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Mapping ESG – A Landscape Review of Certifications, Reporting Frameworks and Practices

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Mapping ESG – A Landscape Review of Certifications, Reporting Frameworks and Practices

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ESG Mapping Study Results

Urban Land Institute, PRI and INREV

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Agenda

**Overview of
the report**

**Technical
research**

**Market
research**

Appendix



Overview of the report

Overview of the reporting structure - A landscape review

The research project is jointly managed by ULI, PRI and INREV



Technical research

- **Compares** the frameworks and standard in scope to demonstrate their purpose, methodology, composition and thematic focus – as well as coverage of the real estate industry.
- This shall provide **transparency** on the suitability of the instruments for individual ESG strategies and stakeholder demands.

Market research

- The **market research** identifies **best practices** from industry leaders to provide thought leadership on solving the operational challenges of reporting.

Markets in focus: EU and UK, USA and Canada, Hong Kong, Singapore, Japan and Australia

	Corporate	Investment / Portfolio	Asset
Frameworks and 'Scoring'	<ul style="list-style-type: none"> • EU Taxonomy • UK Stewardship Code • Other "must have" commitments 	<ul style="list-style-type: none"> • SFDR • PRI • GRESB 	
Reporting Standards	<ul style="list-style-type: none"> • TCFD • GRI • SASB • EPRA • CDP • CDSB • Climate Bonds Initiative 	<ul style="list-style-type: none"> • INREV 	<ul style="list-style-type: none"> • CREEM (tool)
Accounting Standards	<ul style="list-style-type: none"> • IFRS/ISSB (prototype) • NFRD/CSRD (proposal) 		
Certifications			<ul style="list-style-type: none"> • LEED • BREEAM • WELL • Fitwel • DGNB • HQE • NABERS (UK + Australia) • Green Star (Australia) • Energy Star • CASBEE • BELS (Japan) • ZEB

The image features a large, dark blue hexagonal graphic on the left side, set against a background of a modern building with a blue sky and clouds. The hexagon contains the text 'Technical research: Key findings' in white. The hexagon is decorated with various geometric shapes: a large orange hexagon at the top right, a white hexagon at the bottom center, and several grey and white hexagons scattered around. A horizontal grey bar extends from the right side of the hexagon across the bottom of the image. The background shows a building with a grid of windows and a blue sky with scattered white clouds.

**Technical
research:
Key findings**

Key Findings – Summary (1/2)

We have identified 10 high level key findings

1

The evolving ESG regulatory and **reporting landscape is complex** and can be overwhelming. The sector must work together to successfully navigate the road ahead. Collaboration and a **balance between ‘quality’ and ‘quantity’** should be the focus.

Complex reporting landscape

2

Important to understand the purpose of the different ESG frameworks and standards. There **is no one-size-fits-all standard**. Although different standards will continue to exist due to different purposes and stakeholder needs, we anticipate that there will be **further consolidation and alignment**.

No one-size-fits-all

Key Findings

Credible data

5

Credible data (especially environmental and scope 1-3 GHG emissions data) is fundamental to **‘science-based metrics and targets’** across multiple disclosure requirements (‘you can’t manage what you can’t measure’).

4

The materiality approach defines the main characteristics of the ESG standards (i.e. financial materiality, impact materiality and double materiality).

Double materiality

Five main categories

We identified **five main categories** of ESG frameworks and standards which are fundamental: **Core corporate** standards; **thematic reporting** standards; **sustainability regulation** related requirements; **RE industry specific** reporting standards and benchmarking; and **principle-based** commitments.

3

Key Findings – Summary (2/2)

We have identified 10 high level key findings

10 For the **sustainability strategy** to be **successful**, the leadership must focus resource on the ESG frameworks and standards **most relevant to stakeholders** and **engage the entire organization** to minimize risk and maximize impact.



6 **Building certifications** can also complement a successful ESG strategy, however as the regulatory landscape evolves building certifications are feeling the pressure of staying ahead of regulation to retain their relevance.



7 Certain **social targets** are more difficult to measure as they are based on norms and values, but legislation and **regulation is increasing** worldwide to harmonize social standards for organization's and their supply chains.



9 It is important to determine what is within an **organization's control**. For areas **outside** an organization's control, **best practice** for engagement with the wider real estate 'ecosystem' should be followed (e.g., collaboration between landlord and tenant where possible).



8 **Good governance** is fundamental for effective implementation and there is a high level of global alignment based on existing corporate governance requirements.



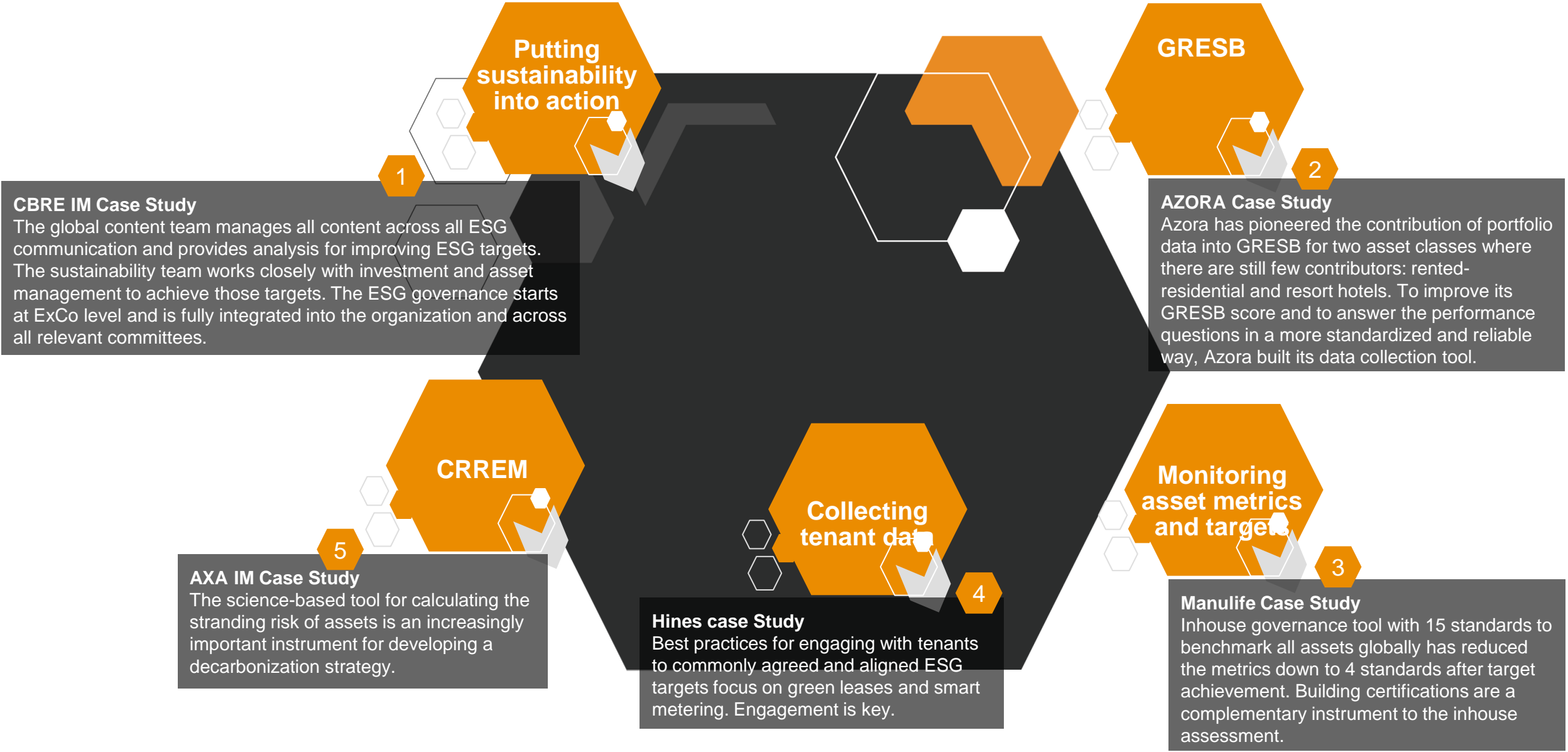
**Market
research:
Case studies**

The big challenge: how do we collect, manage and share meaningful data?

5 case studies to explore best practices for ESG data management



Best practices identified in case studies with industry leaders





Appendix: Mapping Overview

Mapping overview

Key data	GRI Global Reporting Initiative	CDP Climate Disclosures Project	TCFD Task Force on Climate-Related Financial Disclosures	CDSB Climate Disclosure Standards Board	SASB Sustainability Accounting Standards Board	IFRS S1/S2 International Financial Reporting Standards	CSRD Corporate Sustainability Reporting Directive	EPRA European Public Real Estate Association	EU Taxonomy	CBI Climate Bonds Initiative	PRI Principles for Responsible Investment	INREV European Association for Investors in Non-Listed Real Estate	SFDR Sustainable Finance Disclosure Regulation							
Category of standard	Sustainability reporting	Sustainability Reporting (Scoring)	Sustainability-related financial reporting	Sustainability-related financial reporting	Sustainability-related financial reporting	Sustainability-related financial reporting	Sustainability-related financial reporting	Sustainability-related financial reporting	Sustainable finance standard	Sustainable finance standard	Sustainability-related financial reporting (Scoring)	Sustainability-related financial reporting	Sustainable finance standard							
Type of standard	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	Portfolio	Portfolio	Portfolio							
Application	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Mandatory	Mandatory	Voluntary	Mandatory	Voluntary	Voluntary	Voluntary	Mandatory							
Real estate specific	Planned	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes							
Lifecycle specific	No	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No							
Alignment with	...		-	-	...	TCFD, SASB		...	SFDR, CBI	TCFD	-	TCFD	EU Taxonomy							
Governance indicators	Yes		Yes	Yes	Yes	Yes		Yes	No	Yes	Yes	Yes	Yes							
Science-based metrics	Yes		Yes	No	Yes	Yes		Yes	No	Yes	No	Yes	Yes							
Implementation targets	Yes		No	No	Yes	Yes		No	No	No	No	Yes	No							
Financial metrics	Yes		No	No	Yes	Yes		No	Yes	Yes	No	No	No							
Total number of metrics	398		11	12	51			56	29	13	1454	46	40							
Thematic breakdown																				
E - climate mitigation	77	19%			17	33%		16	29%	13	100%	4	9%	8	20%					
E - climate adaption	5	1%			4	8%														
E - pollution prevention	28	7%						5	9%			2	4%							
E - circular economy	5	1%												2	5%					
E - water	35	9%			10	20%		3	5%			2	4%							
E - biodiversity	26	7%												1	3%					
S - health and safety	73	18%			4	8%		4	7%											
S - community impact	18	5%			5	10%		3	5%											
S - employees	43	11%						11	20%		14	1%	1	2%						
G - governance	1	0%	2	18%	1	8%		9	16%		838	58%	10	22%	5	13%				
G - compliance	52	13%			6	50%		3	5%		337	23%	3	7%	12	30%				
G - strategy	-		3	27%	2	17%					111	8%	9	20%	1	3%				
G - risk management	9	2%	6	55%	3	25%					75	5%			11	28%				
G - economic information	23	6%								29	100%									
G - sustainability	-																			
G - environmental	3	1%			4	8%		2	4%		58	4%	11	24%						
G - social	-												1	2%						
Total E	176	44%	-	0%	-	0%	31	61%	24	43%	-	0%	13	100%	-	0%				
Total S	134	34%	-	0%	-	0%	9	18%	18	32%	-	0%	-	0%	14	1%				
Total G	88	22%	-	0%	11	100%	12	100%	11	22%	14	25%	29	100%	-	0%				
Purpose breakdown in %																				
Define	75	19%																		
Describe	28	7%						1	2%		5		621	43%		12	30%			
Manage	90	23%		8	73%	12	100%	8	16%		3		646	44%	18	39%	10	25%		
Measure	205	52%		3	27%			43	84%		5	100%	5	100%	187	13%	28	61%	18	45%



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