

# 2024 ESG report

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Europe

AVISON  
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INVESTMENT  
MANAGEMENT



# Green shoots: a global perspective

**How have we progressed in 2024?** We continue to refine our focus from “scores” to results including, importantly, return on investment. Leasing markets continue to be highly competitive, with pricing power shifting to tenants who are seeking high performance assets with modern configurations. Some tenants have even expressed the expectation that owners make green upgrades prior to opening renewal discussions, as the options include new construction.

**What are some of the challenges we ran into over the course of the year?** New standards have come into common practice in Europe, while the change in tone in the U.S. has been dramatic, and often unhelpful. We have been active with various certification and benchmarking systems in recent years to advocate for adoption of more data methodology and measurement standardization. This effort is now morphing into efforts to find language which can be deemed less political for these, to enable continuous upgrading of our portfolios.

**What opportunities did we come across in 2023?** We have seen some promising introduction of new renewable energy sources and onsite renewable opportunities, especially in our German portfolio. We continue to drive social value and engagement in our U.S. apartment portfolio, as these measures reduce turnover and drive returns.

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“Green is not dead, quite the contrary, the bifurcation between dismissal of all things ESG in the U.S. versus rising standards and tenant expectations elsewhere is hard to overstate.”

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At the recent AFIRE and ULI European meetings in Berlin and London respectively, investors expressed concern about recent policy whiplash, elevated interest rates and retreat from climate action. In addition to strong returns, investors remain committed to building better places as a key portfolio goal. Placemaking is the new buzzword referring to destinations with unique amenities, programming and/or public spas. “Green” is not dead, quite the contrary, projects and districts with leasing difficulties, such as Canary Wharf are turning to these strategies to improve leasing velocity and to secure higher rents. While some tenants are softening their public commitments, they are still seeking the best places for their customers and employees.

## **Amy Erixon**

Principal, President,  
Global Investment Management





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“Challenging financial conditions have resulted in significant headwinds for advancing the green agenda. More stringent financing and slower decision making are among key hurdles.”

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**What were our clients' priorities in 2024?**

Ongoing insurability, tenant stability and avoiding functional obsolescence remain owner priorities heading into 2025. Energy efficiency, systems modernization and tenant engagement remain essential building blocks to achieving durable returns.

**What are we expecting for the year ahead?**

2025 looks to be a challenging year with trade associations noting membership and engagement declines, especially among developers. For our part, 2025 has delivered several unexpected vacancies, thankfully opening up the possibility to capture significant rental increases that occurred during the pandemic. Our challenge is to compete effectively head-to-head with new construction. Things should return to leasing and borrowing stability by mid-2026 and into 2027.


**What is the level of optimism for the months to come?**

Challenging financial conditions have resulted in significant headwinds for advancing the green agenda. Tighter lending standards, slow return to price discovery and significant geopolitical upheaval are among key challenges. We, along with most real estate professionals, recognize that programming social value into our places, is a low-cost differentiator, beyond basic amenities. “Earning the commute” has come to mean tenant and public engagement. We look forward to partnering with both tenants and financial partners to make strategic investments that will protect values and drive occupancy.





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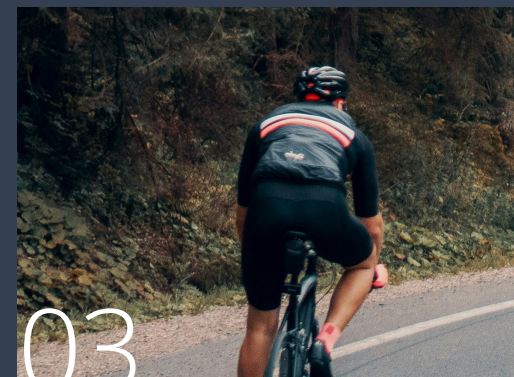
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# European perspective

## ESG is evolving

Over the past 12 months, the perception and implementation of ESG in Europe has undergone a significant transformation – from enthusiastic, top-line commitments to a more grounded, strategic integration into core business operations. Companies are shifting focus toward regulatory compliance, robust disclosure, and above all, measurable and verifiable impact. But looking ahead, the evolution of ESG will be shaped by more than just sustainability targets and investor expectations.

Over the next three to five years, geopolitical risk will emerge as a defining force – reshaping supply chains, accelerating the energy transition, fragmenting global regulations, and challenging companies to balance regional pressures with global ESG ambitions.

In this new reality, geopolitics is no longer a peripheral concern; it is now central to how ESG strategies are designed, implemented, and measured. To lead in this space, companies will need to embed geopolitical awareness into their ESG frameworks – making resilience, adaptability, and transparency key pillars of long-term sustainability.

## Investor initiatives

Despite the progress made, significant challenges remain that will shape the future of ESG investing. The continued variation in ESG scoring frameworks across investors and lenders creates inconsistencies that must be addressed through greater standardization and transparency. As regulatory requirements tighten and geopolitical risks intensify, investors will need more reliable, comparable data and a strategic approach to integrating ESG factors. To stay ahead of these evolving demands, we are shifting beyond data collection toward actively aligning asset-level goals with tenant ESG targets – fostering deeper cooperation on implementation and transparent reporting. Moving forward, collaboration across the industry will be essential to transform ESG from a fragmented practice into a unified, impactful driver of sustainable value creation.

## Challenges

While the real estate sector has made meaningful strides in ESG integration, significant challenges persist and have intensified over the past year. Variations in ESG scoring frameworks among investors and lenders continue to cause inconsistencies, complicating reporting and comparability. Legal and privacy constraints still limit landlords' access to critical energy consumption data, despite innovative lease clauses aimed at bridging this gap.

Meanwhile, rising compliance costs – from technical upgrades to certifications and regulatory mandates – are reshaping capital allocation decisions. Coupled with growing geopolitical uncertainties and market skepticism, these factors underscore the urgent need to embed ESG strategically, not just operationally. For real estate owners, the path forward lies in leveraging these challenges as opportunities to future-proof portfolios, enhance transparency, and deliver measurable environmental and social impact that meets evolving stakeholder expectations.








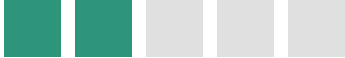

# Progress towards our goals

Explore our global priorities  
and goals alongside how  
we're doing and some of the  
highlights of our journey so far.








# Carbon emissions

Our goal	Our progress	Our journey
Continuous reduction in energy and water consumption of 3-5% per year.	 Gaining momentum	<ul style="list-style-type: none"> <li>– LED lighting upgrades are ongoing to improve energy efficiency across older buildings (30–40 years old), integrated into refurbishment scopes.</li> <li>– Smart metre installations (in partnership with Discovery) are in progress in Stuttgart and Cologne to enable real-time energy monitoring and better management.</li> <li>– Digital water metres (Smartvatten) have been ordered for key assets including Stuttgart and Germering, enabling real-time consumption tracking and advanced leak detection.</li> <li>– Water usage measurement is being addressed via new metre concepts and ongoing platform integration.</li> <li>– We commissioned an expert to prepare a comprehensive metre concept for each property and reviewing historical data.</li> </ul>
Implement minimum water efficiency standards for all fixtures by 2025.	 Working on it	<ul style="list-style-type: none"> <li>– Ongoing upgrades as part of major capital expenditures (CapEx) and tenant fit-out projects.</li> </ul>
Continuous reduction in waste generation and improvement in recycling rates.	 Working on it	<ul style="list-style-type: none"> <li>– In consultation with Westridge/Agradblue, we initiated a professional waste management assessment in 2024.</li> <li>– Due to municipal disposal rules, direct waste tracking remains limited, but we are investigating centralized and digitized options per asset.</li> <li>– Recycling remains difficult to monitor at tenant level, but new leases include ESG clauses encouraging compliance.</li> <li>– Tenant engagement is increasing via ESG surveys and data-sharing initiatives.</li> </ul>
All assets to achieve 30-50% diversion from landfill by 2030.	 Working on it	<ul style="list-style-type: none"> <li>– Target to be supported by enhanced waste tracking solutions and lease-based commitments.</li> </ul>
Regular e-waste collections at every asset by 2025.	 Working on it	<ul style="list-style-type: none"> <li>– Property managers have been instructed to identify opportunities for e-waste improvements, especially at high-turnover assets.</li> <li>– In light of tenant departures, we prioritize responsible asset clearance – e.g., auctioning inventory post-insolvency rather than discarding.</li> <li>– Future resource reuse and disposal planning will be integrated into property-specific ESG checklists.</li> </ul>








# Renewables

Our goal	Our progress	Our journey
Achieve net zero carbon (scopes 1-3) by 2040.	 Gaining momentum	<ul style="list-style-type: none"> <li>- A Net Zero pathway study has commenced in 2024, focusing on lifecycle replacement planning and opportunities to transition to renewable-ready, all-electric systems.</li> <li>- Electrification will be implemented gradually through major refurbishments and tenant fit-outs; technical feasibility and CapEx planning are under review.</li> <li>- Transition to climate-friendly refrigerants is included in long-term building system upgrades, with a phased reduction of HFCs in line with the 2040 target.</li> </ul>
25% of energy consumption across the portfolio must come from renewable sources by 2030; 50% by 2040; 100% renewable energy consumption by 2050.	 Gaining momentum	<ul style="list-style-type: none"> <li>- Out of five buildings:             <ul style="list-style-type: none"> <li>- Two are supplied with 100% renewable gas</li> <li>- Four procure 100% renewable electricity for common areas</li> <li>- Two are on district heating systems, with limited control over the energy source</li> <li>- One is fully leased to a single tenant with no landlord influence on energy procurement</li> </ul> </li> <li>- While tenant contracts remain outside our control, green energy usage is actively promoted during lease discussions and ESG clause negotiations.</li> </ul>
Complete solar PV and wind turbine rollout on all viable rooftops or other useable site areas by 2030.	 Working on it	<ul style="list-style-type: none"> <li>- Assessment of rooftop PV potential is ongoing, with legal, technical, and financial models under review.</li> <li>- Operating models under consideration include: landlord-owned, tenant-operated, and third-party lease structures.</li> <li>- Legal and tax implications are being evaluated to determine the most suitable strategy.</li> <li>- Initial PV project discussions are underway for two buildings.</li> </ul>







## Measurement

Our goal	Our progress	Our journey
Obtain or estimate tenant energy consumption for 100% of portfolio tenancies by 2025.	 Gaining momentum	<ul style="list-style-type: none"> <li>– We are optimizing service contracts with facility and property management to enhance tenant-level energy reporting.</li> <li>– ESG clauses in leases now include a “sustainable acknowledgment” requiring tenants to share consumption data annually.</li> <li>– Collaboration with Westridge supports ongoing data verification and improved transparency.</li> </ul>
Install smart metering across the portfolio by 2025.	 Gaining momentum	<ul style="list-style-type: none"> <li>– Smart meters for electricity will be installed in all building common areas by the end of 2024.</li> <li>– Digital water meters (Smartvatten) are being installed in two of five buildings in 2024, with expansion planned for remaining assets.</li> </ul>
Improve tracking and data consistency by standardizing GHG emission calculations by 2025.	 Gaining momentum	<ul style="list-style-type: none"> <li>– A property-level ESG dashboard is under development to centralize emissions tracking and reporting.</li> <li>– We are working with property managers to integrate digital tools that enable consistent data collection, with direct links to GRESB and other ESG frameworks.</li> </ul>

## Biodiversity and habitat

Our goal	Our progress	Our journey
Survey of all assets by 2025 to identify opportunities to create habitats that promote biodiversity.	 Working on it	<ul style="list-style-type: none"> <li>– Beehives have been installed at two of our five buildings. Further biodiversity initiatives are being evaluated for rollout across the portfolio.</li> </ul>
Implement drought-tolerant landscaping plan for all assets by 2027.	 Working on it	<ul style="list-style-type: none"> <li>– This requirement is embedded in the full refurbishment scopes of selected properties as part of long-term sustainability planning.</li> </ul>







# GRESB commentary

## How has our overall GRESB score changed/improved this year?

Our GRESB score increased from 72 to 75 this year, reflecting steady improvement and recognition of the enhancements made to our ESG framework. We are encouraged by this upward trend and remain committed to driving further progress across all assessment categories in the years ahead.

## What were the key factors that contributed to our result?

Our improved score reflects ongoing efforts to embed ESG into all aspects of asset management. Strong governance, leadership commitment, and a clear ESG strategy at the corporate level were positively assessed.

We also achieved high marks in data monitoring and stakeholder engagement, supported by the rollout of smart metering, tenant ESG clauses, and collaboration with external consultants. These initiatives have strengthened the reliability and scope of our environmental data, contributing to a more robust and transparent ESG reporting framework.







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“Collaboration between tenants and landlords has never been stronger.”

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**How do you think this will evolve in the short/medium term?**

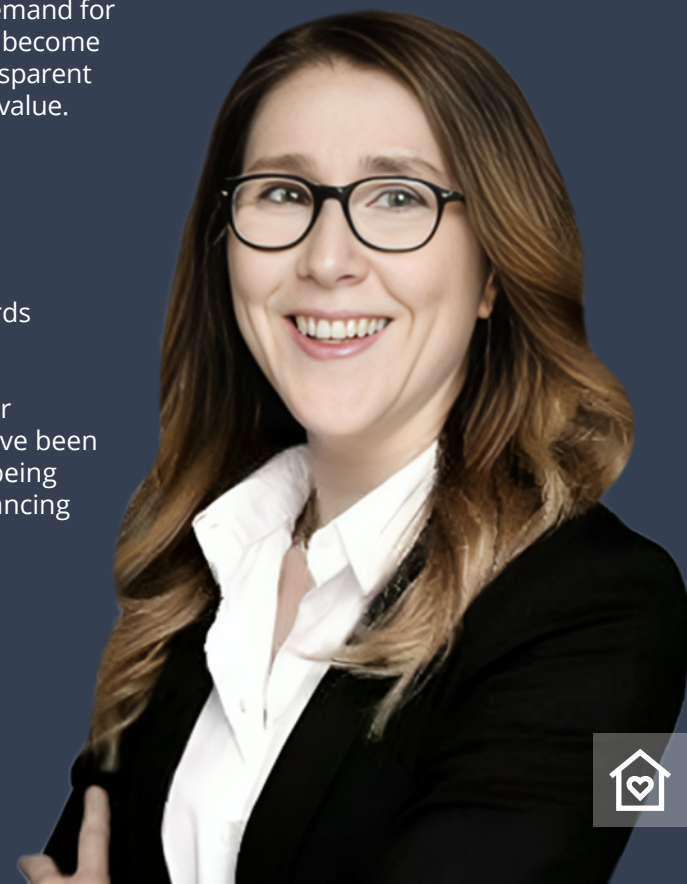
We must recognize that what feels ‘extraordinary’ today will soon become the new ‘normal.’ To stay ahead, we need to shift ESG from a compliance checklist to a strategic, collaborative effort. This requires close partnerships across the entire property lifecycle – landlords, tenants, property managers, and facility managers – working together to embed sustainability in operations. With increasing regulatory and geopolitical pressures, alongside the demand for measurable impact from investors, ESG will become a core business priority, evolving into a transparent and cooperative ecosystem that drives real value.

**What was the highlight for you, or most impactful initiative or action across the portfolio?**

Collaboration between tenants and landlords has never been stronger. This enhanced cooperation allows us to actively promote innovative sustainability projects across our portfolio – projects that simply wouldn’t have been feasible a few years ago. We take pride in being an ESG-conscious investor, continually balancing our tenants’ needs with our commitment to driving meaningful ESG outcomes.

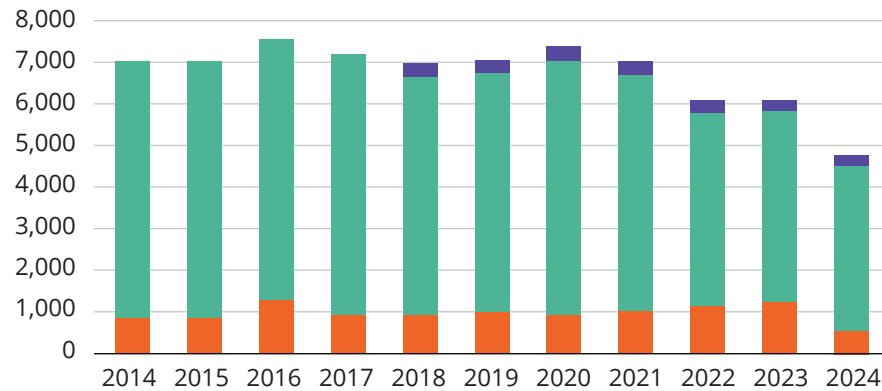
**Simone Knopf**

Director, Investment Management



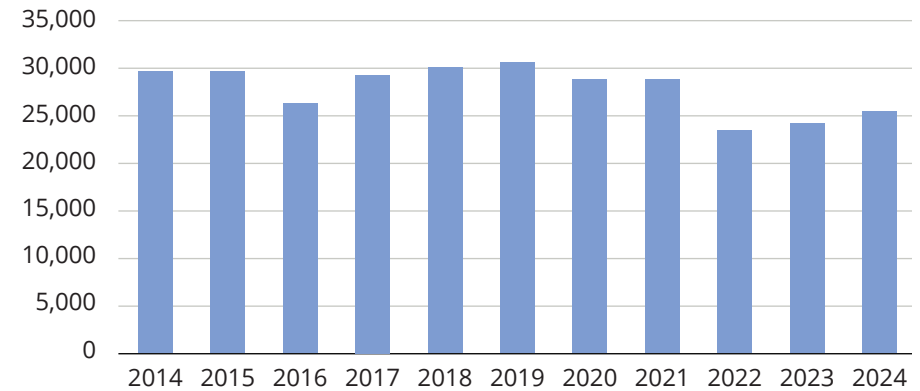
# Consumption data report

## Summary of emissions (tCO2e)



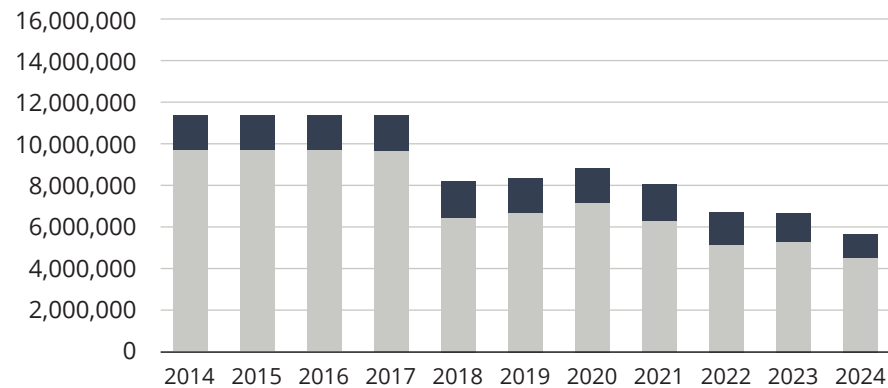
Scope 1: Direct emissions Scope 2: Indirect emissions, energy Scope 3: Indirect emissions, other

## Water consumption (litres)



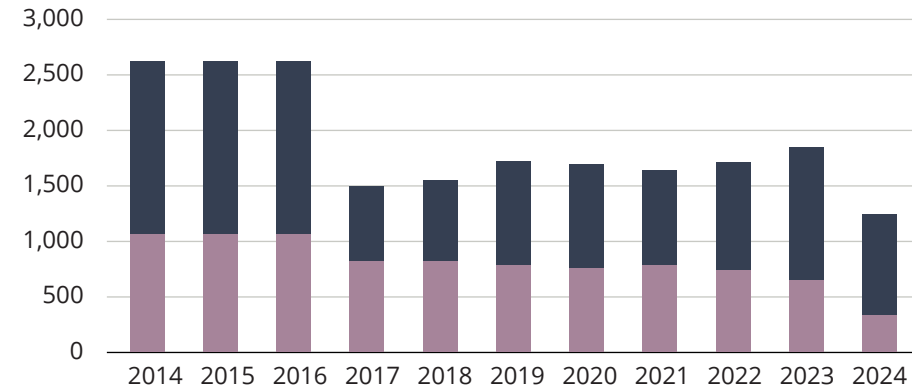
Water consumption

## Energy consumption (kWh)



Electricity consumption Gas consumption

## Total waste (tonnes)



Landfill Recycling





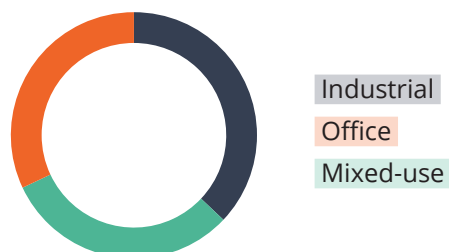
# Portfolio consumption tables

Natural gas, oil, propane (scope 1 direct)		Total emissions (tCO2e)	
Property		2023	2024
Cologne 1 – LUX		-	-
Cologne 1 – BAR		-	-
Cologne 2		-	-
Berlin		-	-
München		118.89	122.7
Stuttgart		115.58	87.67
<b>Germany</b>		<b>234</b>	<b>210.37</b>

Electricity, steam, chilled water (scope 2)		Total emissions (tCO2e)	
Property		2023	2024
Cologne 1 – LUX		-	-
Cologne 1 – BAR		123.9	79.73
Cologne 2		294.52	395.83
Berlin		-	-
München		124.94	61.45
Stuttgart		1.14	1.7
<b>Germany</b>		<b>544.51</b>	<b>538.71</b>

Water, landfill waste (scope 3)		Total emissions (tCO2e)	
Property		2023	2024
Cologne 1 – LUX		670.52	620.66
Cologne 1 – BAR		39.57	52.58
Cologne 2		616.95	134.77
Berlin		838.96	825.59
München		171.79	134.53
Stuttgart		590.49	500.85
<b>Germany</b>		<b>2,928.29</b>	<b>2,266.98</b>

## GHG emissions (tCO2e) by use



Total GHG emissions		Total emissions (tCO2e)	
Property		2023	2024
Cologne 1 – LUX		670.52	620.66
Cologne 1 – BAR		163.48	132.32
Cologne 2		911.47	530.61
Berlin		838.96	823.59
München		416.89	318.69
Stuttgart		708.44	590.2
<b>Germany</b>		<b>3,709.76</b>	<b>3,016.06</b>

Energy use intensity (kWh psf)		Intensity (kWh psf)	
Property		2023	2024
Cologne 1 – LUX		8.4	8.2
Cologne 1 – BAR		10	8.3
Cologne 2		5.3	4.4
Berlin		6.4	6
München		15.4	12.9
Stuttgart		8.18	10.39
<b>Germany</b>		<b>7.2</b>	<b>6.51</b>

Water use intensity (kWh psf)		Intensity (kWh psf)	
Property		2023	2024
Cologne 1 – LUX		12	28.9
Cologne 1 – BAR		28.2	29.6
Cologne 2		28.2	29.6
Berlin		5.8	5.5
München		8.1	10.8
Stuttgart		16	16.1
<b>Germany</b>		<b>14.8</b>	<b>15.59</b>

Waste intensity		Total waste (tonnes psf)	
Property		2023	2024
Cologne 1 – LUX		0.52	0.55
Cologne 1 – BAR		0.57	0.36
Cologne 2		1.23	0.19
Berlin		0.91	0.91
München		1.89	1.68
Stuttgart		2.26	2.08
<b>Germany</b>		<b>1.16</b>	<b>0.78</b>



# Portfolio consumption tables

## Total energy (kWh)

Property	2023	2024
Cologne 1 – LUX	1,939,714	-
Cologne 1 – BAR	484,305	-
Cologne 2	2,558,449	-
Berlin	3,571,475	-
München	1,456,031	-
Stuttgart	1,496,787	-
<b>Germany</b>	<b>11,506,761</b>	<b>-</b>

## Electricity (kWh)

Property	2023	2024
Cologne 1 – LUX	872,910	-
Cologne 1 – BAR	132,117	-
Cologne 2	1,741,580	-
Berlin	984,348	-
München	800,029	-
Stuttgart	859,048	-
<b>Germany</b>	<b>5,390,032</b>	<b>-</b>

## Heating (kWh)

Property	2023	2024
Cologne 1 – LUX	1,066,804	-
Cologne 1 – BAR	352,188	-
Cologne 2	816,869	-
Berlin	2,587,127	-
München	-	-
Stuttgart	-	-
<b>Germany</b>	<b>4,822,988</b>	<b>-</b>

## Water (L)

Property	2023	2024
Cologne 1 – LUX	2,767,500	-
Cologne 1 – BAR	1,360,200	-
Cologne 2	12,633,000	-
Berlin	3,244,320	-
München	769,240	-
Stuttgart	2,932,000	-
<b>Germany</b>	<b>23,706,260</b>	<b>-</b>

## Total waste (tonnes)

Property	2023	2024
Cologne 1 – LUX	120.72	125.80
Cologne 1 – BAR	27.46	17.45
Cologne 2	599.55	92.10
Berlin	507.90	507.90
München	179.26	130.70
Stuttgart	413.96	380.70
<b>Germany</b>	<b>1,849</b>	<b>1,255</b>

## Landfill (tonnes)

Property	2023	2024
Cologne 1 – LUX	53.82	40.40
Cologne 1 – BAR	17.16	5.64
Cologne 2	203.97	41.00
Berlin	41.60	41.60
München	156.10	57.30
Stuttgart	183.23	167.00
<b>Germany</b>	<b>656</b>	<b>353</b>

## Recycling (tonnes)

Property	2023	2024
Cologne 1 – LUX	66.9	85.4
Cologne 1 – BAR	10.3	11.81
Cologne 2	395.58	51.1
Berlin	466.3	466.3
München	23.16	73.4
Stuttgart	230.73	213.7
<b>Germany</b>	<b>1,193</b>	<b>902</b>





# GRESB real estate benchmark report

2024 scorecard



## 2024 GRESB Standing Investments Benchmark Report

PSS/TPP Investments AY Europe Cooperatief  
U.A.

Avison Young Investments

### Participation & Score



### GRESB Rating



Status:  
Non-listed

Strategy:  
Core

Location:  
Germany

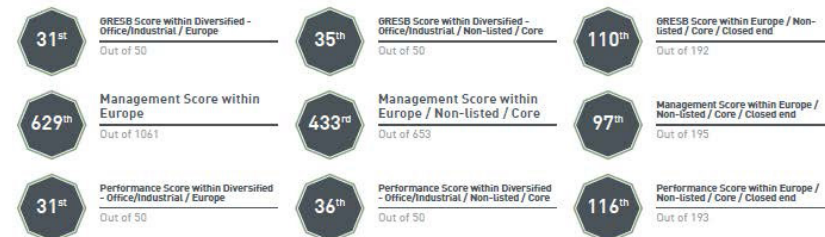
Property Type:  
Diversified - Office/Industrial

### Peer Group Ranking

#### Predefined Peer Group Ranking

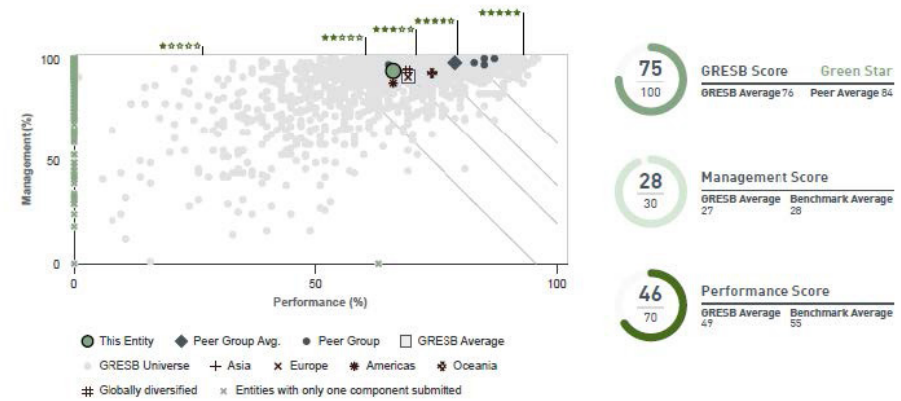


### Rankings

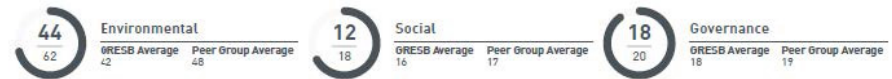


# GRESB real estate benchmark report

2024 scorecard



## ESG Breakdown



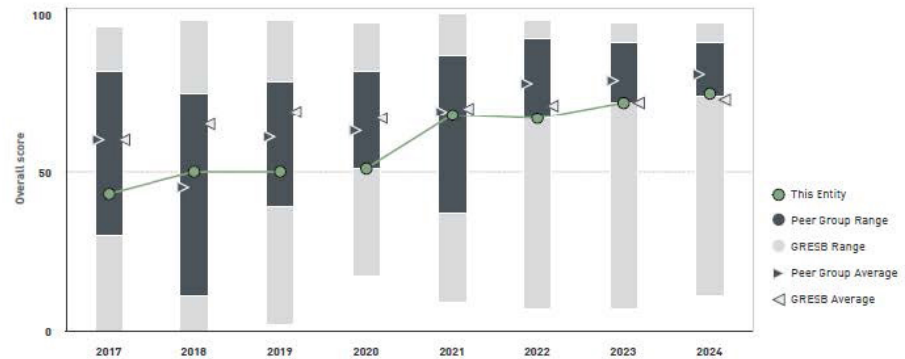


## Annex A

# GRESB real estate benchmark report

## 2024 scorecard

### Trend



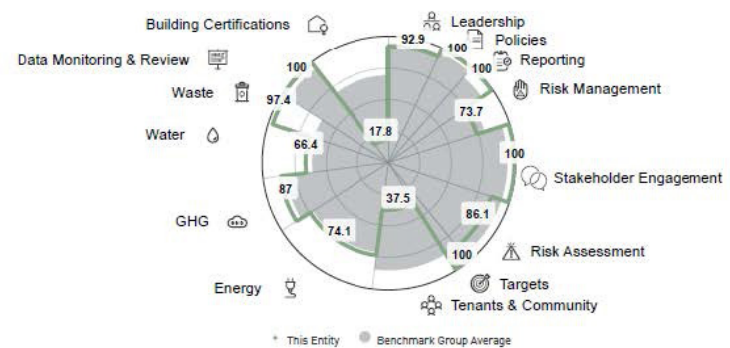
#### Note:

GRESB advises against the direct comparison between 2024 GRESB Scores and prior year results. The new Standard provides a more rigorous assessment of sustainability practices, new asset-level benchmarks, and enhanced alignment with emerging investor priorities. These benefits come at the cost of comparability, and investors are encouraged to carefully evaluate changes driven by the evolution of the Standard, assessment methodology, and participant actions.

Relative comparisons are among the best indicators of performance, and they provide investors and other data users with clear and relevant information to better contextualize a score, given the evolving methodology. Investors are encouraged to use rankings to understand the relative position of companies among their peers.

For more detailed information about this year's changes and their impact, [please click here](#).

### Aspect, Strengths & Opportunities



MANAGEMENT COMPONENT  
Europe | Core (653 entries)



## Annex A

# GRESB real estate benchmark report

## 2024 scorecard





## Annex A

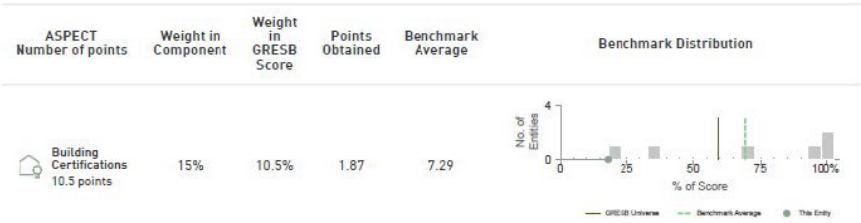
# GRESB real estate benchmark report

## 2024 scorecard



# GRESB real estate benchmark report

2024 scorecard



## Entity & Peer Group Characteristics





















	This Entity	Predefined Peer Group (6 entities)
Primary Geography:	Germany	Western Europe
Primary Sector:	Diversified - Office/Industrial	Diversified - Office/Industrial
Nature of the Entity:	Private (non-listed) entity	Core
Average GAV:		\$548 Million
Total GAV:	\$300 Million	
Reporting Period:	Calendar year	
Regional allocation of assets:	<div><div>Germany</div>100%</div>	<div><div>Germany</div>44%</div> <div><div>Netherlands</div>18%</div> <div><div>France</div>11%</div> <div><div>United Kingdom of Great Britain and Northern Ireland</div>11%</div> <div><div>Belgium</div>5%</div> <div><div>Spain</div>3%</div> <div><div>Finland</div>3%</div> <div><div>Italy</div>3%</div> <div><div>Denmark</div>2%</div> <div><div>Portugal</div>1%</div> <div><div>Austria</div>1%</div>





# GRESB real estate benchmark report

## 2024 scorecard

	This Entity	Predefined Peer Group (6 entities)
Sector allocation of assets:	Industrial: Other  38% Office: Corporate: Mid-Rise Office  18% Retail: Retail Centers: Warehouse  18% Industrial: Industrial Park  15% Office: Corporate: Low-Rise Office  7% Office: Corporate: High-Rise Office  4%	Industrial: Distribution Warehouse: Non-Refrigerated Warehouse  33% Office: Corporate: Mid-Rise Office  26% Office: Other  12% Industrial: Other  11% Industrial: Distribution Warehouse: Refrigerated Warehouse  4% Retail: Retail Centers: Warehouse  4% Industrial: Industrial Park  3% Mixed use: Office/Industrial  2% Mixed use: Other  1% Office: Corporate: Low-Rise Office  1% Retail: Retail Centers: Shopping Center  1% Other Sectors with < 1% allocation  1%
Control	Tenant controlled  72% Landlord controlled  28%	Tenant controlled  83% Landlord controlled  17%
Peer Group Constituents		<ul style="list-style-type: none"> <li>• abrdn [1]</li> <li>• Aviva Investors [1]</li> <li>• Hines [1]</li> <li>• Irish Life Investment Managers [1]</li> <li>• Swiss Life Asset Managers Luxembourg [1]</li> </ul>



# 2024 ESG report

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Europe

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