The Infrastructure Assessment continued to grow in 2019, with a 40% increase in participation for both funds and assets compared to 2018. Out of the 107 participating funds (left hand chart), 64 (60%) participated with more than 25% of their assets, allowing them to obtain a GRESB Fund Score, the ultimate ESG benchmark of fund performance for investors. Participation of assets (right hand chart) grew across all regions being particularly strong in Oceania (53% growth) and the Americas (44%).

In 2019, all assets reported their facilities including their locations. The map to the left color codes each country based on the number of reported facilities. Assets reported on six continents, with over 1,100 facilities spread across 57 countries, with coverage continuing to be dominated by OECD countries.

Europe builds upon its track record for transparency with the most funds and assets participating in the benchmark by both number and value. Assets in Oceania and that are Globaly Diversified scored highest, with Oceania reflecting the same leadership trend shown in the Real Estate Assessment.
The GRESB Model for Funds (left) shows the Fund Assessment Score on the vertical axis and the Weighted Average Asset Score on the horizontal axis. Funds are eligible for a GRESB Fund Score when they report for more than 25% of their assets. 57% of the total 477 funds are assessed. Funds are not eligible if their assets receive only a Fund Assessment Score and not the corresponding Asset Score.

The average GRESB Fund Score remained similar to 2016, with an increase in average Fund Assessment Score (being affected by a slight decrease in the average Weighted Average Asset Score). As with all GRESB Assessment scores, the average is calculated for the first time. These ratings divide the participants into equal quantities (as shown by the bars), providing a relative measure of performance. The GRESB Fund Score is a 5-star rating, with 0 being the lowest and 100 the highest possible score. In 2018, the average GRESB Fund Score was 55, compared to 54 in 2017. This chart shows the range of strategies applied for each indicator.

The number of funds eligible for GRESB Fund Scores grew sufficiently in 2019 to allow star ratings to be calculated for the first time. These ratings divide the participants into equal quantities (as shown by the bars), providing a relative measure of performance. The GRESB Fund Score is a 5-star rating, with 0 being the lowest and 100 the highest possible score. In 2018, the average GRESB Fund Score was 55, compared to 54 in 2017. This chart shows the range of strategies applied for each indicator.

The GRESB Model for Assets (above) shows the score for each asset on the two dimensions (Management & Policy and Integration of ESG) that make up the independent Asset Score. Each is assessed proportionally to GRESB Overall Asset Score decreases from 40 in 2018 to 42 in 2019, slightly moving the trend line since the Infrastructure Assets Assessment launched in 2016. Average scores for Management & Policy improved slightly from 39 to 40, but implementation & measurement scores decreased from 42 to 43. This is partly explained by lower scores by one participant (15). A 3-star performance in 2019 for the latter two issues in GRESB tends to have lower scores than 4-star participants, generally because their GSA practices are still immature.

### SUSTAINABLE INVESTMENT STRATEGIES

The FUND1 indicator was modified from last year and now focuses on strategy, rather than objectives. 77% of funds reported having a sustainable investment strategy in 2019. This chart shows the range of strategies applied for each indicator.

In 2019, just over 80% of funds reported a public commitment to one or more ESG standards or principles. This chart shows the commitments made by each fund, from most to least popular. Becoming a signatory to the PRI is the most commonly reported commitment, increasing from 45% in 2017 to 70% in 2019. Additionally, 71% of these PRI signatories report they progress to PRI. Commitments to strategies that improve ESG performance in a material way are relatively strong, with almost half of all participants committing to reporting in line with the recommendations.

In 2019, just over 80% of funds reported a public commitment to one or more ESG standards or principles. This chart shows the commitments made by each fund, from most to least popular. Becoming a signatory to the PRI is the most commonly reported commitment, increasing from 45% in 2017 to 70% in 2019. Additionally, 71% of these PRI signatories report they progress to PRI. Commitments to strategies that improve ESG performance in a material way are relatively strong, with almost half of all participants committing to reporting in line with the recommendations.

The number of funds eligible for GRESB Asset Scores grew sufficiently in 2019 to allow star ratings to be calculated for the first time. These ratings divide the participants into equal quantities (as shown by the bars), providing a relative measure of performance. The GRESB Asset Score is a 5-star rating, with 0 being the lowest and 100 the highest possible score. In 2018, the average GRESB Asset Score was 71, compared to 65 in 2017. This chart shows the range of strategies applied for each indicator.

### GRESB ASPECTS

The GRESB Asset Score is structured into seven unique sustainability Aspects: Average Management, and Monitoring of ESG Aspect scores has stayed steady or increased compared to last year. Scores for Performance Indicators, Policy & Disclosures, Risks & Opportunities and Stakeholder Engagement have weakened.
This year saw the launch of the Infrastructure Public Disclosure dataset. This is based on a separate evaluation to the Infrastructure Fund and Asset Assessments, being simpler and focusing on public disclosure, and targeted specifically at listed infrastructure companies. GRESB collected ESG disclosure information on 155 listed infrastructure companies globally, including full coverage of the GLIO Global Coverage Index and listed companies that participated in the GRESB Infrastructure Assessment.

Each company received a disclosure level from A-E. The average letter grade was a C, equivalent to a score of 49% of all points available. The region with most participants is the Americas, but the highest number of constituents receiving an A-Level for disclosure relative to their sample size is Oceania, closely followed by Europe. Over time, it is expected that companies covered by the Public Disclosure dataset will participate in the full Infrastructure Assessment (12 entities did this in 2019).

Intensity metrics use a numerator (measure of performance or impact) divided by a denominator (measure of asset size). The most readily available denominators are Gross Asset Value (GAV), revenue and asset output. By encouraging assets to report on these standardised intensity metrics, GRESB is increasing comparability by providing ‘benchmarkable’ data. This chart shows the number of participants that reported output intensity metrics and the ‘benchmarkable’ data. This chart shows the number of participants that reported output intensity metrics and the number of participants for whom it was deemed material.

To drive performance improvement, it is good business practice to set targets and track performance. This chart shows the number of participants that set short-term (2018) targets compared to the number that should have set a target (i.e., for whom the issue was deemed material). Out of the seven performance indicators, it is most common to have targets for Health & Safety (72% have short-term targets), followed by Energy, then Biodiversity & Habitat. There has been an absolute increase in participants reporting on these indicators, although there hasn’t always been a relative increase.

Performance indicators show the extent to which assets report on their most material ESG issues. There are currently seven Performance Indicators in the assessment, as shown left.

Performance indicators represent an assessment of the extent to which companies report on the seven Performance Indicators approved by the Infrastructure Fund and Asset Assessment. They rate companies on a scale of 1 to 7. The rating reflects a company’s progress toward setting and meeting targets for the six performance indicators, as well as reporting on all seven.

Performance indicators are based on the Infrastructure Fund and Asset Assessment, which is a leading ESG benchmark for real assets. We work in collaboration with the industry to provide standardized and validated ESG data to the capital markets. The 2019 real estate benchmark covers more than 1,000 property companies, real estate investment trusts (REITs), funds, and developers. Our coverage for infrastructure includes 500 infrastructure funds and assets. Combined, GRESB represents USD 4.5 trillion in real asset value. More than 100 institutional investors, with over USD 22 trillion AUM, use GRESB data to monitor their investments, engage with their managers, and make decisions that lead to a more sustainable real asset industry.

Learn more at www.gresb.com