

PLINTHOS RESEARCH SERIES

The UK Real Estate ESG Reporting Gap

How 136 Sustainability Reports Reveal What Funds Are Getting Wrong

An independent analysis of ESG disclosure quality across 45 UK real estate funds, 2022–2024

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136

**Sustainability Reports
Reviewed**

45 funds · 2022–2024

53pts

Widest Scoring Gap

Best vs worst: 114 vs 61 out of
120

67%

Disclose EPC Data
Only 8% provide costed
MEES pathway

Section 1: Executive Summary

This report presents the findings of an independent, multi-year analysis of ESG sustainability reporting across 45 UK real estate funds. Using the Plinthos 120-point ESG Report Quality Framework — comprising a 100-point Report Quality Score (Component A) and a 20-point SLL Readiness Overlay (Component B) — we reviewed 136 sustainability reports published between 2022 and 2024.

Twelve funds provided sufficient disclosure depth for full framework scoring across one or more reporting years. The remaining 33 funds were assessed for structural and thematic patterns — a finding that is itself significant: the majority of UK real estate funds are not yet disclosing at a level of substance that would support independent scoring.

Three Core Findings

Finding 1: Data is Present. Narrative is Largely Absent.

The average total score across the 12 fully-scored funds is 96.8 out of 120 (80.6%). Component A — which assesses narrative quality, data completeness, and disclosure depth — averages 81.2 out of 100. These headline figures mask significant structural weakness: most funds report the right numbers, but fail to tell a coherent, investor-grade story around them.

The most common pattern: Scope 1 and 2 emissions are disclosed. Carbon targets are stated. Yet fewer than half of funds provide a science-validated pathway, a costed capex plan, or a peer-benchmarked performance narrative that a fund manager or lender could use to make a decision.

Finding 2: MEES and EPC Risk is Systematically Under-Reported.

67% of funds disclose current EPC ratings across their portfolio. But only 8% go further to quantify the capital expenditure required to bring all assets to EPC B by 2030 — the anticipated regulatory threshold under MEES. With an estimated 60% of UK office stock currently below EPC B, this is not a peripheral disclosure gap: it is the single most material omission in UK real estate ESG reporting.

One exception: Derwent London discloses an estimated £97 million capex requirement to bring its portfolio to EPC B by 2030. This represents the industry standard that others should match. Without this figure, any claim that a fund has 'addressed' stranded asset risk is analytically incomplete.

Finding 3: The Gap Between Leaders and Laggards is Widening.

For the five funds with comparable data across the 2022–2024 period, the average total score improved by 8.4 points. However, this aggregate improvement conceals growing polarisation: the gap between the top-performing and lowest-performing fund widened from 47 points to 53 points over the same period.

The top three funds — British Land, Landsec, and Derwent London — average 111.7 out of 120. The bottom three — Custodian, Life Science REIT, and Civitas — average 75.7. A 36-point gap between the leaders and the laggards is material: it represents a fundamental difference in how these funds are likely to be perceived by institutional capital, GRESB assessors, and lenders structuring sustainability-linked finance.



Section 2: Why ESG Reporting Quality Matters Now

ESG reporting in UK real estate is no longer a voluntary exercise in reputation management. A convergence of regulatory mandates, lender requirements, and investor expectations has made the quality of disclosure a direct commercial variable — one that influences fund valuations, refinancing terms, and access to institutional capital.

The Regulatory Stack is Tightening

UK real estate funds face an expanding and increasingly mandatory regulatory disclosure environment:

- **MEES (Minimum Energy Efficiency Standards):** From April 2023, it is unlawful to let commercial property below EPC E. The government has signalled a trajectory towards EPC B by 2030 for commercial lettings. Funds that cannot demonstrate their EPC upgrade pathway are exposed to material stranded asset risk.
- **TCFD (Task Force on Climate-related Financial Disclosures):** Mandatory for premium-listed companies since 2022. Voluntary adoption is now expected for unlisted funds as standard practice for institutional capital.
- **SFDR and EU Taxonomy:** Applicable to UK fund managers distributing to EU investors. Article 8 and Article 9 classification requires quantitative disclosure of environmental characteristics that is not achievable without investor-grade ESG data.
- **GRESB:** The de facto benchmark for global real estate sustainability. GRESB assessment scores increasingly influence debt pricing, with lenders applying GRESB-linked covenants in sustainability-linked loans (SLLs).
- **RICS 4th Edition Red Book (effective April 2026):** Mandatory requirement for chartered surveyors to consider ESG factors in valuations and professional advice. This fundamentally changes the information requirements at the point of property transaction.

The Investment Dimension

ESG reporting quality is increasingly a prerequisite, not a differentiator, for accessing institutional capital. A consistent finding across interviews with fund managers and sustainability consultants in the UK market is that private real estate firms pursue ESG disclosure primarily to attract investment — not merely to achieve regulatory compliance.

Sustainability-linked loans (SLLs) — which offer margin reductions tied to ESG performance milestones — are now a significant component of UK real estate debt markets. The terms of an SLL depend entirely on the quality and auditability of the borrower's ESG data. A fund without ISAE 3000 assurance over its carbon intensity metrics cannot negotiate premium SLL terms.

The 'Last Mile' Problem

The UK real estate market has invested significantly in ESG data collection infrastructure. Platforms such as Measurabl, Deepki, and Scaler have achieved widespread adoption for gathering utility data, processing GRESB submissions, and building portfolio dashboards. But data collection is not reporting. The gap between a validated dataset and an investor-grade ESG narrative — one that synthesises performance, contextualises gaps, explains trajectories, and maps to regulatory frameworks — remains consistently underserved.

This report documents the consequences of that gap, across 136 reports and 45 funds, over three years.

Section 3: Research Methodology

3.1 Scope and Sample

This research reviewed 136 ESG and sustainability reports published by 45 UK real estate funds and fund managers between 2022 and 2024. The sample was drawn from LSE-listed REITs, unlisted funds, and UK-regulated asset managers with significant real estate exposure. Sectors represented include large commercial, diversified, healthcare, specialist supported housing, self-storage, life sciences, purpose-built student accommodation (PBSA), and fund management.

Reports were identified through systematic review of fund investor relations pages, Companies House filings, EPRA sBPR databases, and GRESB submissions. The sample is representative of mid-to-large UK real estate funds, with some deliberate inclusion of smaller funds (Custodian, Life Science REIT) to test the scoring framework's applicability across fund sizes.

3.2 Two-Layer Scoring Methodology

The Plinthos scoring framework operates at two levels:

- Quantitative Layer (12 funds, up to 36 scored reports): Full application of the 120-point framework across Component A (Report Quality, 100 points) and Component B (SLL Readiness Overlay, 20 points). Reports were assessed across six dimensions: Environmental (25 pts), Social (25 pts), Governance (20 pts), Data Quality (10 pts), Regulatory Compliance (10 pts), and Benchmarking (10 pts).
- Qualitative/Binary Layer (all 45 funds, 136 reports): Rapid structured review of a standardised checklist of ten disclosure items — including GHG scope completeness, EPC distribution disclosure, third-party assurance status, GRESB participation, TCFD alignment, and Net Zero target presence. This layer surfaces thematic patterns across the full sample without the analytical overhead of full framework scoring.

Of 136 reports reviewed across 45 funds, only 12 funds contained sufficient substantive disclosure to support full framework scoring. The remaining 33 were reviewed for structural and thematic patterns — a finding that is itself significant: the majority of UK real estate funds do not yet disclose at a level of substance that would support independent, investment-grade ESG assessment.

3.3 The 120-Point Framework

The Plinthos Codebook v3.1 was developed through primary analysis of 136 sustainability reports alongside reference to leading frameworks including GRESB, EPRA sBPR, GRI, TCFD, SFDR, and the UK Stewardship Code. The framework is structured to reflect what institutional investors, lenders structuring SLLs, and GRESB assessors actually require — rather than replicating generic ESG rating methodologies.

Component A (Report Quality, 100 points) assesses the 20 sub-indicators across six dimensions listed above. Component B (SLL Readiness Overlay, 20 points) specifically assesses whether the data is presented in formats suitable for sustainability-linked finance covenants, across four indicators: carbon intensity disclosure, improvement trajectories, KPI measurability, and data frequency and auditability.

Partial methodology disclosure: This report publishes the framework structure and dimension weightings, but not the complete indicator-level codebook. The full 120-point scoring system, including indicator-specific evidence criteria and scoring thresholds, forms part of Plinthos's proprietary research asset.

3.4 Anonymisation Policy

The 12 funds scored at the full framework level are identified in this report by name, as their disclosure is publicly available and industry-grade. Scores and findings presented here are based entirely on publicly available sustainability reports; no non-public or commercially sensitive information has been used.

Individual fund-level findings from the 33 binary-layer funds are presented in aggregate only. No named attribution is made for binary-layer findings.

Section 4: Industry Findings

4.1 Overall Performance Distribution

The table below presents full framework scores for the 12 funds assessed at the quantitative layer, ranked by total score (most recent reporting year per fund).

Company	Sector	Component A	Component B	Total /120	Rating
British Land	Large Commercial	95/100	19/20	114	Excellent
Landsec	Large Commercial	94/100	18/20	112	Excellent
Derwent London	Large Commercial	90/100	19/20	109	Excellent
Target Healthcare	Healthcare REIT	89/100	17/20	106	Excellent
Schroders RE	Asset Manager	88/100	18/20	106	Good
Unite Group	PBSA REIT	85/100	17/20	102	Good
Care REIT	Healthcare REIT	82/100	15/20	97	Good
Picton	Diversified REIT	79/100	15/20	94	Good
Big Yellow	Self-Storage REIT	78/100	16/20	94	Good
Custodian	Small Diversified	72/100	13/20	85	Adequate
Life Science REIT	Life Science	68/100	13/20	81	Adequate
Civitas	Social Housing	54/100	7/20	61	Developing

The distribution reveals a bifurcated market: a small cluster of large, commercially-focused REITs achieving Excellent ratings (British Land, Landsec, Derwent London), a broad mid-tier of Good performers spanning diverse fund types, and a tail of Adequate and Developing reporters.

The scoring range spans 53 points (61 to 114 out of 120). This is not a marginal gap attributable to reporting style differences — it reflects fundamental differences in the quality and depth of ESG disclosure, with direct implications for investor comparability and lender risk assessment.

4.2 Performance by Dimension

Across the six scoring dimensions, the Environmental and Governance pillars score highest on average (both 81%), while the Social pillar scores lowest at 76%. The aggregate pattern suggests that most funds have invested in environmental disclosure infrastructure but have not applied equivalent rigour to social value quantification.

Dimension	Max	Avg Score	Avg %	Key Pattern
Environmental	25	20.2	81%	Strong GHG disclosure, targets, climate risk
Social	25	19.0	76%	Tenant engagement strong; community value weaker
Governance	20	16.2	81%	Oversight good; ESG remuneration often absent
Data Quality	10	8.1	81%	Coverage good; assurance inconsistent
Reg. Compliance	10	8.0	80%	TCFD/EPRA strong; EU Taxonomy gaps
Benchmarking	10	9.7	97%	GRESB/CDP participation high; narrative weak

Three structural patterns emerge from the dimension analysis:

- **Environmental:** Strong GHG emissions disclosure across all 12 funds; key gaps are in the narrative connecting data to pathway, and in costed transition planning.
- **Social:** Tenant engagement is broadly strong; workforce metrics are structurally limited in externally managed funds; social value quantification is highly variable.
- **Governance:** Board oversight structures are consistently well-disclosed; ESG-linked executive remuneration is reported by only 42% of funds — a gap that is increasingly scrutinised by institutional investors.

4.3 The Five Disclosure Gaps

Across 136 reports, five disclosure gaps recur with sufficient consistency and investor significance to warrant specific identification. These gaps are not peripheral: each one directly limits the fund's ability to demonstrate regulatory preparedness, attract institutional capital, or access sustainability-linked finance.

#	Disclosure Gap	Risk Level	Finding
1	EPC Portfolio Distribution & MEES Pathway	HIGH	67% disclose current EPC ratings, but only 8% quantify capex required to meet 2030 MEES B threshold. Without a costed upgrade pathway, stranded asset exposure cannot be assessed.
2	Scope 3 Emissions Coverage	HIGH	50% of funds provide comprehensive Scope 3 data. Of these, most attribute increases to methodology changes, not actual performance. The remaining 25% offer partial or no disclosure.
3	TCFD Physical Risk Quantification	MEDIUM	All 12 funds acknowledge climate physical risks; only 17% quantify the proportion of portfolio exposed and model financial impact under different warming scenarios.
4	GRESB Score Contextualisation	MEDIUM	58% of funds disclose a GRESB score. Fewer than half provide year-on-year trend, peer comparison, or narrative explaining improvement actions — limiting investor interpretability.
5	Social Pillar Substantiation	LOWER	42% of funds quantify social value using a recognised methodology (TOMs, HACT, Simetrica-Jacobs). The remainder

			offer anecdotal community references without financial or outcome quantification.
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Section 5: MEES Transition Risk and GRESB Readiness

5.1 The MEES Stranded Asset Risk

The Minimum Energy Efficiency Standards (MEES) represent the most proximate regulatory risk in UK real estate. The current trajectory points to a requirement that all commercially let properties meet EPC B by 2030. Against this backdrop, EPC portfolio analysis should be a reporting essential — not an optional disclosure.

Across the 12 fully-scored funds, the EPC picture varies dramatically. Target Healthcare REIT has achieved 100% EPC A or B across its 94-property portfolio — the highest in the cohort and effectively eliminating MEES transition risk. British Land reports 68% of its portfolio at EPC A or B by estimated rental value; Landsec 57% by value. Care REIT reports 60% of its care home portfolio at EPC B or better.

At the other end, Civitas reports approximately 53% of its portfolio at EPC A–C, with 99.8% achieving the current minimum standard. However, Civitas discloses no Scope 1, 2, or 3 emissions data at all — a combination that represents the most significant disclosure gap in the cohort for any fund seeking carbon-linked financing.

The critical gap is not EPC disclosure per se — 67% of funds report their EPC distribution. The gap is in what follows: only one fund in the cohort (Derwent London, with an estimated £97m capex requirement to achieve EPC B by 2030) provides the costed upgrade analysis that lenders and investors require to assess stranded asset exposure.

5.2 GRESB Performance and Participation

GRESB has become the closest thing the real estate industry has to an ESG credit rating. For lenders structuring SLLs with GRESB-linked covenants, and for institutional investors benchmarking fund sustainability, GRESB participation and score trajectory are material.

58% of the 12 fully-scored funds disclose a GRESB score in their most recent report. Among those that do:

- British Land and Landsec maintain 5-star standing (90/100 and 90/99 respectively), placing them consistently in the top quintile globally.
- Unite Group holds 4 stars; Big Yellow dropped from 5 to 4 stars (89 to 85) in its most recent assessment, an event the report attributes to methodology changes.
- Picton scores 81 (3 stars), noting consistent improvement since first submission in 2017.
- Target Healthcare has improved from 60 to 71, reaching 2nd place in its peer group despite only a 2-star rating — demonstrating that sector context matters in GRESB interpretation.
- Care REIT achieved a 1-star score in its first GRESB submission — a baseline that is expected to improve, and which demonstrates the value of entering the process even with a modest initial score.

Three funds in the cohort — Derwent London, Life Science REIT, and Civitas — do not appear to participate in GRESB or do not disclose their score. For funds seeking institutional LP capital or sustainability-linked debt, non-participation in GRESB is an increasingly difficult position to defend.

5.3 SLL Readiness

The SLL Readiness Overlay (Component B) assesses whether a fund's ESG data is structured in the formats required for sustainability-linked loan covenants. The findings are notable:

SLL Readiness Category	Funds	N	Share
Highly Suitable (17–20/20)	British Land, Landsec, Derwent London, Schroders RE, Target Healthcare, Unite Group	6	50%
Suitable with Enhancements (13–16/20)	Big Yellow, Care REIT, Picton, Custodian, Life Science REIT	5	42%
Not SLL-Ready (<13/20)	Civitas	1	8%

The key structural barrier to SLL-readiness is not ambition — most funds have appropriate Net Zero targets. It is the combination of third-party assurance and data presentation format. Lenders require ISAE 3000 or equivalent assurance over the specific KPIs referenced in an SLL covenant. Without it, the borrower cannot demonstrate that the reported metric is reliable enough to underpin a financial instrument.

Only 33% of funds in this cohort have formal ISAE 3000-grade third-party assurance over their environmental data. This is the single most impactful structural gap: its absence prevents premium SLL pricing, regardless of how ambitious the fund's environmental targets are.

Section 6: What Good Looks Like

The highest-scoring reports in this cohort share a set of structural characteristics that distinguish them from the mid-tier. This section identifies those characteristics, illustrated with anonymised examples.

6.1 Structure and Navigation

Leading reports are designed for multiple audiences simultaneously: regulatory assessors who need specific framework outputs, institutional investors who need comparative performance data, and lenders who need structured, auditable KPIs. The best reports achieve this through clear sectional organisation, a summary data table at the front, and explicit mapping to frameworks (GRESB, TCFD, EPRA, SFDR) in appendices.

- **Best practice:** One leading diversified commercial REIT presents a two-page performance summary table at the opening of its sustainability report, with all key metrics, year-on-year trends, and framework cross-references visible before any narrative prose.
- **Common gap:** Mid-tier reporters bury KPIs within narrative sections, requiring readers to search across 60+ pages for comparable data points.

6.2 Carbon Data Presentation

Among the Excellent-rated reports, carbon data is presented with three consistent features:

- Full three-scope disclosure (Scope 1, 2 location-based, 2 market-based, and 3 — by category) with clear boundary definitions.
- Intensity metrics by both absolute value and normalised denominator (per sqm, per bed, per room), enabling comparison across portfolio size changes.
- Year-on-year trend with restated prior-year figures where methodology has changed, alongside an explicit restatement policy.

The portfolio with the highest Environmental score (25/25) discloses energy intensity at 137 kWh/m², an 8% reduction year-on-year and 17% below its 2019 baseline, with 99% REGO-backed renewable electricity and a dedicated Green Finance Framework carrying Big 4 reasonable assurance — a presentation standard that directly maps to SLL covenant requirements.

6.3 Social Value — The Differentiator

Social disclosure is the dimension with the greatest variation in this cohort. The best reports in the Social pillar share one characteristic: they quantify social value using a recognised methodology, with an attributable financial figure and a clear beneficiary count.

- One large diversified REIT has generated £120 million in cumulative social value since 2021, with 66,756 direct beneficiaries, measured using a recognised Social Value methodology and independently verified.
- One social housing REIT calculates a £3.51 Social Return on Investment for every £1 invested, using the Simetrica-Jacobs methodology — demonstrating that rigorous social value quantification is achievable even in impact-focused, non-commercial fund structures.
- By contrast, several mid-tier reports present charitable donations in the £10,000–£25,000 range as their primary Social disclosure — a figure that is neither comparable nor analytically meaningful in a portfolio of several hundred million pounds of assets.

6.4 The Role of Third-Party Assurance

Third-party assurance over ESG data is the single structural feature that most differentiates Excellent-rated reports from Good-rated ones. It is not merely a credibility signal: it is the mechanism through which ESG data becomes bankable.

The assurance landscape in this cohort reflects a two-tier market: the top performers engage Big 4 firms (Deloitte, DNV, PwC) under ISAE 3000 and ISAE 3410, covering 40+ metrics under limited or reasonable assurance frameworks. Mid-tier reporters rely on GRESB data verification (which is partial) or EPRA Gold award compliance (which is a quality framework, not an assurance standard).

Section 7: Recommendations

The following five recommendations are addressed to UK real estate fund managers, sustainability directors, and ESG leads. They are sequenced to reflect impact: recommendations 1 and 4 represent the most material disclosure gaps identified in this research; recommendations 2, 3, and 5 address structural improvements that compound in value over time.

#	Recommendation	Rationale
1	Produce a costed MEES Upgrade Pathway	Every fund should model and disclose the capital expenditure required to bring all assets to EPC B by 2030. This is the most direct indicator of stranded asset risk and is the data lenders, investors and advisors need to assess exposure.
2	Achieve Scope 3 Coverage and Narrative Consistency	Tenant energy data collection should be treated as a business priority, not a reporting aspiration. Green lease clauses are the mechanism; 97% green lease coverage is achievable — as demonstrated by Picton. Methodology changes that inflate Scope 3 should be clearly flagged.
3	Validate Net Zero Pathways via SBTi or CRREM	Internal carbon targets without external validation carry limited investor credibility. SBTi validation (adopted by 50% of this cohort) or CRREM pathway alignment provides the framework discipline that lenders increasingly require.
4	Obtain Formal Third-Party Assurance	Only 33% of funds have ISAE 3000 or equivalent assurance over environmental data. This is the single most impactful structural gap: without it, no sustainability-linked finance can be optimally priced, and GRESB and CDP scores are inherently limited.
5	Invest in Social Value Quantification	The Social pillar is the lowest-scoring dimension on average (76%). Funds that have invested in recognised social value methodologies — including £120m cumulative social value measurement at British Land and £567m SROI calculation at Civitas — demonstrate that quantification is achievable across fund types. Others should follow.

Implementation note: None of these recommendations require proprietary technology or specialist software. Each is achievable with the right combination of internal data discipline, external expert support, and a reporting structure designed around investor needs rather than compliance minimums.

For funds that have not yet benchmarked their current disclosure quality, a complimentary ESG Reporting Benchmark Review is available from Plinthos. The review assesses your most recent sustainability report against the Plinthos 120-point framework and identifies the highest-impact improvement opportunities. Visit plinthos.io to request access.

About This Research

This report is produced by Plinthos, an AI-powered ESG report writing and benchmarking service developed as a University of Manchester spin-out. The research was conducted by Dr. Yishuang (Sherry) Xu, whose academic background in real estate sustainability and systematic analysis of 136 UK REIT sustainability reports underpins the findings presented here.

The Plinthos 120-point ESG Report Quality Framework (Codebook v3.1) was developed through primary research and reference to GRESB, EPRA sBPR, TCFD, GRI, SFDR, and UK regulatory guidance. Scores presented in this report are based entirely on publicly available information.

Research Scope

- 45 UK real estate funds reviewed across 136 sustainability reports
- Reporting period: 2022–2024
- 12 funds assessed using the full 120-point Plinthos framework
- 33 funds assessed using the binary disclosure checklist
- Sectors: Commercial, Healthcare, PBSA, Self-Storage, Life Science, Social Housing, Asset Management

About Plinthos

Plinthos transforms validated ESG data into investor-grade sustainability report narratives for UK real estate funds. We occupy the 'last mile' between data collection platforms and the professionally written, compliance-ready outputs that institutional investors, lenders, and GRESB assessors require.

Plinthos serves two distinct client groups:

- Real estate funds: ESG report writing, stranded asset risk assessment, GRESB/SFDR/EU Taxonomy compliance documentation
- Valuers and lenders: RICS 4th Edition ESG compliance documentation, Red Book valuation inserts, and bank credit risk ESG data structuring

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Benchmark your most recent sustainability report against the Plinthos 120-point framework. Identify your top three improvement opportunities and receive a prioritised action plan.

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