



Digitization of building data is the first step in successful ESG reporting

Several key drivers are bringing environmental, social and governance (ESG) reporting to commercial real estate (CRE)

Investors going green

About 75%

of senior investment executives consider ESG performance a vital aspect of investment decisions.¹



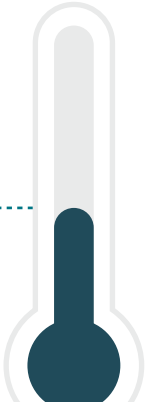
66 %

of investment firm board members would consider divesting from a corporation with poor ESG performance.¹

Risk management

35%

of REIT properties are exposed to climate risks.²



Tenant demand



Globally, **59%** of respondents said they were very or somewhat dissatisfied with climate-related disclosure of publicly traded companies.³

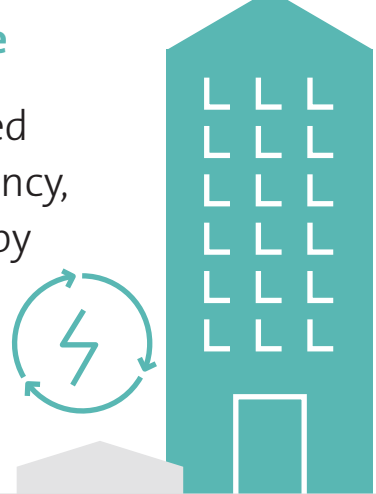
Improved performance



U.S. companies with high ESG rankings in the S&P 500 index have outperformed their counterparts with lower ESG rankings by at least **3% every year** for the past five years.⁴

Reduced cost/expense

For every **\$10,000** saved through energy efficiency, asset value increases by **\$152,846** (assuming a 6.5% cap rate).⁵



Act to halt climate change

Buildings and construction together account for **39%** of energy-related carbon dioxide (CO₂) emissions when upstream power generation is included.⁶

CRE adoption of ESG reporting is growing



Sustainability reporting among S&P 500 companies is at **86%** using ESG Reporting.⁷



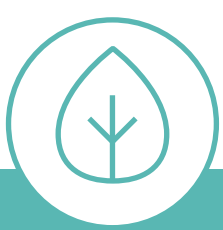
GRESB has more than **1,000** portfolio entries and **\$4.1 trillion** on real estate subject to the GRESB scoring system.⁸

43%

of investors believe the value of ESG is greater than the cost of implementation.⁹



Investors are seeking extensive information



Environment



80% of real estate investors consider building sustainability benchmark data in investment decisions.¹⁰



Social

60%

of investors consider diversity, equal opportunity and commitment to career development when carrying out due diligence on a potential fund manager's corporate entity.¹¹



Governance

When carrying out due diligence,

62%

consider building safety and materials and



60%

consider regulatory metrics.¹²



Digitization streamlines delivery of data related to:

- ▶ Energy use
- ▶ Greenhouse gas (GHG) emissions/ carbon footprint
- ▶ Water use
- ▶ Waste diversion

- ▶ Employee diversity and inclusion
- ▶ Wellness programs and initiatives
- ▶ Community investments/ activate capital in markets
- ▶ Health and well-being

- ▶ Accounting of assets/ properties
- ▶ Regulatory compliance
- ▶ Business ethics/ anti-corruption policies
- ▶ Compliance with inspections and building codes

Here's how digitization of building data can empower streamlined ESG reporting

Consolidate complex information from across multiple properties.



Enable information sharing among multiple stakeholders across disparate geographies.



Reduce errors and missing documentation by maintaining records in a centralized, digital system.



Easily access information required for reporting, compliance and auditing.



Learn more at [UL.com/Insights](https://www.ul.com/Insights)

Sources:

- 1 RETech Advisors, "The Growing Role of ESG in Commercial Real Estate Investing: 4 Trends to Watch," April 24, 2019.
- 2 GRESB, "Pivoting for 2020: Urgent ESG Trends Transforming Global CRE," March 23, 2020.
- 3 Global Sustainable Investment Alliance, "Sustainable Investor Poll on TCFD Implementation," December 2019.
- 4 Bank of America Global Research, "ESG from A to Z: a global primer," November 25, 2019.
- 5 Verdani Partners, "From Awareness to Action: ESG Value in CRE Investments," February 21, 2018.
- 6 World Building Council, "Global Status Report 2017," 2017.
- 7 Deloitte, "DeloitteESGnow - Sustainability Disclosure Goes Mainstream," September 24, 2019.
- 8 Fu, Lisa, "Deep Dive: Is private real estate's top ESG benchmark robust enough yet?" February 3, 2020.
- 9 LaSalle, PERE, "ESG Investor Survey 2019," 2019.
- 10 Finance UNEP Initiative, "Global ESG Real Estate Investment Survey Results," March 2019.
- 11 LaSalle, PERE, "ESG Investor Survey 2019," 2019.
- 12 LaSalle, PERE, "ESG Investor Survey 2019," 2019.



Empowering Trust®

UL and the UL logo are trademarks of UL LLC © 2020.