



**Thanks for joining.
This webinar will
begin shortly**

Investor Webinar

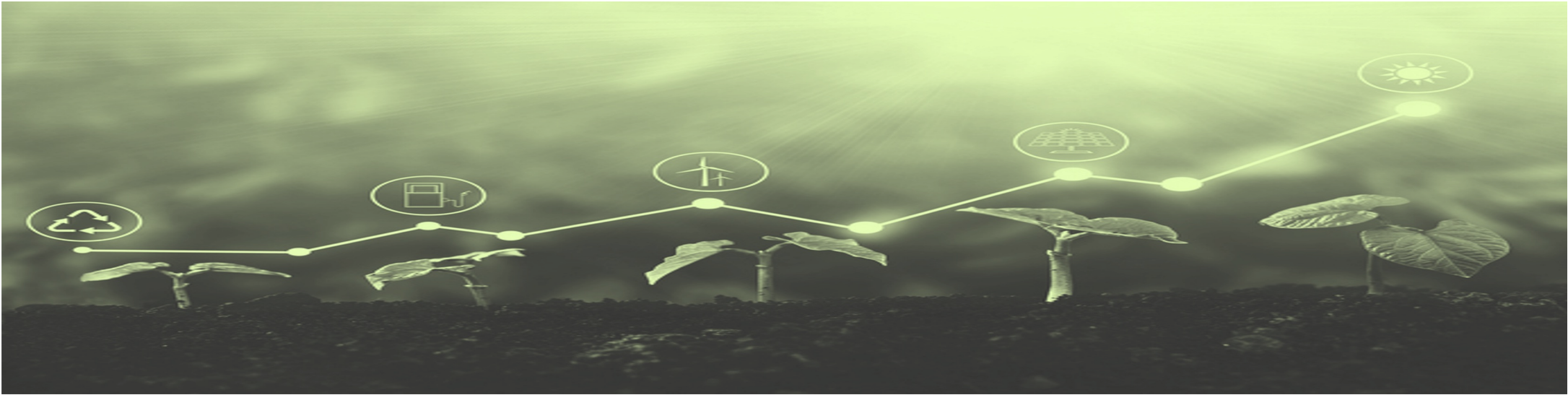
How should Indirect Real Estate Investors manage ESG challenges?

Friday 19th May 2023

(To ask a question throughout this webinar - click the Q&A button at the bottom of your screen to bring up the Q&A board)



This webinar will be recorded

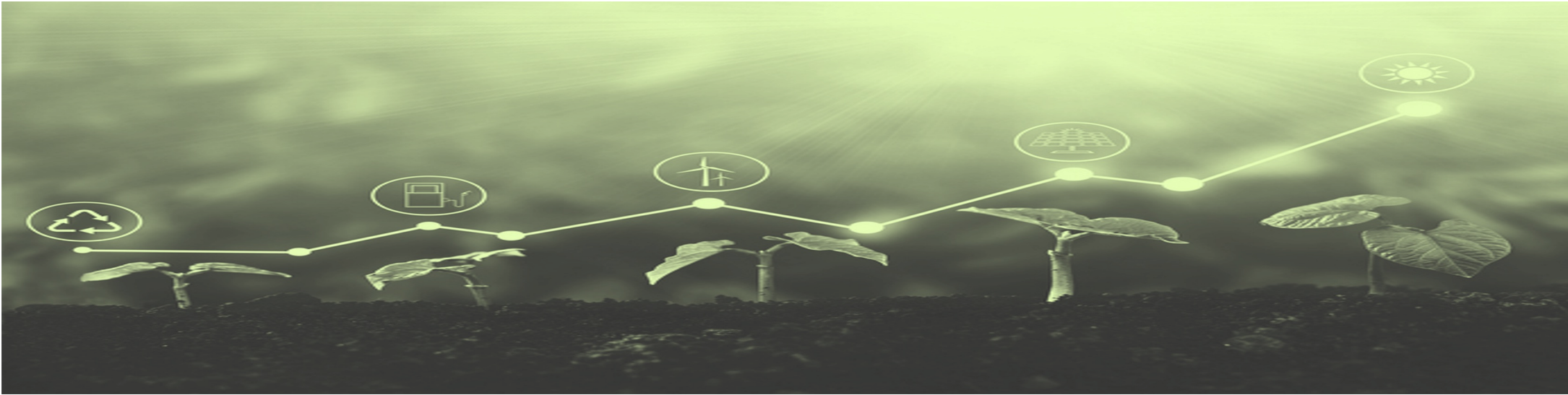


Welcome

Daniel Doherty

Unlisted Real Estate Fund Broker, CBRE PropertyMatch





Moderator

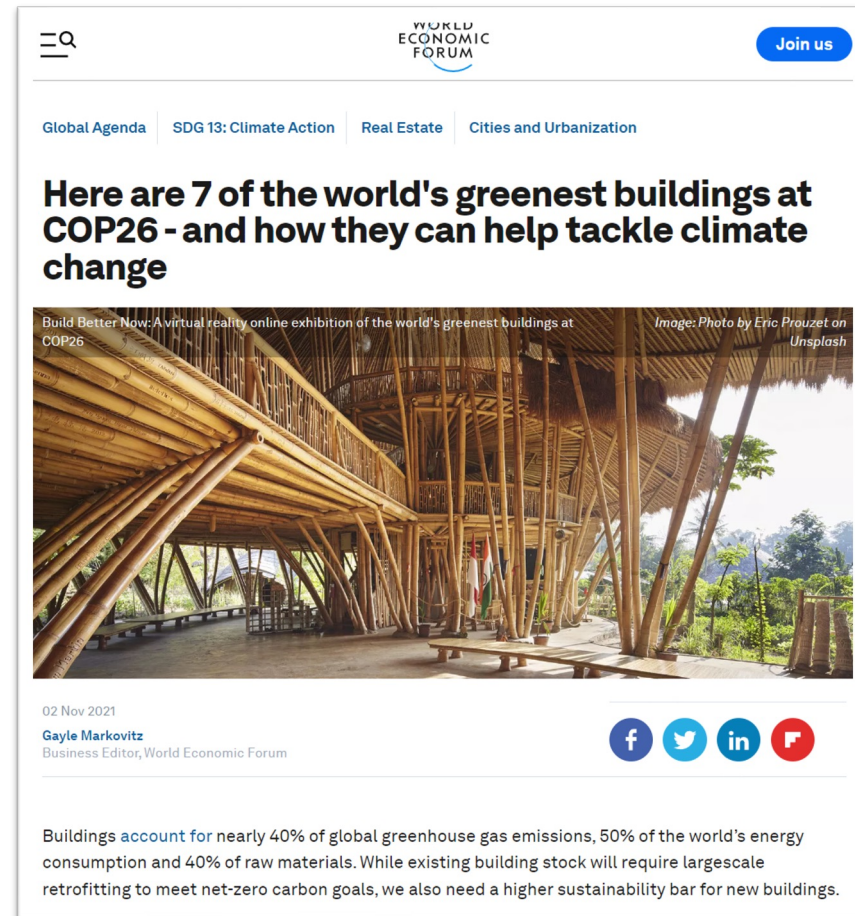
Melville Rodrigues

Head of Real Estate Advisory at Apex Group and REIF Co-ordinator



Challenges: Real Estate

According to the World Economic Forum, buildings account for nearly 40% of global greenhouse gas emissions, 50% of the world's energy consumption and 40% of raw material use.



The screenshot shows a webpage from the World Economic Forum. At the top, there is a search icon, the World Economic Forum logo, and a 'Join us' button. Below the navigation bar, there are links for 'Global Agenda', 'SDG 13: Climate Action', 'Real Estate', and 'Cities and Urbanization'. The main headline reads 'Here are 7 of the world's greenest buildings at COP26 - and how they can help tackle climate change'. Below the headline is a large photograph of a modern building with a complex, organic structure made of bamboo and wood. The photo is credited to 'Eric Prouzet on Unsplash'. Below the photo, the date '02 Nov 2021' and the author 'Gayle Markovitz, Business Editor, World Economic Forum' are listed. There are also social media icons for Facebook, Twitter, LinkedIn, and YouTube. At the bottom of the article preview, there is a short paragraph: 'Buildings account for nearly 40% of global greenhouse gas emissions, 50% of the world's energy consumption and 40% of raw materials. While existing building stock will require largescale retrofitting to meet net-zero carbon goals, we also need a higher sustainability bar for new buildings.'

Agenda

- 09.15 Welcome from **Daniel Doherty, CBRE PropertyMatch**
- 09.18 Introduction from **Melville Rodrigues, Apex Group and REIF Co-ordinator**
- 09.20 Presentation from **Robbie Epsom, CBRE Investment Management**
- 09.30 Presentation from **Vivienne King, The Good Economy**
- 09.40 Q&A & panel discussion
- 10.00 Finish



(To ask a question throughout this webinar - please use the Q&A panel to type your question to the Moderator)

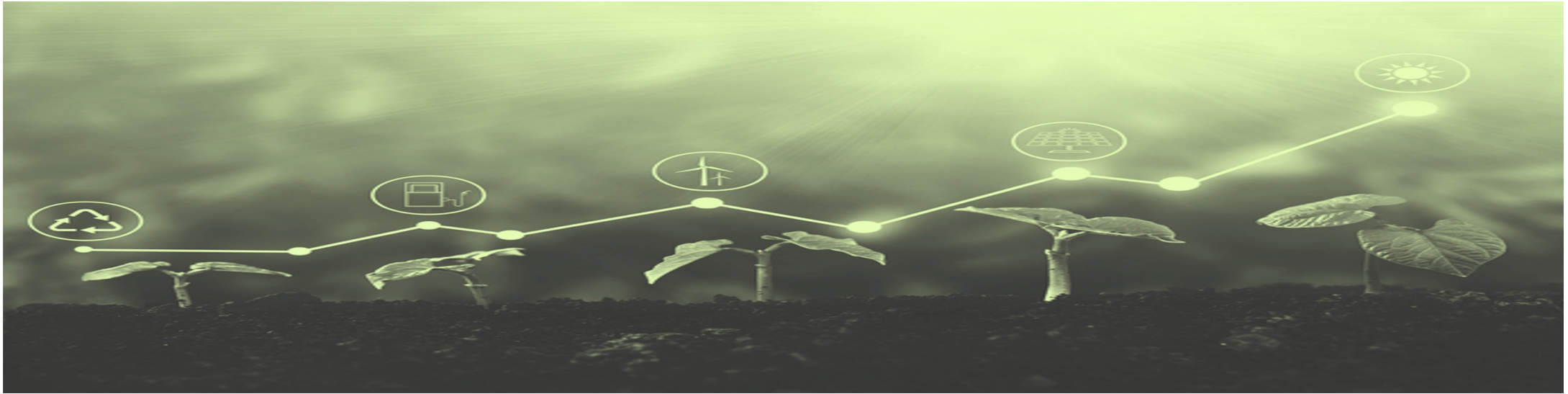
Speakers for today



Robbie Epsom
EMEA Head of ESG
At CBRE Investment
Management



Vivienne King
Head of Real Estate
Social Impact
At The Good Economy



Robbie Epsom
EMEA Head of ESG
At CBRE Investment Management



19 MAY 2023

Investor Webinar: How should Indirect Real Estate Investors manage ESG challenges?

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When committing into real estate funds, what best practice ESG DD, metrics and reporting standards should be applied by institutional investors?

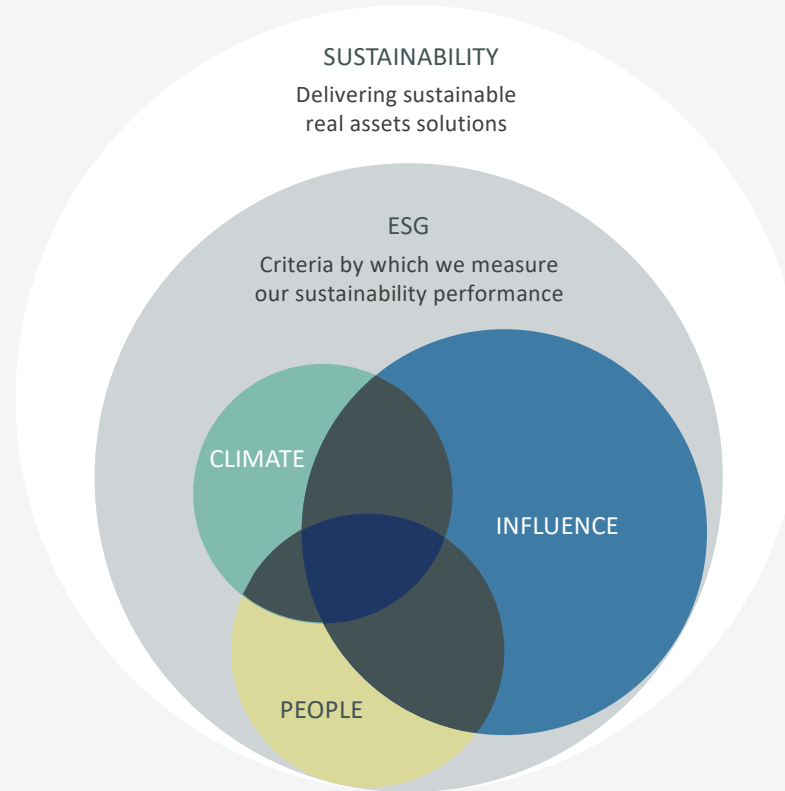


Our Vision is to lead the transition to a sustainable future

For illustrative purposes only. There can be no assurance that any targets will ultimately be achieved.

This information contains forward-looking statements that are inherently uncertain and subject to change. There can be no assurance that any initiatives, goals, targets, commitments, intentions, projections or other forward-looking statements herein will ultimately be achieved or that they will be successful. Actual results may vary.

CBRE Investment Management Sustainability Vision



The targets and actions to achieve our Sustainability Vision are distilled from ESG factors

CLIMATE

Address climate-related risks and opportunities by focusing on delivering net-zero carbon performance and physical resilience

PEOPLE

Champion diversity equity, inclusion and the wellbeing of our people and other stakeholders

INFLUENCE

Engage and positively influence key stakeholders where we do not have direct management control

OUR ESG AMBASSADOR PROGRAMME

Integration of sustainability is the key to managing ESG challenges

ESG Ambassadors utilize their expertise to catalyze ESG integration throughout the CBRE IM platform and in-depth real estate ESG training is made available.

- Launch of ESG Ambassador Programme
- Supported by training, tools and processes

LOCATION ESG AMBASSADORS

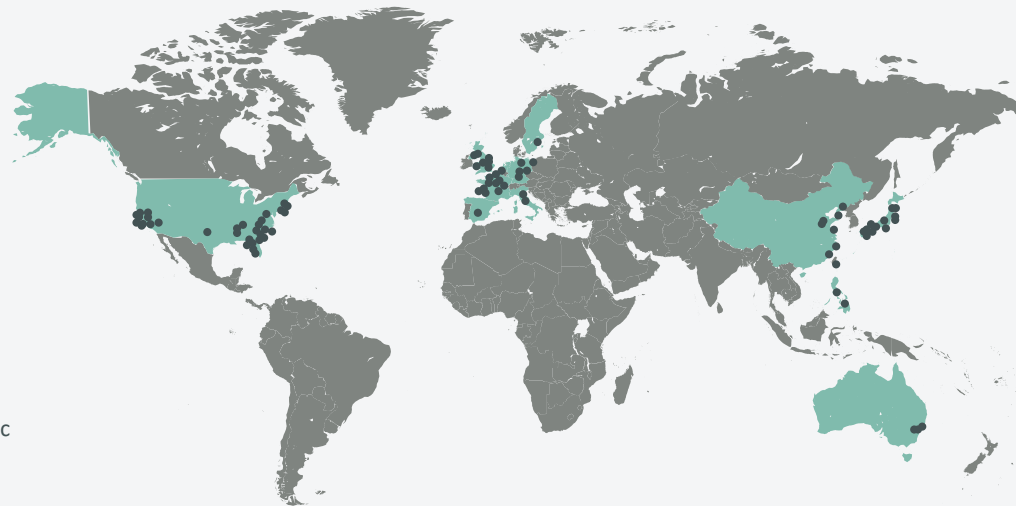
Assist colleagues in their country or location with implementing ESG initiatives and inform the ESG Team on local trends and needs.

SECTOR ESG AMBASSADORS

Specialise in one sector and will engage with the asset and transaction managers in their region.

PRODUCT ESG AMBASSADORS

Responsible for the oversight and strategic planning of ESG implementation at the product level.



100+

CBRE IM ESG AMBASSADORS SEATS REPRESENTING:

16 COUNTRIES

4 SECTORS

55+ PORTFOLIOS



Engaging with indirect asset managers may present a challenge of disconnection from underlying assets, but it also offers a unique opportunity to wield greater influence and drive positive change across a wider range of investments.

INDIRECT ESG BEST PRACTICE

Best practice in action

ESG Due Diligence

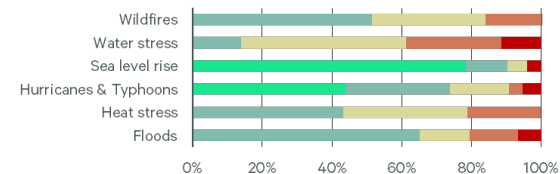
- Questionnaire: Manager and Portfolio Performance
- Engagement: Periodic updates on business plan
- Investment Process: integration

ESG Metrics

- Historic data sources including GRESB and Due Diligence
- ESG 'labels' and metrics set out by regulation
- Physical and transition risk metrics
- Metrics on engagement
- Evolving landscape (SDR/SFDR/Taxonomy)

Reporting Standards

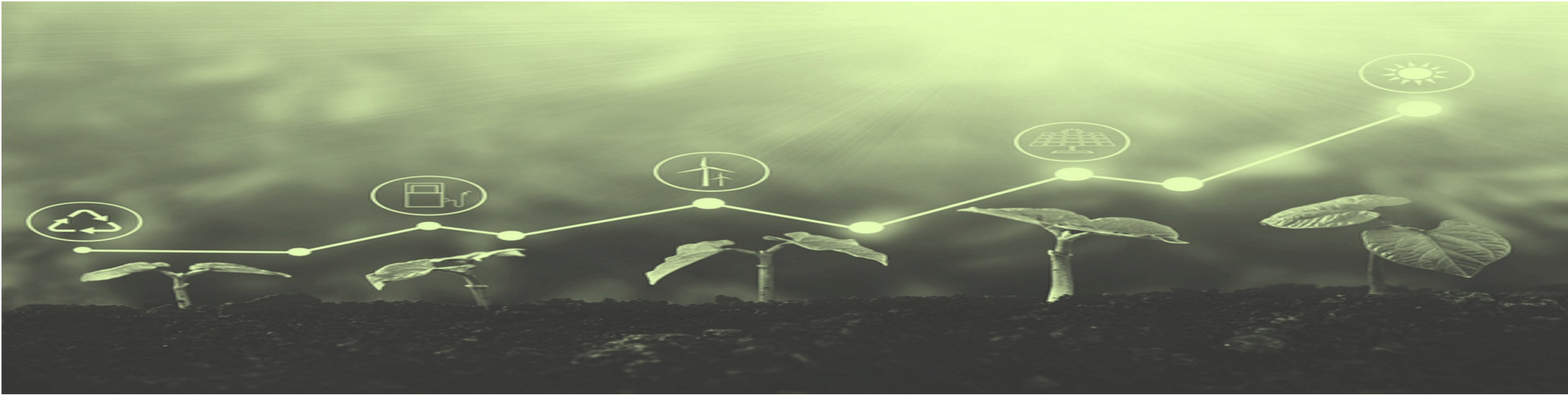
- Adoption of credible standards
- Shifting from voluntary to mandatory reporting
- Active participant in shaping standards and tools



Thank you

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Vivienne King
Head of Real Estate Social Impact
At The Good Economy



Slide 2 Why are investors adopting an impact-driven approach?

Driver 1: Awareness of global challenges

Driver 2: Pressing national needs

Driver 3: Changing regulatory environment –incl planning

Driver 4: Shifting public opinion

Driver 5: Strong client demand

Driver 6: Longer investment horizon

Driver 7: Growing market opportunity

Slide 3 : What does it mean to be an Impact Investor?

“Impact investments are investments made with the **intention** to generate positive, **measurable** social and environmental impact alongside a financial return”

Global Impact investing Network (GIIN)

Defining features of an Impact Investing strategy:

Intentionality

- Aim to achieve a positive, measurable contribution to real world sustainability outcomes

Additionality

- Make a contribution to positive environmental and/or social sustainability outcomes through financial as well as other types of investor additionality

Impact Measurement and Management

- Use impact performance data in decision-making to manage investments towards achievement of intended social and environmental objectives

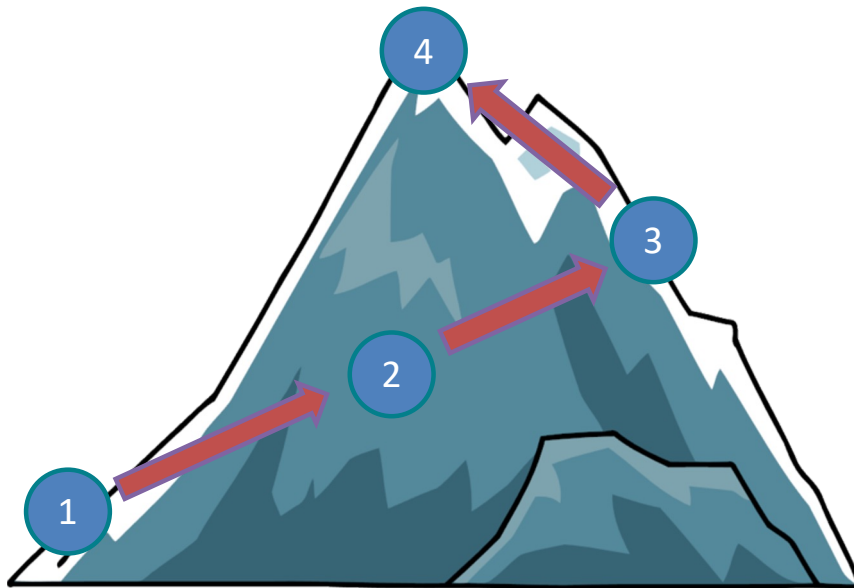
Transparency & accountability

- Report on the social and environmental performance of underlying investments

The UK's *Sustainable Disclosure Requirements* (SDR), which is in its consultation phase, will introduce product labels which set rules for the type of products that can market themselves as 'impact'.

The EU *Sustainable Finance Disclosure Regime* (SDFR) is primarily a disclosure rather than labelling framework; designed to increase levels of transparency around sustainability claims, including by disclosing the proportion of assets aligned to the EU Taxonomy.

Slide 4 Real Estate's Social Impact Journey



- 4 Social Impact integrated - FEW
- 3 Social value delivery and social impact aware - MANY
- 2 Social value delivery - MOST
- 1 Compliance & Philanthropy - ALL

Slide 5 What are the barriers to adopting an impact-driven approach?

Barrier 1: Alphabet soup

Barrier 2: Lack of knowledge sharing

Barrier 3: Resourcing knowledge

Barrier 4: Fear of social washing

Barrier 5: **Investment incompatibility**

Barrier 6: **Lack of standardisation**

Slide 6 The business case for impact: Real estate – an inherently social asset

Built environment impacts quality of life of end users & communities

- Health & Wellbeing
- Safety
- Social cohesion
- Employment opportunities

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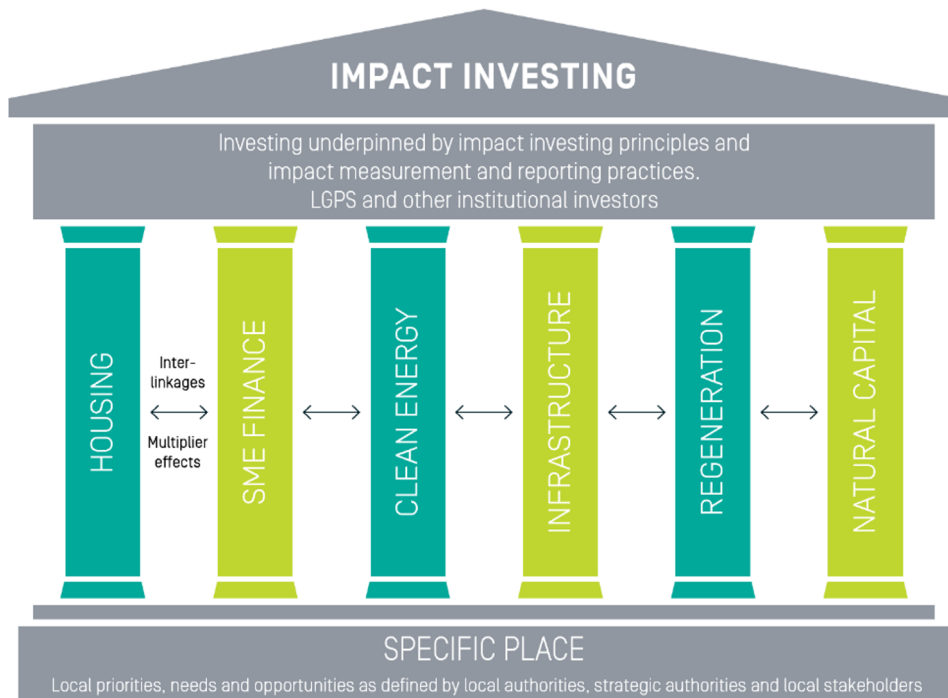
Improve life chances

Offices. Retail. Leisure. Social infrastructure etc.

Source: BartonH. & Grant M A health map for the local human habitat (2006)



Slide 7 Place-based Impact Investing – a standardised framework for real estate impact investing



Source: The Good Economy

PBII delivers:

- **Appropriate risk-adjusted returns** with
- **Positive local impact in specific places**

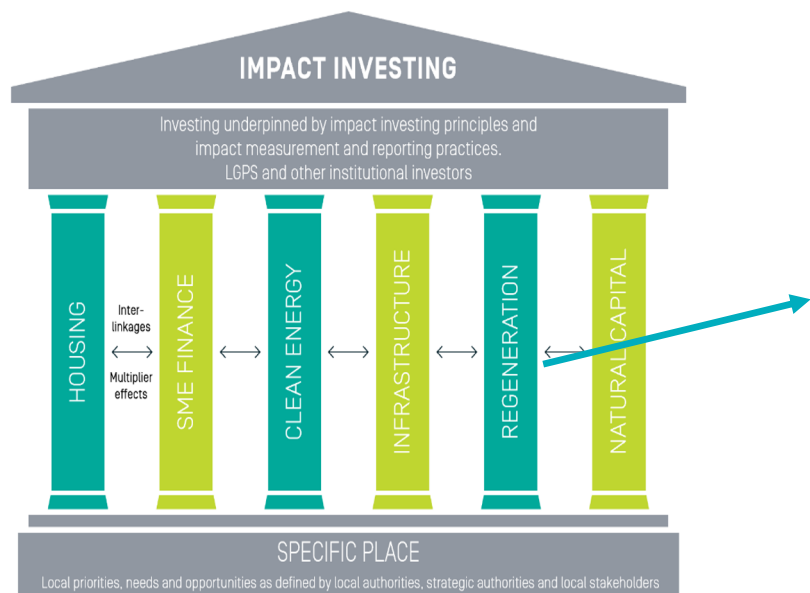
It responds to demand for **distinct and diversified return streams** that are **aligned with**



A **commercial opportunity** and a **societal opportunity** across sectors including **real estate**.

Slide 8 Place Based Impact Investing applied to real estate

THE
GOOD
ECONOMY



Source: The Good Economy

Asset Class	Sector	Impact Outcomes	Sub sectors
Real Estate Regeneration	Residential	Mental & physical wellbeing Neighbourliness Reduced loneliness Family cohesion	Affordable/Social housing
			Care homes
			Retirement living
			Student accommodation
			BTR
	Commercial	Community cohesion Occupier diversity Good jobs Cultural identity Female empowerment	Office Retail Leisure
			Hospitality
	Social Infrastructure	Equalising education H&W Long term career training	Education facilities
			Medical facilities
			Other public facilities
	Land	Investment catalysed	Brownfield
			Greenfield
Agricultural			

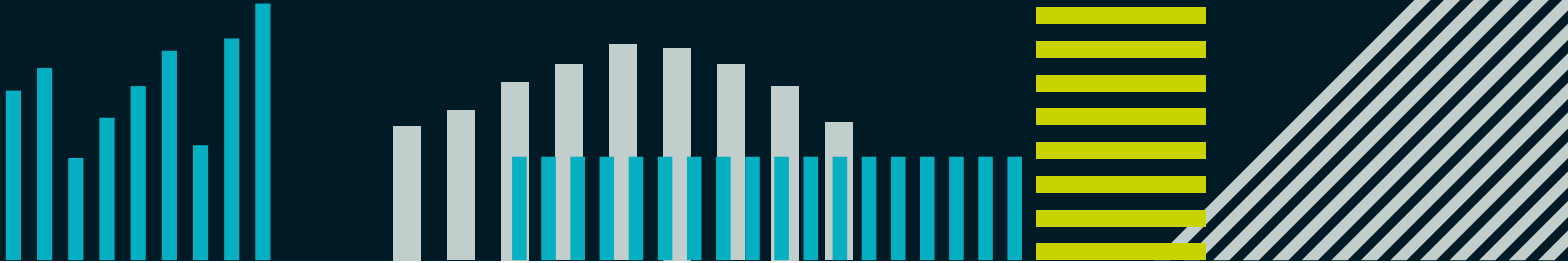
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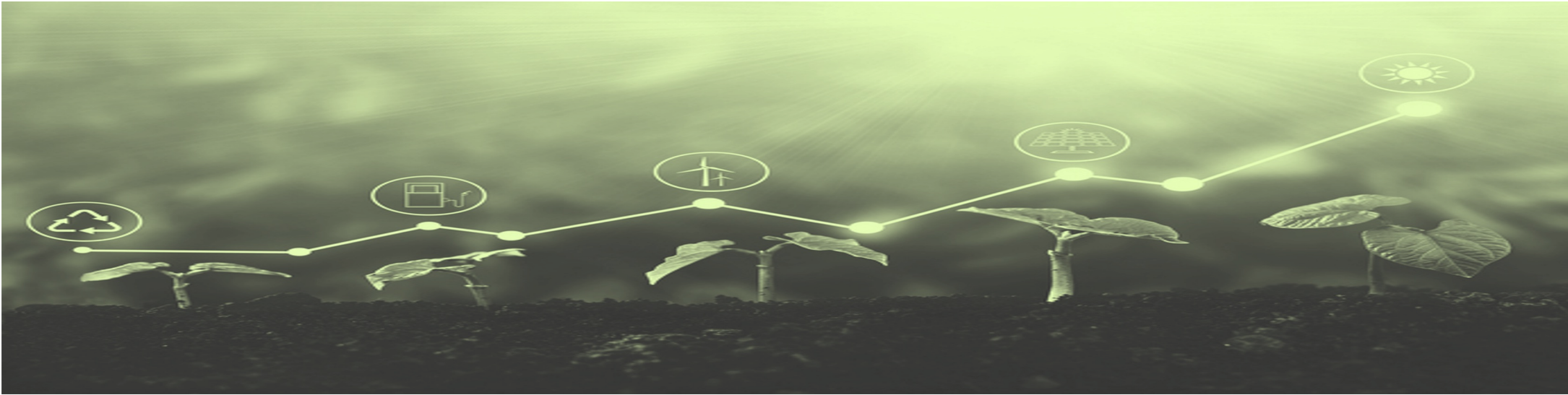
The Good Economy is a social advisory firm dedicated to inclusive business and investment.

A Good Economy works for everyone



Panel Discussion & Q&A

(To ask a question - please use the Q&A panel to type your question to the Moderator)



Thank you for joining us

The recording and slides will be available on the AREF website and emailed to members later today