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), 61 (57%) 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 above 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 Globally 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 WRA in 2019. These are interested by the results of the Global Investor Coalition on Climate (GIC) launched in 2016. The percentage of Fund Assessment Scores was higher than the Weighted Asset Assessments in 2019, showing that fund management practices tend to lead the overall performance of the underlying assets. Fund managers should put most effort into improving asset performance before improving fund performance.

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 quartiles (as shown by the boxplots), providing a relative measure of performance within the relevant ESG area.

In 2018, an indicator on gender and diversity was introduced to both the Fund and Asset Assessment. In the chart, the darker bars show the performance of management (male plus female) and the lighter bars show the performance of employees. For both the Fund and Asset Assessment, in the chart, upper, darker bars show the performance of management (male plus female) and the lighter bars show the performance of employees. For both the Fund and Asset Assessment, in the chart, upper, darker bars show the performance of management (male plus female) and the lighter bars show the performance of employees.

In 2019, 78% of funds reported having a sustainable investment strategy, an increase of 4% compared to 2018. The most common strategies reported by funds in 2019 were: implementation of environmental, social and governance (ESG) standards or principles (81%) and employee engagement (73%). The implementation of environmental, social and governance (ESG) standards or principles is relatively strong, with more than half of all participants considering these strategies important for their business.

In terms of the indicators (right), funds and assets are scoring well on senior employee responsibility, communication with governance bodies and implementing business strategies. However, the results show a need for improvement in setting specific resilience targets and analysing transition risks.

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 funds, from most to least popular. Becoming a signatory to the PRI is the most commonly committed commitment, increasing from 46% in 2017 to 79% in 2019. Additionally, 71% of these 79% had committed at least 75% of their assets. Commitments to the PRI are more common than commitments to other organisations, with almost all participants committed to reporting in line with the recommendations.

The graphic above shows the number of assets participating and average score, broken down by sector. Participation grew across all main sectors and was strongest in Transport (11 additional participants, followed by Social Infrastructure (increase of 24 participants) and Renewable Power (20 new participants). The best-scoring sector is Network Utilities with an average score of 63 and the lowest average score is for Social Infrastructure (28). The score for the latter sector is dragged down by a significant number of low-scoring assets, suggesting that these organisations have not given ESG as much priority as other sectors.

Overall, 2-star ratings were 37, a 5-star rating was 70 and the minimum score for a 2-star rating was 27.

The gender diversity in the chart shows the gender diversity for management/governance level employment. Reporting shows a predominance of men in the infrastructure sector, with the lowest average score for Social Infrastructure (28). The score for the latter sector is dragged down by a significant number of low-scoring assets, suggesting that these organisations have not given ESG as much priority as other sectors.

In 2016, GRESB launched the Resilience Module as a tool to provide investors and their assets with information on resilience and adaptation. The Resilience Module is a three-year effort that will ultimately lead to new indicators in the GRESB Real Estate and Asset Assessments. In 2018, the Resilience Module was revised to increase alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD is a global initiative of leading financial organizations to promote transparency of companies’ climate-related risks and opportunities. In 2019, 38% of all participants completed the Resilience Module and Power Generation Excluding Renewables (28%).

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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).

The Asset 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 Reporting**

This chart shows the number of participants that reported on each Performance Indicator compared to the number that should have reported (i.e. for whom the issue was deemed material). Investor demand for greater reporting on these indicators has led to an absolute increase in the number of participants reporting, although the proportion has remained stable. As seen for overall scores, this is largely due to the high number of new participants, who are still developing their ESG reporting. It is therefore expected that Performance Indicator reporting will increase in the future, aided by standardization of the metrics.

**Target Reporting**

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.

**Intensity Reporting**

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 number of participants for whom it was deemed material. In almost all cases, reporting of intensity metrics has increased from last year, although the percentage reporting has remained stable. As seen for overall scores, this is largely due to the high number of new participants, who are still developing their ESG reporting. It is therefore expected that Performance Indicator reporting will increase in the future, aided by standardization of the metrics.

**Public Disclosure**

About GRESB

Mission-driven and investor-led, GRESB is the environmental, social and governance (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](http://www.gresb.com)