Results GREEN

Global Real Estate Engagement Network

2023

June 13th 2024

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Foreword

Dear GREEN members, real estate companies/funds, and other supporters,

We are delighted to share the progress and achievements of the Global Real Estate Engagement Network (GREEN) and the real estate sector. At the end of 2023, GREEN comprised 25 dedicated members with a total € 3 trillion Assets under Management, with Sarasin & Partners, Bouwinvest, BPF Bouw, and Schroders joining the network in 2023, and CBRE and ASR in early 2024. We have collectively engaged with 49 listed companies and 24 non-listed funds, representing a significant portion of the market.

This annual report highlights the positive outcomes of our collaborative engagement efforts, guided by the calls to action outlined in the GREEN investor statement.
Through the use of our dashboard—in collaboration with the University of Maastricht—and milestone tracking system, we have observed measurable progress over the past two years in the climate risk performance of listed and non-listed real estate companies and funds. However, a strong need remains to take further steps in managing transition and physical climate risks effectively.

Since its inception in 2021, GREEN has established itself as a leading network focused on climate risk management in the real estate sector, which is responsible for 30-40% of global energy use and carbon emissions. We have actively participated in industry working groups, presented at international conferences, and engaged with stakeholders via various communication channels, including social media and our newsletter. We are proud to report that GREEN now boasts over 1400 followers on LinkedIn.

We extend our heartfelt thanks to all our members for their active participation and knowledge sharing. We also want to express our deep gratitude to our supporting organisations, Climate Works, Laudes Foundation, Almazara, and Finance Ideas. Their unwavering support has been instrumental in enabling the work of the GREEN secretariat, and we look forward to continuing our fruitful collaboration.

As we continue our journey, we invite other investors and asset owners to join us in ensuring GREEN's ongoing and lasting positive impact. Together, we can drive meaningful change within the real estate industry!

Warm regards,

GREEN
Global Real Estate Engagement Network

1 Executive summary

Our work contributed to progress on several fronts, focus should now turn to implementation planning (1/2)

Overview of members' activities in 2023

- **49** listed companies engaged via one-on-one conversations
- **24** non-listed funds engaged via one-on-one conversations
- **91** survey responses from listed companies

Listed engagements

In 2023, GREEN members engaged 49 companies from the FTSE EPRA Nareit-developed index. These companies are among the top 60 by market capitalisation of the index, and most have been engaged since GREEN's launch in 2021.

Non-listed engagements

GREEN members have engaged 24 non-listed funds across 35 engagement meetings. These engagements have been with funds domiciled in all regions but with a strong tilt towards Europe.

Improvements in target-setting

Since the launch of GREEN, and partially thanks to the efforts of our members, we have seen that the number of companies/funds setting decarbonisation and energy targets is increasing.

Top 120 listed		24 non-listed[1]
40%	Committed to Net-zero across Scope 1-2-3	58%
78%	Setting GHG targets	100%

On the listed side, European and Asian companies are more committed to long-term targets. US companies' reluctance to set long-term targets is often attributed to concerns about suitable data, insufficient regulatory pressure, or insufficient client and investor demand.

Implementation does not match target-setting across regions

Despite this, our assessments show a need for more planning on how to reach those targets and how much CAPEX might be involved. Companies still need to develop plans to support their top-level ambitions. Although more than 40% of companies surveyed could demonstrate some high-level, long-term strategies for decarbonisation, 56% of these respondents could not.

Listed - 2023		Listed - 2022
9%	Net-zero CAPEX estimation	3%

On the listed side, the underwriting of CAPEX requirements is increasing compared to 2022 but still limited compared to the non-listed funds our members engaged.

Companies also focus on external performance verification

Listed - 2023		Listed - 2022
35%	Certification coverage exceeding 50%	22%

It is now more common to see companies reaching at least 50% certification coverage.

[1]: Strongly tilted to European

Our work contributed to progress on several fronts, focus should now turn to implementation planning (2/2)

Companies are open to being more transparent

Companies are trying to achieve higher data coverage, with half already achieving above 80% coverage. Data collection is typically more problematic in the regions and sectors where companies have devoted fewer resources to sustainability issues.

Listed - 2023		Listed - 2022
50%	Achieving above 80% data coverage	41%
38%	Disclosing physical risks assessment	33%

There is an improvement in disclosing physical risk, with 38% of the top companies doing so compared to 33% in 2022. Even though US companies were less inclined to focus on the growing financial risks arising from carbon and energy performance regulation, 41% of US REITs reported making physical risk assessments, which is higher than APACs at only 26%.

The critical role of stakeholders

Real estate companies reported explicit support from some 20% of their shareholders for net-zero goals, and an additional 30% showed support for (non-Net-zero) long-term goals. Still, many shareholders were perceived to focus mainly on short-term financials.

Fifty-six per cent of the companies surveyed had insight into tenants' climate ambitions. Around 40% stated tenants had net-zero or other long-term energy/GHG goals.

The effectiveness of collaboration in engagement for investors and companies

49 companies engaged → 360 discussion milestones

Since the beginning of our work, GREEN has discussed and assigned 360 milestones throughout engagements with 49 companies. The milestones help track the changes in the approach of the engaged companies from the first time we engaged with them about a topic.

In 2023, a cumulative 18% of these milestones were recorded as successful when companies made changes after our engagements or promised that subsequent changes would be published in the following report. In addition, 18% of these achieved milestones relate to impactful topics such as setting a net-zero goal, an energy target, and increased physical risk disclosure. This is an encouraging achievement.

On the other hand, we recorded a cumulative 22% "unsuccessful" milestones, which occur when companies explicitly state that they are not interested in pursuing the matter in the short term.

18%	61%	22%
Successful	In-progress	Unsuccessful in short-term

Lastly, 61% of the milestones are labelled "in progress", meaning the companies are open to discussing these matters further but have not explicitly agreed yet to make changes.

In the future, GREEN will aim to realise all the "in progress" milestones and work on more effective strategies to convert those recorded as unsuccessful.


2
What we do

Expectations of shareholders & LP's in real estate: Improve climate risk management

The GREEN Investor Statement, signed by our members – shareholders in listed companies and non-listed funds-, is a call for action to their investee companies and the sector as a whole. This investor statement contains four actions linked to climate change and sustainability. The statement shapes the design of the collaborative engagements and is the basis for our dashboard design.

Action 1

Governance & Target Setting

12 indicators including:

- TCFD alignment
- Science-based target setting

Action 2

Implementation

16 indicators including:

- Asset-level plans
- Internal carbon pricing
- CAPEX estimation

Action 3

Certified data

6 indicators including:

- Actual and reliable data
- Standardizing building certification

Action 4

Disclosure

16 indicators including:

- Scope 1-2-3 emissions & energy use
- Transition & physical risk

The GREEN process: assess, survey, engage, track progress

Intensive one-on-one collaborative engagements

Dashboard Assessment[1]

- Translation of the Investor Statement into 50 indicators;
- Tracks the top 120 of the largest listed real estate companies;
- Separate dashboard for 24 non-listed funds.

Collaborative engagements

- GREEN members engage with companies via one-on-one collaborative engagement calls;
- Engagement asks are based on the dashboard assessment of the to be engaged entity and therefore on the investor statement asks

Monitoring

- Tracks how companies respond to engagement asks by assigning milestones for each indicator discussed;
- Milestones are updated annually after conversations have taken place, and should lead to improvement of the dashboard assesment.

Broad engagement

Annual Survey[2]

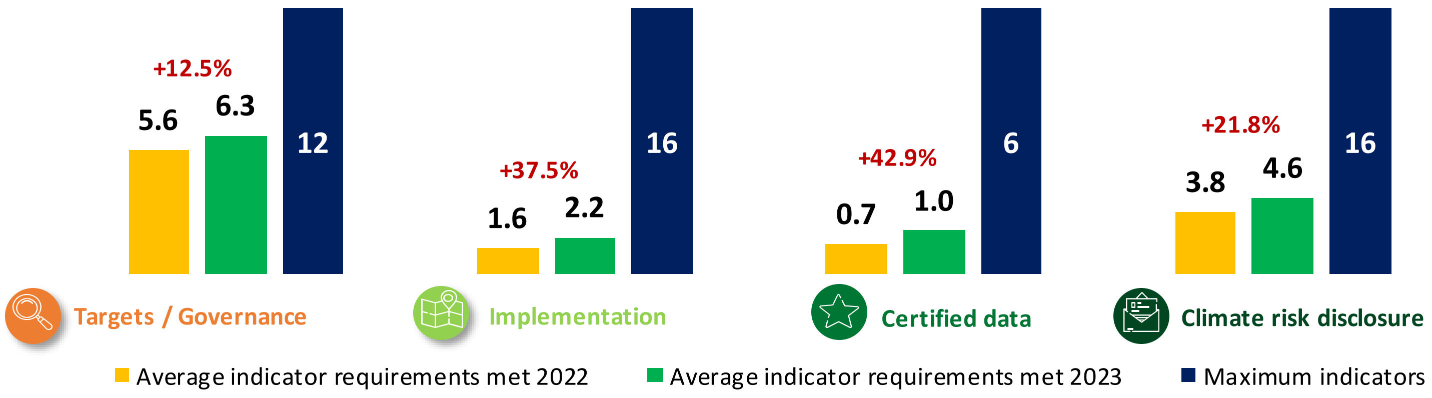
- Surveys are sent to all companies in the index on an annual basis;
- The survey questions are based on the dashboard indicators and engagement asks;
- The survey focuses on forward-looking questions. This allows GREEN to assess how the broader sector is performing and will develop in future.

[1]: Results from the Dashboard Assessment are aggregated performance evaluated using public disclosure such as companies' sustainabilty reports.
[2]: Results from the Survey are anonymously aggregated responses of (non-binding) forward-looking strategy from companies surveyed.

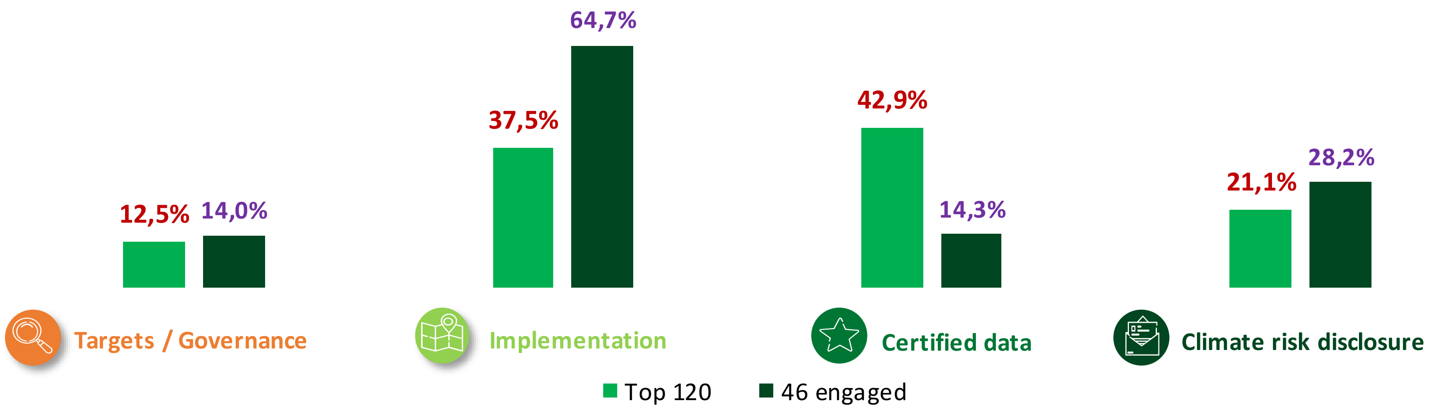
3 Annual Results 2023
Top listed companies

Top largest listed – Performance improved across all Actions

Dashboard Assessment 2022 – 2023: Top largest companies[1]



Recorded impact of GREEN on dashboard improvements for 46 companies[2] between 2022 – 2023



[1]: The top 120 companies for 2023 and top 60 for 2022 varied in two consecutive years due to change in market value.

[2]: Companies included in this comparison were engaged and assessed in both 2022 and 2023. 46 companies qualified for this.

Understanding our Dashboard

In 2023, GREEN assessed the top 120 companies in the index using the GREEN dashboard, comprising 50 indicators spanning four key actions.

In the charts on the upper side, the column "Maximum indicators" represents the number of total indicators per key action in our dashboard. A company can either meet an indicator (and achieve 1 point), or don't (and achieve 0). For example, out of 12 indicators in Targets/Governance, the 120 assessed companies met an average of 6.3 indicators in 2023 and 5.6 in 2022.

The bottom charts illustrate the performance increase of the 46 companies engaged by GREEN members in both 2022 and 2023. This shows that, overall, companies engaged by GREEN do show more improvements compared to those not engaged by GREEN on the topics our members engaged on most frequently: targets, implementation and disclosure.

The Top 120 – Performance highlights

Governance & Target Setting

78%
GHG target

40%
Committed to Net-zero

22%
Embodied carbon target

Implementation

15%
High-level pathways

28%
Below CRREM[1]

31%
LCA assessments

Certified data

35%
> 50% of certification coverage

12%
>80% of certification coverage

Disclosure

50%
Above 80% data coverage

38%
Disclose physical risk exposure

[1]: The indicator refers to the current performance of a company relative to the CRREM pathway. Being below the CRREM pathway as of 2022 means the company is currently outperforming the CRREM target for 2022.

Performance highlights

Governance & Target Setting
75% of the 12 indicators in this Action focus on Targets, from high-level (GHG or Net-zero goal) to more specific (SBTi validated target, target including energy intensity, Scope 3, etc.). GHG target is still the most common, with 78% of the top 120 having set this target.

Implementation
This Action focuses on planning, Net-zero asset level audits, CAPEX estimations, etc. The common goal is to ensure that companies with credible targets also prepare aligning credible pathways. There are also indicators focusing on embodied carbon and physical risks. Evidence of high-level pathways is increasing among assessed companies (15%).

Certified data
This Action focuses on external performance verification, such as energy labels and building certifications. It is more common to see companies reaching 50% certification coverage, but not above 80%.

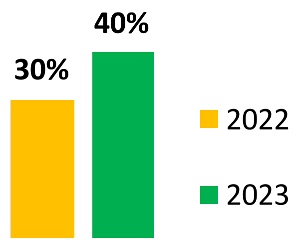
Disclosure
The last action tackles different aspects of climate disclosure, such as data coverage and transitional- and physical risk disclosure. Overall, the top companies are striving to achieve higher data coverage, with half already achieved 80% coverage. In addition, companies are relatively open to sharing high-level information about physical risks, as 38% having done so.

Our Annual Result 2023 – Listed companies – Key takeaways

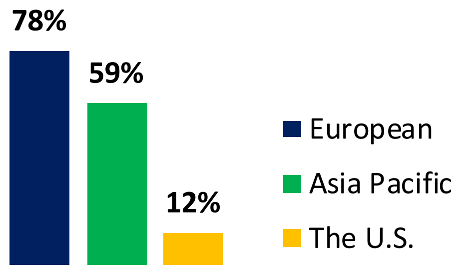
Increase in Long term/ Net-zero[1] goals

Governance & Target Setting

Results from the Dashboard[2]

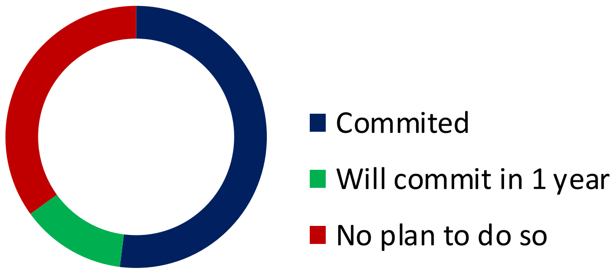


Net-zero commitment



Net-zero commitment, 2023

Results from the Survey[2]



Net-zero commitment

- **Commitment to Net-zero is increasing:**
  - The number of companies with a Net-zero target in the top 120 increased from 30 to 40%. Our survey among all REITS indicates an expected further growth (of an additional 13%) amongst all REITS.
- **There is a regional difference in Net-zero commitment:**
  - 78% of companies in Europe and only 12% of US-based companies have a long-term / Net-zero goal.
  - US companies are more open to setting Science Based Targets (41% of US companies have an SBTi target).
- **Most commonly cited reasons for not yet committing:**
  - Uncertainty to set such long term targets, asset level studies on potential measures not yet finished.

Our one-to-one engagements up to 2023

22 engagements on long term goals [1]

3 have committed to a Net-zero target
12 acknowledging / considering the goal
7 do not prioritise (6 are US-based)

Why does it matter to investors?

- Long term targets are necessary to ensure that retrofits are planned carefully and performed at natural moments to reach expected long term energy performance standards with the least additional costs.
- To meet increasing Net-zero tenant and investor demand.

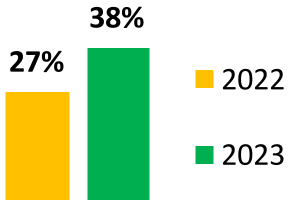
[1]: Including Scope 1, 2, 3
[2]: Please refer to page 4 to revisit the definition of our Dashboard and Survey results

Our Annual Result 2023 – Listed companies – Key takeaways

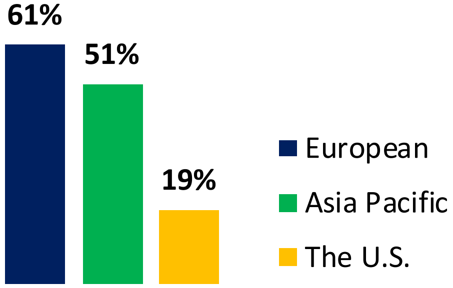
Tenant area[1] emissions increasingly included in the targets

Governance & Target Setting

Results from the Dashboard

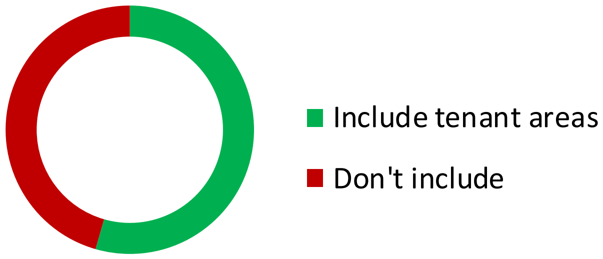


Scope 3[1] target



Scope 3[1] target, 2023

Results from the Survey



Inclusion of tenant area in target-setting

- **Commitment to Scope 3 is increasing:**
  - From our dashboard, 11% more of the top companies set a Scope 3 (tenant area) target compared to 2022.
  - From the 61 survey responses with a GHG intermediate target, 55% include the tenant area.".
- **There is still a regional difference:**
  - Only 19% of US-based companies have a scope 3[1] target.
- **Most commonly cited reasons for not yet committing:**
  - Lack of insight into performance data.
  - Lack of control / access during long term leases.

Our one-to-one engagements up to 2023

18 companies engaged on Scope 3 targets[2]

2 have set an intermediate Scope 3 target

6 acknowledging / considering the target

10 do not prioritise this target (6 US-based)

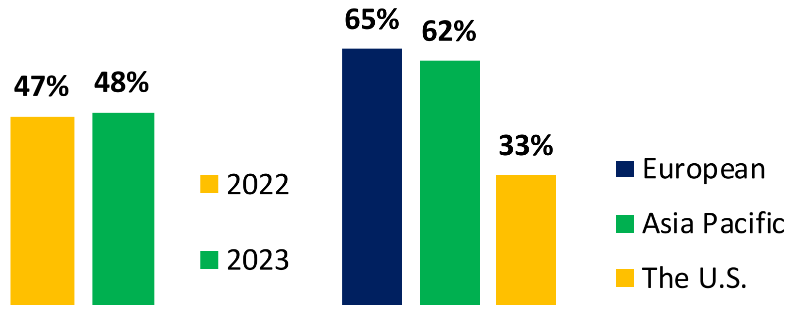
Why does it matter to investors?

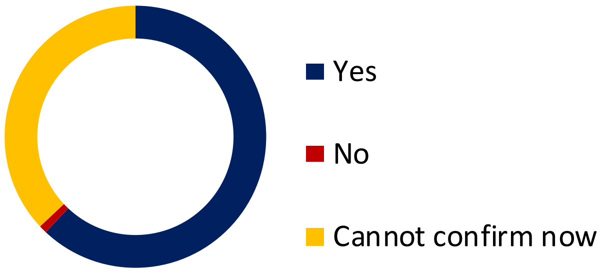
- Global regulators and tenants increasingly require energy-efficient and low-carbon buildings. Tenant energy use or scope 3 emissions depends significantly on the heating and cooling demand, and hence, the quality of the building.
- Not being alligned with science-based scope 3 reduction pathways is therefore an indicator of potential additional CAPEX and transition risks.

[1]: referring to scope 3 tenant area emissions
[2]: intermediate targets, with target year no further than 2035.

50% with explicit energy target, 62% to replace fossil fuel[1]

Governance & Target Setting





- **No significant increase in explicit energy targets**:
  - Our dashboard indicates that 48% of companies have set energy reduction targets[1].
  - Our survey reveals that 62% of companies are planning to replace fossil fuel[2] by 2050.
- **Most commonly cited reasons for not yet committing:**
  - Lack of insight into performance data.
  - Some companies consider their carbon reduction targets an implicit energy reduction target. Others seem to think green energy purchase is all they need to do to reach carbon targets, which is not very credible.

Our one-to-one engagements up to 2023

12 companies engaged on energy targets[1]

2 have set an intermediate energy target

5 acknowledging / considering the target

5 do not prioritise this target

Why does it matter to investors?

- Energy efficiency is widely seen as the first step in decarbonisation strategies and reducing operational costs. Purchasing green energy alone is unlikely to achieve national decarbonisation targets and does not improve the assets.
- Many jurisdictions are implementing minimum energy performance requirements to achieve nationally determined carbon targets. Setting energy targets helps companies prepare for potential regulations.

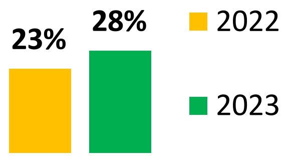
[1]: intermediate targets including tenant areas, with target year no further than 2035.

[2]: Replacing fossil fuel is a key decarbonisation strategy which requires deep energy intensity reductions and electrification of heat.

Analyses and disclosure of transition risk is slow but increasing

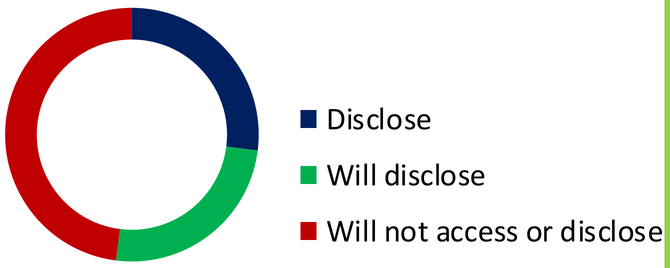
Implementation

Results from the Dashboard



Below CRREM[1]

Results from the Survey



Disclosure of transitional risk

- **The use of CRREM is growing:**
  - Amongst the top companies in our dashboard, performance below CRREM rose by 5% compared to 2022.
  - Amongst the survey responses, 27% used and disclosed CRREM results, and 25% will do so within a year.
- **Regional differences in adopting CRREM do exist:**
  - No US companies are yet disclosing (but significant interest in thr recent US pathway consultation).
- **Most commonly cited reasons for not yet committing:**
  - Current CRREM perceived as not fully compatible with the US and Asia, hence the hesitation.

Our one-to-one engagements up to 2023

29 companies engaged on CRREM

1 has used and disclosed CRREM

21 acknowledging / considering CRREM

7 do not prioritise this

Why does it matter to investors?

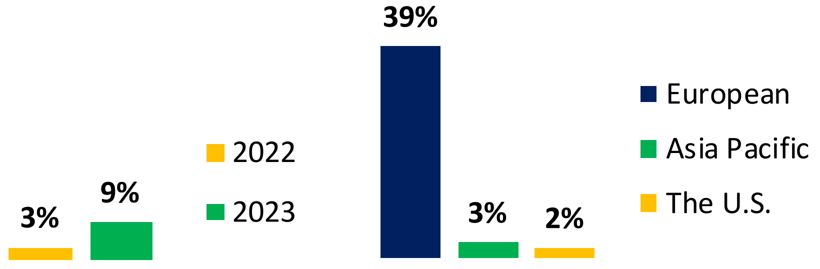
- As investors increasingly seek to evaluate transition risks in their real estate portfolios, CRREM has emerged as a valuable tool. It offers energy and carbon-intensity pathways that serve as a proxy or best estimate for future government regulations and corporate actions to fulfill their Paris commitments.

[1]: The indicator refers to the current performance of a company relative to the CRREM pathway. Being below the CRREM pathway as of 2023 means the company is currently outperforming the CRREM target for 2023.

First signs of Net-zero CAPEX estimates

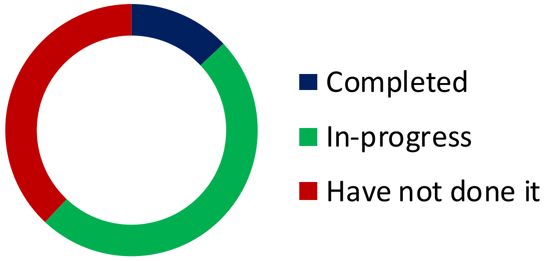
Implementation

Results from the Dashboard



CAPEX estimation　CAPEX estimation, 2023

Results from the Survey



Net-zero CAPEX estimation

- **More companies are making estimates of Net-zero CAPEX[1], but the progress is still slow:**
  - From our dashboard, 9% completed CAPEX estimations (compared to 3% in 2022).
  - From our survey, 49% said they are in progress of preparing them and a further 9% claimed to have done this. More than a third of this group shared that the estimates are more than 5% of NOI.
- **Frequent feedback from engaged companies:**
  - They may look at CAPEX needed until 2030 or till the end of their expected holding period, but do not take into account longer term (and potentially more expensive) improvements after 2030 that might impact the sale value by 2030.

[1]: how much CAPEX is potentially needed for Net-zero or long-term decarbonisation pathway

Our one-to-one engagements up to 2023

15 companies engaged on Net-zero CAPEX

1 has completed and disclosed CAPEX
13 acknowledging / considering doing this
2 do not prioritise this

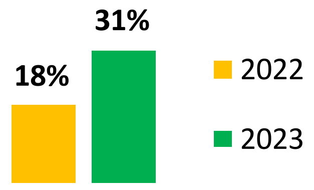
Why does it matter to investors?

- Estimating Net-zero or long-term green CAPEX assures investors that the companies are aware of impending regulations and are making sound investment decisions to effectively manage climate transition risks.
- Disclosure of this estimation offers transparency, instilling investor confidence in the company's preparedness for future scenarios.

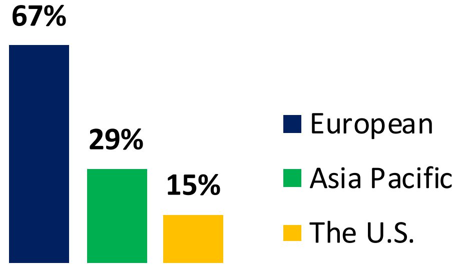
Embodied carbon[1] is gaining attention

Implementation

Results from the Dashboard

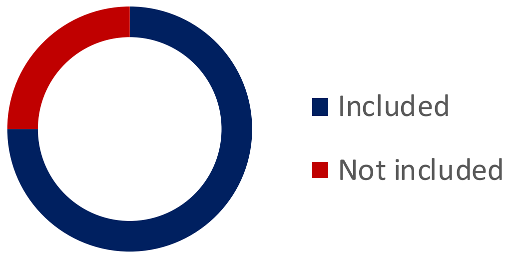


LCA assessment



LCA assessment, 2023

Results from the Survey



Inclusion of Embodied carbon in Net-zero goal

- **More attention for embodied carbon:**
  - From our dashboard, 13% more companies completed a Life Cycle Analysis (LCA)[1] compared to 2022.
  - From our survey, 75% of companies committed to Net-zero do include embodied carbon in their Net-zero goal.
- **Regional differences in attention to embodied carbon:**
  - U.S companies lag those in other regions.
- **Feedback from the engaged companies:**
  - Many companies are not active in (re)development or haven't purchased many new built assets.
  - Complications in embodied carbon emission measurement or methodologies.

[1]: Although not exactly the same, we do not make a distinction in the dashboard assessment and use LCA and embodied carbon assessment interchangeably.

Our one-to-one engagements up to 2023

15 companies engaged on LCAs

4 have completed and disclosed their LCAs

11 acknowledging / considering doing this

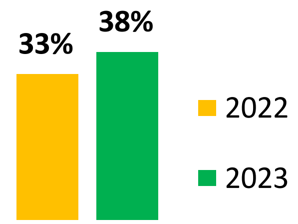
Why does it matter to investors?

- Embodied carbon substantially contributes to GHG emissions and is especially important for companies in which development and refurbishment activities are a large part of the business.
- As the importance of embodied carbon becomes more universally acknowledged, regulators, tenants and investors with their own Net-zero goals might increasingly value low embodied carbon buildings.

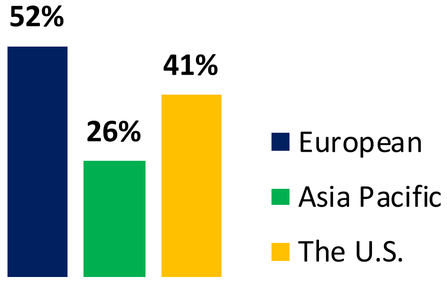
Engagements on disclosing physical risk assessments successful

Physical risk disclosure

Results from the Dashboard[1]



Physical risk assessment



Physical risk, 2023

Results from the Survey[1]

Disclosing physical risks on different levels

- **More willingness to disclose physical risks:**
  - 38% of the top companies disclosed their high level physical risk exposure (5% improvement from 2022).
  - Based on our survey, we expect more disclosures in 2024.
- **U.S companies are actually more open than APAC to disclose information about their physical risks.**
- **Companies' feedback from our engagements:**
  - Tools for assessing physical risks do not produce consistent results.
  - Increasing insurance costs, especially in the US, are being recognised as an early indicator that physical risks need to be taken seriously.

[1]: The results from our dashboard are based on our assessment based on public disclosure, while those from our survey are based on self reported responses from companies and are thus not verified. The survey results are therefore only referred to as a secondary source of input.

Our one-to-one engagements up to 2023

45 engagements on physical risks disclose

9 have disclosed on various level

32 acknowledging / considering doing this

4 do not prioritise this

Why does it matter to investors?

- Without proper disclosure of physical risk exposure and adaptation measures, investors will likely overestimate the climate risks within a company's portfolio to be safe.
- Although assets might currently be covered by insurance, there is no guarantee that the rates won't increase significantly over time or that assets won't even become uninsurable.

Companies don't perceive strong shareholder support

Stakeholder pressure

Results from the Survey

- **Real estate companies participating in the survey indicated that less than 20% of their shareholders actively engage for Net-zero. This is surprising given that many more asset managers' and asset owners' have Net-zero commitments.**
  - Our survey also reveals that many companies, especially US-based, don't have insight into their shareholders' or tenant's Net-zero preferences, which seems to indicate that engagement on this topic is not widespread.
- **GREEN's findings on progress of collaboration in the sector:**
  - Asset managers who are currently not collaborating generally support the GREEN investor statement.
  - However they lack capacity, do not prioritize real estate despite it being a major source of carbon emissions, and have clients who either don't require engagement in this sector or are not aligned. Additionally, despite PRI commitments, some managers do not value collaboration.
  - Asset owners often do not know that real estate is a major contributor to global carbon emissions or lack the capacity to assess their managers' engagement efforts.

Why does it matter?

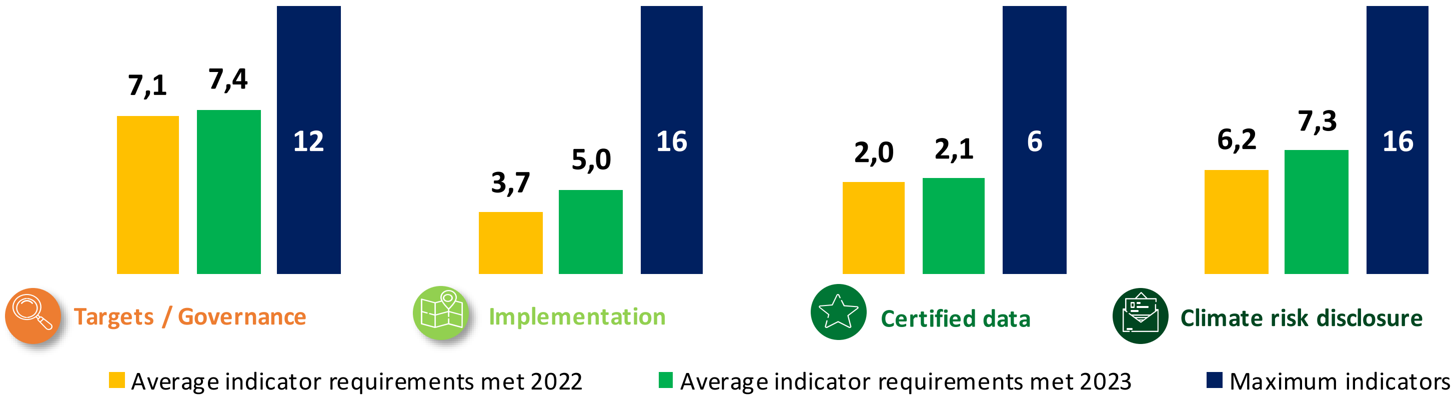
- Increased tenant demand and shareholder engagement encourage real estate companies to take proactive measures to align with evolving market, regulatory demands and bolster resilience.
- Although current regulatory bodies and tenant demand might not all have very ambitious goals, the long-term nature of real estate investments requires shareholders to ensure their investee companies are already anticipating these potential future measures.
- The actions of leading investors will encourage governments to strengthen current regulations, creating a mutually reinforcing cycle of action that leads to less favorable outcomes for laggards.
- Besides managing financial risks of investments, science has shown that long term investors with broadly diversified portfolios are much better off in an economic scenario with limited global warming compared to one with a significant increase in both acute and chronic physical risks.

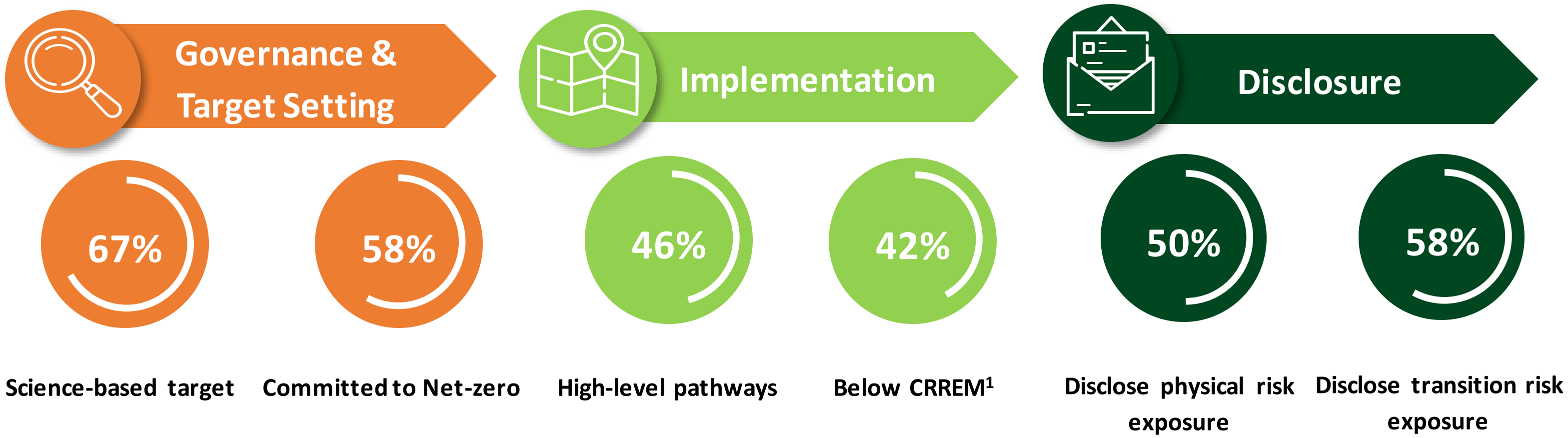

4
Annual Results 2023
Non-listed companies

Our Annual Result 2023 – Non-listed companies – Overview

Engaged non-listed funds more advanced

Dashboard Assessment 2023: 24 non-listed companies





[1]: The indicator refers to the current performance of a company relative to the CRREM pathway. Being below the CRREM pathway as of 2023 means the company is currently outperforming the CRREM target for 2023.

Performance highlights

Governance & Target Setting

All engaged non-listed funds have committed to a GHG emission reduction target, while only two thirds have done so aligned with science-based methods. Nearly 60% are committed to Net-zero on scope 1-3.

Implementation

While skewed towards European funds with more sustainability-oriented shareholders, these non-listed funds more often (46%) have formulated high level implementation plans. Out of the 24 funds engaged, 10 have energy intensity levels below the current levels of the CRREM pathway.

Certified data

58% of the engaged non-listed funds have portfolio coverage for building certifications of 50% or higher. Half of these funds have a coverage above 90%.

Disclosure

Overall, these non-listed funds have good data coverage, with 65% having over 80% data coverage for energy consumption. In terms of sharing risk analyses, most funds also perform well, with half of them disclosing physical risk exposure and around 58% disclosing transition risk exposure.

5 Appendix

Stay updated with the latest GREEN initiatives and best practices

Australian real estate companies are leading by disclosing asset-level emission data

Why it matters

GREEN members believe that, as stated in the GREEN's Investor Statement, it is of the utmost importance for investors to be able to understand risks and opportunities and analyze real estate assets and portfolios against science-based transition pathways. Consequently, investors urge real estate companies and funds to disclose their Scope 1, 2, and 3 emissions' progress in the context of these pathways and/or at least disclose energy- and carbon-intensity data per property type for each country. Furthermore, when a company discloses asset-level data, this allows stakeholders, such as investors and GREEN, to hold them accountable for their ESG goals.

Vicinity Centers and GPT Group

Vicinity Centers and GPT group are Australian-based companies with commercial properties located one hundred percent in Australia. Vicinity Centers and GPT group currently manage and operate more than 60 and 100 assets res

Asset-level data disclosure prac

Vicinity Centers disclosed on its and waste) on asset-level of 59 c

A similar practice is adopted by are open to public. The plat performance energy, GHG (Scop filtering options.

PLANET

FY23 Sustainability Performance Pack

Asset level environmental performance, as at 30 June 2023

Centre name	Energy: Absolute consumption (GJ)	Energy: Intensity (MJ/sqm GLA)
Altona Gate	6,473	239
Armidale Central	4,945	338
Bankstown Central	19,879	221
Bayside	20,281	186
Box Hill Central (North Precinct)	7,552	469
Box Hill Central (South Precinct)	14,414	540
Broadmeadows Central	14,975	175

VICINITY

LEG Immobilien shares CAPEX estimates for achieving intermediate CO2 targets

LEG Immobilien

LEG Immobilien is a German-based residential company with the majority of its portfolio locate in central-east province of

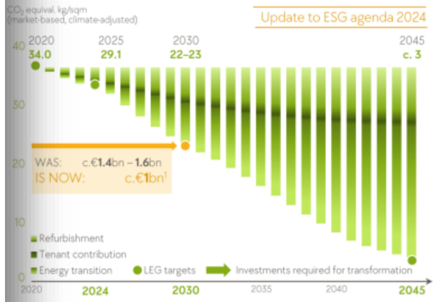
Quantifiable pathway with focus on impactful energy efficiency projects

In the investor presentation dated 9 March 2023, LEG disclosed its renovation plans by 2030 with associated quantifiable energy / GHG reduction expectations and contribution to the 2030 goals of each plan. Two out of the three disclosed plans involve deep retrofits (insulation refurbishment) and energy transition that will be conducted on a portfolio-scale.

CAPEX planning for 2030 energy/GHG goals

Although not yet able to give estimates to achieve their net-zero target in 2045, the company has estimated a total of € 1 billion to be spent until 2030 to decarbonize their portfolio, including investments in heat pumps to replace gas-sourced heating, and improvements in insulation of roofs, walls, and windows.

LEG



Refurbishment
- At least 30% efficiency improvement
- Insulation of the building shell, incl. windows and doors
- Contribution of 25% – 30%

Smart meter/ Tenant engagement
- Digitisation of heating system via smart metering
- Education and incentivisation of tenants
- Contribution of up to 5%

Energy transition
- Shift from fossil energy mix to green district heating
- Shift towards green electricity along Germany's path
- Contribution of 65% – 70%

British Land Company shares information about its recent Net-zero audits and Asset-level plan

British Land

British Land is a UK-based fund with commercial properties, mainly office and retail assets, located one hundred percent in the United Kingdom and Northern Ireland. As of September 2023, British Land has £8.7 billion of assets under management, 20% of which are assets under development.

Asset-level business plans: Why it matters

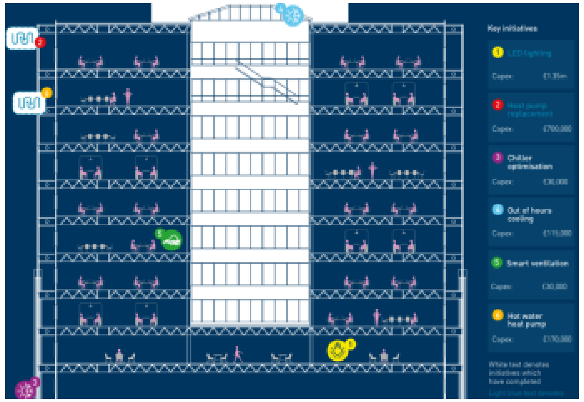
As stated in the GREEN's Investor Statement, GREEN's signatories believe that developing transition pathways is a key driver to meet Paris goals. It is important that these pathways are supported with asset-level targets and viable and credible asset-level business plans, and disclosed to investors.

An example of an asset-level plan: Exchange House

In the 2030 Sustainability Vision deck, British Land shared their completion of net-zero audits on a portfolio scale in 2022. The company aims to incorporate the audit outcomes into the long-term planning process taking place in the period 2023 – 2024.

One of the audit outcomes was applied to an energy-efficient improvement program for Exchange House. The details of this asset-level implementation were showcased in British Land Sustainability Accounts 2022, with key takeaways below:

- All interventions shall improve the energy efficiency of the asset by 50%, exceeding its 2030 goal, and bring the current EPC label of the building from E to B;
- The combined cost of the interventions was £2.5 million, with a combined payback period of around 5 years;
- Breakdown cost (CAPEX) were shared for key interventions such as chiller optimization, hot water heat pump, heat pump replacement;



British Land

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