



GRESB & Goby

Emerging Trends for ESG Reporting & 2019
GRESB Results Presentation Webinar



Dan Winters, GRESB

Elena Daniel, CenterPoint

Helee Lev, Goby



Our Speakers



Dan Winters
CRE
Head of Americas
GRESB



Helee Lev
MBA, LEED AP BD+C, ID+C
CRO
Goby



Elena Daniel
Vice President, ESG & Corporate
Affairs
CenterPoint Properties





G R E S B[®]
REAL ESTATE

2019 RESULTS

Sustainable Real Assets



Assess and **benchmark** ESG
performance of real assets, providing
standardized and **validated** data to
capital markets.

Interactive ESG Data Platform for Real Assets



Key Figures

20
10

20
19



3 Institutional investors 100

0.3 Institutional capital (USD tn) 22

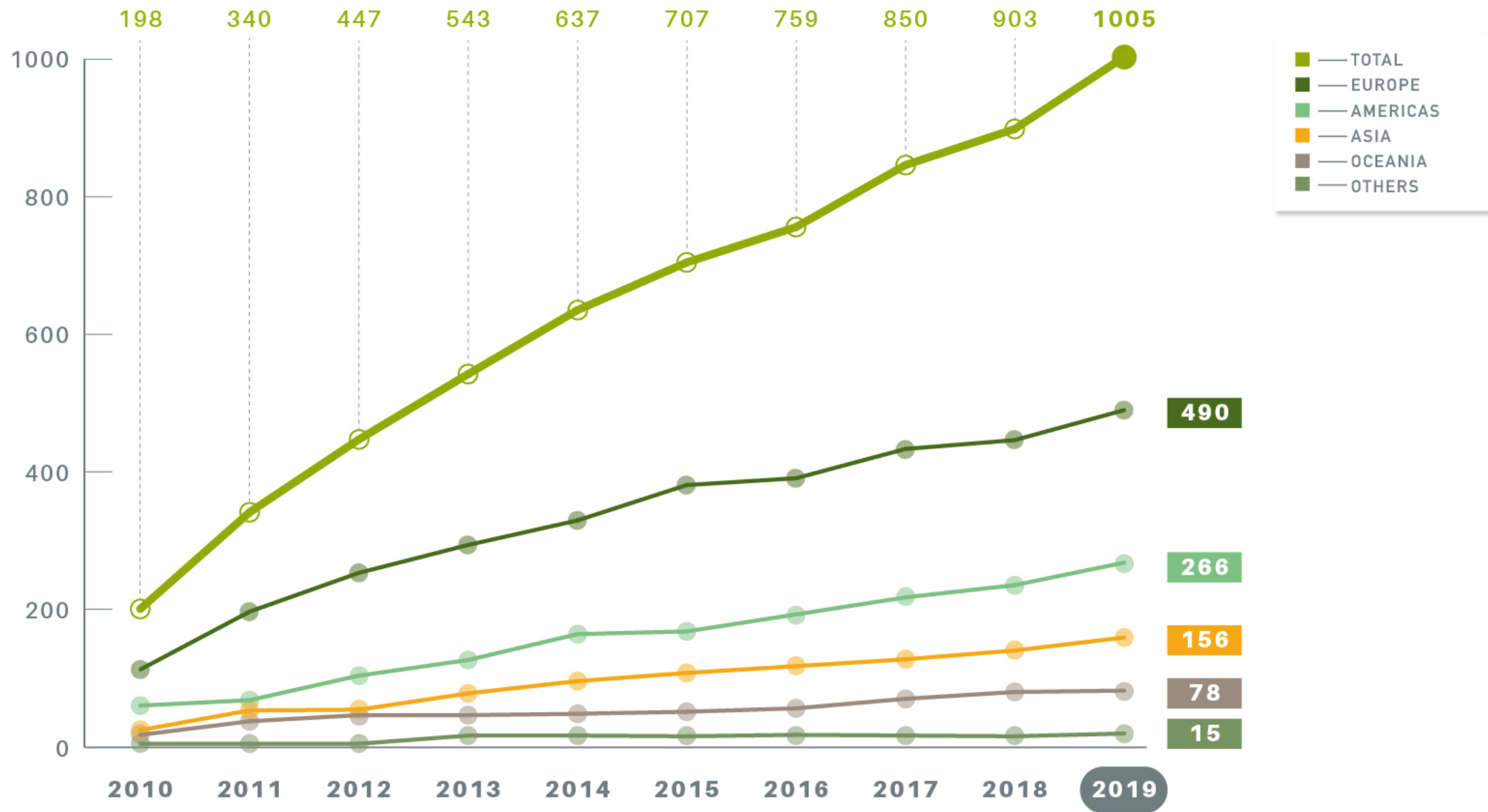
3 Industry associations +40

1 Partners +50

198 Participants 1,005

0.9 Total property value (USD tn) 4.1

~18,000 Properties covered +100,000

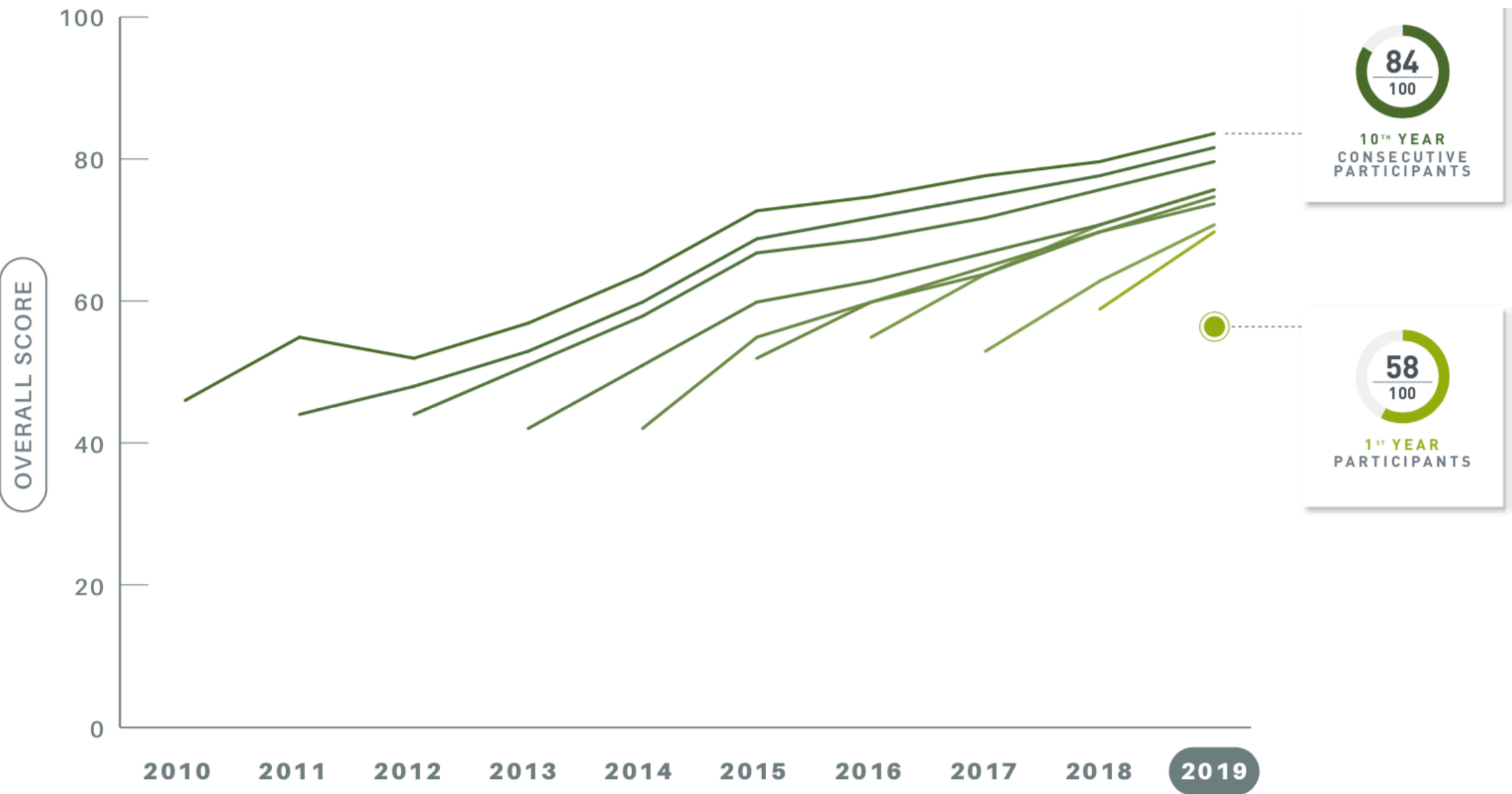


2019 Private Market Coverage

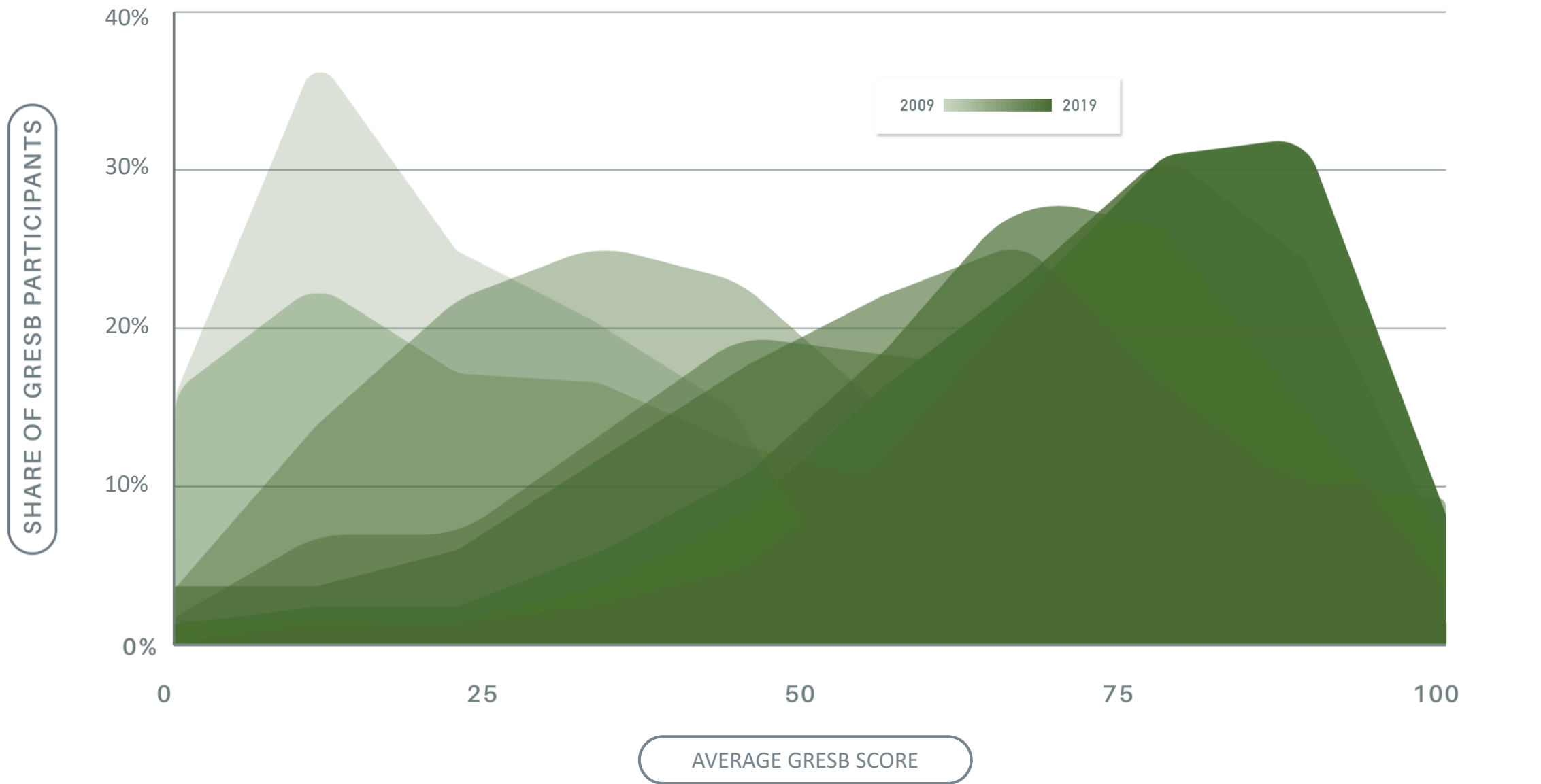
*“**75** of IPE Real Assets’ Top 100 Global Real Estate Investment Managers”*



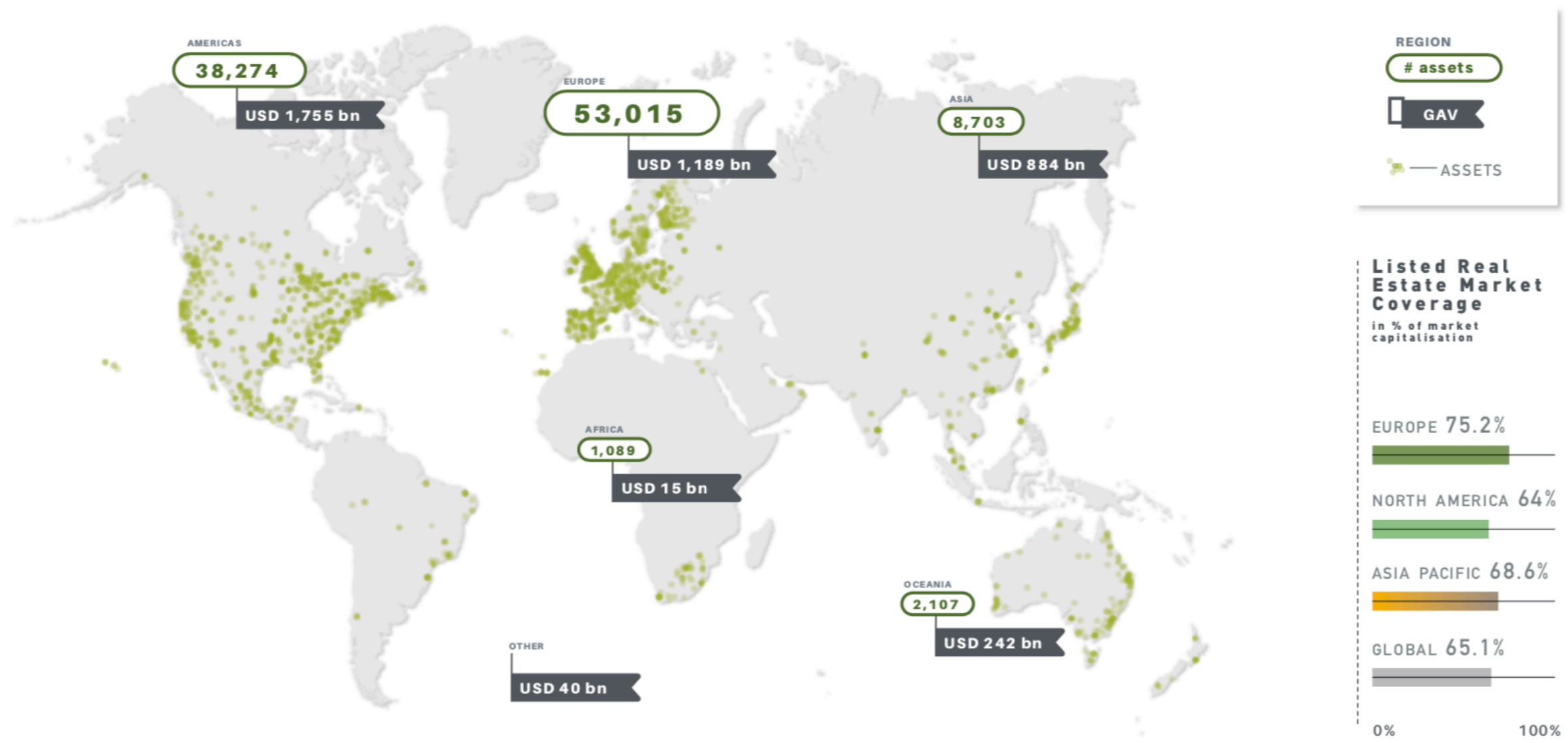
Sustainability / ESG is a Journey



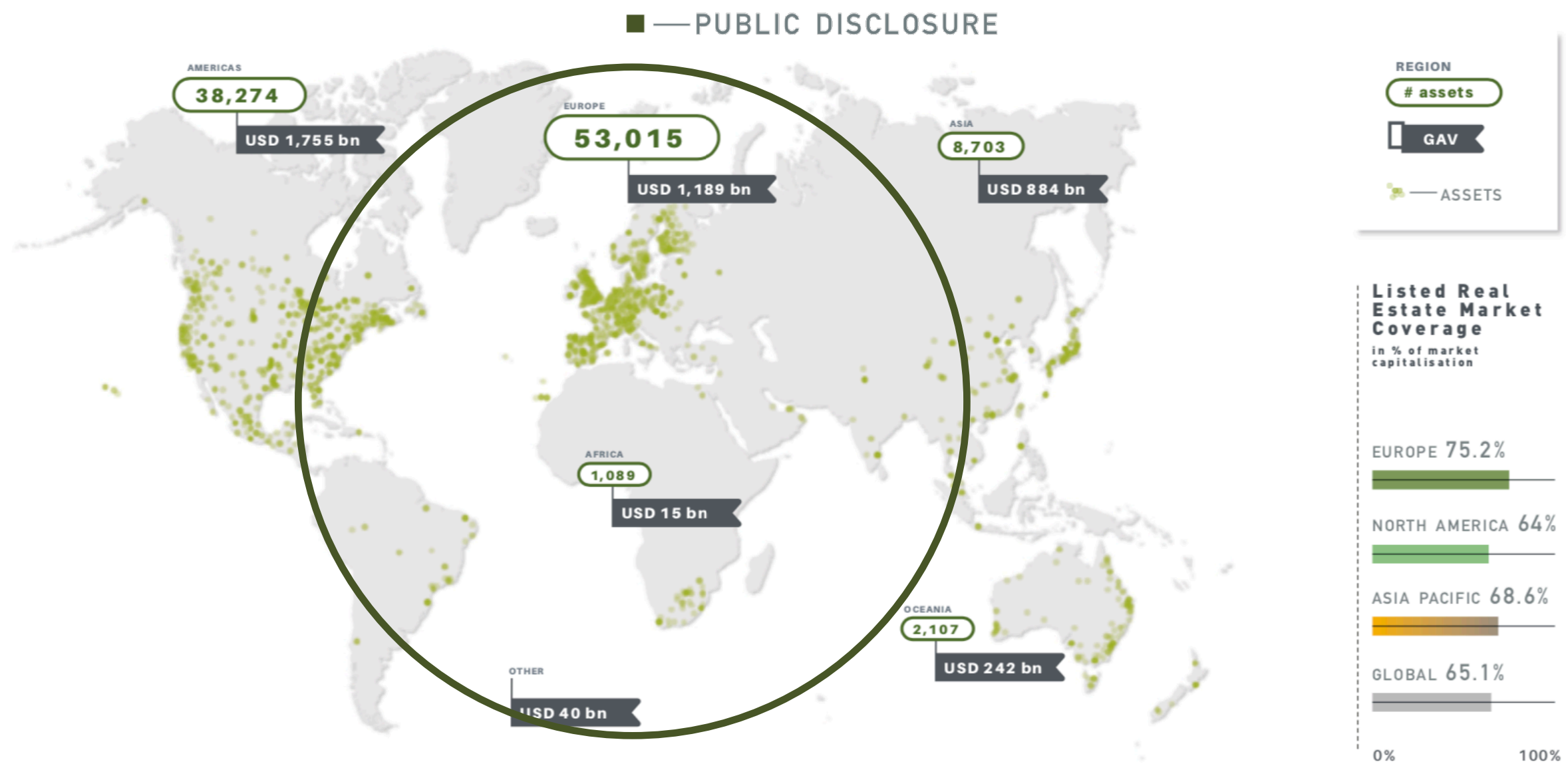
Scores Distribution – Change Over Time



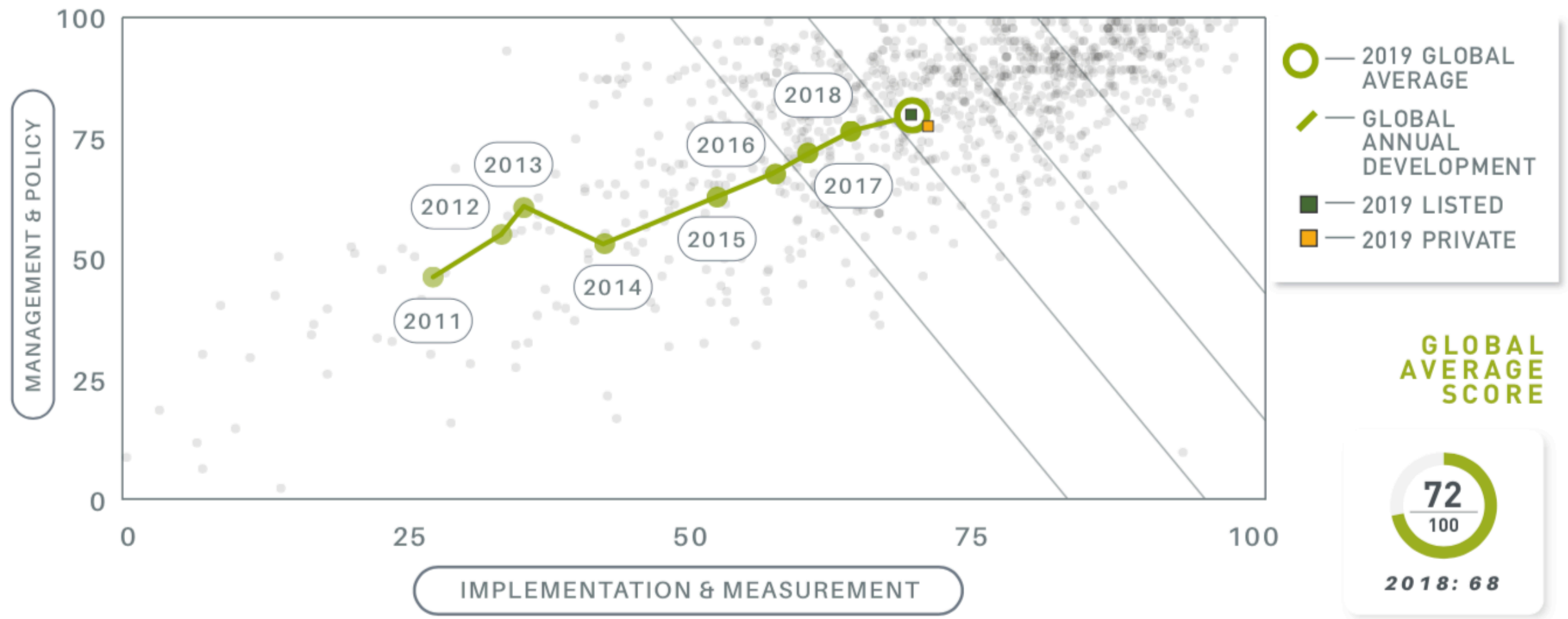
Benchmark Size & Assets Location



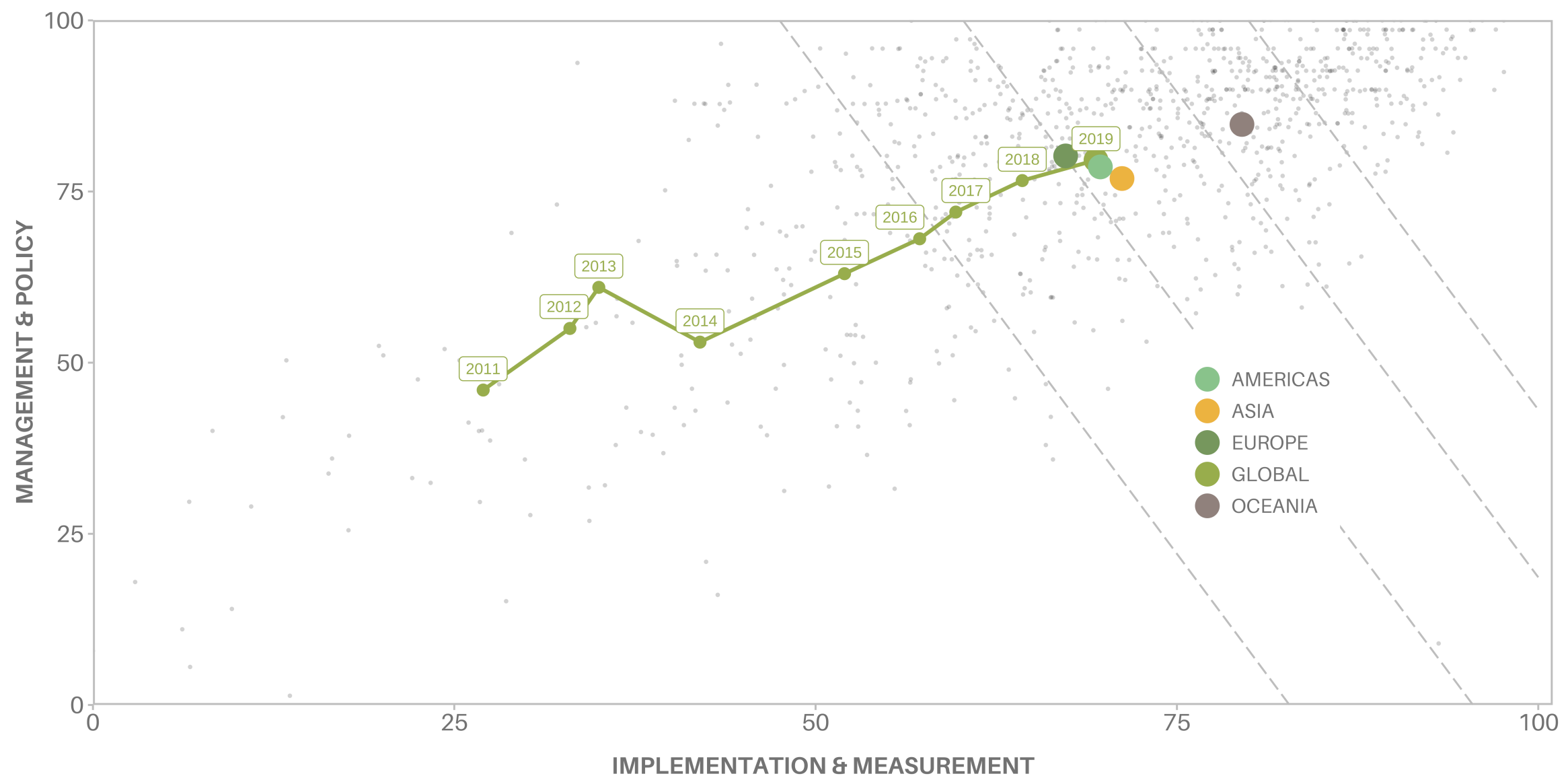
Benchmark Size & Assets Location



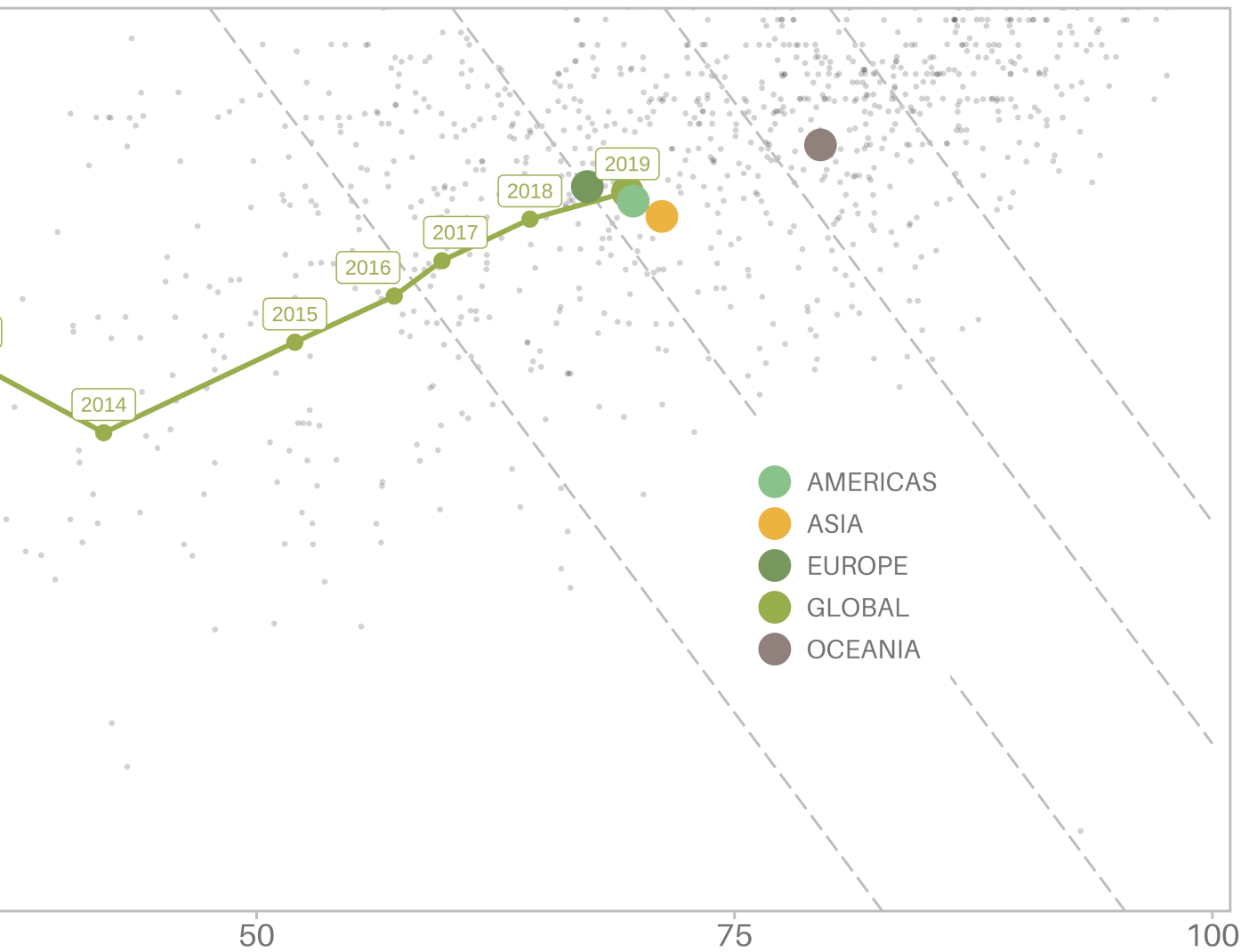
GRESB Overall Score Development



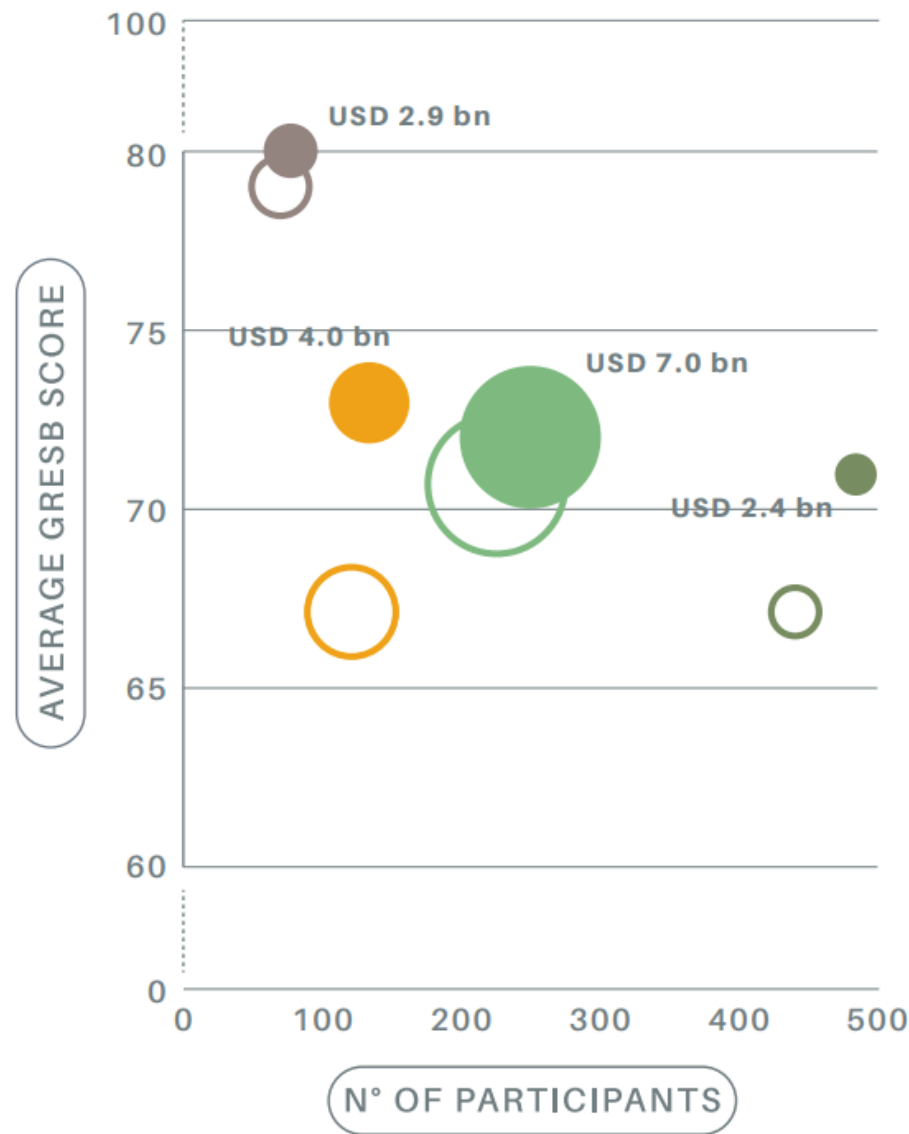
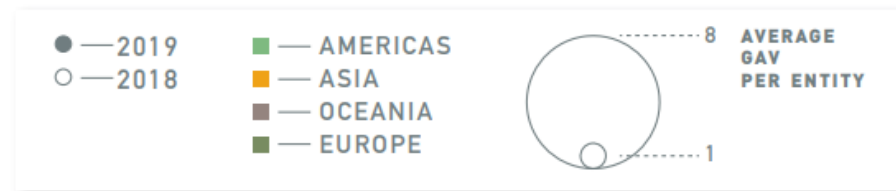
Regional Scores



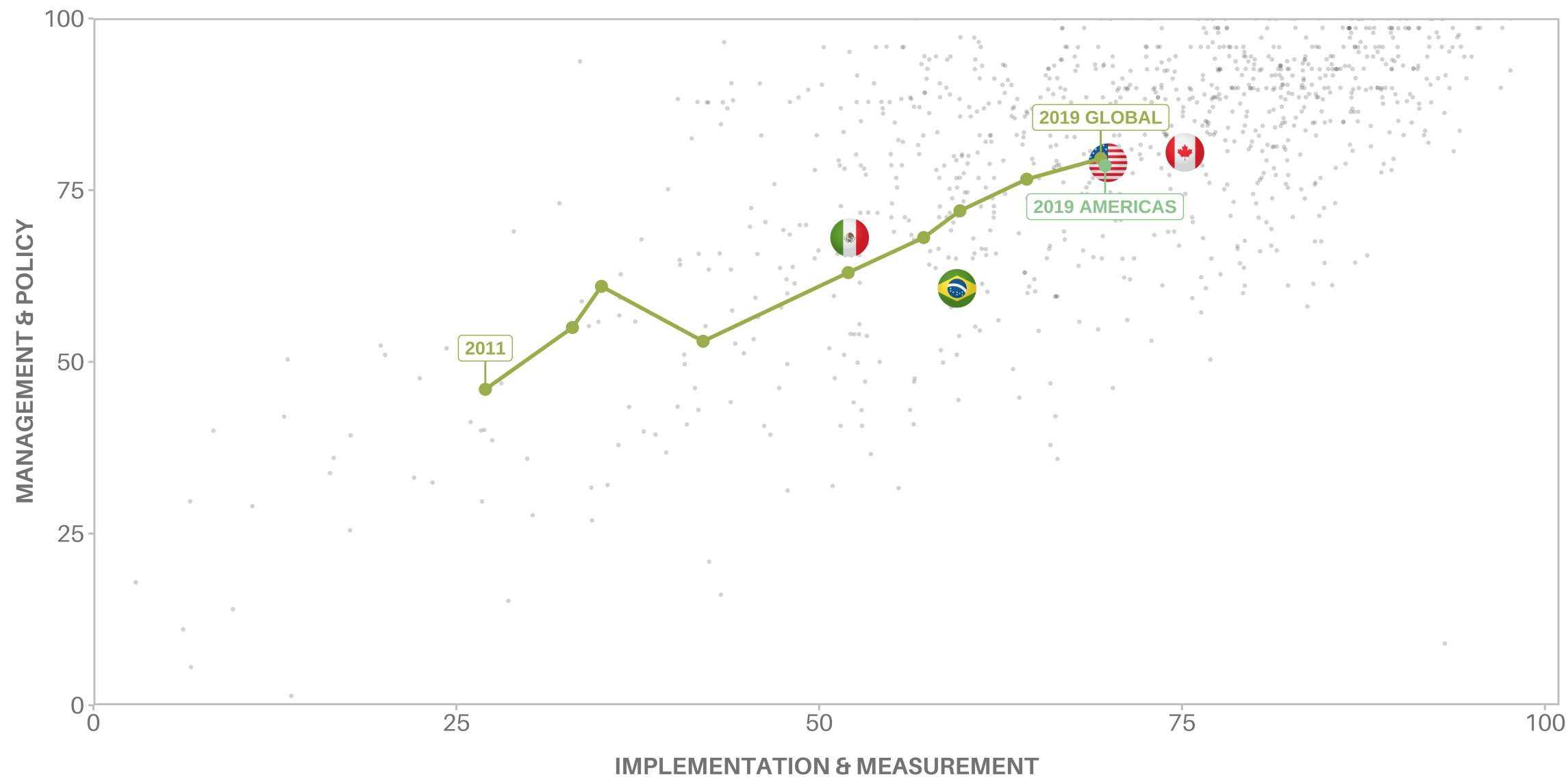
Regional Scores



IMPLEMENTATION & MEASUREMENT



Country Scores - Americas



Asset Data - Quantity to Quality

assets

+100,000

All assets

+66,000

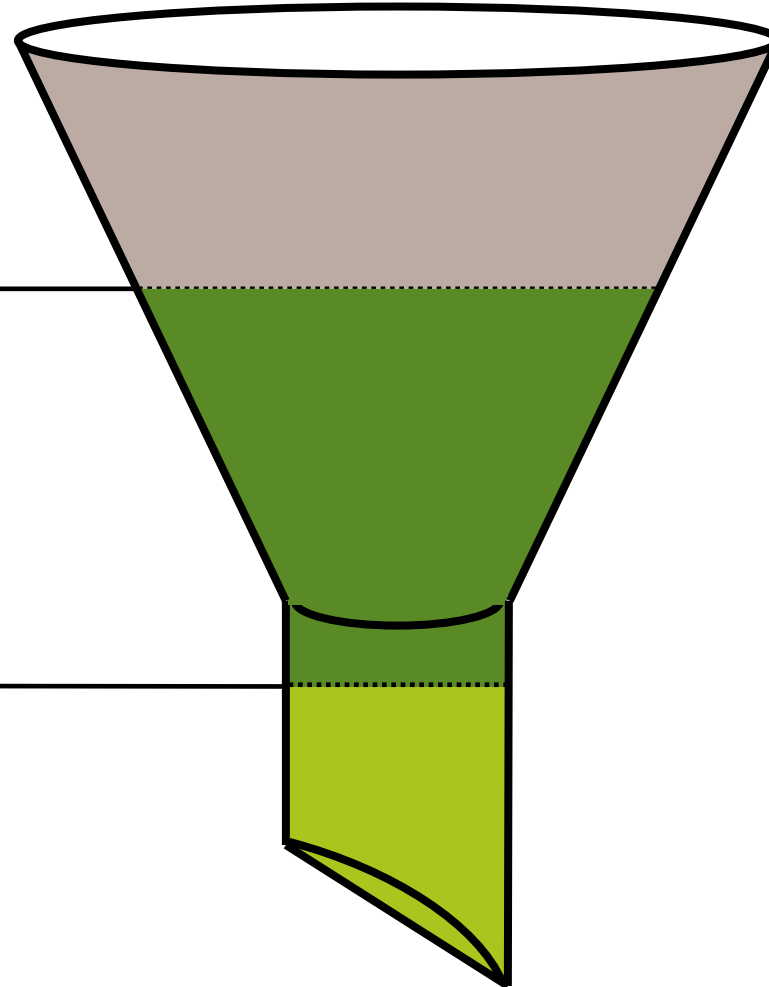
Assets

- Reported at asset-level

+25,000

Assets

- Reported at asset-level
- With full data coverage
- Excluding outliers



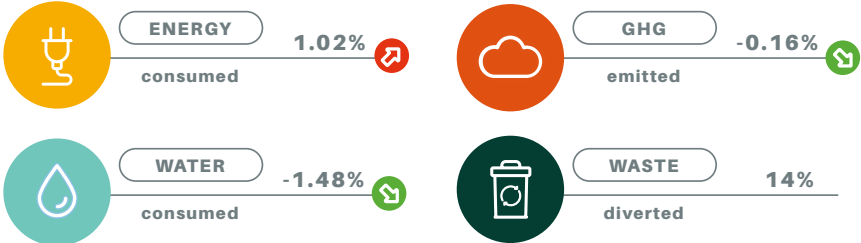
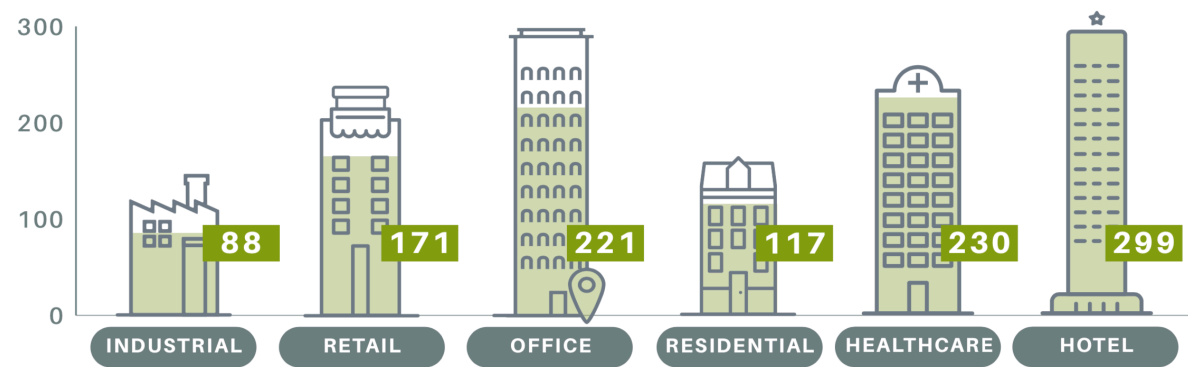
Energy Intensities per type & Environmental Impact

AMERICAS

Asset Count

Industrial	2,041	Retail	1,234	Office	3,280	Residential	1,914	Healthcare	1,447	Hotel	116
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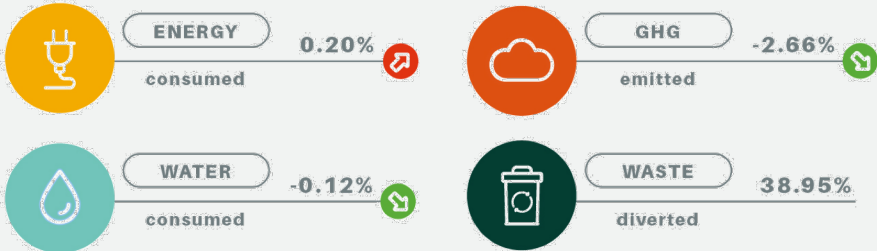
kWh/m2



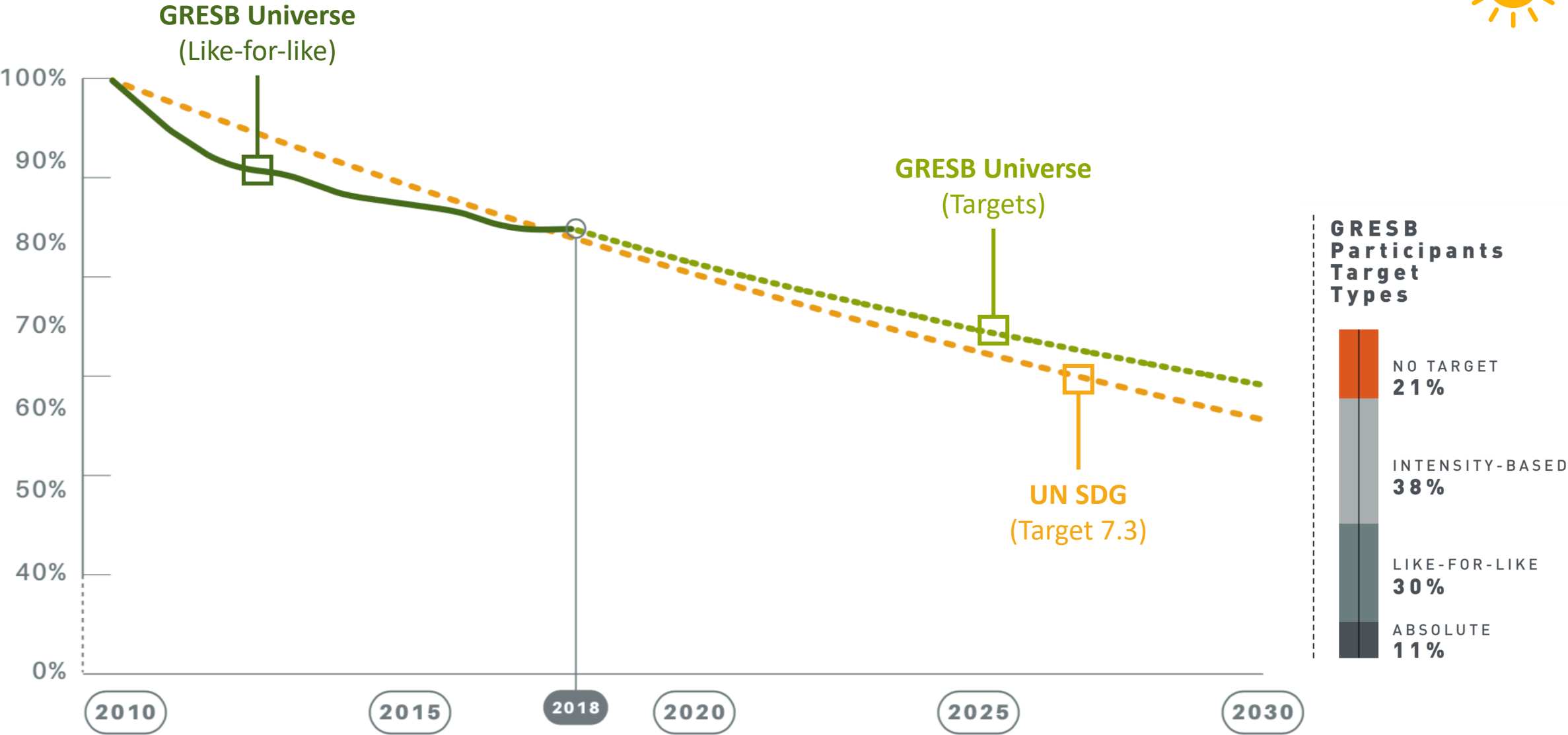
GLOBAL

Asset Count

Industrial	4,586	Retail	3,578	Office	7,661	Residential	4,963	Healthcare	1,734	Hotel	473
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Sustainable Development Goals (SDGs)





Dan Winters, CRE

Head of Americas

d.winters@gresb.com

+1 202 997 3922 - mobile

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CenterPoint®

CASE STUDY



Elena Daniel

Vice President, ESG & Corporate Affairs
CenterPoint Properties

Unlock our full potential

Our Commitment

CenterPoint Properties is committed to making a positive impact on the environment, community and its employees through better logistics and operational innovation.



Sustainability Reporting

Emerging Trends in ESG Reporting





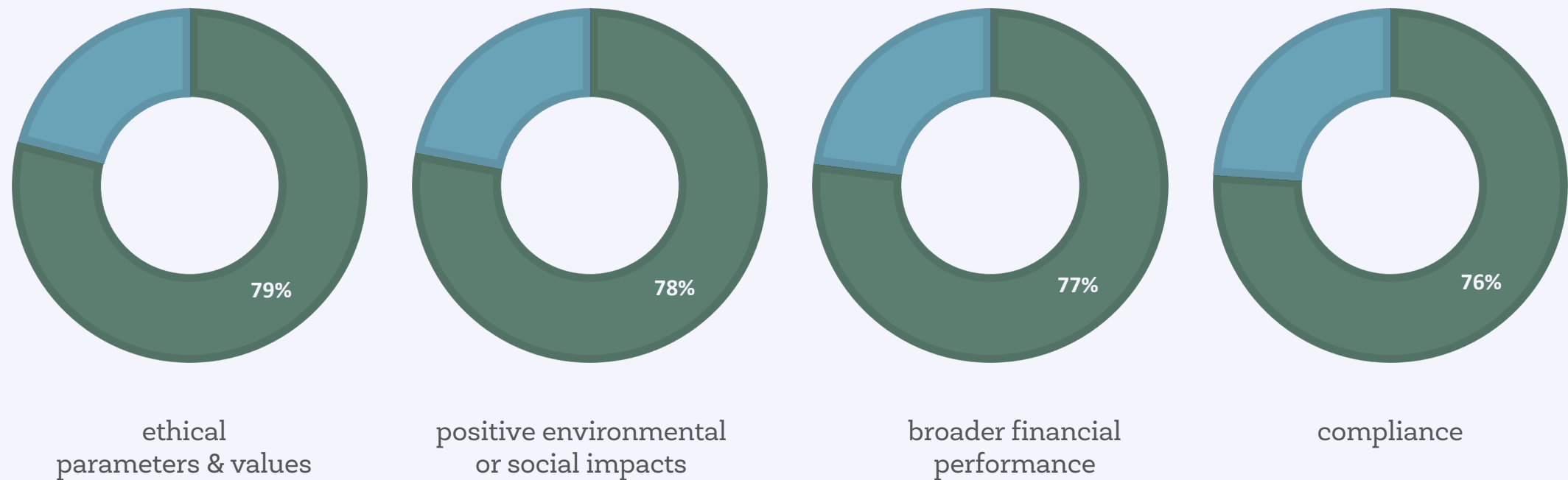
INTRODUCTION

Returns with a responsibility

Why is it so important to identify, define, and defend the case for sustainability in today's business environment?

#1: You want to attract investors

What do you consider as essential and important elements of ESG investments:



**#2: You need to comply with requirements
to ensure a healthier planet**



#3: You want to attract the best tenants and talent



#4: You know there are better ways to operate



The Steps:



THE STEPS

Step 1: Set Overall Goals



- ✓ Consider investors, shareholders, peers, owners, and joint-venture partners
- ✓ Identify your current ESG challenges, financial targets, and time to implementation
- ✓ Determine the value of the effort
- ✓ Define success: what are your performance-based targets?
- ✓ Evaluate your long-term strategy

THE STEPS

Step 1: Starter Questions

- **Who are the stakeholders?** What are their goals and/or business models? How will you communicate with them?
- **What will a successful end result look like?** That is, how will you know when you've gotten where you're going?
- **What is your level of appetite?** Do you want to be at the forefront of adopting new approaches, or implementing what works once its been proven by others?
- **What's your holding time for a property?** A three-year ownership versus a long-term hold will yield completely different perspectives on sustainability initiatives, for example.
- **What are your financial and timeline targets?**
- **What are your current challenges?**
- **How does sustainability create value for your organization?**
- **Who are your peers and what are their sustainability goals?** There's something to be said for "Keeping Up with the Joneses". Your stakeholders will be using this as a metric when evaluating your organization, so you should as well.
- **What are your drivers for ROI?** There are three P's to consider, not just one. This is about **Planet, People,** and **Profit**, not just Profit alone.

THE STEPS

Step 2: Create a Budget



- ✓ How much are you willing to spend? Can you get funding?
- ✓ What is your ROI tolerance? Do you need to see a financial return in one year? Three years? 10 years?
- ✓ What has the highest value? How did you answer “What are your drivers for ROI?” in Step 1? Are you most interested in energy cost reductions? Are you pursuing certifications, such as ENERGY STAR or LEED?

THE STEPS

Step 3: Evaluate Opportunities

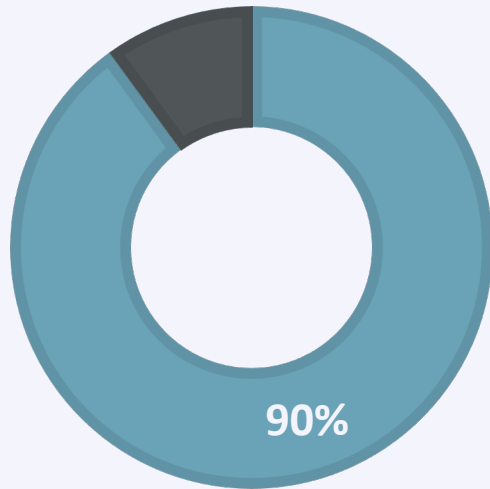


- ✓ Turn the raw data available on your buildings into actionable insight into strategic initiatives
- ✓ Identify top and bottom performers across your portfolio
- ✓ Define your portfolio classification and preferred asset groupings
- ✓ Leverage continuous monitoring to conduct building-level performance review and enable proactive improvements

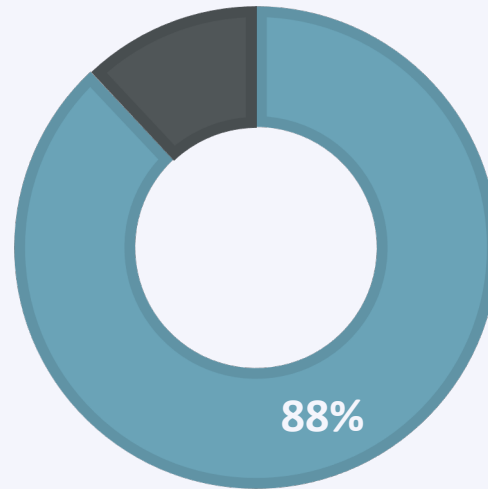
THE STEPS

Step 4: Construct an ESG Strategy Framework

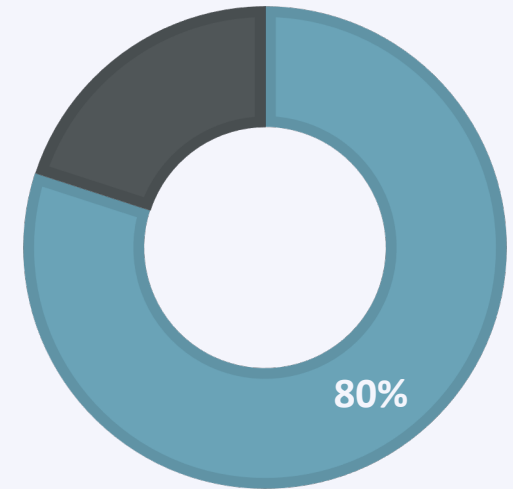
Companies that perform well in their ESG initiatives also trend toward strong financial performance



Lowered Costs



Improved Performance



Stock Improved

THE STEPS

Step 4: Construct an ESG Strategy Framework



THE STEPS

Step 5: Establish Ongoing Leadership

Decide whether it's best to build your own
or outsource the effort



THE STEPS

Step 5: The Dream Team



Executive
representative



Stakeholder
representative



In-house team
member



Consultant

THE STEPS

Step 6: Check Your Progress



- ✓ Establish protocols for regular collection of project status updates
- ✓ Develop tracking and analysis resources to monitor comparable data points
- ✓ Hold ongoing meetings to evaluate goals, update benchmarks, and gather lessons learned
- ✓ Compare to other ESG programs

THE STEPS

Step 7: Promote Your Performance



- ✓ What will the actual reporting process look like?
- ✓ What are your goals for promoting your efforts internally vs. externally?
- ✓ How will you communicate your progress and your goals, especially to investors?
- ✓ What metrics are you planning to use to measure your progress?

THE STEPS

Step 7: Promote Your Performance

	Private	Public
Tangible	<ul style="list-style-type: none">• Savings on utility costs• Higher tenant retention• Lower maintenance costs• Increased revenue	<ul style="list-style-type: none">• Transparency of enhanced building energy performance• Eligibility for certifications like ENERGY STAR or LEED• Lower environmental impact on surrounding areas (i.e. less pollution, lower GHG emissions, etc.)
Intangible	<ul style="list-style-type: none">• Increased tenant comfort• Staff time better spent on important maintenance issues instead of comfort calls, which helps improve buildings over time• Improved public image from focus on sustainability	<ul style="list-style-type: none">• Increase in tenant satisfaction from communication of energy and cost savings by building management• Informal advertising by tenants who spread the word about building and operational improvements• Creation of marketing opportunities

A non-comprehensive list of some intangible and tangible benefits of implementing your ESG strategy and their private and public effects



QUESTIONS?

Our Speakers



Dan Winters

d.winters@gresb.com

202.997.3922



Helee Lev

hlev@gobyinc.com

312.242.1726



Elena Daniel

edaniel@centerpoint.com

630.586.8135

