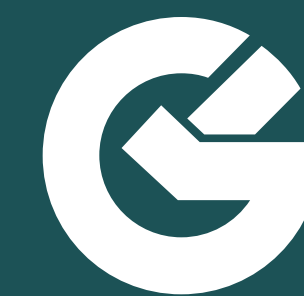


Challenges in TCFD/ISSB: Reporting for Real Estate Investments

By Anna Shpak

Copyright © 2025, Generation Impact Global SA



Generation
Impact Global



Context



Regulators demand for climate & sustainability transparency (FINMA, EU, IFRS)

Investors push for comparable, decision-useful disclosures



~40%

Real estate = ~40% of
global carbon emissions

(buildings, energy use,
construction)



1.3 T

CHF 1.3 trillion real
estate exposure in Swiss
market

(pension funds, banks,
insurance)



What is TCFD / ISSB



TCFD: Climate risk disclosure
(Governance, Strategy, Risk
Management, Metrics & Targets)



ISSB (IFRS S1 & S2):
Consolidated global baseline,
building on TCFD, SASB, CDSB,
etc.

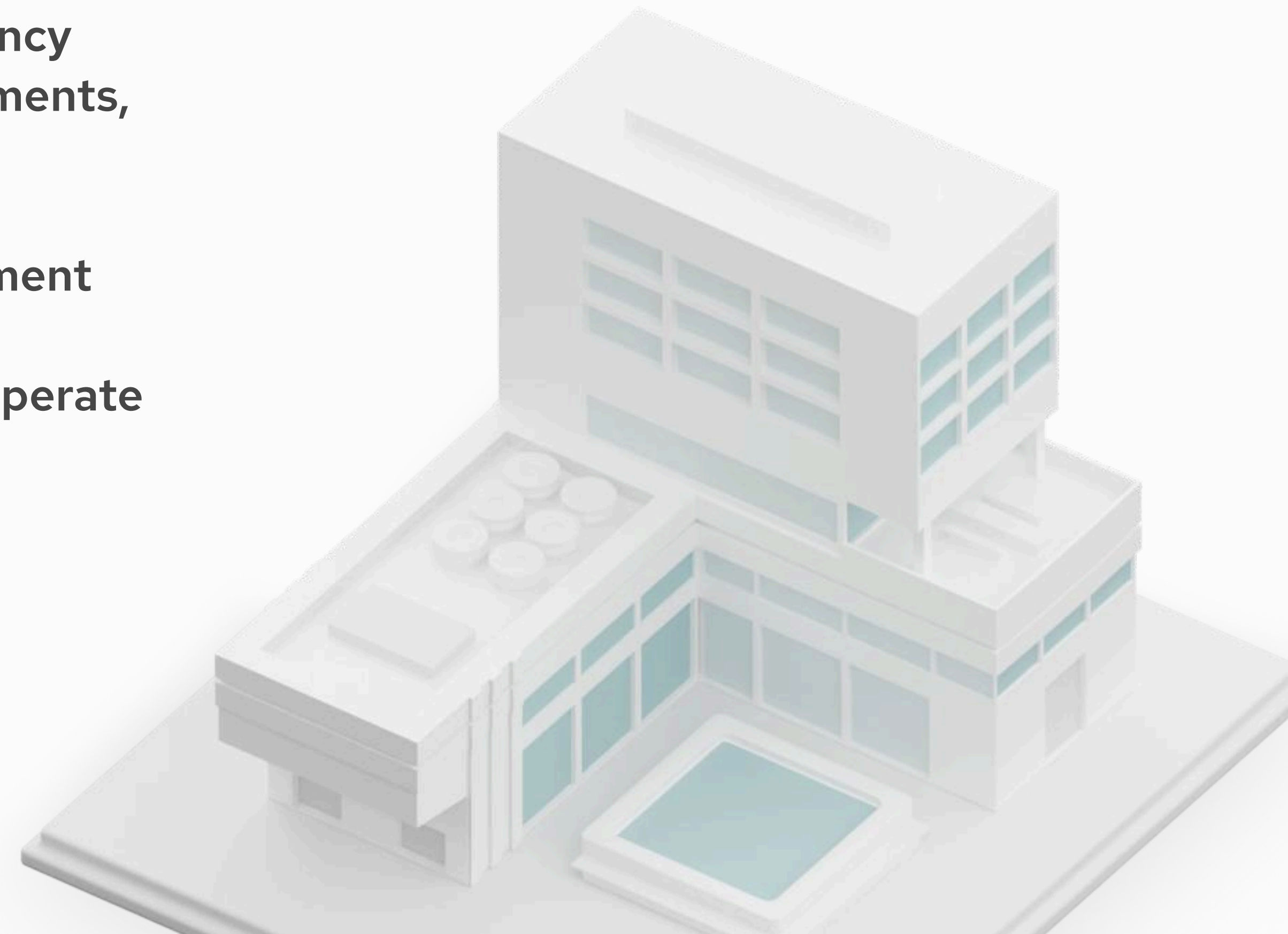


Now mandatory in some
jurisdictions; Swiss adoption
accelerating

Why reporting matters for Real Estate



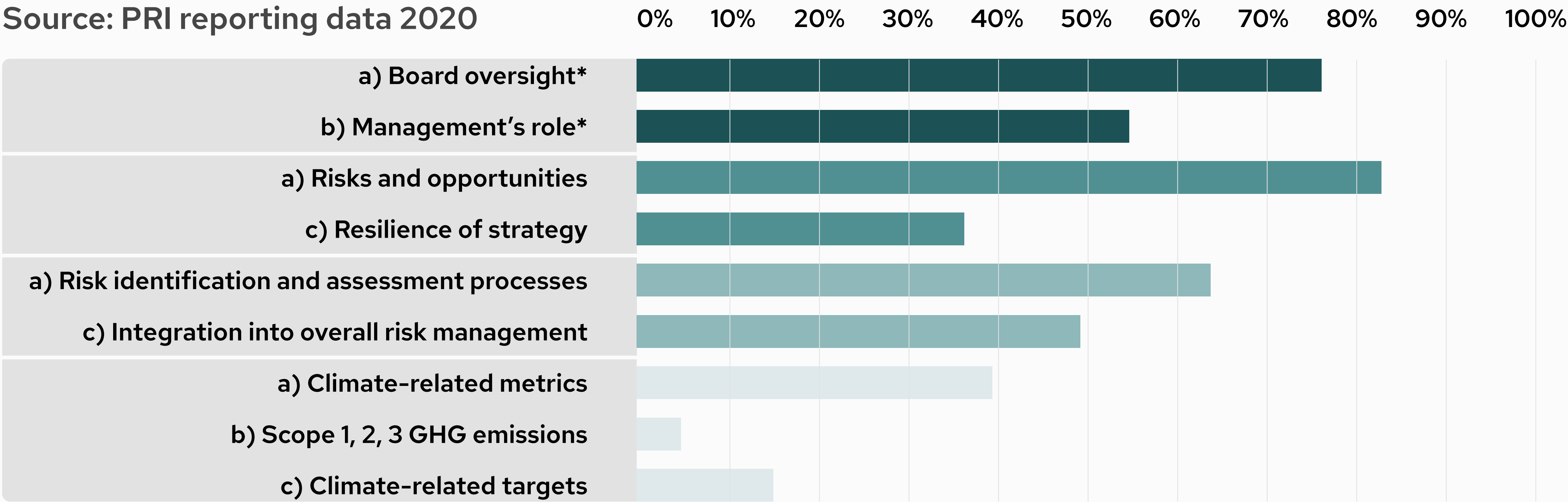
- Real estate portfolios exposed to:
 - Physical risks → flooding, heat stress, energy efficiency
 - Transition risks → carbon taxes, retrofitting requirements, stranded assets
- Investor expectations: green bonds, SFDR, CSRD alignment
- Reporting = access to capital + reputational license to operate



Percentage of real assets investors reporting against the TCFD recommendations.



Source: PRI reporting data 2020

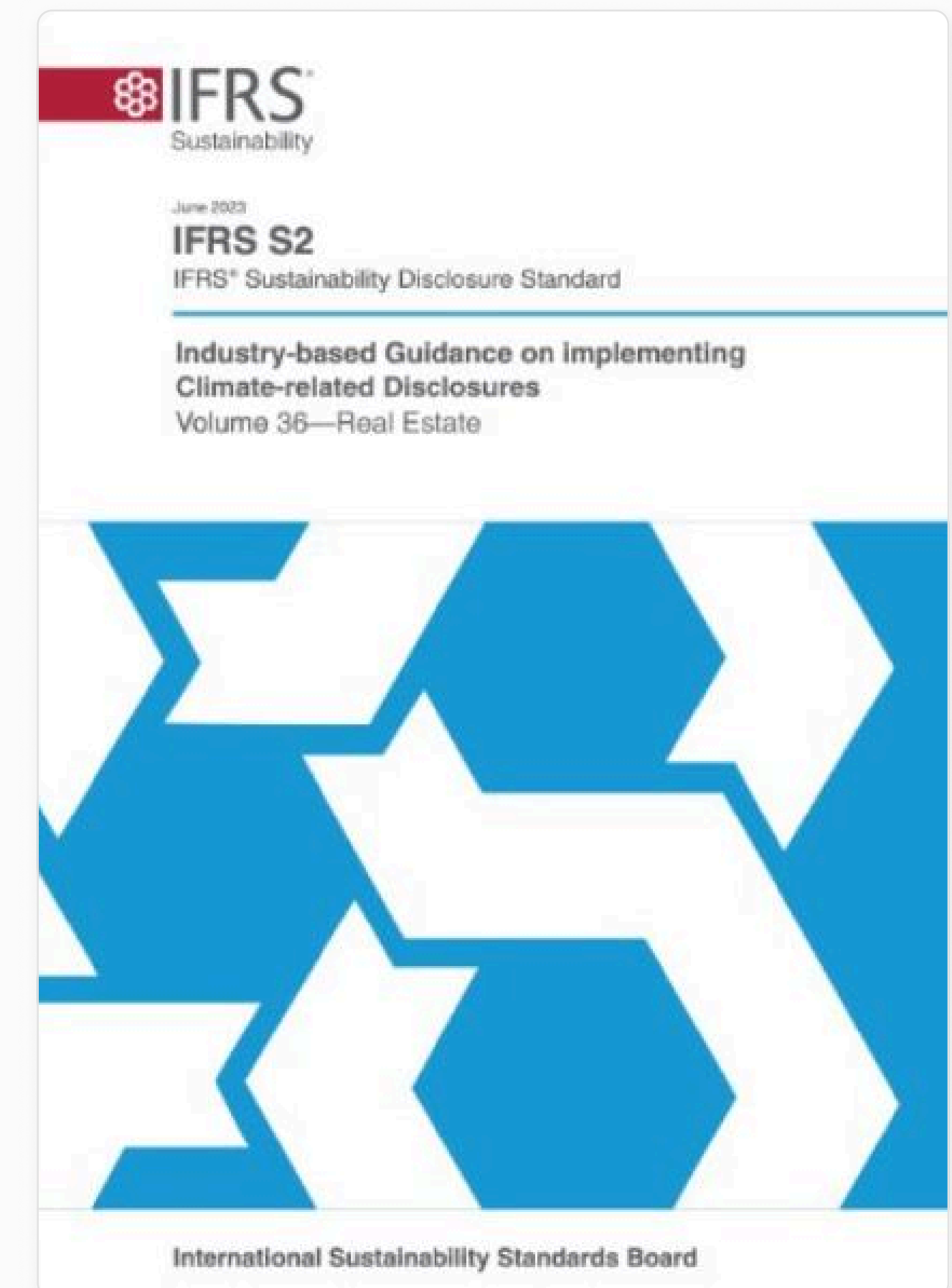


*Respondents are PRI signatories with more than 50% of firm assets invested in real estate, infrastructure, forestry or farmland

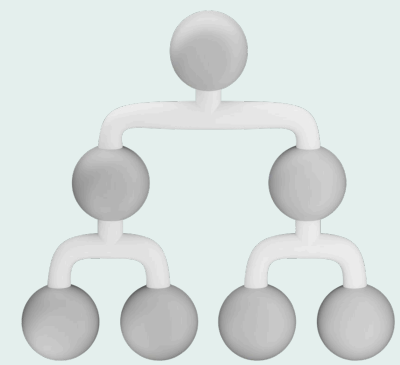
ISSB S2, Real Estate guidance



- **Sustainability Disclosure Topics & Metrics:**
 - Energy Management
 - Water Management
 - Management of Tenant Sustainability Impacts
 - Climate Change Adaptation
- **Activity Metrics:**
 - Number of assets, by property sector
 - Leasable floor area, by property sector
 - Percentage of indirectly managed assets, by property sector
 - Average occupancy rate, by property sector



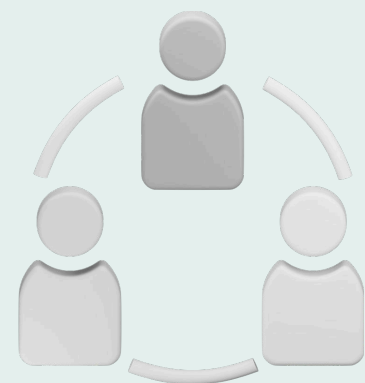
Key challenges 1: Data Availability



Fragmented building-level data (energy, water, materials)



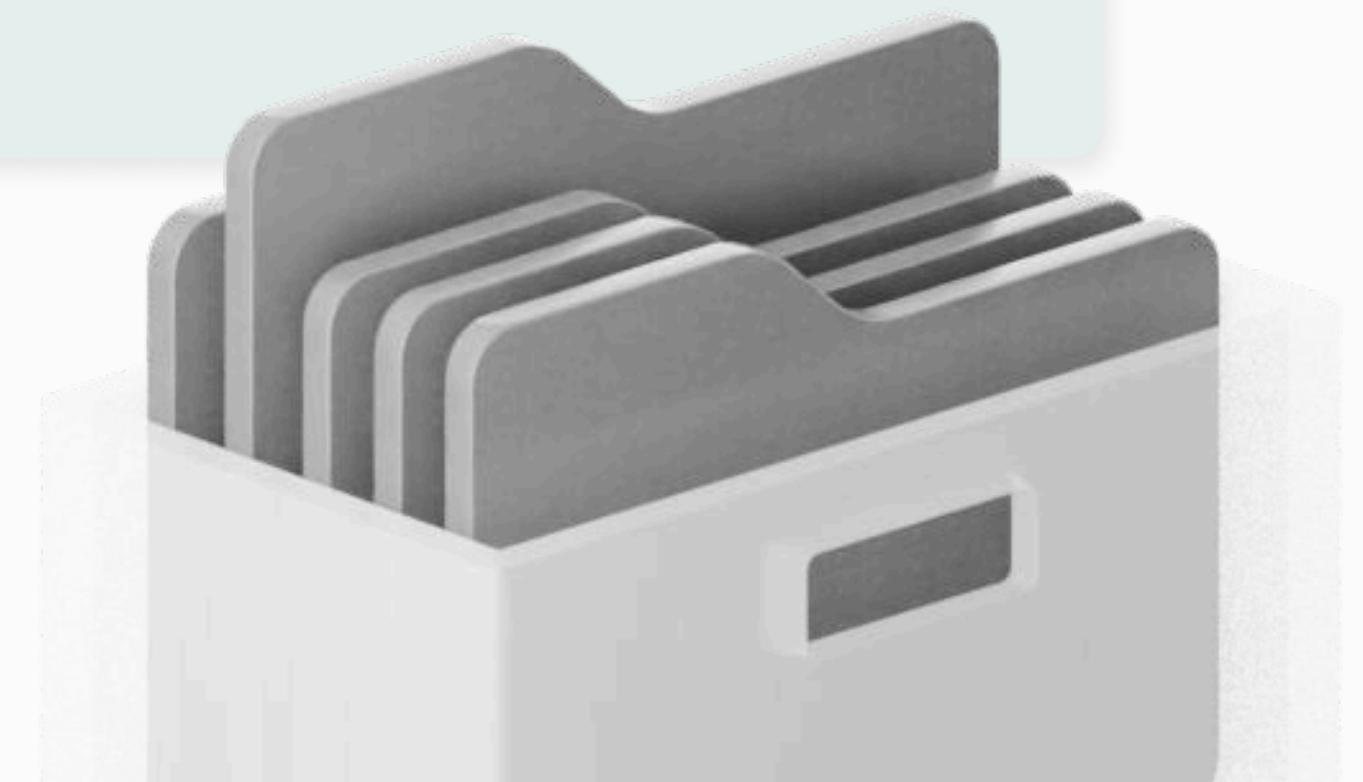
Inconsistent measurement methods (carbon factors, energy sources)



Many assets managed by third parties (data gaps)



Costly retrofitting of legacy data systems



Key challenges 2: Metrics & Methodologies



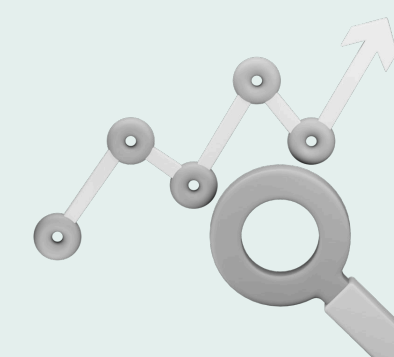
Scope 1–3 emissions complex in real estate (tenants vs owners)



Energy Performance Certificates (EPCs) not harmonised across cantons



Physical risk modelling requires climate scenarios (Swiss-specific data still limited)

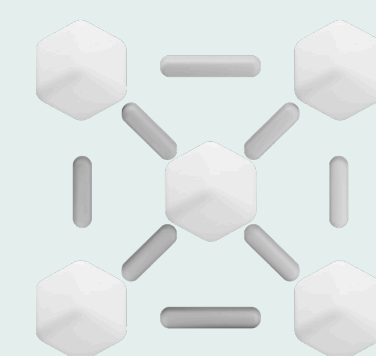


ISSB requires forward-looking disclosures, but methodologies are evolving

Key challenges 3: Comparability



**Lack of standardised KPIs
across funds / managers**



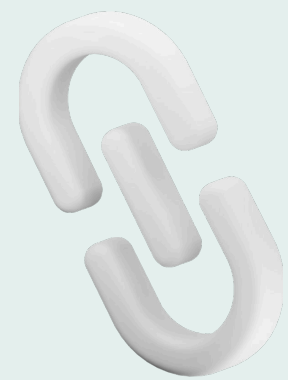
**Benchmarking difficult
(GRESB, MSCI, INREV all use
different metrics)**



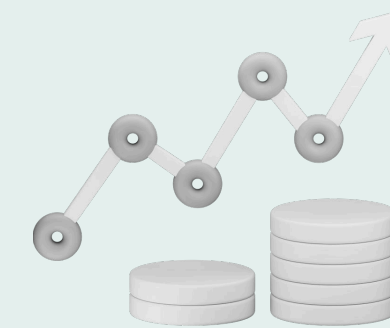
**Investors struggle to compare
“green claims” (risk of
greenwashing accusations)**



Key challenges 4: Integration with Financials



ISSB requires link to financial statements (valuation impact, impairments)



Many managers lack internal capability to translate physical risks (financial metrics)



Auditability, external assurance becoming expected



Opportunities (Not Only Challenges)



- ① Digitalisation of building data (smart meters, AI analytics)
- ② Integration with Swiss Energy Strategy 2050 targets
- ③ ISSB provides harmonisation, reduces reporting fatigue
- ④ Access to sustainable finance (green mortgages, transition bonds)



Path Forward



- ① **Build centralised ESG data infrastructure**
- ② **Collaborate across ecosystem: banks, insurers, asset managers, property managers**
- ③ **Invest in scenario analysis capabilities**
- ④ **Capacity building: training boards & investment teams**
- ⑤ **Move from compliance → value creation**



Conclusion



1

Real estate = high
impact, high exposure
(cannot ignore ISSB/TCFD)



2

Challenges: data, metrics,
comparability, financial
integration, regulation



3

“What gets measured gets
managed – and what gets
reported builds trust.”

Q&A

We make it easy, to do better
info@generationimpact.global

