

Smart metering systems ensure reliability

Climate Protection is a task for society as a whole, which is also increasingly reflected in the legal framework for the economy in Germany. The real estate industry has a special responsibility in this regard: the building sector contributes around 35 per cent to final energy consumption and around 28 per cent to CO₂ emissions. In order to achieve the specified climate protection targets at portfolio level, HIH Invest's asset management is developing strategic measures with the aim of reducing CO₂ consumption on a portfolio-wide basis, increasing energy efficiency and conserving resources.

HIH Invest is in close contact with industry associations and scientific initiatives. The questions that concerns us: How can real estate companies contribute to climate protection across sectors and beyond national borders? In this conversation we speak to Steven Pringle, Director Member Relations GRESB, for the first part of our three-part interview series. The organisation was founded in 2009 by a number of investors who wanted to facilitate access to comparable and reliable data on the environmental, social and management performance of their investments.

Mr Pringle, is the real estate industry aware of its responsibility for climate protection?

Real estate companies have realised that general declarations of intent are no longer sufficient. Self-image development is no longer based on how companies report on themselves in ESG reports. Today, reputation is built on public commitments and how the impact of the company's climate measures can be verified.

From your point of view, what role does the commitment of initiatives such as GRESB play in promoting climate protection involvement in the real estate industry?

Many investors have different climate targets. GRESB believes that those targets related to net zero targets, regulatory reporting as well as physical and transition risks are becoming increasingly important. The GRESB valuation and the underlying data are aligned with many of these targets and will adapt to the changing needs of investors. The GRESB Benchmark Report is the first tool to identify a portfolio's ESG performance in relation to its direct peers and the real estate industry as a whole.

GRESB was founded in 2009. How have the requirements changed since then?

Investors and legislators are increasingly demanding transparency on sustainability aspects, which is also reflected in the further development of GRESB's assessment process. When we first started collecting information on sustainability, participating companies only had to prove that they had access to information on the energy consumption and CO₂ emissions of their holdings. In the future, a high rating - irrespective of whether it is through GRESB or other initiatives - will not only depend on the availability and



accessibility of the data. The data must reliably show the extent to which they contribute to the decarbonisation of real estate portfolio.

What role does digitalisation play in this, especially with regard to the increased requirements for data collection, documentation and reporting?

Digitisation plays a big role in enabling building owners to quantify their energy consumption and make plans to reduce it. If you don't have insight into your energy use and the resulting carbon emissions, it's difficult to determine which parts of the building's operation are the most energy and carbon intensive. This is where smart metering and advanced building management systems are critical for measuring performance.

Thank you very much for the interview, Mr Pringle.

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About HIH Invest Real Estate

HIH Invest Real Estate ("HIH Invest") is one of the leading investment managers for real estate in Germany and elsewhere in Europe. We find, develop and control real estate and investments under a forward-looking approach in the best interest of our clients. Decades of experience, close proximity to real estate markets and tight networking enable us to identify real estate opportunities and to act on them quickly during the right market cycle.

Around 260 institutional clients entrust their investments to HIH Invest. They benefit from the structuring, product development, property management and market development specialists we make available for the purpose of developing just the right investment solutions for them.

HIH Invest maintains a presence in ten different locations across Europe. As part of the HIH-Group, we cover the entire real estate investment value chain with in-house capacities. The early recognition of market changes, the implementation of regulatory requirements and forward-looking digital management are part of our corporate philosophy.



At the moment, we have 16.4 billion euros worth of assets under administration in 90 investment funds.

For details, visit the company homepage at: www.hih-invest.de