Transition Risk | Investor Perspective

ULI Greenprint Member Webinar

12 January 2021

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Climate awareness is growing...

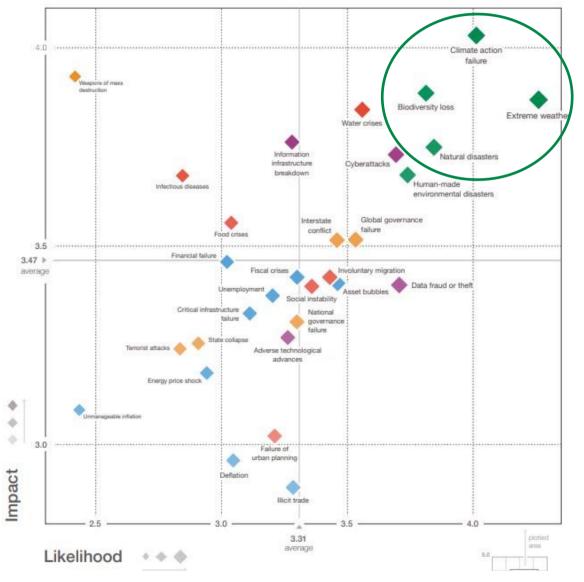


BANK OF ENGLAND

'The challenges currently posed by climate change pale in significance compared with what might come. The far-sighted amongst you are anticipating broader global impacts on property, migration and political stability, as well as food and water security'.

Mark Carney September 2015

Figure II: The Global Risks Landscape 2020



Source: World Economic Forum | The Global Risks Report 2020



....and then there was Paris





The Paris Agreement is finding its way into voluntary standards.....





13 CLIMATE ACTION































INFRASTRUCTURE SECTOR

REAL ESTATE

Sustainability Accounting Standard

Sustainable Industry Classification System® (SICS®) IF-RE

INDUSTRY STANDARD | VERSION 2018-10

Source: SASB, 2018

INREV Sustainability Reporting Guidelines

Source: INREV, 2020

Core Elements of Recommended Climate-Related Financial Disclosures

Governance Strategy Risk Management Metrics and Targets

The organization's governance around climate-related risks and opportunities

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Source: TCFD, 2017



... as well as regulation



Source: EU Taxonomy, 2020

Sustainable
Finance
Disclosure
Regulation



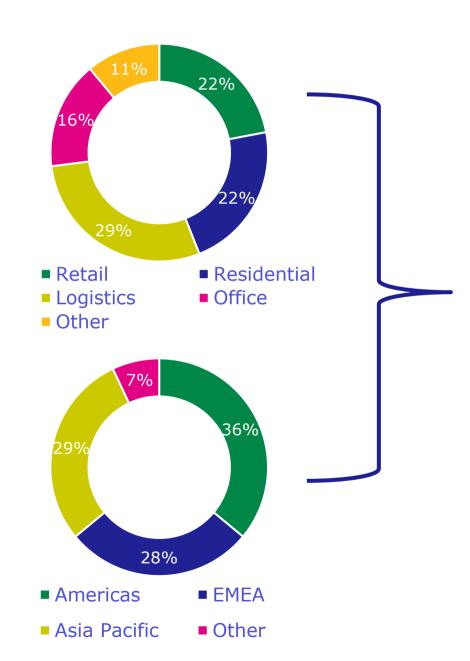


Source: Klimaatakkoord, 2020



Globally diversified portfolio | EUR 14.7 Billion



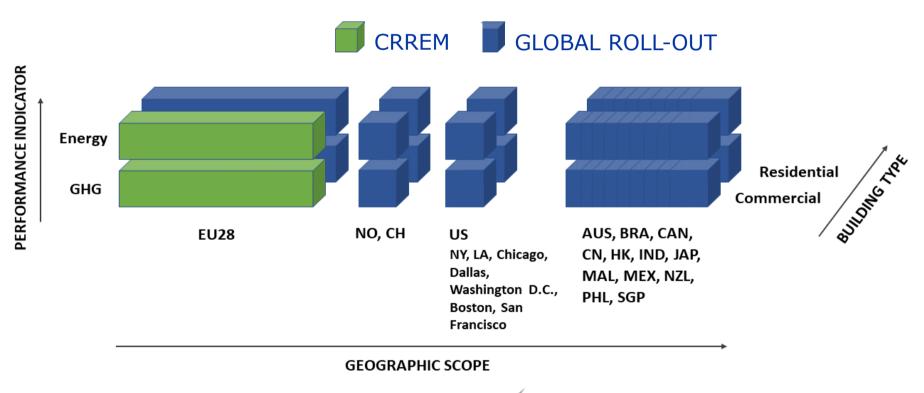


Requirement to quantify transition risk on a global scale



The CRREM Initiative | Extending Global Scale

Extension of CRREM pathways: www.CRREM.org
Including residential buildings & Key global real estate markets
(Publication of CRREM global pathways for public consultation in may 2020)



Funded by:







Commercial RE

- ✓ Office
- ✓ Retail High street
- ✓ Retail Shopping centre
- ✓ Retail Warehouse
- ✓ Hotel
- ✓ Industrial Warehouse
- ✓ Health
- ✓ Lodges/Leisure
- Medical Office



How we would like to use this data at PGGM PRE

Property

type:

All

Set filter: Country: All

Assessment year: 2019

EVOLUTION OF STRANDING WITHIN PORTFOLIO

Diagrams on the right display the evolution of stranding within your portfolio. Upper graph: Relative share of stranded assets. Lower graph: Absolute figures. Choose whether to display data based on the number of buildings, gross floor area (GFA) or gross asset value (GAV). Choose whether to exclude individual assets or exclude them from a certain year on.

Asset ID	Include	Sell in year
1	Yes	Don't sell
2	Yes	Don't sell
3	Yes	Don't sell
4	Yes	Don't sell
5	Yes	Don't sell
6	Yes	Don't sell
7	Yes	Don't sell
8	Yes	Don't sell
9	Yes	Don't sell
10	Yes	Don't sell
11	Yes	Don't sell

