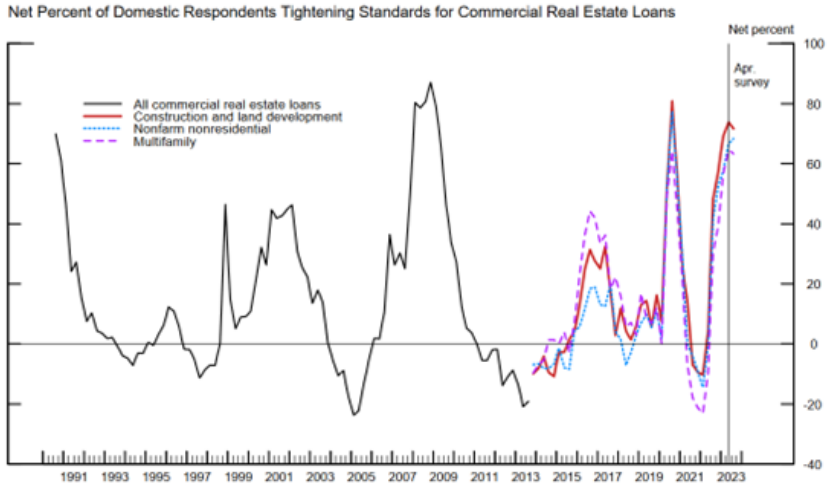
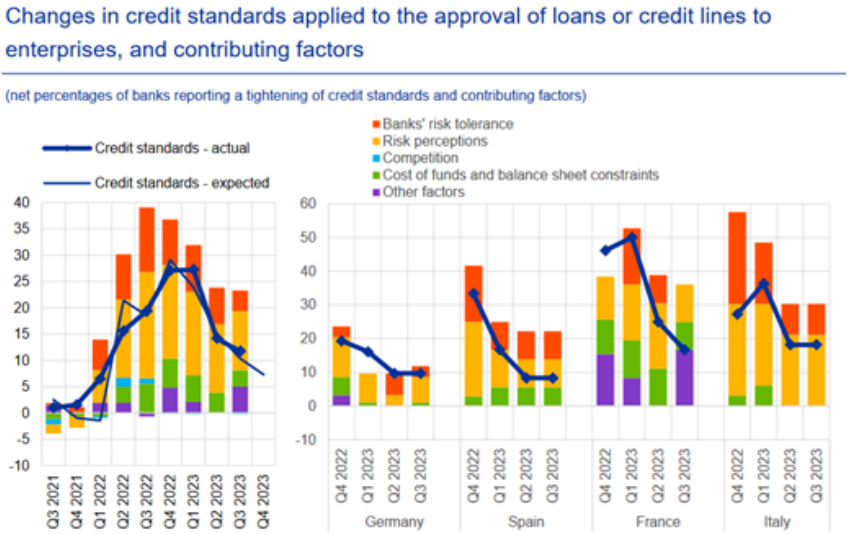
Global Real Estate Sustainability Benchmark (GRESB): Participation Skyrockets in 5 Years to 138.52%! By: Kleber Ofume

The global commercial real estate industry is undergoing a profound transformation, influenced by various factors ranging from rising interest rates from central banks, recent Senior Loan Officer Opinion Survey conducted in Canada, the United States, the European Union, and other regions revealing notable pullback on lending, particularly impacting the office space sector.



[Source: July 2023 US Senior Loan Officer (SLO) Opinion Survey on Bank Lending Practices]



Source: ECB SLO (2023Q3)

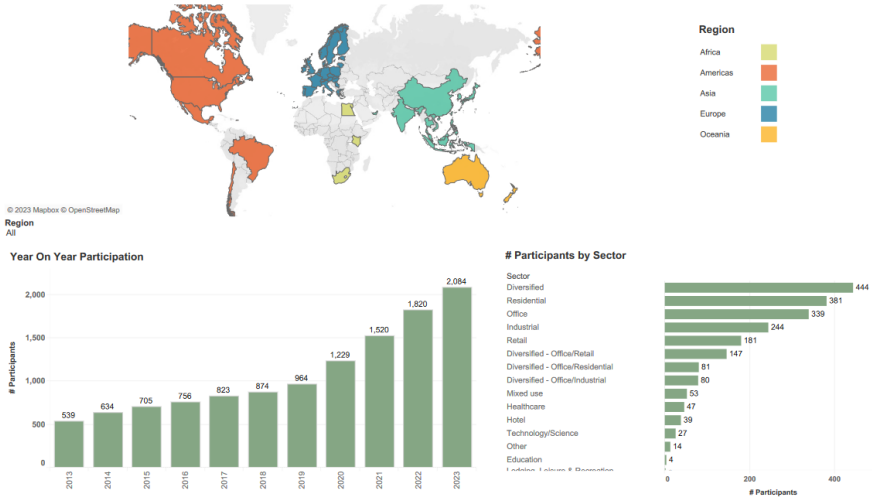
Concurrently, major corporations like Google and Meta (formerly Facebook) are making strategic moves, with Google opening the *Google Visitor Experience Centre* and *Meta Menlo Park, CA offering perks* to their employees following significant layoffs.

Despite these shifts, it's important to recognize that opportunities abound for real asset investors and developers. In this context, the Global Real Estate Sustainability Benchmark (GRESB) emerges as a powerful resource with the potential to deliver substantial benefit that'll be imperative and practical in the shift to NetZero carbon building goals.

What is GRESB?

GRESB is a voluntary, investor-led Environmental, Social, and Governance (ESG) performance reporting framework for

real estate assets. Established in the Netherlands in 2009, it offers standardized, validated, and industry-specific ESG data for capital markets. GRESB is distinct from general ESG benchmarks, addressing the unique aspects of real estate. Over the last five years, participation have jumped to 138.52% with 2023 seeing 2084 participants.



[Source: GRESB 2023 Real Estate Assessment Results]

How Does GRESB Work?

GRESB collects, validates, scores, and benchmarks ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions. The GRESB Real Estate Benchmark tracks and weighs everything from:

- Leadership
- Policies
- Reporting
- Risk Management
- Stakeholder Engagement
- Risk Assessment
- Targets
- Tenants & Community
- Energy
- GHG
- Water
- Waste
- Data Monitoring & Review
- And Building Certifications

Real estate funds, REITs, property companies, developers, infrastructure fund managers, and asset operators

utilize GRESB to assess their ESG performance in a globally recognized framework.

Significance of GRESB for Investors and Fund Managers?

With the growing importance of ESG factors in capital markets. Approximately 200 prominent investors, among them some of the globe's most astute pension funds and insurance firms, utilize GRESB to inform their decision-making, streamline their ESG (Environmental, Social, and Governance) procedures, and interact with managers. Investors and managers ranging from the likes of BlackRock, Ontario Teachers' Pension Plan, Alberta Investment Management Corporation (AIMCo), Norges Bank Investment Management, New York State Common Retirement Fund, Catholic Super and etc. rely on GRESB to obtain reliable ESG data, enabling them to better understand financial risks and opportunities in the

real estate industry. Managers can use GRESB to measure their ESG performance, enhance investor-manager engagement, compare assets with peers, and identify areas for improvement. Investors leverage ESG data and GRESB's tools for monitoring investments, engaging with managers, and promoting sustainability in the real asset industry.

GRESB Participation Linked to Financial Returns?

A ***recent academic study*** demonstrates that GRESB reporting positively impacts financial returns. Participating in the GRESB assessment contributed to a 0.35% increase in an ODCE fund's total quarterly return. Moreover, GRESB participants outperformed non-participating companies, delivering buy-and-hold returns 40% higher, equivalent to 1.8% per year. However, current market conditions show unfavourable declines in listed companies.

Alignment with International Reporting Frameworks?

GRESB assessments align with various international reporting frameworks, including the Sustainable Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), the Taskforce on Climate-Related Financial Disclosures (TCFD), the United Nations Principles for Responsible Investment (PRI), the Paris Climate Agreement, Sustainable Development Goals (SDGs), and region-specific disclosure guidelines and regulations.

To conclude, GRESB, as an investor driven ESG reporting framework, presents substantial opportunities for real asset investors and managers. Its standardized approach, alignment with global reporting standards, and proven positive impact on financial returns make it a valuable

“tool” for those looking to thrive in the evolving real estate industry. Harnessing GRESB’s capabilities is crucial for unlocking the true value of ESG reporting in the real asset sector.

You can now find GRESB in Karbon Offsets curated resources page as well via link: Karbon Offsets: Curated Resources

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