you know.  
00:06:56 --> 00:06:59: That's why I think the name is very well chosen.  
00:06:59 --> 00:07:02: It's a really a mapping exercise and when you finish  
00:07:02 --> 00:07:05: reading it, and I I really encourage everyone to do  
00:07:05 --> 00:07:08: so, you will feel that you will have a much

00:07:08 --> 00:07:11: better grasp of what is happening. What are the different  
00:07:11 --> 00:07:13: frameworks useful for?  
00:07:13 --> 00:07:17: Would you as an organization want to follow and why?  
00:07:17 --> 00:07:21: Because I think eventually, you know, there are compulsory  
regulations  
00:07:21 --> 00:07:24: that are coming, but there's a lot more that we  
00:07:25 --> 00:07:28: can all do and we will talk about that later  
00:07:28 --> 00:07:28: on.  
00:07:29 --> 00:07:33: So congratulations to you, a light win ref PRI and  
00:07:33 --> 00:07:36: of course to to PwC. I think it's an amazing  
00:07:36 --> 00:07:41: report. It will become compulsory reading for everyone that is  
00:07:41 --> 00:07:46: involved in sustainability, certainly at Asora but also in the  
00:07:46 --> 00:07:49: industry. So, so well done, really useful.  
00:07:51 --> 00:07:52: Thank you, Christina.  
00:07:54 --> 00:07:58: It's interesting what you say and also Francesco said before  
00:07:58 --> 00:08:02: is when we started this process, everybody was trying to  
00:08:02 --> 00:08:06: get to the one-size-fits-all so anxiously, trying to make life  
00:08:06 --> 00:08:10: simpler for everyone. And I think one of the big  
00:08:10 --> 00:08:15: learnings we've had is there is unfortunately not one-size-fits-  
all. Depending  
00:08:15 --> 00:08:20: on your overall corporate strategy and your EC strategy,  
there's  
00:08:20 --> 00:08:21: definitely ways to.  
00:08:21 --> 00:08:27: Narrow down the different standards and regulations use. But  
what  
00:08:27 --> 00:08:32: we've have learned is that it's unfortunately not as simple  
00:08:32 --> 00:08:35: as we hoped for. But OK, Stefan.  
00:08:36 --> 00:08:36: Over.  
00:08:36 --> 00:08:40: To you, what's your view as a global investor in  
00:08:40 --> 00:08:45: real estate and obviously much broader than that and what's  
00:08:45 --> 00:08:46: your view on this?  
00:08:47 --> 00:08:50: Yes, thanks Lizette. And a good day everyone. Glad to  
00:08:50 --> 00:08:51: be here with you today.  
00:08:52 --> 00:08:56: And I could maybe briefly introduce Ivanhoe. To start with  
00:08:56 --> 00:08:59: for those of you who don't know us, we are  
00:08:59 --> 00:09:04: global real estate investor headquarters in Montreal, Canada  
and we  
00:09:04 --> 00:09:07: have a global portfolio of about 70 billion of a  
00:09:07 --> 00:09:11: UN fairly diversified in terms of sectors and and regions.  
00:09:11 --> 00:09:14: And my role at Ivanhoe is actually to lead our  
00:09:14 --> 00:09:16: ESG strategies globally.  
00:09:17 --> 00:09:20: And so as you you will see soon hopefully when  
00:09:20 --> 00:09:24: you will access the, the study itself. I think we

00:09:24 --> 00:09:27: can argue that real estate is in a fairly unique  
00:09:27 --> 00:09:31: situation in terms of sector among other asset classes just  
00:09:31 --> 00:09:35: given the number of green certifications labels that are  
specific  
00:09:35 --> 00:09:38: to to our sector in addition to the other ESU  
00:09:38 --> 00:09:43: reporting frameworks which apply to any sector. And you'll  
see  
00:09:43 --> 00:09:44: that the study.  
00:09:44 --> 00:09:48: Provides detailed comparison of no less than fourteen of  
those  
00:09:48 --> 00:09:52: frameworks. So I I think we really navigating sort of  
00:09:52 --> 00:09:55: an alphabet soup of you know those numerous ESG  
acronyms  
00:09:55 --> 00:09:59: and even experts so-called experts in the field I think  
00:09:59 --> 00:10:01: can get lost. So we we really need to to  
00:10:02 --> 00:10:05: shed light on how ESG reporting is evolving and get  
00:10:05 --> 00:10:08: guided through the jungle and so I really commented the  
00:10:08 --> 00:10:11: the work that has been done by the team here.  
00:10:12 --> 00:10:15: To to provide such clarity and I think I, I  
00:10:15 --> 00:10:18: may be framed 2 reasons for all of us to  
00:10:18 --> 00:10:22: really pay close attention to the study once it's released  
00:10:22 --> 00:10:25: later today. The first one is that I think that  
00:10:25 --> 00:10:30: the landscape of those relevant reporting standards is  
evolving very  
00:10:30 --> 00:10:33: fast. What used to be considered best in class in  
00:10:33 --> 00:10:37: our sector, such as getting lead certified or real certified  
00:10:37 --> 00:10:40: is just now table stakes like it's sort of basic  
00:10:40 --> 00:10:41: expectation.  
00:10:43 --> 00:10:46: What used to be also voluntary or mainly qualitative in  
00:10:46 --> 00:10:51: nature in terms of self declared disclosures is now becoming  
00:10:51 --> 00:10:55: much more mandatory quantitative and 3rd party verified.  
And so  
00:10:55 --> 00:10:59: we really need to catch up with those again market  
00:10:59 --> 00:11:03: and regulatory expectations which move very fast. The the  
second  
00:11:03 --> 00:11:06: reason I will highlight is I think most of us  
00:11:06 --> 00:11:09: also experience reporting fatigue.  
00:11:10 --> 00:11:13: And so we need to streamline and and facilitate this  
00:11:13 --> 00:11:16: reporting process for all of us. We I think on  
00:11:16 --> 00:11:19: average we spend way too much time on on reporting  
00:11:19 --> 00:11:22: and and we need to allocate those time and resources  
00:11:22 --> 00:11:25: to to your action hopefully. So as you'll see we  
00:11:26 --> 00:11:29: have many standards out there, but we don't even have  
00:11:29 --> 00:11:32: yet a clear definition of what the green building means

00:11:32 --> 00:11:35: or what the net zero building means, so.

00:11:36 --> 00:11:40: It's not yet completed. I would say as a journey

00:11:40 --> 00:11:44: many consolidation or convergence needs to happen and I

00:11:44 --> 00:11:49: think we've seen of so many asset managers starting their

00:11:49 --> 00:11:54: ESG journey with producing actually their first ESG report.

00:11:54 --> 00:11:58: Even

00:11:58 --> 00:12:02: before this they define their own ESG strategy. And I

00:12:02 --> 00:12:05: think we should really start with action 1st and and

00:12:06 --> 00:12:10: and really define our strategy before we.

00:12:10 --> 00:12:14: Think of asking the communications team to produce a report

00:12:14 --> 00:12:18: on. So hopefully again this study you know will help

00:12:18 --> 00:12:23: shed light on how those various reporting frameworks

00:12:23 --> 00:12:27: compared to

00:12:27 --> 00:12:32: each other either at the company level, mainly for

00:12:32 --> 00:12:32: shareholders

00:12:33 --> 00:12:37: for capital markets, also at the portfolio level. Francesco, you

00:12:37 --> 00:12:40: mentioned grazed mainly relevant to investors like us and

00:12:40 --> 00:12:44: asset

00:12:44 --> 00:12:48: managers.

00:12:48 --> 00:12:51: Then the third layer being at the asset and building

00:12:52 --> 00:12:54: level as you'll see the study this whole landscape of

00:12:55 --> 00:12:57: certifications which are highly relevant to occupiers and

00:12:57 --> 00:13:01: tenants. So

00:13:01 --> 00:13:02: I think it helps everyone like ESG professionals to get

00:13:06 --> 00:13:10: up to date with latest developments but also newcomers or

00:13:10 --> 00:13:13: beginners I would say in the field. And some of

00:13:13 --> 00:13:18: you may also be on this call this morning for

00:13:18 --> 00:13:22: you to get familiarized quickly and onboarded quickly in this

00:13:22 --> 00:13:26: ESG reporting world.

00:13:26 --> 00:13:31: Thanks. I found that's very helpful that that overview and

00:13:31 --> 00:13:32: if we kind of dig bit deeper into how we've

00:13:33 --> 00:13:37: evolved over time. You also mentioned the building

00:13:37 --> 00:13:41: standards with

00:13:41 --> 00:13:44: which it sort of started almost two decades ago if

00:13:44 --> 00:13:49: not longer. That was the the first attempt almost of

00:13:49 --> 00:13:54: the real estate industry to make our buildings more

00:13:54 --> 00:13:59: sustainable

00:13:59 --> 00:14:04: and quickly followed.

00:14:04 --> 00:14:09: Initiative from within the sector we had the in ref

00:14:09 --> 00:14:14: guidelines we've had APRA grasp was already mentioned

00:14:14 --> 00:14:19: and now

00:14:19 --> 00:14:24: it's and then we saw also a way of more

00:14:24 --> 00:14:29: general investment standards, some not specific for real

00:14:29 --> 00:14:34: estate but

00:13:49 --> 00:13:53: trying to apply them and the same we see now

00:13:53 --> 00:13:57: with regulations coming which are not specific for real estate

00:13:58 --> 00:14:01: and sometimes that's okay, sometimes it makes like.

00:14:02 --> 00:14:07: More complicated. So Christina, if I come to you from

00:14:07 --> 00:14:14: your organization's perspective, how have you been keeping on top

00:14:14 --> 00:14:21: of that increasingly complex landscape of revelations and standards to

00:14:21 --> 00:14:22: follow?

00:14:25 --> 00:14:28: The way we, we started this journey and I like

00:14:28 --> 00:14:32: I agree with the Stephen that you know this is

00:14:32 --> 00:14:36: really, this is really a journey and our first reference

00:14:36 --> 00:14:41: really came from the dialogue with investors, with our investors

00:14:41 --> 00:14:44: who I think has started expressing, you know the a

00:14:44 --> 00:14:48: need for us to start considering in a more formal

00:14:48 --> 00:14:49: way, right.

00:14:50 --> 00:14:54: What, what were we doing as investors in our decisions

00:14:54 --> 00:14:58: and as managers with regards to all these topics? We

00:14:58 --> 00:15:02: also that we then started looking for benchmarks, right? And

00:15:02 --> 00:15:06: I'm talking now probably 5-6 years ago. And then I

00:15:06 --> 00:15:10: have to say that industry associations like ULA and in

00:15:10 --> 00:15:14: REF were extremely helpful because there we could find all

00:15:14 --> 00:15:18: the people who were going over starting the very same.

00:15:19 --> 00:15:22: The very same journey, but once we realized that this

00:15:23 --> 00:15:26: was something that we had to adopt within Asora, we

00:15:26 --> 00:15:31: actually started by the governance part. Rather than starting to

00:15:31 --> 00:15:36: produce reports and anecdotal evidence of what we were doing,

00:15:36 --> 00:15:39: we said OK, let's first make a decision at the

00:15:39 --> 00:15:44: top level of the organization that this is something that

00:15:44 --> 00:15:45: we are committed to.

00:15:47 --> 00:15:49: And so we set ourselves a set of of

00:15:49 --> 00:15:55: principles and strategies and general strategy which then translated into

00:15:55 --> 00:15:59: policy and into a governance framework that went from our

00:16:00 --> 00:16:04: board to a sustainability committee to a specific policies within

00:16:05 --> 00:16:09: our investment policy and within our asset management policy.

00:16:10 --> 00:16:14: And once we had that in place and of course

00:16:14 --> 00:16:18: that is also evolving with it, right. So how do

00:16:18 --> 00:16:21: we measure what we want to do and how do

00:16:21 --> 00:16:25: we get it started? And very much like Francesco or  
00:16:25 --> 00:16:30: Ronnie Tredito, we decided to start with Presby and we've  
00:16:30 --> 00:16:34: been using Resby now for five years across all our  
00:16:34 --> 00:16:38: portfolios. And I think the reason is that.  
00:16:39 --> 00:16:43: The burden and the work it takes to contribute to  
00:16:43 --> 00:16:47: Gresby, it's something that is within the reach of most  
00:16:47 --> 00:16:51: organizations. So we thought, you know, we could do it.  
00:16:51 --> 00:16:55: Second, because it really helped us focus on a few  
00:16:55 --> 00:16:59: KPIs, which was also again, helping us focus on what  
00:16:59 --> 00:17:02: we wanted to manage and three because.  
00:17:03 --> 00:17:06: It it not only helped us start measuring our own  
00:17:06 --> 00:17:10: progress but actually compared ourselves with the rest of the  
00:17:10 --> 00:17:14: English. And I think that you know, those three things  
00:17:14 --> 00:17:17: were extremely it really made us jump into the made  
00:17:17 --> 00:17:20: the decision to say OK we wanna do this. And  
00:17:20 --> 00:17:23: you know the first time we did it was a  
00:17:23 --> 00:17:27: challenge but but it's worked pretty well now, you know  
00:17:27 --> 00:17:29: we are being more ambitious now.  
00:17:30 --> 00:17:33: Last year we decided to set a net zero target  
00:17:33 --> 00:17:37: for Azora itself. We haven't done it for all our  
00:17:37 --> 00:17:41: portfolios because you know we have to work with our  
00:17:41 --> 00:17:46: investors and understand what that net zero target  
implications are  
00:17:46 --> 00:17:49: for each of the portfolios. But we continue to take  
00:17:49 --> 00:17:53: a steps and of course then the regulation is coming.  
00:17:54 --> 00:17:58: And there are certain reporting minimum standards that that  
we  
00:17:58 --> 00:18:01: need to do. But I think we're taking these very,  
00:18:01 --> 00:18:05: very seriously, very much like Stefan, like you said, we  
00:18:05 --> 00:18:09: think there's a lot of box ticking. We don't need  
00:18:09 --> 00:18:13: that and I think our investors understand that that is  
00:18:13 --> 00:18:16: not very useful. I think the advantage of being on  
00:18:17 --> 00:18:20: the private world rather than being a listed in the  
00:18:20 --> 00:18:22: listed world is that.  
00:18:22 --> 00:18:25: Box ticking is not that important. You can have a  
00:18:25 --> 00:18:30: dialogue with your stakeholders about exactly what are you  
wanna  
00:18:30 --> 00:18:33: do and how do you set your priorities and really  
00:18:33 --> 00:18:36: focus more on the action rather than just on on  
00:18:36 --> 00:18:40: having very very nice reports which are also important. Don't  
00:18:40 --> 00:18:43: get me wrong, I think a good report is a  
00:18:43 --> 00:18:45: way also for an organization.  
00:18:45 --> 00:18:48: To focus and understand Okay, it's like a summary of



00:18:48 --> 00:18:52: the progress that you've made. So I think you know  
00:18:52 --> 00:18:55: they they do have a role to play. But certainly  
00:18:55 --> 00:18:57: I think in the private world we have the the  
00:18:58 --> 00:19:00: privilege of of not having to be so focused on  
00:19:00 --> 00:19:04: the communication side, but rather more on the actions that  
00:19:04 --> 00:19:06: we take on our asset base.  
00:19:08 --> 00:19:12: Thank you. Christina, someone is asking you a question  
whether  
00:19:12 --> 00:19:15: you can give a bit more detail on the KPIs  
00:19:15 --> 00:19:18: you mentioned. One of the reasons for choosing GRASP was  
00:19:18 --> 00:19:21: that there were a few KPIs for you to focus  
00:19:21 --> 00:19:25: on, which made it easier. Can you highlight some of  
00:19:25 --> 00:19:25: those?  
00:19:26 --> 00:19:30: Well, we have quite a few KPIs related with energy  
00:19:30 --> 00:19:34: efficiency of our buildings, of all our assets.  
00:19:34 --> 00:19:38: We also have quite a few KPIs related to waste  
00:19:39 --> 00:19:44: and recycling because we invest in assets that are high  
00:19:44 --> 00:19:49: users of resources like hotels and and luxury hotels. So  
00:19:49 --> 00:19:54: it you know it, that part for us is extremely  
00:19:54 --> 00:20:00: important. We also are measuring our carbon footprint a  
scope  
00:20:00 --> 00:20:00: one and.  
00:20:01 --> 00:20:05: Depending on the asset classes scope to scope to mostly  
00:20:05 --> 00:20:09: and scope 3 depends how much of the data we  
00:20:09 --> 00:20:12: can we can use. And we are also starting to  
00:20:13 --> 00:20:18: measure some social, some social KPIs with regards to  
employment  
00:20:18 --> 00:20:23: of minorities, employment of women of course gender gap  
again  
00:20:23 --> 00:20:27: we're we invest in highly operational assets.  
00:20:27 --> 00:20:30: So when we invest in nursing homes or in student  
00:20:30 --> 00:20:34: housing or in hotels, you know we have thousands of  
00:20:34 --> 00:20:38: people working in our properties whether we control the  
operator  
00:20:38 --> 00:20:41: or not. But we are conscious of that. And so  
00:20:42 --> 00:20:45: we are starting to measure that in our portfolios and  
00:20:45 --> 00:20:48: and then on the on the also on the social  
00:20:48 --> 00:20:51: size, we try to measure very much the impact we  
00:20:51 --> 00:20:55: have in our communities, in the communities where our  
assets  
00:20:56 --> 00:20:56: sit.  
00:20:57 --> 00:20:59: I would say and you know, then we could get  
00:20:59 --> 00:21:02: into more details, but those are some of the most

00:21:02 --> 00:21:03: important ones for us.

00:21:05 --> 00:21:10: Thank you. That's very helpful. And Stefan touched before on

00:21:10 --> 00:21:15: on real estate versus order asset classes and one of

00:21:15 --> 00:21:20: the kind of observations I had from the report is

00:21:20 --> 00:21:25: real estate's often seen as lagging, slow to respond, but

00:21:25 --> 00:21:26: if you now see.

00:21:27 --> 00:21:32: All of these standards and frameworks, actually quite a lot

00:21:32 --> 00:21:35: has been on over the last 20 years to make

00:21:35 --> 00:21:41: real estate and buildings more sustainable. And Francesco, I'm interested

00:21:41 --> 00:21:45: to hear your view on that from a pension from

00:21:45 --> 00:21:50: perspective you see other assets classes too, I was real

00:21:50 --> 00:21:51: estate doing.

00:21:53 --> 00:21:55: Thank you. Yes, for sure.

00:21:56 --> 00:22:01: You you mentioned 2 words, I'm interested in elaborating a

00:22:01 --> 00:22:06: little bit. So slow this is sometimes not also too

00:22:06 --> 00:22:10: negative for real estate. I would say it's it's also

00:22:10 --> 00:22:15: classified as in liquid the asset class but sometimes this

00:22:15 --> 00:22:20: is also positive being a counter cycle asset class and

00:22:20 --> 00:22:24: and in in some cases like like now with inflation

00:22:24 --> 00:22:25: popping up.

00:22:26 --> 00:22:29: It has. If you have a a full indexed contractor,

00:22:30 --> 00:22:35: it's a perfect hedging inflation product. So it's sometimes slow.

00:22:35 --> 00:22:39: It's not too bad and and I can say lagging

00:22:39 --> 00:22:44: behind, yeah that's that's totally true at the beginning, but

00:22:44 --> 00:22:49: then when actually the industry started classifying and and it

00:22:49 --> 00:22:53: was very difficult at the beginning to put a real

00:22:53 --> 00:22:54: estate into.

00:22:55 --> 00:23:00: Strict boxes. So you think how difficult is to compare

00:23:00 --> 00:23:08: buildings of from different countries, geographies and with different regulations.

00:23:08 --> 00:23:12: So I believe it was a terrible work to do

00:23:12 --> 00:23:18: and now the progress are there think of historical buildings,

00:23:18 --> 00:23:23: how can you think of in upgrading building with a

00:23:23 --> 00:23:24: decorated facade?

00:23:25 --> 00:23:30: Some of these complexities we we probably don't think of

00:23:30 --> 00:23:34: every day, but but as you mentioned I think great

00:23:34 --> 00:23:38: steps ahead have been done and for sure I believe

00:23:39 --> 00:23:44: much more on building level certifications and still on portfolio

00:23:44 --> 00:23:48: level it's a little bit more complicated. I need to

00:23:49 --> 00:23:53: mention green financing is, is actually increasing.

00:23:53 --> 00:23:57: And is is actually I would say an Enable agent

00:23:57 --> 00:24:01: of of the changing world and it it's a strong

00:24:01 --> 00:24:06: trend for banks. Secondly, due diligence now is I would

00:24:06 --> 00:24:11: say 2.0 due diligence is now focused not only on

00:24:11 --> 00:24:16: on the acquisition phase but totally linked to all real

00:24:16 --> 00:24:21: estate life cycle including supply chains. So this I think

00:24:21 --> 00:24:22: it's also.

00:24:22 --> 00:24:27: A key point on which we're doing quite well and

00:24:27 --> 00:24:32: also alignment with asset managers, asset managers now it's

00:24:32 --> 00:24:36: is

00:24:36 --> 00:24:41: an hour view much easier trying to align also on

00:24:41 --> 00:24:46: ESG targets with with incentive fees. This I think it's

00:24:46 --> 00:24:50: also a strong point some some I was mentioned some

00:24:50 --> 00:24:58: improvement areas I think we still need to work on.

00:24:58 --> 00:25:02: Harmonization of taxonomy. This is for sure something

00:25:02 --> 00:25:08: relevant. I

00:25:08 --> 00:25:13: know EU is is working hard, but still we're not

00:25:13 --> 00:25:19: there and that world level, global level it's even worse.

00:25:19 --> 00:25:24: And then internally I've been often asked which are the

00:25:24 --> 00:25:29: financial impacts or scorings and this is a pretty much.

00:25:29 --> 00:25:35: Difficult answer. It's it's still I think seems to be

00:25:35 --> 00:25:40: still open. I think they there's an answer but probably

00:25:40 --> 00:25:45: there's no reliable figure yet. So the answer probably is

00:25:45 --> 00:25:51: there. If you don't go for for certifications it's probably

00:25:51 --> 00:25:55: you're getting to a high risk of getting a negative

00:25:55 --> 00:26:00: impact.

00:26:00 --> 00:26:05: The premium is I, I I don't still don't know

00:26:05 --> 00:26:10: where it is but for sure we're working for a

00:26:10 --> 00:26:15: resilient portfolios in in time. So we're not anxious of

00:26:15 --> 00:26:21: knowing the single number today and the and the

00:26:21 --> 00:26:26: debate is still there also with the appraisers which I

00:26:26 --> 00:26:31: understand are not totally are still discussing how much.

00:26:31 --> 00:26:36: ESG topics need to be embedded in evaluations. So this

00:26:36 --> 00:26:42: is I think is also something we need to improve

00:26:42 --> 00:26:44: Overall, as you were asking at the beginning, I think

00:26:44 --> 00:26:50: the real estate will some way always survive and adapt

00:26:50 --> 00:26:56: to some way and will potentially evolve toward blending with

00:26:56 --> 00:27:04: mixed portfolios.

00:26:57 --> 00:27:04: With a clearer and more accountable ESG impact, I'm

00:27:04 --> 00:27:04: actually

00:27:04 --> 00:27:04: referring for example to infrastructure of funds and cross

00:27:04 --> 00:27:04: thematic

00:27:04 --> 00:27:04: investments which can be innovative and generating

00:27:04 --> 00:27:04: sustainable impact. So

00:27:04 --> 00:27:09: I would say wrapping up, I think pretty much progress  
00:27:09 --> 00:27:10: has been done.  
00:27:11 --> 00:27:16: From financing point of view and building level certification  
and  
00:27:16 --> 00:27:22: sustainable diligence, some errors of improvement. I was  
mentioning reporting  
00:27:22 --> 00:27:27: standards and measurement of financial impacts still still to  
go.  
00:27:27 --> 00:27:31: And then I mentioned some potential errors of where real  
00:27:31 --> 00:27:35: estate asset class could move on. Thank you, Lizette.  
00:27:36 --> 00:27:37: Thank you. Thank you.  
00:27:38 --> 00:27:43: We're actually making progress. I've just been informed that  
Christiana  
00:27:43 --> 00:27:47: is back and the line should be working now. So  
00:27:47 --> 00:27:49: we we will now go to the final round of  
00:27:49 --> 00:27:54: questions and then we'll have enough time for Christiana to  
00:27:54 --> 00:27:58: present the results. Apologies again for to the audience for  
00:27:58 --> 00:28:02: having to swap things around, but I still hope you  
00:28:02 --> 00:28:04: appreciate the the session.  
00:28:05 --> 00:28:10: Stephen, can I start with you looking forward is we've  
00:28:10 --> 00:28:14: made a lot of progress but we've also seen a  
00:28:14 --> 00:28:20: recent IPPICC reports coming out. Again that overall not  
just  
00:28:20 --> 00:28:25: for real estate climate change is something to sincerely worry  
00:28:25 --> 00:28:30: about. So and and combining that with what would you  
00:28:30 --> 00:28:34: like to see if you could wish for one thing  
00:28:34 --> 00:28:35: in this.  
00:28:35 --> 00:28:41: Area of standards, regulations. What would it be going  
forward?  
00:28:41 --> 00:28:45: Helping to make your life easier, Make progress on the  
00:28:45 --> 00:28:47: climate change?  
00:28:49 --> 00:28:52: Sure. I think you know we all call for better  
00:28:52 --> 00:28:56: and more convergence of those multiple ESG frameworks  
together and  
00:28:56 --> 00:28:59: maybe hopefully we would have just one centered on this  
00:28:59 --> 00:29:01: double materiality.  
00:29:01 --> 00:29:05: Concept which you'll all learn about in the in the  
00:29:05 --> 00:29:10: in the study itself. I think maybe the other characteristic  
00:29:10 --> 00:29:14: I would actually call for Windows ESG reporting frameworks  
is  
00:29:14 --> 00:29:17: to be not so much looking at a pony time  
00:29:17 --> 00:29:21: performance, but also being forward-looking in terms of.  
00:29:22 --> 00:29:26: What the ESG performance or the asset or the portfolio  
00:29:26 --> 00:29:29: is likely to be in the future. And what the

00:29:29 --> 00:29:32: IPCC report tells us is, you know, this dire need  
00:29:32 --> 00:29:37: to accelerate on real estate and building decarbonization. But  
if  
00:29:37 --> 00:29:39: we want to do that, we need to invest in,  
00:29:40 --> 00:29:43: you know, brown assets which we can then decarbonize. So  
00:29:43 --> 00:29:47: those brown to green strategies if we we we have  
00:29:47 --> 00:29:50: a strong ambition that I went for to really invest  
00:29:50 --> 00:29:51: in that space.  
00:29:52 --> 00:29:55: However, when you look at the current TSG reporting  
frameworks,  
00:29:56 --> 00:29:59: you would actually look fairly bad from a performance  
standpoint  
00:29:59 --> 00:30:02: if you use GRASS and the others. So we need  
00:30:02 --> 00:30:05: to have those frameworks be better, you know, more  
forward-looking  
00:30:05 --> 00:30:09: oriented so that we can better capture the transition aspect  
00:30:09 --> 00:30:12: of the evolution of performance from brown to green.  
00:30:12 --> 00:30:15: Because we we, we really need to invest as investors  
00:30:15 --> 00:30:20: in decarbonization instead of merely decarbonizing our  
investments by simply  
00:30:20 --> 00:30:23: selling those higher carbon assets. And if you want to  
00:30:23 --> 00:30:27: do that, the, the, the other characteristic I would also  
00:30:27 --> 00:30:30: mention and and you you said it, I think Francesco,  
00:30:30 --> 00:30:33: is to also better align incentives across our value chain  
00:30:33 --> 00:30:37: and create better alignment of interest with our asset  
managers,  
00:30:37 --> 00:30:38: property managers.  
00:30:39 --> 00:30:43: So for example, we've been promoting the green promote  
concept  
00:30:44 --> 00:30:47: so that an incentive fee is tied to the asset  
00:30:47 --> 00:30:51: managers ESG out performance above a seven base case.  
That's  
00:30:51 --> 00:30:54: the kind of example which I think will help us  
00:30:54 --> 00:30:57: all walk the talk and not only you know have  
00:30:57 --> 00:31:02: nice reports but also demonstrate tangible real improvements  
in action.  
00:31:05 --> 00:31:08: Thank you. That's very helpful, Francesco.  
00:31:09 --> 00:31:10: What would you wish for?  
00:31:13 --> 00:31:17: Sorry. Yeah. Well I I tried to split it in  
00:31:17 --> 00:31:20: two and make it simple. Well we we we need  
00:31:20 --> 00:31:24: to to be speaking the same language. To be honest  
00:31:24 --> 00:31:28: I go back to ammonization of taxonomies and and this  
00:31:28 --> 00:31:32: must be also driven by regulators I would say and  
00:31:32 --> 00:31:35: and secondly I think they we need to have a

00:31:35 --> 00:31:37: strong cultural alignment so.

00:31:38 --> 00:31:43: I believe all organizations should, should from private to public,

00:31:43 --> 00:31:50: should should launch internal awareness campaign, nominate the ambassadors, getting

00:31:50 --> 00:31:53: bottom up insights to to be sure that we have

00:31:53 --> 00:31:59: ISESG criterias fully plugged in in organizations and that would

00:31:59 --> 00:32:02: be much easier for us to to talk and this

00:32:02 --> 00:32:06: this type of thing would get our lives better.

00:32:08 --> 00:32:10: Thank you, Christina.

00:32:11 --> 00:32:15: Yes. Well, what what would be my wish? Well, actually

00:32:16 --> 00:32:20: my wish is exactly the one, the one Stefan said,

00:32:20 --> 00:32:24: right. So I'm going to mention another one, but I

00:32:24 --> 00:32:27: I do believe that there is too much focus on

00:32:28 --> 00:32:32: let's build a perfect asset whereas really in places like

00:32:32 --> 00:32:34: Europe, Japan, Canada.

00:32:35 --> 00:32:38: The big issue is how do we improve the assets

00:32:38 --> 00:32:42: that already exist because most of the real estate is

00:32:42 --> 00:32:45: already there is around us, right? So I I I

00:32:45 --> 00:32:49: fully agree and that is not properly addressed in the

00:32:49 --> 00:32:53: carbon frameworks or in the carbon set of incentives. I

00:32:53 --> 00:32:56: am also missing something that I hope gets addressed at

00:32:56 --> 00:32:57: some point.

00:32:58 --> 00:33:01: And that as a Thorum we we are seeing that

00:33:01 --> 00:33:04: when you when you invest in real estate assets that

00:33:04 --> 00:33:10: are targeting vulnerable populations, vulnerable populations maybe because of their

00:33:10 --> 00:33:14: economic power. I'm not talking about bottom of the pyramid

00:33:14 --> 00:33:18: as such in third world countries, but just the most

00:33:18 --> 00:33:23: affordable part of our economies in Europe like affordable housing

00:33:23 --> 00:33:26: which we invest a lot in affordable housing.

00:33:26 --> 00:33:31: Or nursing homes. It comes a point when bringing that

00:33:31 --> 00:33:36: asset to the highest possible energy standard, it actually will

00:33:36 --> 00:33:40: require an increase in the rent or the cost or

00:33:40 --> 00:33:43: the OR the lease of that asset that will make

00:33:43 --> 00:33:48: it unaffordable for the population that you want to serve.

00:33:48 --> 00:33:52: I think there's a tension between the social goals and

00:33:52 --> 00:33:53: the.

00:33:53 --> 00:33:58: Strictly environmental goals that it's not properly being

00:33:58 --> 00:34:01: addressed right

00:33:58 --> 00:34:01: now and that I think again if we start and

00:34:01 --> 00:34:04: you know just to always I'd like to to to  
00:34:04 --> 00:34:07: to be a bit contrarian, right. But you know if  
00:34:07 --> 00:34:11: we start linking remuneration of managers based on how  
green  
00:34:11 --> 00:34:15: their assets are, maybe no one wants to invest in  
00:34:15 --> 00:34:19: affordable housing, maybe no one wants to invest in nursing  
00:34:19 --> 00:34:20: homes and yet.  
00:34:20 --> 00:34:23: Our society needs that. I know I'm I'm you know  
00:34:23 --> 00:34:26: I it's it's a big debate I think you know  
00:34:26 --> 00:34:29: but but it's one that I don't think is properly  
00:34:29 --> 00:34:33: addressed. So I think you know our frameworks need to  
00:34:33 --> 00:34:37: be need to recognize the difference between building offices  
in  
00:34:37 --> 00:34:40: CBD where your where your where your tenant is a  
00:34:40 --> 00:34:43: big corporate and there you can be I think as  
00:34:43 --> 00:34:46: ambitious as you want versus residential.  
00:34:46 --> 00:34:50: Versus nursing homes versus the student housing right. And  
I  
00:34:50 --> 00:34:54: don't have the answer, but my wish will be that  
00:34:54 --> 00:34:57: these aspects are at least considered and that we don't  
00:34:57 --> 00:35:00: make a world where no one wants to invest in  
00:35:00 --> 00:35:02: in those assets.  
00:35:04 --> 00:35:08: I thank you, Christina. I think what you've just reminded  
00:35:08 --> 00:35:11: us of is that really says not just the financial  
00:35:12 --> 00:35:15: assets where you can overlay with ESG elements, it's, it's.  
00:35:16 --> 00:35:20: The buildings we live, work and playing and kind of  
00:35:20 --> 00:35:26: not dealing with the environmental issues create social  
issues. Doing  
00:35:26 --> 00:35:29: too much of them may create social issues. So it's  
00:35:30 --> 00:35:34: a very delicate line we need to threat. We're actually  
00:35:34 --> 00:35:39: planning a workshop, 2 workshops in Berlin to especially  
focus  
00:35:39 --> 00:35:43: on how public and private sector and order staples can  
00:35:43 --> 00:35:46: work together to transition all.  
00:35:46 --> 00:35:51: Buildings, not just the most financially viable ones, so stay  
00:35:51 --> 00:35:55: tuned for that. But now I'm very excited that we  
00:35:55 --> 00:36:00: have Christiana back and I'm told Christiana now the  
technology  
00:36:00 --> 00:36:05: works. So we're really excited to hear the results. Thanks  
00:36:05 --> 00:36:09: for staying with us and coming back. So hand over  
00:36:09 --> 00:36:10: to you now.  
00:36:13 --> 00:36:16: Yes, thank you very much. And and sorry for the  
00:36:16 --> 00:36:20: inconvenience, our IT support is confident that the  
connection is

00:36:20 --> 00:36:23: now stable. Actually I am on vacation and I drove  
00:36:23 --> 00:36:26: 3 hours yesterday to be in an office of stable  
00:36:26 --> 00:36:30: Internet connection. So that didn't work at the first instance,  
00:36:30 --> 00:36:34: but now it should work. Yeah. Thank you very much.  
00:36:34 --> 00:36:37: As you you said, I'm Christiana Conrads, I'm the Global  
00:36:37 --> 00:36:42: Real Estate EC leader at PwC, needing actually an  
interdisciplinary  
00:36:42 --> 00:36:43: international.  
00:36:43 --> 00:36:49: And our team consisting of consultants, auditors, lawyers, tax  
advisors  
00:36:50 --> 00:36:54: and and many more and having our clients with ESG  
00:36:54 --> 00:36:55: strategy.  
00:36:56 --> 00:37:00: Development and implementation. And for us it was really  
great  
00:37:00 --> 00:37:04: honor and opportunity to support the ULI in the live  
00:37:05 --> 00:37:09: and PRI on this exciting journey, the ESG mapping exercise  
00:37:09 --> 00:37:13: which was really in yet quite long journey and it's  
00:37:13 --> 00:37:17: really good. It's a good feeling that we are able  
00:37:17 --> 00:37:21: to present the results today. Maybe we can go to  
00:37:21 --> 00:37:22: the next slide please.  
00:37:23 --> 00:37:27: In the next couple of minutes I would like to  
00:37:27 --> 00:37:31: give you an overview of the report and and looking  
00:37:31 --> 00:37:35: at the technical research and also at the market research  
00:37:35 --> 00:37:40: basically applied to different types of research as a basis  
00:37:40 --> 00:37:44: of this report. The technical research is focusing on the  
00:37:44 --> 00:37:49: on the mapping exercise of the various regulatory and also  
00:37:49 --> 00:37:50: reporting standards.  
00:37:51 --> 00:37:57: And the market research is actually focusing on five different  
00:37:57 --> 00:38:00: case studies to yeah, really.  
00:38:02 --> 00:38:07: Share best practices in the area of EC reporting and  
00:38:07 --> 00:38:11: data collection. Last but not least, I would like to  
00:38:11 --> 00:38:15: give you a quick look at at the table which  
00:38:15 --> 00:38:19: is an extract of the of the technical research, the  
00:38:19 --> 00:38:24: very extensive mapping exercise which is also being  
published in  
00:38:24 --> 00:38:28: in the study. Okay, maybe we can go to the  
00:38:28 --> 00:38:30: next slide please.  
00:38:31 --> 00:38:35: That one, yes, exactly. So looking at at the at  
00:38:35 --> 00:38:39: the various standards on the right hand side in the  
00:38:39 --> 00:38:45: table there. So as you said mentioned before the landscape  
00:38:45 --> 00:38:52: of easy regulatory requirements, reporting requirements also  
voluntary standards is  
00:38:52 --> 00:38:58: evolving extremely fast. It's extremely broad. We also see



various standards.

00:38:58 --> 00:38:59: Which are not specifically addressed to real estate and it's

00:39:00 --> 00:39:04: it's really difficult for all the market participant to navigate

00:39:04 --> 00:39:09: in this lands, yeah this landscape. So this is really

00:39:09 --> 00:39:13: the intention of this report to shed some light in

00:39:13 --> 00:39:17: the dark and to give some guidance here as I

00:39:17 --> 00:39:21: mentioned before. So and I also I could hear from

00:39:21 --> 00:39:24: from the panel discussion we.

00:39:24 --> 00:39:27: We are not having an outcome which we were hoping

00:39:28 --> 00:39:32: for. There is no one side fits all solution, unfortunately

00:39:32 --> 00:39:37: not not yet. But we see more and more alignment

00:39:37 --> 00:39:41: and I think what the result of the study really

00:39:41 --> 00:39:44: show it's really important for any.

00:39:45 --> 00:39:47: Asset manager for any stakeholder of the real estate

00:39:49 --> 00:39:54: industry,

00:39:54 --> 00:39:58: Yeah, to get their head around the, yeah, development which

00:39:59 --> 00:40:03: is actually taking place and also to develop their own

00:40:03 --> 00:40:08: EC strategy and yeah, define their own ambition level and

00:40:08 --> 00:40:12: yeah, kind of implemented in all the various areas and

00:40:12 --> 00:40:14: processes of its business.

00:40:15 --> 00:40:19: We looked at, yeah, at the various standards and in

00:40:20 --> 00:40:24: different reasons. So the focus was of course, the European

00:40:24 --> 00:40:28: Union as kind of leader in this area right now.

00:40:28 --> 00:40:33: In particular from a governance perspective, we looked at the

00:40:33 --> 00:40:37: UK, Americas, Hong Kong, Singapore, Japan and Australia.

00:40:39 --> 00:40:43: Maybe you can go to the next slide and the

00:40:43 --> 00:40:48: next one please. So in the end, we have identified

00:40:48 --> 00:40:52: 10 key findings here and the first one is really,

00:40:52 --> 00:40:56: it's really complex reporting landscape.

00:40:57 --> 00:41:01: And it can be overwhelming and it kind of what

00:41:01 --> 00:41:06: we hear in the interviews, the various requests also from

00:41:06 --> 00:41:12: from investors, from regulators, they kind of meet exhausted

00:41:12 --> 00:41:16: businesses.

00:41:12 --> 00:41:16: So it's really, really tricky for for the various, yeah,

00:41:16 --> 00:41:21: for real estate companies to successfully navigate but also to

00:41:21 --> 00:41:25: to manage these requests and to respond to them.

00:41:26 --> 00:41:30: And yeah, collaboration and is really key in this area

00:41:31 --> 00:41:36: to, yeah, further provide consolidation and which was

00:41:36 --> 00:41:41: mentioned in

00:41:36 --> 00:41:41: the Panda discussion to speak really the same language.

00:41:42 --> 00:41:46: And yet the second key finding is actually what Yulis

00:41:46 --> 00:41:51: had already mentioned. There is no one-size-fits-all solution.

And that  
00:41:51 --> 00:41:55: is really, really important for each one of us to  
00:41:55 --> 00:41:59: understand. We've been called so many times and asked for  
00:41:59 --> 00:42:04: checklists for ESG strategies and that's just not possible  
because.  
00:42:05 --> 00:42:10: The strategy depends on your investors demands on the  
regulatory  
00:42:11 --> 00:42:15: requirements you need to and also considering of yeah, the  
00:42:16 --> 00:42:21: the specific asset, its location, its tenant. So all yeah,  
00:42:21 --> 00:42:26: the stakeholder requests need to be considered and for that  
00:42:26 --> 00:42:32: reason it's also really important to understand why the  
stakeholders.  
00:42:33 --> 00:42:38: Have the information request for what purposes they need to  
00:42:38 --> 00:42:42: collect and be provided with the data, because without that  
00:42:42 --> 00:42:47: you won't be able to to fulfill yeah, the information  
00:42:47 --> 00:42:50: needs in the end. When you look at the third  
00:42:50 --> 00:42:55: key finding, it's actually we've identified 5 main categories of  
00:42:55 --> 00:43:00: ESG frameworks which are fundamental for the real estate  
industry.  
00:43:01 --> 00:43:09: You have corporate standards, you have antimatic reporting  
standards, sustainability  
00:43:09 --> 00:43:16: regulation and real estate industry specific regulation like a  
graspy  
00:43:16 --> 00:43:21: or in REF. And you have principal based commitments like  
00:43:21 --> 00:43:23: the PRI requirements.  
00:43:24 --> 00:43:29: Then coming to the 4th key finding actually the principle  
00:43:29 --> 00:43:33: of double much reality. This is really approach which we  
00:43:33 --> 00:43:37: detected not in all frameworks we we we mapped but  
00:43:37 --> 00:43:41: in my and it's also one of the fundamental principles  
00:43:41 --> 00:43:45: of the ESG transformation which we see around the globe.  
00:43:46 --> 00:43:50: So I'm looking at it at the double materiality. It's  
00:43:50 --> 00:43:54: really about the ESG criteria, the ESG.  
00:43:54 --> 00:43:54: Risks.  
00:43:55 --> 00:43:59: That impact your asset impact your investment. So it's the  
00:43:59 --> 00:44:03: outside in perspective on the one hand side but in  
00:44:03 --> 00:44:05: addition to that.  
00:44:05 --> 00:44:10: It's also about the inside out perspective to really look  
00:44:10 --> 00:44:13: what the impact of the asset, of the of the  
00:44:13 --> 00:44:18: asset of the investment is on the environment and on  
00:44:18 --> 00:44:22: the society and looking at the price of the SFDR  
00:44:22 --> 00:44:26: for example. So the also the regulators are taking it  
00:44:26 --> 00:44:33: really, really seriously that and implementing increasing  
disclosure requirements in  
00:44:33 --> 00:44:34: this regard.

00:44:36 --> 00:44:40: Then what is really important we all know that. So  
00:44:40 --> 00:44:45: the key to for every reporting, for every strategy  
implementation  
00:44:45 --> 00:44:51: is credible data and it's particularly credible. Yeah essential  
for  
00:44:51 --> 00:44:56: science based metrics and targets and you can't actually it's  
00:44:56 --> 00:45:00: it comes to the point you can't manage what you.  
00:45:01 --> 00:45:05: That you can't measure. So it's really important to get  
00:45:05 --> 00:45:09: all the data in particular also the scope 3 missions.  
00:45:09 --> 00:45:14: You need to have start the discussions with the tenants,  
00:45:14 --> 00:45:18: agree on data exchange clauses in the lease agreement as  
00:45:18 --> 00:45:23: been confirmed by the case study for provided by Hines  
00:45:23 --> 00:45:27: for example. May you please come to the next slide  
00:45:27 --> 00:45:29: please that is really.  
00:45:30 --> 00:45:36: Broad building certification, so building certifications I think  
really one  
00:45:36 --> 00:45:41: of the big components of the green building sustainable  
development  
00:45:41 --> 00:45:42: in in real estate.  
00:45:43 --> 00:45:48: So the requirements by an independent association  
regarding is G  
00:45:48 --> 00:45:52: criteria is really a you still a useful tool as  
00:45:52 --> 00:45:55: part of an is G strategy, but it's only one  
00:45:55 --> 00:45:59: piece of the puzzle. It cannot sort at all. As  
00:45:59 --> 00:46:03: I said before we've been asked, we've been asked so  
00:46:03 --> 00:46:07: many times for checklists, we're also in asked OK, if  
00:46:07 --> 00:46:11: I have a certificate and and you build and then  
00:46:11 --> 00:46:13: in your certificate.  
00:46:13 --> 00:46:17: MI ESG compliance Am I in line with the requirements  
00:46:17 --> 00:46:21: for Article 8/8 plus under the SFDR? And the question  
00:46:21 --> 00:46:24: is no building certification is a good?  
00:46:24 --> 00:46:24: Yeah.  
00:46:25 --> 00:46:29: Good component of ESG strategies and what we also see  
00:46:29 --> 00:46:33: here is also where you have new build and in  
00:46:33 --> 00:46:38: use certifications in place. The data situation is often much  
00:46:38 --> 00:46:42: better than it is an uncertified buildings.  
00:46:43 --> 00:46:48: But, and that's, this helps with recording requirements, but  
building  
00:46:48 --> 00:46:54: certifications needs to be regarded separately from all  
reporting requirements.  
00:46:54 --> 00:46:58: Then coming to the next key finding social targets are  
00:46:59 --> 00:47:03: of course more difficult to measure as they yeah, they  
00:47:03 --> 00:47:08: depend on social standards, on on understandings within the  
society.

00:47:10 --> 00:47:14: But legislation is on on focusing on social, I guess  
00:47:14 --> 00:47:18: is increasing worldwide. In the European we have an approach  
00:47:18 --> 00:47:23: that facilitates social targets as main investment target, but also  
00:47:23 --> 00:47:28: as minimum safeguards, for example with duty of care, supply  
00:47:28 --> 00:47:32: chain requirements. Then of course we need, as looking at  
00:47:32 --> 00:47:36: the principle #8, we need a good governance structure in  
00:47:37 --> 00:47:37: place.  
00:47:38 --> 00:47:42: To to ensure that yeah the environment and the social  
00:47:42 --> 00:47:45: targets can be met with and that you can measure  
00:47:45 --> 00:47:49: success in the end. And what is really also the  
00:47:49 --> 00:47:53: study is about particularly with the case study but also  
00:47:53 --> 00:47:57: with the baby not today. It's about best practice sharing.  
00:47:57 --> 00:48:01: You need to learn the the same language. It's about  
00:48:01 --> 00:48:04: also that the real estate industry.  
00:48:05 --> 00:48:10: Works together to further work on the consolidation of the  
00:48:10 --> 00:48:17: different standards and also really encourages also the collaboration between  
  
00:48:17 --> 00:48:21: that and tenants and last but not least with the  
00:48:21 --> 00:48:25: regulatory, the legislative bodies and.  
00:48:26 --> 00:48:30: Coming to the to the tense key finding which is  
00:48:30 --> 00:48:35: really important. Also mentioned at the beginning of this short  
00:48:35 --> 00:48:40: presentation and as mentioned by is that an ESG strategy  
00:48:40 --> 00:48:44: is key for everyone. So the global ESG transformation is,  
00:48:44 --> 00:48:49: is going to impact every business and it's also yeah  
00:48:49 --> 00:48:53: it's going to impact every area of the business and  
00:48:53 --> 00:48:55: every process so and the.  
00:48:56 --> 00:49:01: Strategy is an individual exercise which depending on the stakeholder  
  
00:49:01 --> 00:49:05: analysis, but also on the company's own ambition level. So  
00:49:05 --> 00:49:09: this is really something everyone needs to do. And this  
00:49:09 --> 00:49:12: is a report is intended to give an overview on  
00:49:12 --> 00:49:16: the various standards. Where do we see overlaps, Where do  
00:49:16 --> 00:49:20: we see duplications? But also what is the intention of  
00:49:20 --> 00:49:22: the various standards?  
00:49:22 --> 00:49:27: And that's also one important lesson we learned. We are  
00:49:28 --> 00:49:33: going to see multiple standards in the near future because  
00:49:33 --> 00:49:36: the topic of is G is so broad so.  
00:49:37 --> 00:49:41: All the various standards or most of them, I mean  
00:49:41 --> 00:49:47: there's a justification for the of their existence because there's

00:49:47 --> 00:49:51: no, it's not just not possible for one solution to  
00:49:51 --> 00:49:55: focus on all the various E, the S and the  
00:49:55 --> 00:49:59: governance aspect at the same time. So this also comes  
00:49:59 --> 00:50:03: back to my yeah or less to my closing remarks  
00:50:03 --> 00:50:04: it's.  
00:50:05 --> 00:50:09: It's there. So this also this mapping size, it's not  
00:50:09 --> 00:50:13: one of actually it needs to be done regularly. And  
00:50:13 --> 00:50:17: I said before, I'd like to quote also Justin from  
00:50:17 --> 00:50:22: AXA mentioned in our interview, collaboration is actually the  
new  
00:50:22 --> 00:50:27: competition and it's really, really important that we continue  
with  
00:50:27 --> 00:50:31: this. Yeah, great collaboration to work on standards and to  
00:50:31 --> 00:50:33: work on the same language.  
00:50:34 --> 00:50:38: And I think my my time is up. Do that  
00:50:38 --> 00:50:39: heading back to you.  
00:50:40 --> 00:50:45: Well, time to Christiana. Thanks so much for your  
contribution  
00:50:45 --> 00:50:48: and all the effort you spent during your holiday to  
00:50:48 --> 00:50:52: be with us, and I would encourage just everyone to  
00:50:52 --> 00:50:55: read the report. Reach out to anyone if you have  
00:50:55 --> 00:50:59: any questions. Pwc's contact details are included.  
00:50:59 --> 00:51:02: As well as those of you lie in Ref and  
00:51:02 --> 00:51:07: PRII want to thank everyone for their contribution to this  
00:51:07 --> 00:51:11: report, especially in Ref and PRI and also PwC as  
00:51:11 --> 00:51:16: well as all the steering Committee members. Without them it  
00:51:16 --> 00:51:20: wouldn't have been possible to do this and and then  
00:51:20 --> 00:51:23: it's. I know we're overdue, but if you have a  
00:51:23 --> 00:51:27: moment to just quickly respond to a survey on the.  
00:51:28 --> 00:51:32: On this session that helps us to make things even  
00:51:32 --> 00:51:35: better in the future and while you go through the  
00:51:35 --> 00:51:39: questions, I just wanted to close with the Europe conference  
00:51:39 --> 00:51:42: of you Larry that is coming up, I know next  
00:51:42 --> 00:51:45: week is is in Refs conference in the in Barcelona.  
00:51:45 --> 00:51:48: We will be in Madrid early June. Hope that you  
00:51:48 --> 00:51:52: can all join us and looking forward to your feedback  
00:51:52 --> 00:51:55: for those of you that couldn't join the whole session  
00:51:55 --> 00:51:57: or want to listen to it again.  
00:51:58 --> 00:52:02: We'll do another session this afternoon, Europe time at 5C  
00:52:02 --> 00:52:06: T 4:00 PM with the summer time to also accommodate  
00:52:06 --> 00:52:11: audiences elsewhere in the world. Thank you so much for  
00:52:11 --> 00:52:16: joining us today. Apologies again for the technical issues and  
00:52:16 --> 00:52:20: we will hope you really appreciated it. Thank you all

00:52:20 --> 00:52:21: for joining.  
00:52:24 --> 00:52:25: Pleasure.  
00:52:25 --> 00:52:26: Play the trailer.  
00:52:27 --> 00:52:29: Of the movie.

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