

Stay ahead of emerging regulations with better data

As SFDR becomes a regular part of doing business in Europe, the quality of reported data will be increasingly important for asset managers reporting on product-level ESG characteristics starting in 2022. This is because:

- 1 ESG data is material under SFDR
- 2 Year-over-year comparison reporting starts in 2024
- 3 CSRD is expected to require data to be validated

GRESB'S SFDR REPORTING SOLUTION

GRESB can help Financial Market Participants (FMPs) comply with the most arduous part of the regulation - reporting on product-level Principal Adverse Impacts (PAIs). With GRESB, FMPs and other companies get more accurate PAI Statements from the start, future-proofing their reporting while gaining valuable business insights.

REAL DATA, BETTER ESTIMATIONS

Today, far too many asset managers are not able to measure and accurately report on the ESG performance of real estate assets. Instead, they are often left with crude data estimations.

With GRESB, FMPs can get on the right track with SFDR by leveraging our global real estate benchmark to draw on the real ESG data of \$5.7 trillion of AuM and 117,000 individual assets across the world. In cases where environmental PAI data is missing, GRESB can fill in the gaps far more accurately than other solutions using our industry leading asset database and GRESB's Real Estate Asset Estimation Model.



UNSURE IF YOU FALL UNDER THE NEW SFDR REGULATIONS?

SEE FOR YOURSELF 

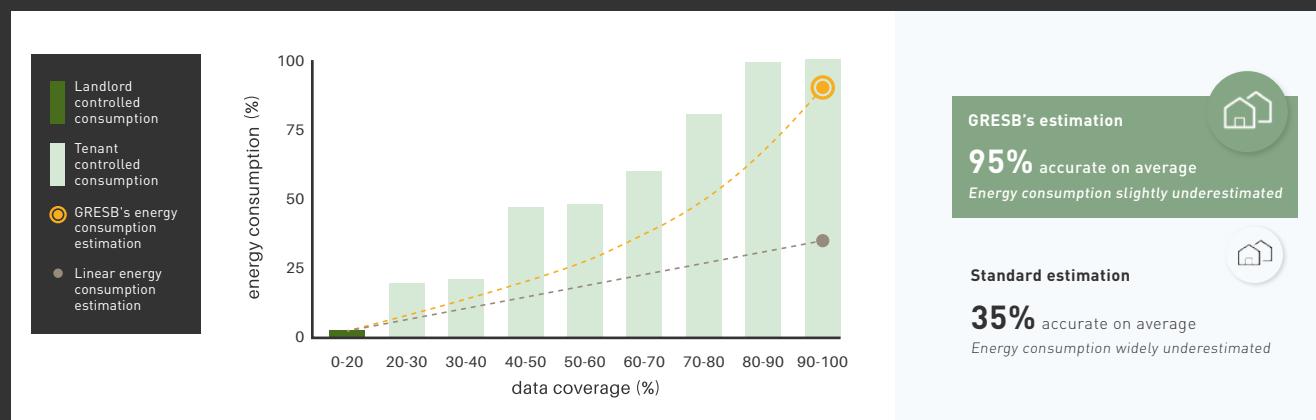
Why GRESB estimations are more accurate

While it's expected that some data reported under SFDR will be estimated in the first years, many FMPs are not ready to collect and report on all required indicators, such as energy consumption. How this data is estimated in the near term is important, however, as it will impact both year-over-year reporting and how the data is validated, if this indeed becomes required.

While some SFDR reporting tools may provide publicly scraped data or crude estimations based on simplistic asset comparisons, GRESB can draw on its global database of more than 100,000 individual assets to provide a highly reliable estimation based on both reported data and like-for-like comparisons.

Example: a multifamily midrise in Amsterdam

If a FMP is missing energy consumption data for the tenant's portion of a building in its portfolio, GRESB's estimation model can drill down and compare the building's known data points – like floor size, location and specific property subtype – against the GRESB database.



The figures above are based on a blind test comparing both GRESB's Asset Estimation Model and an alternative estimation based on a linear extrapolation (a common estimation approach) against a set of properties in the Netherlands, in this case multifamily midrise buildings. While the linear extrapolation estimates energy consumption simply by treating all building space the same, GRESB can estimate a much truer picture of the tenant portion of a building, because we have this detailed data from a large enough pool of similar buildings to construct a representative median intensity and avoid the effects of outliers.

Getting ahead of CSRD and validated data

While GRESB's SFDR Reporting Solution can help you create more accurate PAI Statements now, it also helps you stay ahead of future obligations.

CSRD – or the Corporate Sustainability Reporting Directive – is a requirement that will impact SFDR reporting. If it goes into effect as expected in 2024, it will likely mean that ESG data reported under SFDR will need to be validated.

Because GRESB's SFDR Reporting Solution works on a platform similar to our annual ESG assessments, all your asset data can be validated through our industry-leading framework that also provides actionable business insights. With it, you can better identify risks and engage the 98% of investors who use standardized ESG data in their investment process.

Get prepared for SFDR

Talk to us

Watch the webinar