



Results **GREEN**
Global Real Estate Engagement Network

2025

May 2026

Table of content



- 1 Executive summary [3](#)
- 2 What we do [6](#)
- 3 Annual Results 2025 – Top listed companies [10](#)
- 4 Annual Results 2025 – Non-listed companies [24](#)
- 5 Appendix [27](#)



Foreword

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

In this report, we will share the latest insight on the progress and achievements of the Global Real Estate Engagement Network (GREEN) in stimulating improvements in climate risk management in the real estate sector. At the end of 2025, GREEN comprised 37 dedicated members with more than € 4 trillion of Total Assets under Management. Up till 2025, GREEN members have had shared engagements with 53 listed companies and 25 non-listed funds, representing around 60% of the total AuM of the FTSE EPRA Nareit Developed index and a significant market share of the non-listed managers.

The report highlights the outcomes of our members' engagement efforts, guided by the calls to action outlined in the GREEN investor statement.

Using our dashboard, validated by the University of Maastricht, together with our milestone tracking system, we have identified measurable improvements over the past years in the climate risk performance of both listed and non-listed real estate companies and funds. In 2025, despite political unrest and policy backtracking, performance continued to improve across the various indicators. However, progress remains uneven. In several areas, advances are evident, yet investors still do not consistently

have access to the information required to properly assess climate risks and integrate them into investment decisions. Greater availability of transparent and comparable data remains necessary to improve the assessment of these risks.

In 2024, GREEN joined forces with Leaders of the Urban Future (LOTUF). LOTUF's work now continues within GREEN through a newly established systemic workstream. This workstream fully focuses on lifting the systemic barriers that slow down decarbonization in real estate. Its first priority is to enhance transparency and consistency in financially material climate risk metrics.

We would like to thank all members for their active participation, enthusiasm, and knowledge sharing.

As we build on this progress, we invite other investors and asset owners to join us in enhancing GREEN's impact. Together, we can drive real change in the real estate sector!



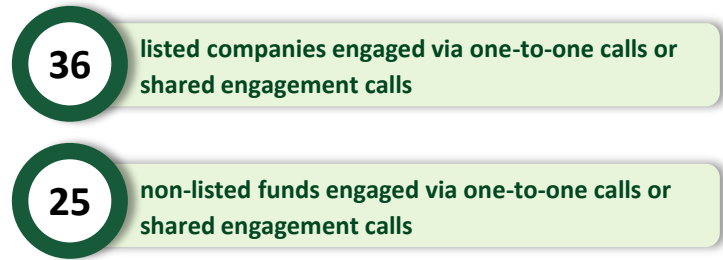


1 Executive summary



Biggest improvements in implementation plans and climate risk disclosure, especially for companies engaged by GREEN members

Overview of members' activities in 2025



In 2025, GREEN members engaged a total of 61 real estate companies and funds. Those were **25 non-listed funds** domiciled in all regions, but with a strong tilt towards Europe. GREEN members also engaged **36 listed companies** in the FTSE EPRA Nareit Developed Index, with a prominent tilt to U.S. companies. Most of these companies have been engaged since GREEN's launch in 2021.

Non-listed funds typically disclose less information publicly than their listed counterparts, as much of the underlying data is shared directly with investors. Therefore, the report primarily focuses on the results of listed companies. These results include both engagement outcomes and assessments conducted by GREEN across the Top 120 companies from the FTSE EPRA Nareit Developed Index.

The report is structured as follows: it begins with an overview of

GREEN, including our mission and approach. This is followed by key findings for listed real estate companies (Top 120), covering dashboard results and engagement outcomes. Finally, the report presents the main findings from our non-listed engagements. Throughout the report, good practices of listed real estate companies are highlighted. These examples relate only to the specific disclosures discussed and do not necessarily imply that the cited companies demonstrate good practice across all aspects of climate risk management. The following sections of this executive summary will cover the key findings of the 2025 engagement results.

Improved physical risk disclosure, but a persistent gap in understanding actual exposure

Companies continue to improve disclosure on physical risk assessments. In 2025, over 50% of the Top 120 provide at least high-level conclusions, though these often lack sufficient detail to fully assess portfolio risk. More granular, portfolio level disclosure is increasing but still limited, with fewer than 25% of companies providing such insight.

While around 81% of companies disclose location data, enabling investor led assessments, only 2% report on implemented adaptation measures, leaving a key gap in understanding actual exposure. Engagement appears effective, with 40% of the 42 engaged companies improving their disclosure on physical risks.

Listed - 2024



Listed - 2025

Improvements in target-setting mainly driven by intermediate emissions targets

Over the past years, real estate companies have made clear progress in target setting, particularly on GHG targets such as net zero commitments and Scope 3 targets, more so than on energy intensity.

In 2025, there was a noticeable shift towards more intermediate targets rather than long-term commitments. Net zero commitments increased slightly to 41% from 40% in 2024. Over the past years, GREEN members engaged 27 companies on this topic, with 7 committing to net zero. Scope 3 target adoption showed a stronger increase, rising from 41% to 47%. Energy intensity target setting declined slightly in 2025, mainly due to expiring targets. Next to this, there was a limited uptake from companies setting new energy intensity targets.

Listed - 2024

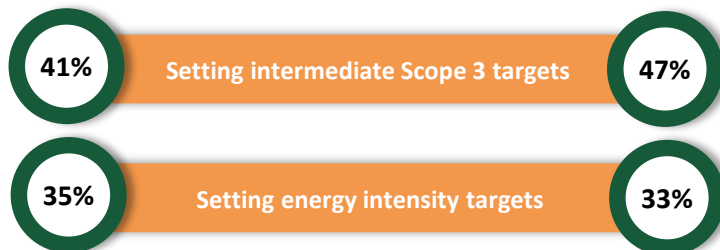


Listed - 2025



While good practices are emerging, access to detailed climate risk data remains limited

Listed - 2024



Listed - 2025

Still limited insight into audits, asset-level plans and CAPEX

There is more disclosure on high level strategies (17% of companies disclose implementation pathways) than on detailed measures such as net zero energy audits or asset level plans (only 2% disclose this for both). Net zero energy audits, asset-level plans and sustainability CAPEX are among the most frequently discussed engagement topics.

Increased focus on embodied carbon

Significantly more companies disclose their assessments of embodied carbon: from 2024 to 2025, this increased to almost half of the Top 120. 60% of the companies that have assessed and disclosed their embodied carbon emissions, have set a reduction target and roughly one in three of these develop a strategy.

Adoption of transition risk analyses (e.g. CRREM) is increasing

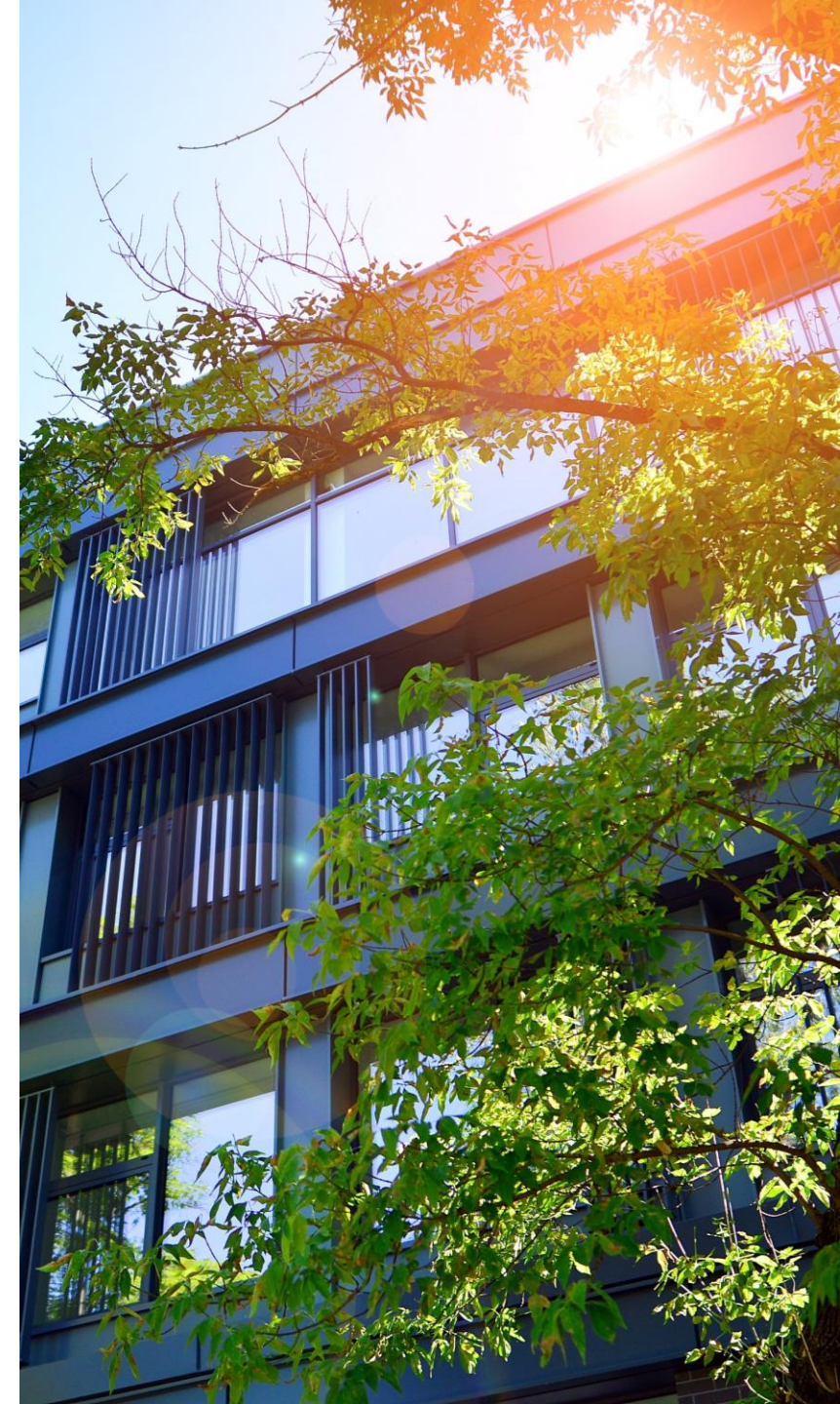
There is an increase in companies conducting and disclosing transition risk analyses, rising from 7% in 2024 to 11% in 2025. Although some companies disclose the data investors need to conduct these analyses themselves, many still do not provide access to this type of data. On average, misalignment occurs slightly earlier for GHG in 2027 than for EUI in 2028. Despite this being an important engagement topic, around 60% of the companies engaged are still assessing or have yet to disclose results of their transition risk analyses.

Listed - 2024



Listed - 2025

From the assessments and engagement results, it becomes clear that engagements have been successful, with a strong improvement particularly on implementation plans and climate risk management. Although good practices are emerging, there is often still a lack of access to detailed information that allows investors to make better comparisons across portfolios and base investment decisions on. In 2025, GREEN launched their systemic workstream. Within this workstream, GREEN focuses on improving transparency and consistency in the most critically important climate risk metrics.





2 What we do



What we do – Our mission

Improve climate risk management through the GREEN workstreams

The mission of GREEN

GREEN was established to enhance real estate companies' climate risk management practices through engagement. It was founded in recognition of the financial exposure the real estate sector faces due to climate risks. The ultimate mission of GREEN is to support the decarbonization of the real estate sector. Academic studies have shown that engagement by institutional investors can improve ESG impact and financial performance (Dimson et al., 2015; Grewal, Serafeim, and Yoon, 2016). Moreover, evidence suggests that collective engagement efforts are more effective than individual engagements (Dimson et al., 2020; Bauer, Clark, and Viehs, 2013).

Engagement workstreams

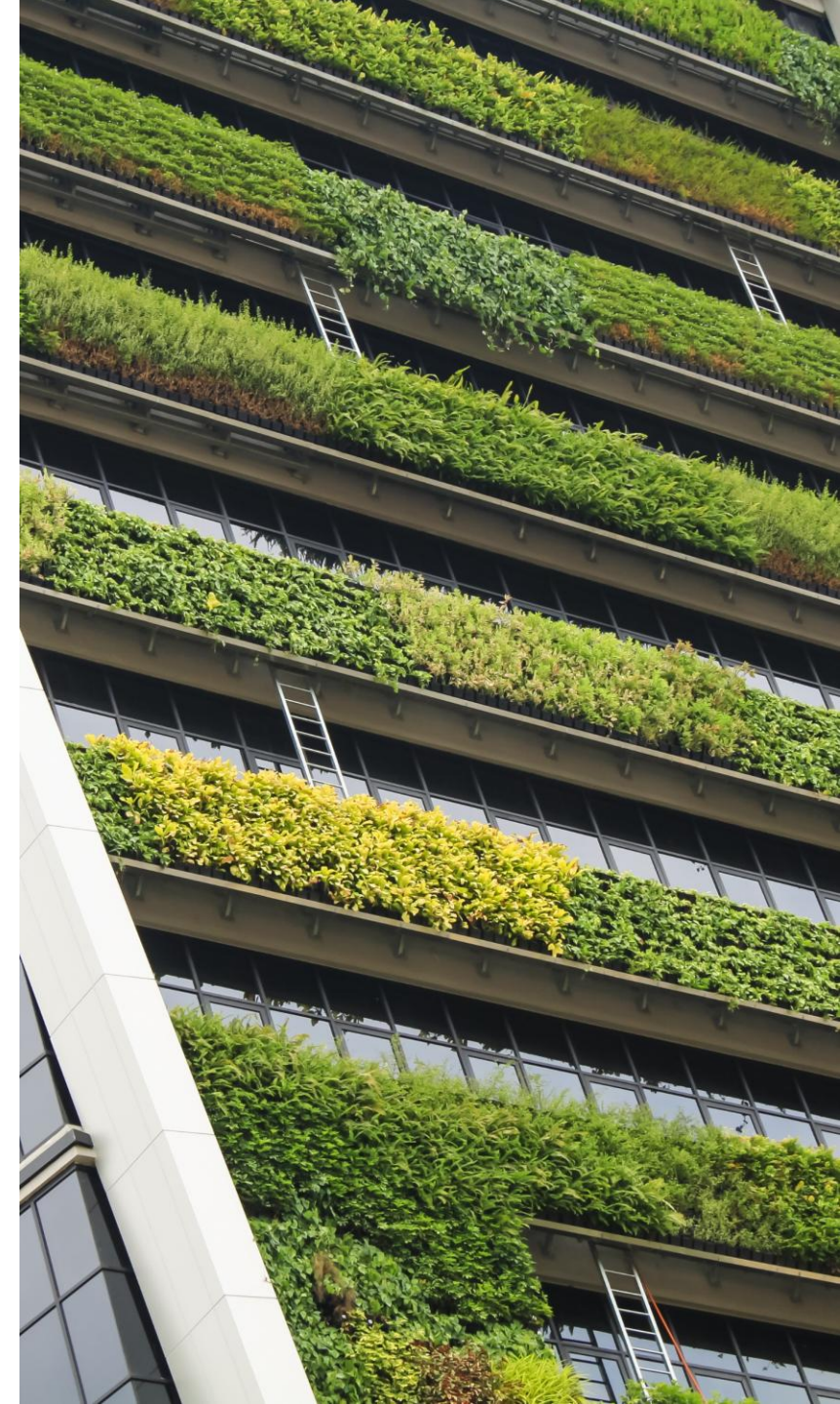
Since its inception in 2021, GREEN has pursued this mission through **two dedicated engagement workstreams**. These workstreams enable indirect investors to engage as shareholders with real estate companies and funds. One workstream focuses on engagements with **non-listed real estate funds**, while the other targets **listed real estate companies**.

The listed workstream engagements focus on the largest companies by market capitalization in the FTSE EPRA Nareit index. Engaged companies are selected based on the holdings of GREEN's members and sustainability performance.

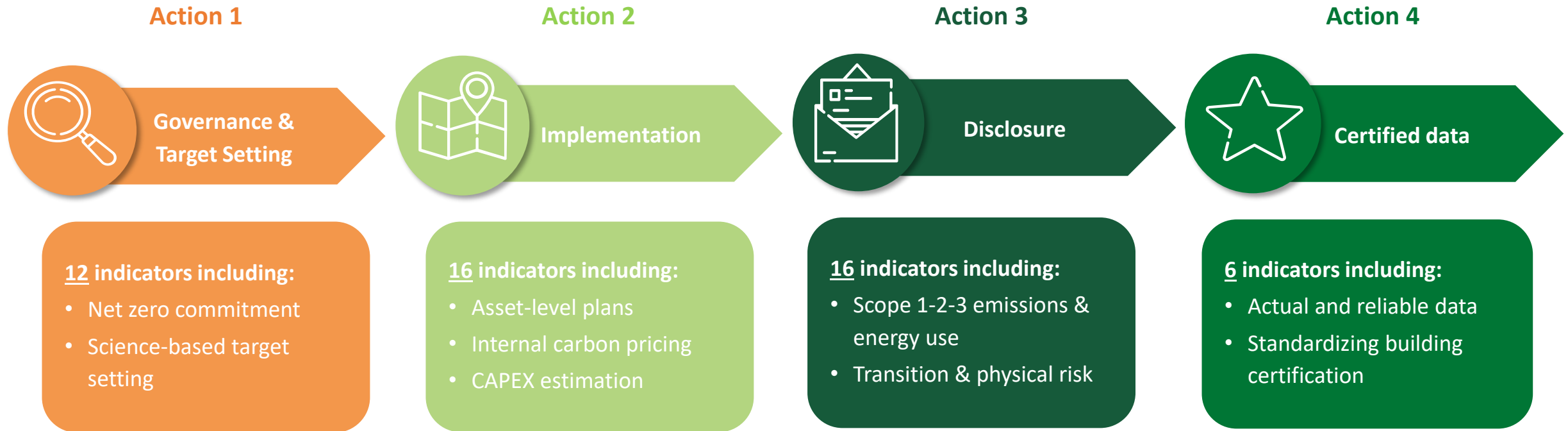
The engagements within both workstreams are guided by a **shared investor statement** that outlines **four key actions** on climate change and sustainability for real estate funds and companies. The topics of the call for action are: governance & target setting, implementation, disclosure, and certified data. All the members of the two workstreams have signed this statement, which is a call for action to their investee companies and the sector as a whole. The statement defines the structure of the collective engagements and is the basis for our dashboard design.

Systemic workstream

In 2024, GREEN joined forces with Leaders of the Urban Future (LOTUF). LOTUF's work now continues within GREEN through a newly established **systemic workstream**. This workstream fully focuses on lifting the systemic barriers that slow down decarbonization in real estate. Its first priority is to enhance transparency and consistency in financially material climate risk metrics.



The GREEN investor statement outlines four key actions



The complete GREEN engagement process



Dashboard assessment¹

- Translation of the Investor Statement into 50 indicators;
- Tracks the Top 120 of the largest listed real estate companies;
- Separate dashboard for 25 non-listed funds.

Shared engagements

- GREEN members engage either via one-to-one calls or shared 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 assessment.

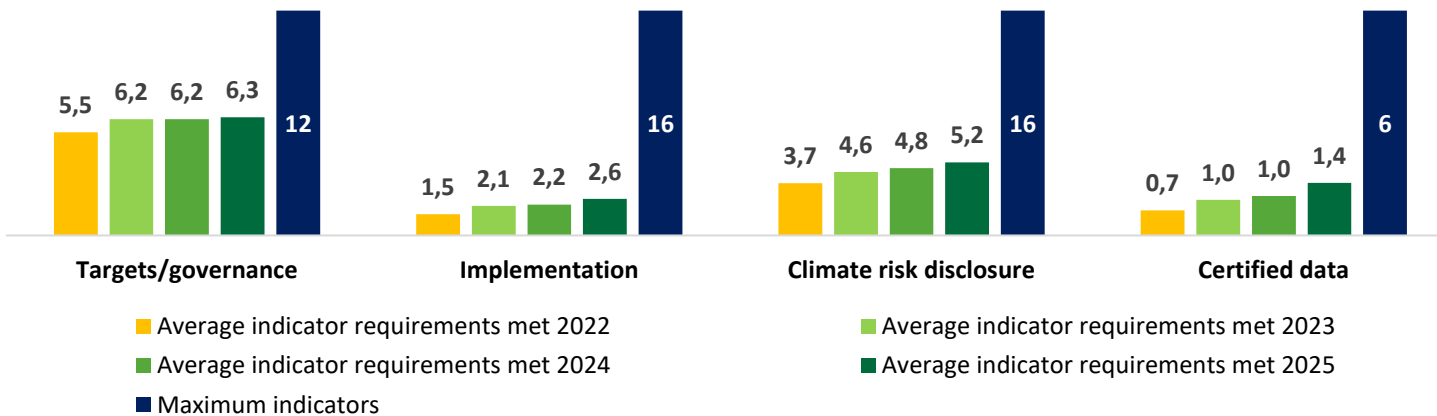




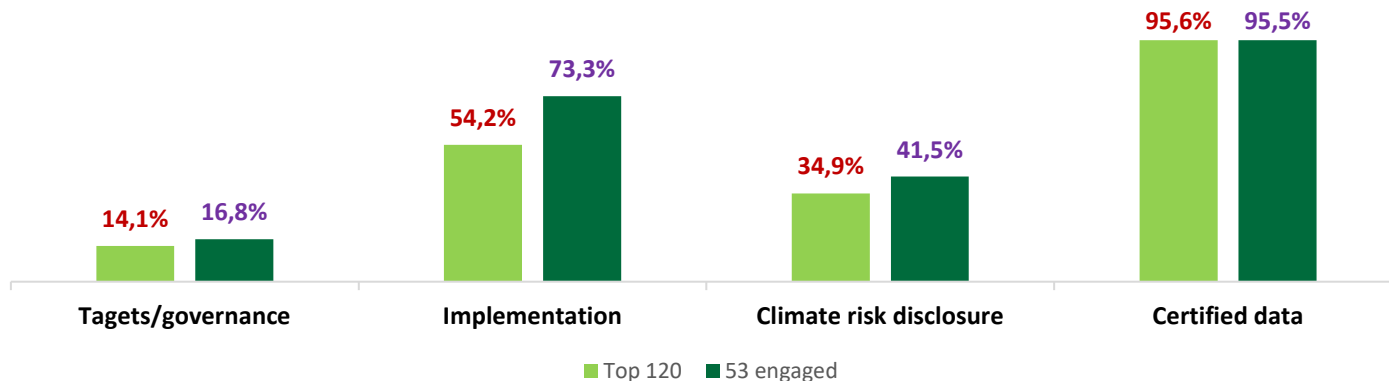
3 Annual Results 2025 Top listed companies

Engaged companies show greater improvements than the Top 120 across almost all engagement themes

Dashboard Assessment 2022 – 2025: Top 120 largest companies¹



Recorded impact of GREEN on dashboard improvements for 53 companies between 2022 – 2025¹



Understanding our Dashboard

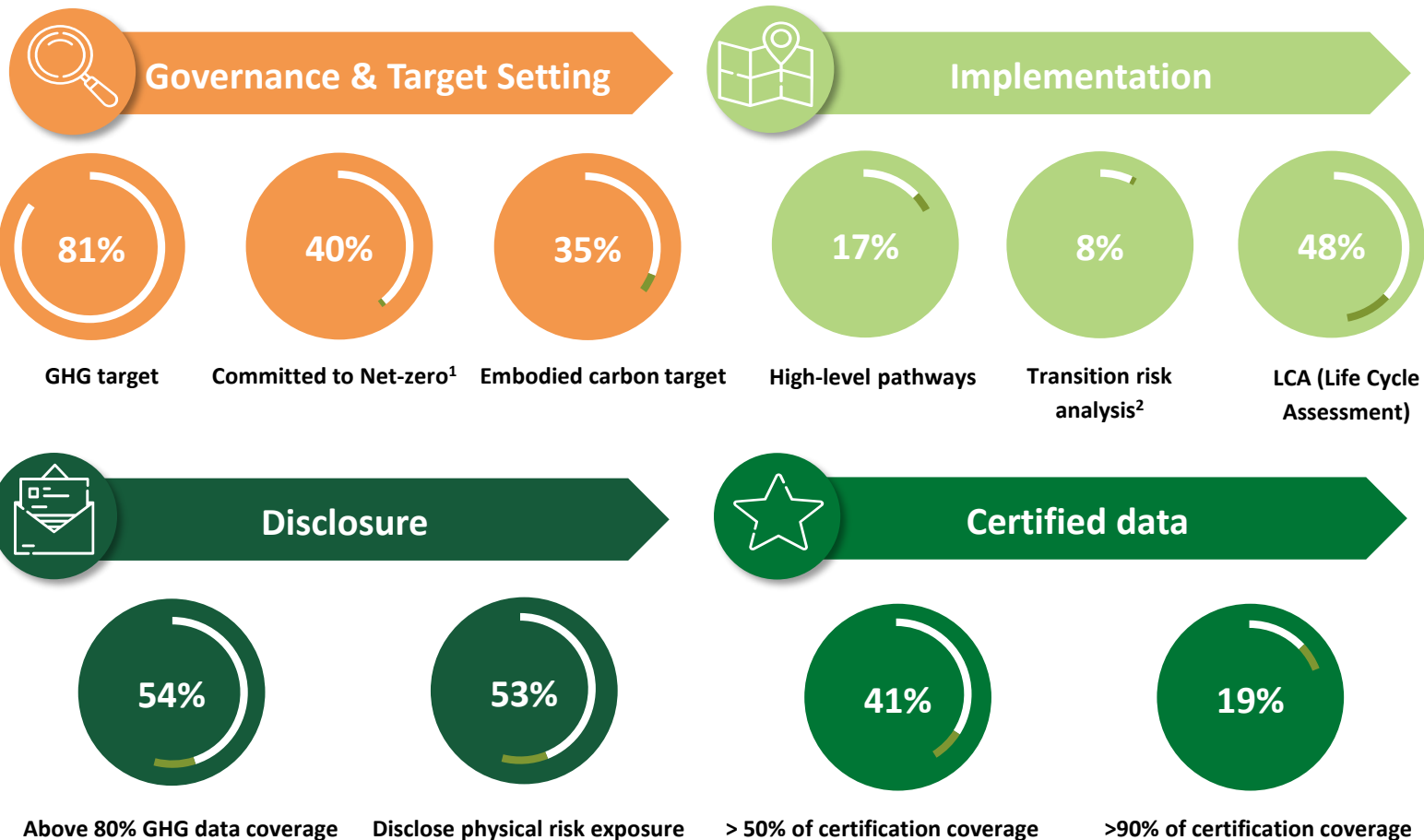
Over the past years, GREEN assessed the Top 120 companies in the index using the GREEN dashboard, comprising 50 indicators spanning four key actions.

In the top chart, companies receive 1 point for each indicator they meet and 0 points for each indicator they do not meet. For example, out of 12 indicators in Climate risk disclosure, the 120 assessed companies met an average of 5.2 indicators in 2025 and 4.8 in 2024.

The bottom chart illustrates the change in performance of the 53 companies engaged by GREEN members in the years 2022 – 2025. Overall, engaged companies show greater improvement on governance/targets, implementation, and climate risk disclosure than non engaged peers, with the largest gap in climate risk disclosure. Implementation of climate risk management and climate risk disclosure are the most frequently discussed engagement themes, aligning with the observed improvements. Target setting is the third most discussed topic and shows similar progress.

The increase in certified data is driven by strong growth from 2024 to 2025 and is similar for both the Top 120 and engaged companies, consistent with limited engagement on this topic.

The Top 120 – Performance highlights



Performance highlights

The left side shows the percentage of companies that have met the requirements for selected indicators³. These indicators are discussed in more detail in the following slides, including regional differences and engagement outcomes.

Governance & Target Setting

Nine out of the 12 indicators under Governance & Target Setting focus on Targets. These range from setting high-level targets (GHG or net zero) to more specific target setting (e.g SBTi validated, energy intensity, and Scope 3 targets).

Implementation

This section focuses on strengthening companies’ risk management and planning for alignment with credible pathways where targets are in place. It includes indicators such as net zero audits, CAPEX estimations, and indicators focusing on embodied carbon and physical risks.

Disclosure

This section addresses various aspects of climate disclosure, including data coverage and the communication of transition and physical risks.

Certified data

This section focuses on external performance verification, such as energy labels and building certifications.

¹: The indicator refers to a net zero commitment, including operational carbon from tenant energy.

²: Disclosure of CRREM or a similar transition risk analysis at the portfolio level. Disclosure of results is a prerequisite.

³: These statistics represent the full 2025 Top 120 and are not based on a like for like sample. As a result, they may differ from the statistics presented later in this report.

40% of engaged companies have improved physical risk disclosure, demonstrating positive engagement impact



Dashboard results



- **Public disclosure of physical risk assessments increased from 2024 to 2025** but remains limited to high level conclusions such as identifying key risks or level of material exposure.
- **Only 23% of companies disclose the share of their portfolio exposed to low, medium, or high physical risk**, indicating that detailed portfolio-level insights remain uncommon. **81% of companies disclose geo-coordinates or addresses**, which allows investors to conduct their own physical risk assessments. However, disclosure on **adaptation remains very limited**, with 6% providing insight into adaptation strategies and only 2% reporting on concrete adaptation measures.
- **All in all, while disclosure is gradually improving, there remains a key gap in understanding actual exposure.**
- 42 companies were engaged on this topic, and **40% of them show improved disclosure**, indicating considerable success of these engagements. Good practices of detailed disclosure can be found on the next pages.

Our one-to-one engagements up to 2025

42 companies engaged on physical risks

17 have disclosed on various levels

12 acknowledging / considering doing this

5 do not prioritize this

Why does it matter to investors?

- Without proper disclosure of physical risk exposure and adaptation measures, investors are likely to overestimate the climate risks in a company's portfolio.
- In terms of adaptation measures, an alternative to asset level disclosure is to provide more insight into the company's process for increasing asset resilience, supported by case studies as proof of process.

Healthpeak links physical risk exposure to mitigation measures

Healthpeak Properties Inc.

Healthpeak Properties is a real estate investment trust focused on the ownership, development, and management of high-quality healthcare real estate. Their portfolio spans life science facilities, medical offices, and senior housing, totaling approximately 700 properties across the United States.

To manage climate related exposure, Healthpeak conducts an annual independent physical climate risk assessment at property level. This enables the company to systematically identify and mitigate risks across its geographically diversified portfolio. The results of this assessment are disclosed in their [2024 Corporate Impact Report](#).

Healthpeak is highlighted as a good practice example due to their disclosure on physical risk assessment. The company reports the share of assets exposed to low, medium, and high physical risks across both short and long term horizons. This type of disclosure is particularly useful for investors because it provides a more complete view of the portfolio’s risk profile and highlights potential concentration risks within the real estate portfolio. As a result, investors are better equipped to assess the materiality of specific physical risks.

Beyond risk identification, Healthpeak also outlines mitigation measures linked to specific hazards. For instance, in response to extreme heat, the company implements energy efficient technologies and heat mitigating design features. To address water stress, they deploy water saving initiatives across their properties, including drought resistant landscaping and efficient plumbing fixtures. By providing concrete examples of mitigation actions, Healthpeak moves beyond generic statements about adaptation strategy. This clear linkage between identified risks and corresponding actions strengthens confidence in the company’s adaptation strategy and enables investors to better evaluate how effectively the company is protecting its assets from physical risks.

When looking at physical risk assessment disclosure, GREEN members look for portfolio level disclosure, preferably with detailed regional or sector level differentiation. Regarding insight into adaptation strategy, asset level examples of adaptation measures or insight into the share of assets that have already undergone adaptation measures are very useful, as they help assess the actual physical risk exposure present in the portfolio.



Climate Risk	Scenario Analysis Risk ⁽¹⁾	
Physical Risk	Short Term – 2030	Long Term – 2050
Wildfires	High to Medium-High Risk: 2% Medium Risk: 10% Low to No Risk: 88%	High to Medium-High Risk: 2% Medium Risk: 11% Low to No Risk: 87%
Extreme Heat	High to Medium-High Risk: 0% Medium Risk: 90% Low to No Risk: 10%	High to Medium-High Risk: 2% Medium Risk: 98% Low to No Risk: 0%
Water Stress	High to Medium-High Risk: 27% Medium Risk: 28% Low to No Risk: 45%	High to Medium-High Risk: 27% Medium Risk: 28% Low to No Risk: 45%
Tropical Cyclone	High to Medium-High Risk: 1% Medium Risk: 9% Low to No Risk: 90%	High to Medium-High Risk: 0% Medium Risk: 10% Low to No Risk: 90%
Coastal Flood	High to Medium-High Risk: 0% Medium Risk: 0% Low to No Risk: 100%	High to Medium-High Risk: 0% Medium Risk: 1% Low to No Risk: 99%
Fluvial Flooding	High to Medium-High Risk: 0% Medium Risk: 6% Low to No Risk: 94%	High to Medium-High Risk: 0% Medium Risk: 8% Low to No Risk: 92%

Climate Risk	What We Are Doing to Mitigate the Risk
Physical Risk	Our geographically distributed portfolio helps to diversify exposure to climate event-driven risks
Wildfires	<ul style="list-style-type: none"> Construct properties with fire-retardant and air-purifying technologies Work with property brokers and insurance carriers to (1) develop recommendations and make necessary physical changes to properties based on annual physical loss control inspections and (2) ensure adequate insurance coverage to mitigate financial losses
Extreme Heat	<ul style="list-style-type: none"> Incorporate heat-mitigating design features, such as cool roofs and pavements, as well as green infrastructure like trees and shade canopies to reduce urban heat island effects Implement energy-efficient technologies across properties, including LED lighting retrofits, high-efficiency HVAC systems, occupancy sensors, and renewable energy sources such as wind and solar power
Water Stress	<ul style="list-style-type: none"> Implement water-saving projects throughout properties, including drought-resistant landscaping, "smart" watering technologies, efficient plumbing fixtures, and condensate recovery systems

Listed companies – Good practice

AvalonBay provides portfolio insight into physical risks, including regional overview

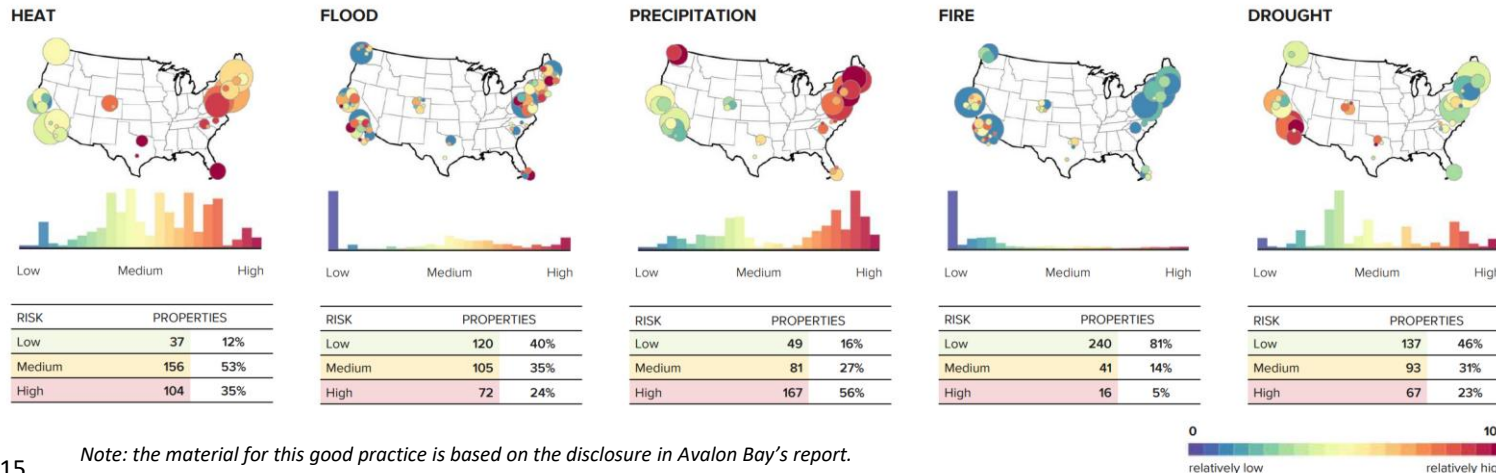
AvalonBay Communities Inc.

AvalonBay is a residential REIT that develops, acquires, owns, and operates multifamily apartment communities in major U.S. metropolitan markets. As of December 31, 2024, AvalonBay held interests in 306 communities comprising 93,518 apartment homes and serving approximately 151,000 residents.

In their [2024 Corporate Responsibility Report](#), AvalonBay discloses that they enhanced their physical risk assessment. They introduced asset-level reports across six indicators: flood, precipitation, wildfire, wind, heat, and drought. Using country and zip code scores, they identify whether communities face higher or lower risks than their surroundings. Each indicator has a numerical score, enabling threshold setting and mitigation. Improved access to this data for asset management ensures risks are incorporated into capital investment and portfolio allocation decisions.

AvalonBay’s physical risk assessment disclosure is considered good practice because the way they present exposure is both insightful and well structured. By providing a breakdown of the percentage of the portfolio exposed to low, medium, and high risk for each hazard, they enable investors to better understand the overall risk profile of the portfolio. In addition, disclosing the geographic distribution of assets helps investors place these risks in context. For example, by assessing whether the portfolio benefits from diversification or is exposed to clusters of similar risks.

AvalonBay also offers some transparency into how mitigation measures are identified, including a case study that demonstrates how this process works in practice. This adds credibility and shows that risk assessment is integrated into decision making.



Note: the material for this good practice is based on the disclosure in Avalon Bay’s report.

AvalonBay COMMUNITIES

CASE STUDY

Avalon Montville’s Climate Adaptation Efforts

Avalon Montville, a new community in northern New Jersey, is a great example of AvalonBay’s commitment to environmental remediation and physical climate risk mitigation in action. We transformed a former automobile salvage yard into a new 349-unit sustainable apartment community with upscale amenities and access to local highways. The \$9M remediation effort included the removal of contaminated soil, replacement with clean fill, and re-vegetating previously disturbed wetland buffers.

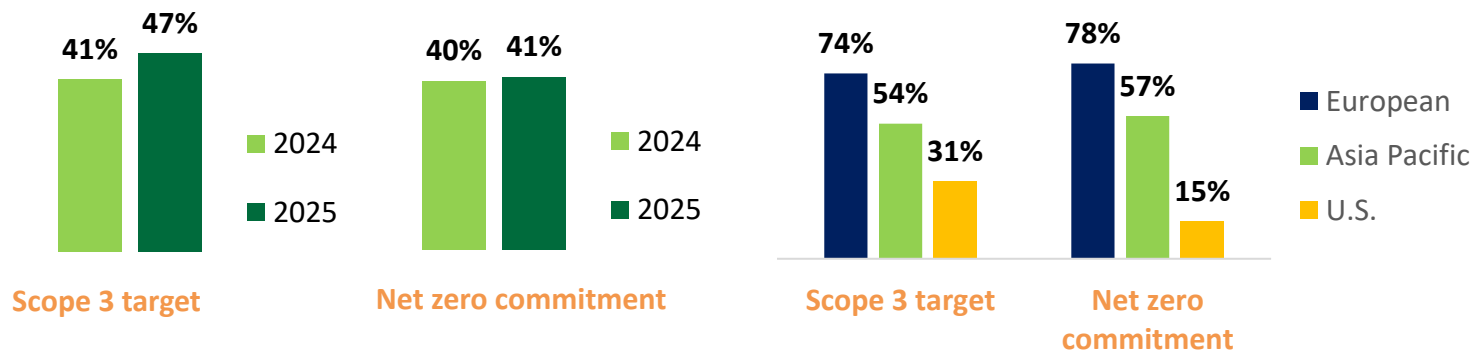
After identifying site-specific flood risks, we implemented significant adaptation efforts, including raising the site in some areas up to eight feet, installing a New Jersey Department of Environmental Protection (NJDEP)-approved site-wide stormwater management system, and meeting the “Zero Net Fill” state requirements by optimizing onsite flood storage basins and acquiring 27,500 cubic yards of NJDEP-certified flood hazard credits. AvalonBay also improved site safety and accessibility by building a new direct access driveway to Route 46. The mixed-income community, which opened to residents in June 2024, is pursuing LEED Gold certification.



Growth in intermediate Scope 3 targets outpaces net zero commitments across regions



Dashboard results



- **The share of companies with an intermediate Scope 3 target increased by 13%**, with growth observed across all regions.
- **In contrast, the increase in net zero commitments covering Scope 1 to 3 emissions remains limited.** This modest growth is primarily driven by companies in the United States and Asia Pacific.
- In Europe and Asia Pacific, nearly all companies with a net zero commitment also have a Scope 3 target in place. In the United States, however, a larger number of companies have established Scope 3 targets than have committed to net zero. **This reflects a tendency among U.S. companies to prioritize intermediate targets over longer term commitments**, commonly attributed to the greater uncertainty associated with longer time horizons.
- Among companies engaged by members, **a quarter have now committed to net zero.** For Scope 3, **one in five** engaged companies have set an intermediate target following engagement.

Our one-to-one engagements up to 2025

27 engagements on long term goals ¹

7 have committed to a Net-zero target
9 acknowledging / considering the goal
10 do not prioritize (8 are US-based)

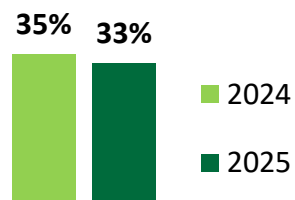
Why does it matter to investors?

- Long-term targets ensure that retrofits are planned and performed carefully to reach expected long-term energy- or carbon performance standards with the least additional costs.

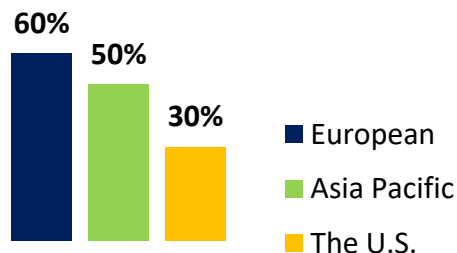
Whole building energy targets show slow uptake, with initial engagement progress



Dashboard results



Whole building energy target¹



Whole building energy target¹, 2025

- There was a slight decline in companies with whole building energy intensity targets from 2024 to 2025, mainly due to expired targets not being renewed and limited uptake from companies without prior targets. **Uptake of new energy intensity targets is primarily observed in the office sector.**
- **Of the 22 companies engaged on energy intensity targets, ~35% do not prioritize such targets**, often due to limited control over tenant energy use and challenges in collecting whole building data. Despite this, ~20% of companies engaged by GREEN members have introduced an energy intensity target after engagement.
- **Adoption of energy intensity targets aligned with science-based pathways such as CRREM remains limited**, with only 3 companies, all European, in the Top 120 meeting the requirements.

Our one-to-one engagements up to 2025

22 engagements on energy targets¹

6 have set an energy target

8 acknowledging / considering the target

8 do not prioritize

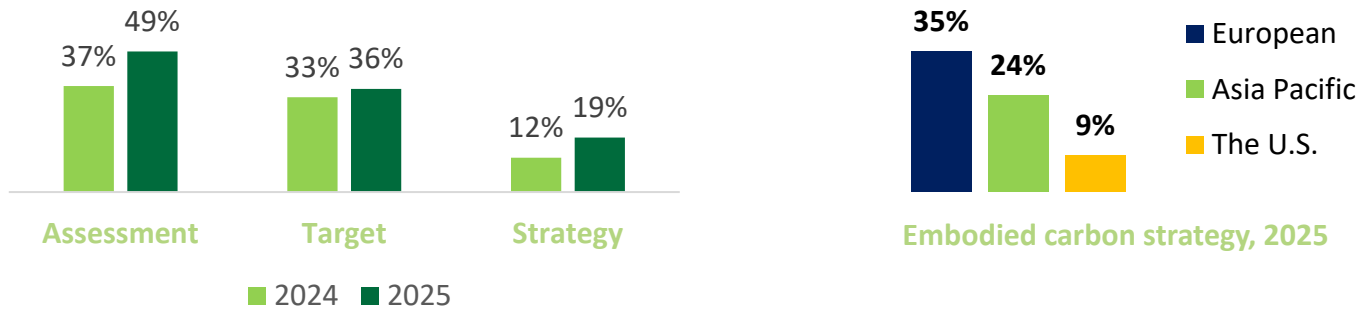
Why does it matter to investors?

- Energy efficiency is widely seen as the first step in decarbonization strategies. Although tenant energy use is not fully under the landlord's control, investors want to understand whether the building itself is capable of performing efficiently. Purchasing green energy alone does not improve assets and is unlikely to meet national decarbonization targets.
- Many jurisdictions are implementing minimum energy performance requirements to meet nationally determined carbon targets. Setting energy targets helps companies prepare for potential regulations.

Clear progression for embodied carbon, but few companies follow through with a strategy



Dashboard results



- **The dashboard shows a clear progression for embodied carbon:** companies tend to start with an assessment, then set a target, and eventually develop a strategy. At the same time, it is clear that many companies struggle to formulate a strategy.
- While 49% of funds carry out an assessment, 60% of those go on to set a target, and roughly one in three develop a strategy. A commonly cited reason for not setting a target or developing a strategy is the still **limited financial materiality. This is largely due to limited regulation**, which is only in place in specific areas. Growth across all three indicators is driven by all regions, although Europe remains in the lead.
- Embodied carbon is an emerging theme and is gradually gaining attention among companies. Of the companies engaged on embodied carbon strategy, about **a quarter have formulated and disclosed a reduction strategy**. Only a small number do not prioritize the topic.

Our one-to-one engagements up to 2025

19 companies engaged on embodied carbon strategy

5 have formulated and disclosed strategy

11 acknowledging / considering

3 do not prioritize this

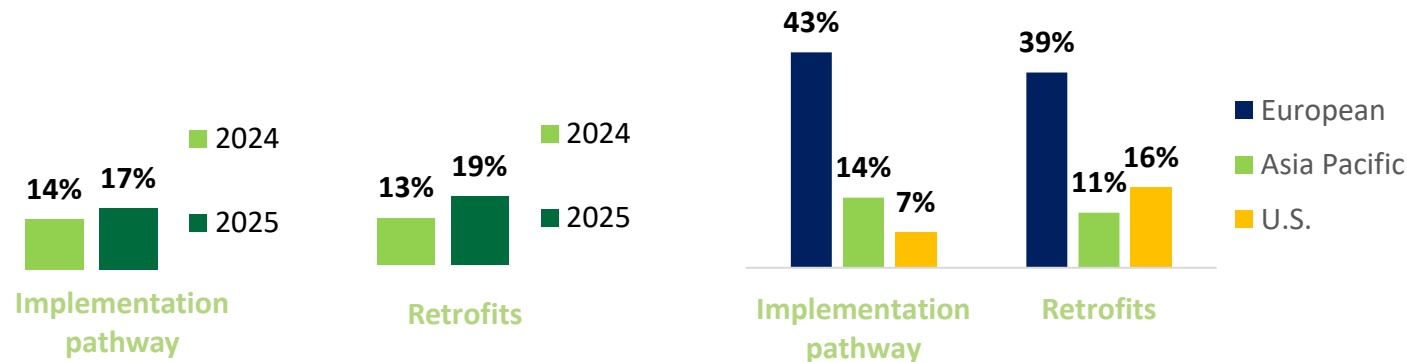
Why does it matter to investors?

- Embodied carbon contributes to GHG emissions and is especially important for companies where development and refurbishment activities are a large part of the business.
- As the importance of embodied carbon becomes more widely recognized, regulators, tenants, and investors with their own net zero goals may increasingly value low embodied carbon buildings.

Europe drives implementation pathway and retrofit disclosure; many companies are still developing decarbonization roadmaps



Dashboard results



- **Growth in disclosure of implementation pathways is fully driven by Europe**, where three additional Top 120 companies disclosed in 2025 (which comes down to ~15% of the European companies in the Top 120). All of these companies also reported on deep retrofit measures for the first time.
- At the same time, **deep retrofit measures are disclosed more often than full implementation pathways**.
- **All companies with an implementation pathway have intermediate GHG targets in place (including Scope 3)**.
- **Engagement results show that both deep retrofits and implementation pathways are still being developed**, as 17 out of 25 engaged companies are still considering implementing and disclosing deep retrofits. Conversations often focus on whether **key measures (e.g. heat pumps)** are structurally included in companies' strategies and how companies balance retrofitting against hold or sell decisions

Our one-to-one engagements up to 2025

25 companies engaged on deep retrofits

4 have disclosed deep retrofits

17 acknowledging / considering disclosure

4 do not prioritize this

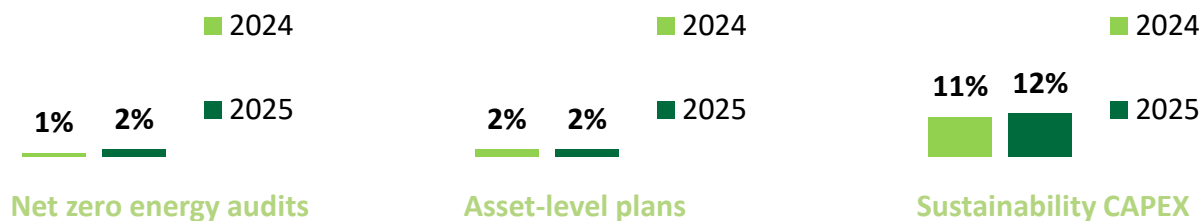
Why does it matter to investors?

- By disclosing an implementation pathway, companies show they have a concrete plan to reduce emissions and manage climate risks through targeted upgrades, with timelines that make the strategy more credible.
- Providing examples of specific retrofit measures such as heat pumps, insulation, HVAC upgrades, and glazing gives investors confidence that decarbonization is driven by real improvements in energy efficiency and electrification.

Limited insight into audits, asset-level plans and CAPEX projections



Dashboard results



- **While many companies have set targets or disclose implementation pathways, disclosure about the asset level analysis needed to inform retrofit and CAPEX decisions remains limited.** Despite being widely discussed, just one company publicly discloses their net zero energy audit process. Engagements reveal that some companies also rely on alternative benchmarks to guide retrofit and asset management decisions, such as Energy Star or a specific certification level.
- **No increase in asset level plan disclosure, which remains limited to two European companies:** this remains a key engagement topic, with most companies still developing their approach or relying on top-down strategies.
- **Disclosure of sustainability CAPEX is slowly increasing, rising from 11% in 2024 to 12% in 2025,** still mainly driven by European companies, with one additional U.S. company. Of the 27 companies engaged, 85% are still considering, estimating or disclosing CAPEX. Research by GREEN shows that the market still lacks a consistent —definition of sustainability CAPEX, underscoring the importance of transparent disclosure that clarifies what the 20 figure represents and how it relates to total CAPEX.

Net zero energy audits

Net zero energy audits demonstrate that a company has assessed its assets to identify the measures needed to reach net zero emissions. These audits can guide retrofit strategies and inform hold or sell decisions across the portfolio, helping companies anticipate assets that may involve significant costs to comply with upcoming regulations. Disclosure of such audits can increase confidence in the company’s ability to deliver.

Asset-level plans

Asset level plans show that a fund has developed targeted strategies to align properties with net zero or other reduction targets. By sharing concrete details or clear examples, companies give investors better insight into how these plans are implemented and whether the pathway is credible and achievable.

Sustainability CAPEX:

Estimating net zero or long-term green CAPEX, meaning how much investment is needed to achieve a net zero or decarbonization pathway, shows that companies are aware of upcoming regulations and are planning accordingly. This builds confidence in the company’s preparedness for future scenarios. Distinguishing between sustainability and regular CAPEX can be challenging in practice. While the exact figures are relevant, it may be particularly important to provide transparent disclosure on how sustainability CAPEX has been considered within total CAPEX.

LondonMetric’s archetype decarbonization pathway provides insight into carbon reduction and required interventions

LondonMetric Property Plc

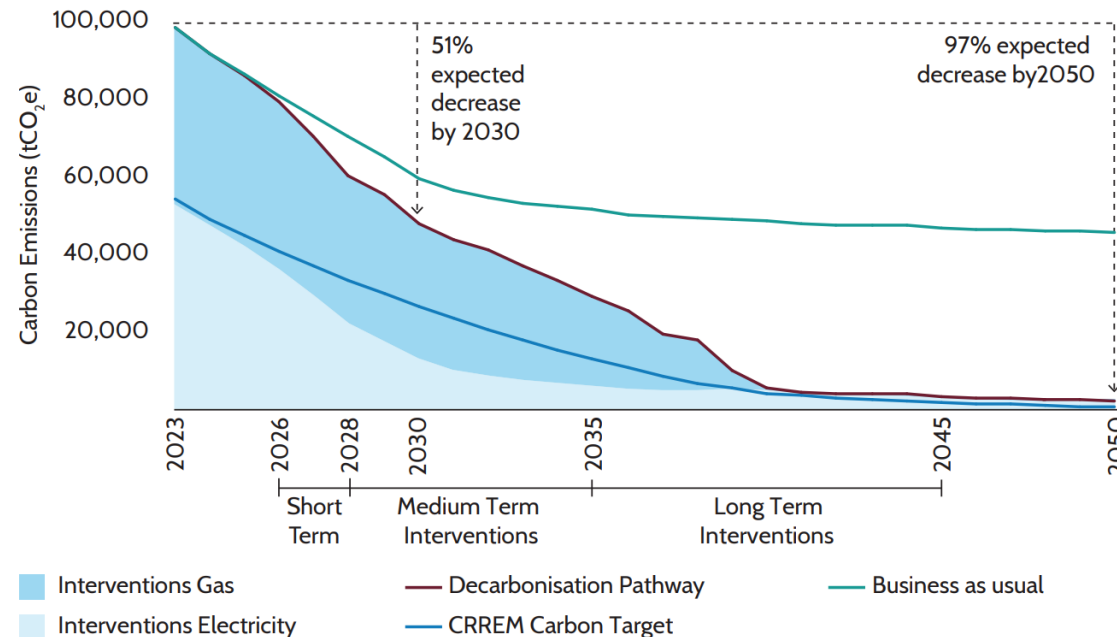
LondonMetric is an NNN real estate investor with a £ 7bn portfolio, focused on triple net leased sectors. They own over 680 assets across the UK, spanning logistics, healthcare, convenience, entertainment, and leisure.

In their [Responsible Business and ESG Report 2025](#), LondonMetric outlines their decarbonization strategy and net zero pathway. This pathway is based on a detailed, science-based carbon analysis at the asset-level. Given the diversity of their portfolio, LondonMetric uses an archetype approach, grouping similar assets to model the interventions required to reach net zero. This modelling is aligned with the CRREM methodology. In their separate [Net Zero Pathway 2025](#) document, the company further specifies pathways and interventions per archetype, including HVAC upgrades, heat pumps, tenant engagement, and building fabric improvements such as insulation and glazing.

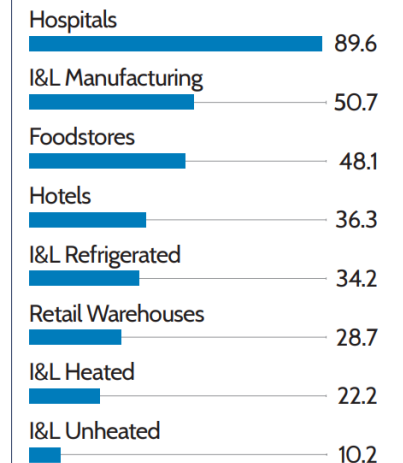
This disclosure is a good practice because it gives investors confidence in the credibility of the transition plan. By linking asset level analysis to concrete interventions, LondonMetric shows a clear understanding of what is needed to achieve net zero. Their focus on energy efficiency and electrification, which are key decarbonization levers in real estate, further strengthens this. Alignment with the CRREM framework also enhances transparency on transition risk management. Benchmarking against this methodology reassures investors that targets are robust and that transition risks are being systematically addressed. Especially for a NNN REIT, this can be considered a strong example of an implementation pathway.



Decarbonisation Pathway – Absolute Emissions



Archetype Carbon Intensity¹ (kgCO₂e/sq m)



¹ Archetypes displayed reflect those with the greatest portfolio weighting. Theme parks are excluded due to energy use being spread across large outdoor areas, limiting intensity comparability



Listed companies – Good practice

LEG Immobilien links quantified emission reductions to clearly defined decarbonization measures

LEG Immobilien SE

LEG Immobilien SE is one of Germany's leading housing companies, managing around 166,000 rental properties and providing quality, affordable homes for approximately 500,000 residents.

LEG provide a clear example of good practice through their Sustainability Factbook 2030, where they outline their

decarbonization pathway and the key measures supporting their targets. They show their pathway towards net zero by 2045, as well as how this aligns with their 2030 SBTi target.

The main levers include switching to more emission efficient heat supply, such as district heating and heat pumps, reducing energy demand through customer behavior changes, and carrying out both serial and conventional refurbishments. Progress is tracked on an annual basis.

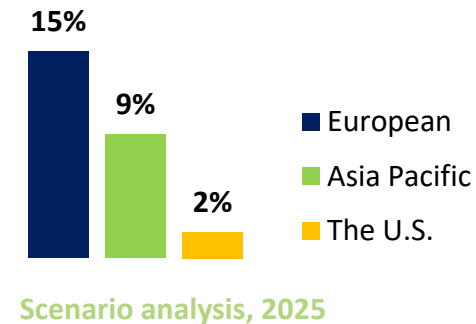
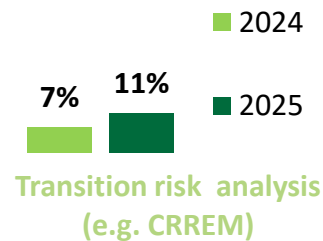
What makes this disclosure particularly strong is that it combines a clear timeline with concrete actions. It provides insight into short term milestones as well as expected emission reductions over time and links these reductions to specific measures. In addition, investments by LEG in companies like Dekarbo, which support portfolio decarbonization, further strengthen credibility. Together, this gives investors confidence that LEG has a well defined and actionable plan to achieve their targets.



Real estate companies across regions show increasingly positive sentiment towards CRREM analysis



Dashboard results



- **More companies are conducting and disclosing transition risk analyses (e.g. CRREM)**, with growth driven by APAC and Europe, while the U.S. shows no increase.
- **Although some companies disclose the data investors need to conduct transition risk analyses themselves, many still do not provide access to this type of data.** Of those aligned, the distance to the pathway is slightly greater for EUI than for GHG, with average misalignment occurring in 2027 for GHG and 2028 for EUI
- **Transition risk analyses are often discussed during engagements by GREEN members.** CRREM is often considered but is not always deemed relevant for certain sectors or regions. Many companies are still determining their approach regarding transition risk analysis. Following the announced updates of the CRREM pathways, companies appear more positive towards the framework and more willing to engage with CRREM to discuss how pathways can better reflect specific local market or sector conditions.

Our one-to-one engagements up to 2025

35 companies engaged on CRREM

4 have used and disclosed CRREM

21 acknowledging / considering CRREM

10 do not prioritize this

Why does it matter to investors?

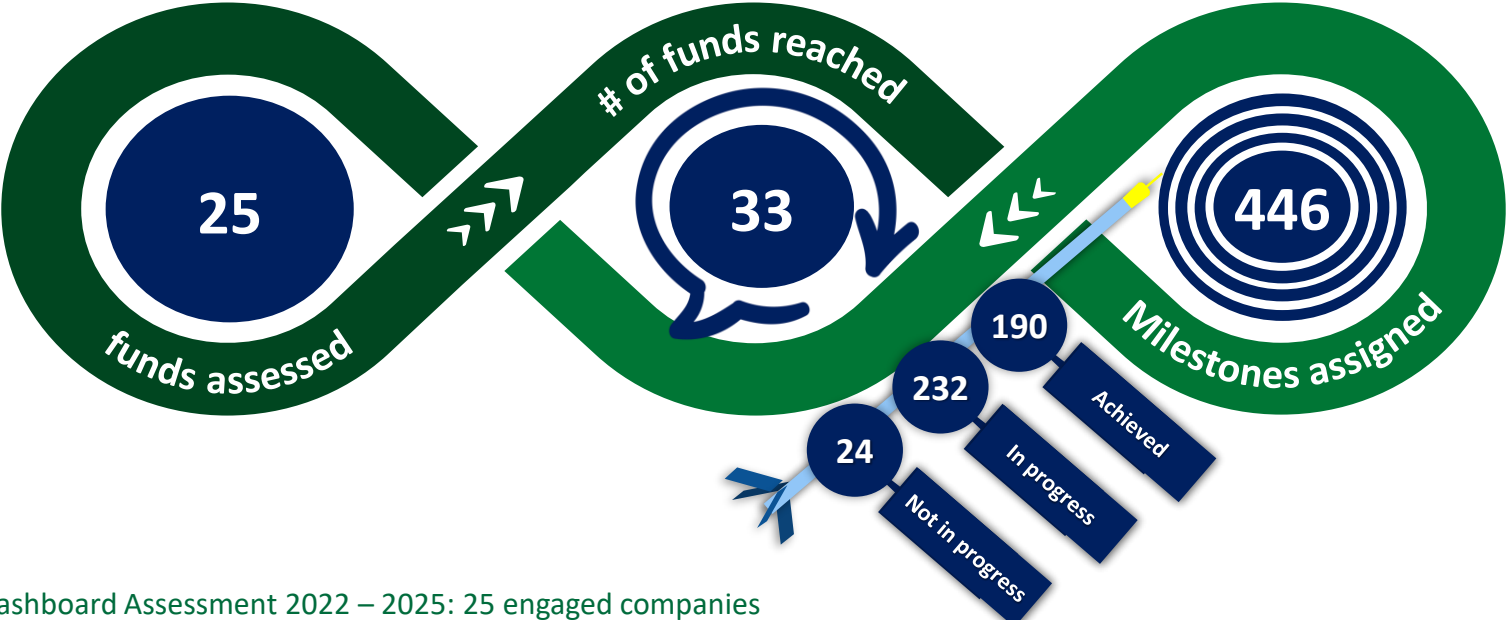
- CRREM has emerged as a valuable tool as investors increasingly evaluate transition risks in their real estate portfolios. It provides energy and carbon-intensity pathways as a proxy or best estimate for future government regulations and corporate actions to fulfil their Paris commitments.



4 Annual Results 2025 Non-listed companies



Non-listed: Improved implementation and climate risk disclosure



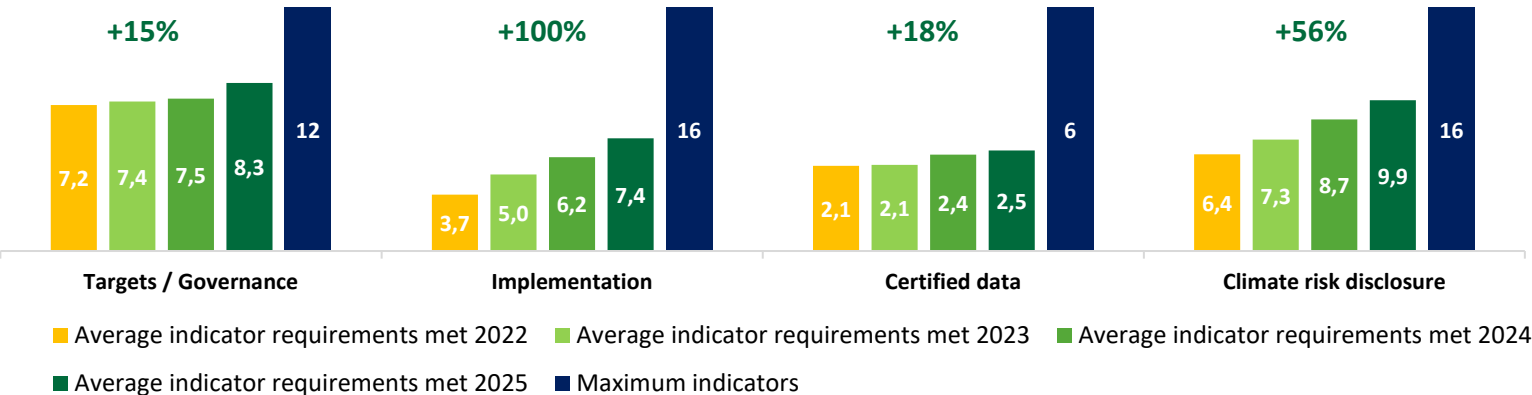
Performance highlights

In the 2025 annual engagement cycle, 25 funds were assessed and engaged, with a total of 33 engagement calls. 446 milestones were assigned since 2022 to track progress on key indicators. Of these, 190 milestones have been achieved by 2025, 232 are currently in progress, and 24 are not in progress.

Overall, the non-listed sample shows stronger outcomes across all four themes in the dashboard assessment compared to the listed sample. It is however important to note that it is predominantly composed of European funds (60%), followed by the United States (24%) and Asia Pacific (16%), which may influence the results. From a sector perspective, the sample remains well diversified, with 52% allocated to diversified strategies, alongside exposure to industrial (12%), residential (20%), healthcare (8%), and smaller allocations to retail (4%) and office (4%) sectors.

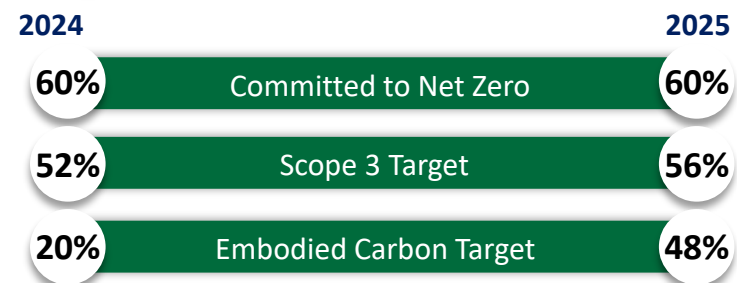
During the engagements, our members focused on implementation and climate risk disclosure, as these topics are most financially material for investors. As shown in the figure on the left, these areas have also seen the strongest improvement over the 2022–2025 period, with implementation increasing by 100% and climate risk disclosure by 56%. On the next page, we describe the highlights of each area in more detail.

Dashboard Assessment 2022 – 2025: 25 engaged companies

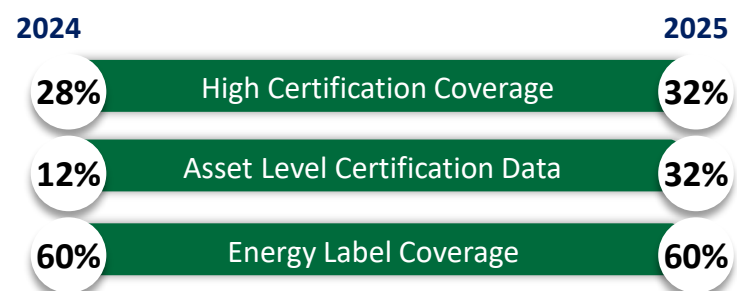


Non-listed: Notable improvements observed from 2024 to 2025 across all themes

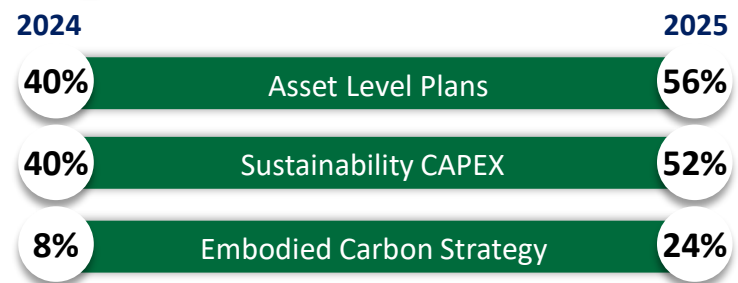
Governance & Target Setting



Certified data



Implementation



Disclosure



Performance highlights

As mentioned, during the engagements, GREEN members focused on implementation and climate risk disclosure. Therefore, it is encouraging to see that the funds have made the most progress in these areas. Below we describe the highlights of each area:

Governance & Target Setting

Since the start of engagement, governance and target setting improved with 15%. Out of the 25 funds 84% set GHG reduction targets, 64% used science-based methods to do so and 56% include Scope 3. Another 60% are committed to net-zero for Scope 1–3. Next to that, 48% of funds has set an embodied carbon target.

Implementation

Since the start of engagement, implementation improved with 100%. While skewed towards European funds with more sustainability-oriented shareholders, non-listed funds are much more likely to have asset-level plans (56%) than listed funds (2%). Out of the 25 funds, 52% have forward-looking sustainability CAPEX estimates on portfolio level to reach net zero or CRREM-aligned performance beyond 2030. In addition, 24% of the funds have a strategy that sets apart how they will achieve their embodied carbon target.

Certified Data

Since the start of engagement, certified data improved with 18%. 64% of funds have at least 50% portfolio certification coverage, 32% exceed 90% certification coverage.

Climate Risk Disclosure

Since the start of engagement, climate risk disclosure improved with 56%. Most funds perform well in terms of sharing risk analyses, with 76% sharing portfolio level physical risk exposure and 60% disclosing transition risks. Lastly, 32% disclose adaptation measures being implemented for ‘at-risk assets’.

An aerial photograph of a modern building complex. The building features a prominent green roof with various plants and trees. A courtyard with a pond and several trees is visible to the left. The building's facade is a mix of glass and concrete. A road with cars is visible at the bottom right. A semi-transparent green banner with white text is overlaid across the middle of the image.

5 Appendix





Disclaimer

Confidentiality

This confidential report has been prepared by the GREEN secretariat and is directed only to the members of GREEN and intended solely for use by the recipient – distribution of the report to other parties is prohibited.

Non-Endorsement and Limited Verification Notice

This report does not constitute advice, recommendation or solicitation of an offer to buy or sell shares or other interests, financial instruments or the underlying assets. Whilst prepared in good faith, the information contained in this document does not purport to be comprehensive and has generally not been verified.

Competition Law Compliance

Meeting Statement Disclaimer 2 Competition law prohibits agreements and concerted practices that have the object or effect of preventing, restricting or distorting competition. The most serious breaches of competition law often involve the exchange of competitively sensitive information and coordination of strategic behaviour between competitors. Members of GREEN, to the extent that they may be actual or potential competitors, must not disclose or exchange strategic or confidential information about their own businesses, meaning data or information that reduces uncertainty as to how the attendees intend to act commercially now or in the future (e.g. pricing, volumes, detailed costs, detailed customer or supplier information, business strategy, investment plans). Members of GREEN must also not coordinate their competitive strategy or act in a way that would cause them to be acting in concert. Activities within GREEN must be limited to the agreed asks relating to the investment company in which the members have a common shareholding. All members acknowledge that their participation in GREEN is subject to complying fully with competition law.

