

The State of GRESB:

2020 vision into the future of the framework



Our speakers



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GRESB :: 2020 Update

January 2020

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“The reason why we established GRESB is simple.

*Ten years ago there was no **uniform** or **consistent** way to measure the sustainability performance of real estate companies and funds across countries, across regions and across private and publicly traded investment structures.*

And if you can’t measure and compare, it is difficult to engage with a manager on how to improve.”

Patrick Kanters, Managing Director Global Real Assets
APG Asset Management

Reflecting on the last 10 years of GRESB and preparing for what’s ahead

December 19, 2019 By GRESB



<https://gresb.com/reflecting-on-10-years-and-preparing-for-whats-ahead/#>

Results

GET GRESB NEWS
ADVANCING SUSTAINABILITY
PRACTICES IN REAL ESTATE

Carbon Risk Real Estate Monitor

Data Quality

GET THE GRESB NEWSLETTER

Infrastructure Debt Working Group

2019 GRESB PUBLIC

News & Releases

Learn about the current state of ESG performance in real assets.

REAL ESTATE RESULTS

INFRASTRUCTURE RESULTS

JOIN US AT THE INFRASTRUCTURE INVESTOR GLOBAL SUMMIT

GRESB :: Impact @10_{YRS}





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

GRESB Reporting Framework

Annual ESG Performance Benchmarking and Disclosure for Real Asset Portfolios

2009



G R E S B[®]
REAL ESTATE

Assesses the
ESG performance of
property companies,
fund managers and
developers

2016



G R E S B[®]
INFRASTRUCTURE

Assesses the
ESG performance of
infrastructure assets
and portfolios

2020+



PHASE I

2009 – 2014

GRESB

Market Development





ISO Approach



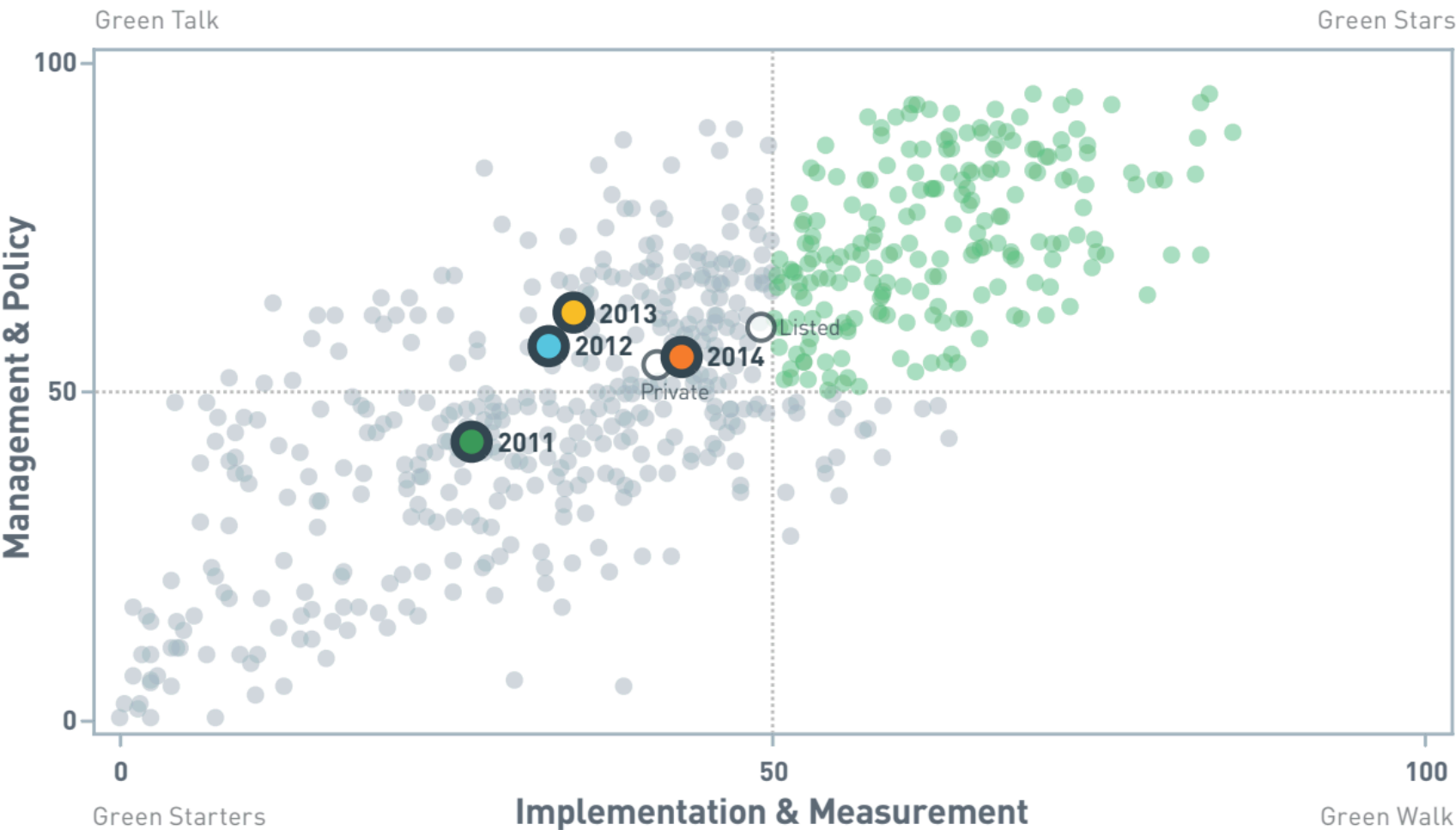
Tailored Aspects

GRESB Governance

Institutional Investors | Asset Owners



Phase I
2009-2014



PHASE II

2015 – 2019

GRESB

Industry Adoption



ESG Information :: Institutional Investors

GRESB Investor Members :: integrate ESG data | utilize GRESB analytic tools





GRESB Real Estate



GRESB Real Estate Assessment

The investor-driven global ESG benchmark and reporting framework for listed property companies, private property funds, developers and investors that invest directly in real estate.

[FIND OUT MORE](#)



GRESB Public Disclosure

Measures the level of ESG disclosure by listed property companies and REITs through a selection of indicators aligned with the GRESB Real Estate Assessment.

[FIND OUT MORE](#)



GRESB Resilience Module

Evaluates how real estate companies and funds are preparing for potentially disruptive events and changing conditions, assessing long-term trends, and becoming more resilient over time.

[FIND OUT MORE](#)

DIRECTORY

[GRESB Investor Members](#)

[GRESB Participant Members](#)

[GRESB Partners](#)

[GRESB Industry Partners](#)

RESOURCES

[Investor Guidance](#)

[Participant Guidance](#)

[View all Resources](#)

[2020 Assessment Timeline](#)

GET UPDATES

Sign up for GRESB news and updates on advancing sustainability best practices in real assets.

[GET THE GRESB NEWSLETTER](#)

Guidance for GRESB Investor Members

GRESB Investor Membership gives you access to high quality data and analytics on the environmental, social and governance (ESG) performance of your real estate and infrastructure investments. It's your attention and interest in ESG benchmarking and transparency that is driving progress towards a future with more sustainable buildings and infrastructure.

Member Portal Engagement Tools

The Engagement tools in the GRESB Portal are designed to make your ESG engagement with your managers as productive as possible.

As an Investor Member you can access data and analytics for your investments, if you invest in listed real estate securities, all listed real estate company data. You can view the individual reports of participating companies, funds and assets online in the GRESB Portal, download reports for additional analysis and take advantage of the following engagement tools and services:

Invite Participants

Please use the "Invite" feature in the Member Portal to contact managers and prompt participation during the Assessment open period which runs from April 1 – July 1 annually.

Response Tracker

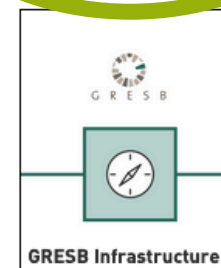
The Response Tracker allows you to track the progress of Assessment submissions and identify investments that may require additional outreach.

Data Access Requests

To maximize portfolio coverage and achieve a full portfolio view, you can request data access from Assessment participants. The 'Data Access Request' tool enables you to request data access for each portfolio managed by a GRESB participant. Pending requests can be tracked in the Member Portal.

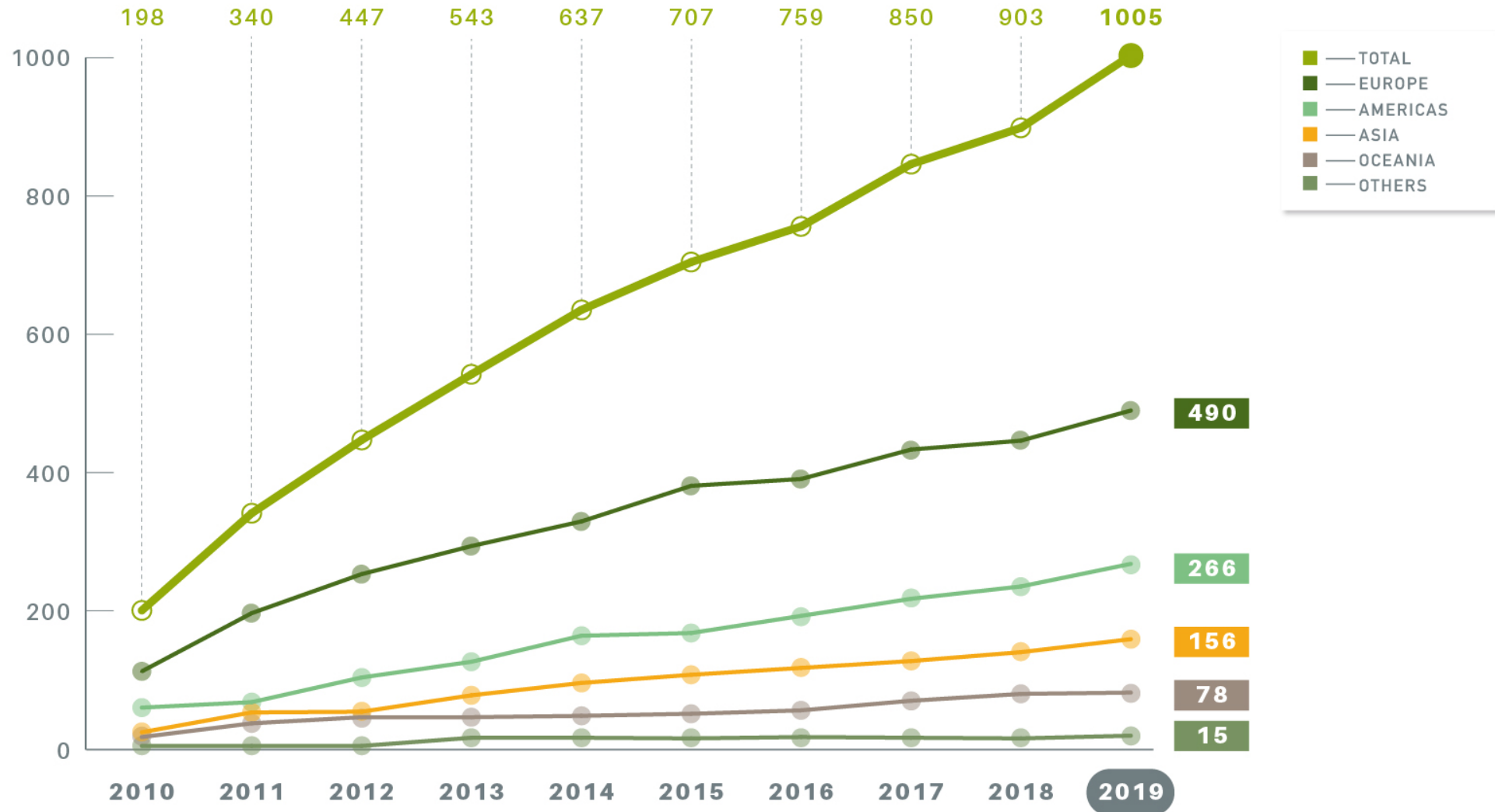
Benchmark Reports

The Benchmark Report contains an indicator-level analysis of a participant's ESG performance in both absolute terms and relative to peers. It is designed to identify areas of risk and opportunity and



Global Participation :: ESG Benchmarking

private equity | listed REITs | JVs | sovereign wealth funds | direct | government





Guidance for GRESB Assessment Participants

GRESB Assessments enable you to benchmark your ESG performance against your peers, identify areas for improvement and deepen your engagement with investors on sustainability issues. GRESB has Assessments for real estate funds, REITs, property companies and developers, and for infrastructure funds and assets.

Step-by-step guide to successfully completing your GRESB Assessment

Whether you are reporting for the first time, or you are more experienced, this step-by-step guide will help you to successfully report on your ESG performance through the GRESB Assessments.

STEP 1: Review the Pre-release materials

STEP 2: Involve the person in your organization responsible for sustainability

STEP 3: Login to the GRESB Portal

STEP 4: Fill in the Entity and Reporting Characteristics section

STEP 5: Review the Assessment indicators and refer to the guidance in the Portal

STEP 6: Aim to get a first draft of the Assessment ready by mid-May 2020

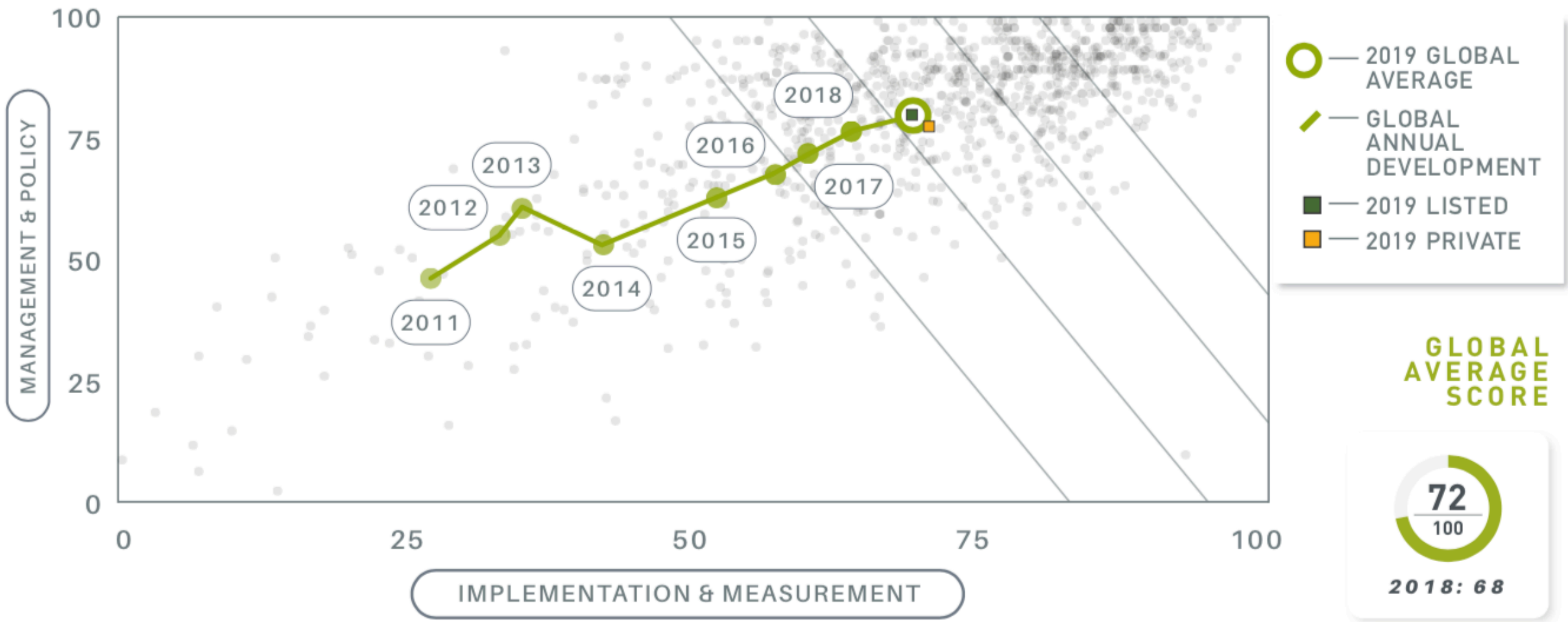
STEP 7: Review your preliminary GRESB Results

STEP 8: Review your final Assessment Results

STEP 9: Communicate your results to your investors and stakeholders

Industry Progress

private equity | listed REITs | JVs | sovereign wealth funds | direct portfolios | governments



News & Releases

Find out what's new at GRESB. Read our latest news and releases to discover how we're working with capital markets to assess the environmental, social and governance (ESG) performance of real asset investments. To receive updates by email, [sign up for the GRESB newsletter](#).

- Results
- Carbon Risk Real Estate Monitor
- Data Quality
- Infrastructure Debt Working Group
- News & Releases



December 19, 2019

2020 GRESB Real Estate Assessments Development



December 19, 2019

Reflecting on the last 10 years of GRESB and preparing for what's ahead



November 12, 2019

GRESB and Verisk Maplecroft Launch the Climate Risk & Resilience Scorecard



October 25, 2019

2019 GRESB Results Photo Round up



September 16, 2019

Investors fund new initiative to assess climate change transition risk in global real esta...



September 9, 2019

ESG reporting and benchmarking in the Infrastructure sector moves into the mainstream

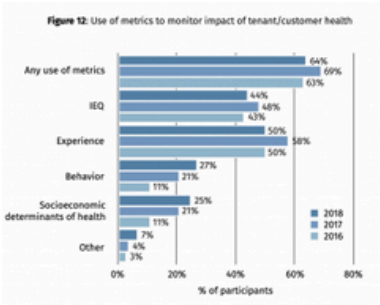






Insights

GRESB Insights provides case studies on ESG integration in real assets, data-driven analysis into how the industry is responding to the sustainability challenge and educational articles exploring topics covered in the GRESB Assessments. [Contribute to GRESB Insights.](#)



Performance-Based
Occupant Engagement: New
Technology Tackles Long-
Standing Challenges

Arc . January 6, 2020

New tools and technology are making it easier to understand and manage real world occupant experience. Four specific strategies can turn technology into effective management.

[Continue Reading](#)



Tenant Engagement–The
road to corporate
sustainability

Allied Environmental Consultants Limited .
December 19, 2019

In recent years, the interests of tenants in green or



Remember to keep your
'Proof of Purpose'

Inogen Environmental Alliance Inc . December 30, 2019

As we enter the festive period, we will all be reminded to “keep our proof of purchase” should any of our gifts need to be returned, it is the evidence...

[Continue Reading](#)



Stay focused: the strategic
value of stakeholder
engagement

PIE Strategy Limited . December 20, 2019

Making cities sustainable remains high up on the international agenda as the planet faces a climate emergency.

[Continue Reading](#)

 G R E S B

2020 GRESB Real Estate
Assessments Development

GRESB . December 19, 2019

GRESB assesses and benchmarks the ESG performance of real assets, providing standardized and validated data to capital markets. We were established in 2009 by a group of large pension



10 Years
of GRESB

Reflecting on the last 10
years of GRESB and
preparing for what's ahead

GRESB . December 19, 2019

Mainstreaming ESG benchmarking in real assets 10 years ago, APG, PGGM and USS came together



10 Years of GRESB

DECEMBER 2019

2009

2019

3 Institutional investors **100**

0.3 Institutional capital (USD trillion) **22**

3 Industry associations **+40**

1 Partners **+50**

198 Participants **1,005**

0.9 Total property value (USD trillion) **4.1**

~18,000 Properties covered **+100,000**

PHASE III

2020+

GRESB

Performance Metrics



Strategic Alignment

International Sustainability Efforts



Tailored Application :: Real Asset Portfolios

Identify | Track | Benchmark | Improve | Communicate



G R E S B[®]



GRESB 2020 Advances

Real Estate | Infrastructure

1. All 2020 Benchmark Participants Become GRESB Members

- 10 years as industry-driven benchmark
- Strong engagement track record
- Accelerates industry commitment



GRESB 2020 Advances

Real Estate | Infrastructure

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- Accelerates industry commitment

2. GRESB Portal Improvements

- Improved error reports
- Detailed scoring information
- Validation decision rationale
- Improved submission quality



G R E S B

Real Estate Fund VI

← Back to Assessment Portal

1 Load data
Upload from Excel or API

2 Add certification data
Use the GRESB certification tool

3 Review data
Resolve errors and warnings

4 Update assessment
Sync data to portfolio

Search assets

Upload Assets in Excel

Export Data to Excel

No warnings

Please click here to learn how to avoid duplicate assets.

No asset found

BUILDING	ENERGY	GHG	WATER	WASTE	CERT	MANAGE
+ Add Asset						

IMPORT/EXPORT DATA USING EXCEL®

GRESB provides a standard Excel spreadsheet template to collect your asset data offline and upload it into the GRESB Asset Portal.

IMPORT/EXPORT DATA USING GRESB ASSET API

GRESB offers an automated solution for reporting asset data. The GRESB Asset API fully integrates external data platforms with the GRESB Asset Portal. Contact a GRESB Data Partners to get started.

GRESB ASSET PORTAL GUIDE

To help you make the most of the GRESB Asset Portal, we have compiled the most important steps for your submission.

GRESB 2020 Advances

Real Estate | Infrastructure

1. All 2020 Benchmark Participants Become GRESB Members
 - 10 years as industry-driven benchmark
 - Strong engagement track record
 - Accelerates industry commitment
2. GRESB Portal Improvements
 - Improved error reports
 - Detailed scoring information
 - Validation decision rationale
 - Improved submission quality
3. **Review Period {new}**
 - Preliminary results released September 1, 2020
 - Review period :: September 2020
 - Final results released October 1
 - Info: <https://gresb.com/participant-guidance/>

Assessment Engagement and Development	JANUARY	● GRESB Portal Development following the Pre-release of the 2020 Real Estate and Infrastructure Assessments
	FEBRUARY	● GRESB Portal Development and industry engagement
	MARCH	● Release of Real Estate and Infrastructure Assessments & Reference Guides and the Resilience Module ● Online and in-person GRESB Assessment Training
Assessment Reporting Period	APRIL	● April 1: GRESB Portal opens for the 2020 GRESB Assessments ● Upon completion of the Assessment, participants are encouraged to request a Response Check ● Online and in-person GRESB Assessment Training
	MAY	● Response Checks
	JUNE	● Validation starts
Validation, Scoring and Benchmarking	JULY	● July 1: GRESB Portal closes
	AUGUST	● Validation ends ● Scoring and benchmarking
Review Period	SEPTEMBER	● September 1: Launch of preliminary Benchmark Reports ● Review period
Assessment Results	OCTOBER	● October 1: Launch of the Assessment Results ● Public results events - all regions ● Structured investor and industry engagement
	NOVEMBER	● Structured investor and industry engagement ● Participants provide feedback on Assessment content, products and services ● Aggregation and analysis of feedback ● Start of preparation for the 2021 Assessment cycle
Assessment Engagement and Development	DECEMBER	● Structured investor and industry engagement ● GRESB Portal development

2020 GRESB Component Split

Management | Performance



MANAGEMENT COMPONENT

Portfolio / Organizational level

- Strategy & Leadership
- Policies
- Reporting
- Risk Management
- Stakeholder Engagement

PERFORMANCE COMPONENT

Asset Level

- Risks & Opportunities
- Monitoring
- Performance Indicators
 - Energy
 - GHG emissions
 - Water
 - Waste
- Targets
- Building Certifications
- Tenants
- Community Engagement

GRESB ASSESSMENT

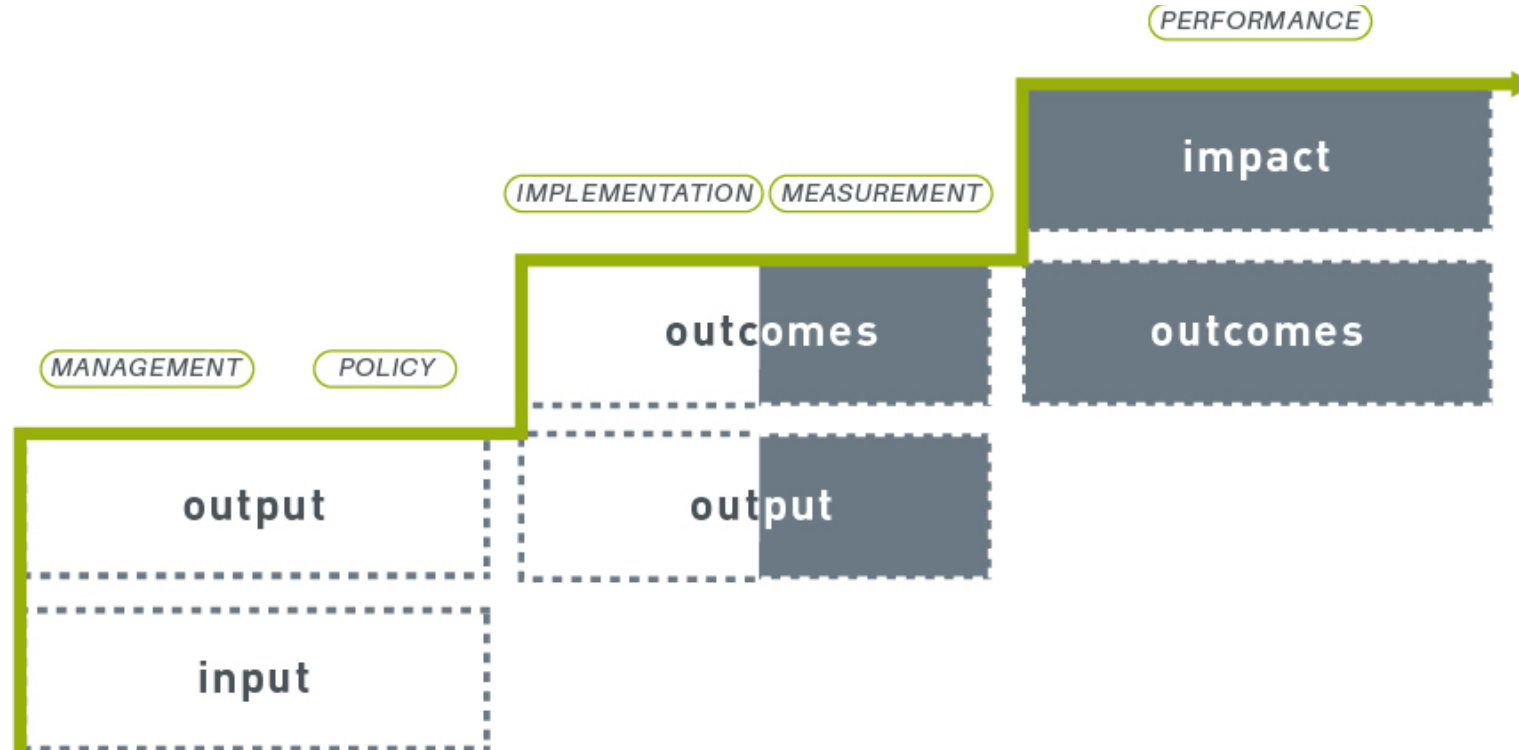
MANAGEMENT COMPONENT

Portfolio / Organizational level

PERFORMANCE COMPONENT

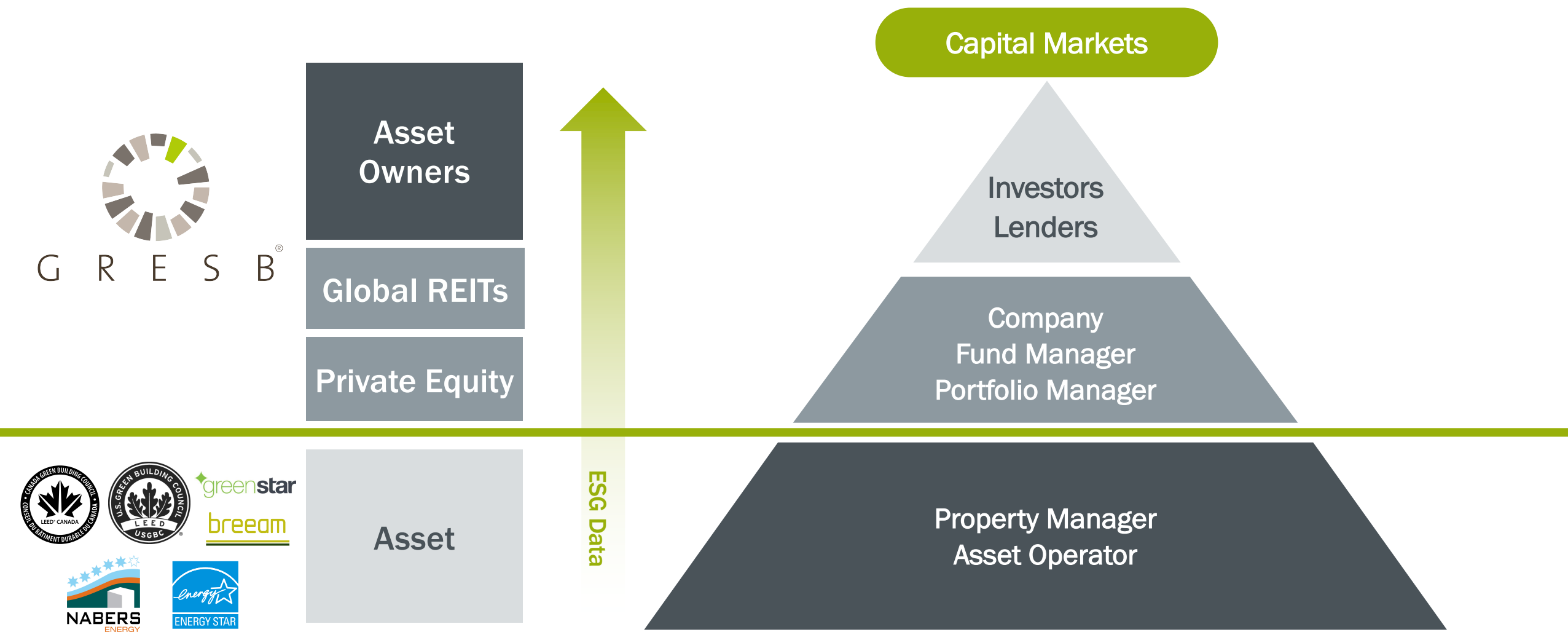
Asset Level

OVERALL
GRESB
SCORE

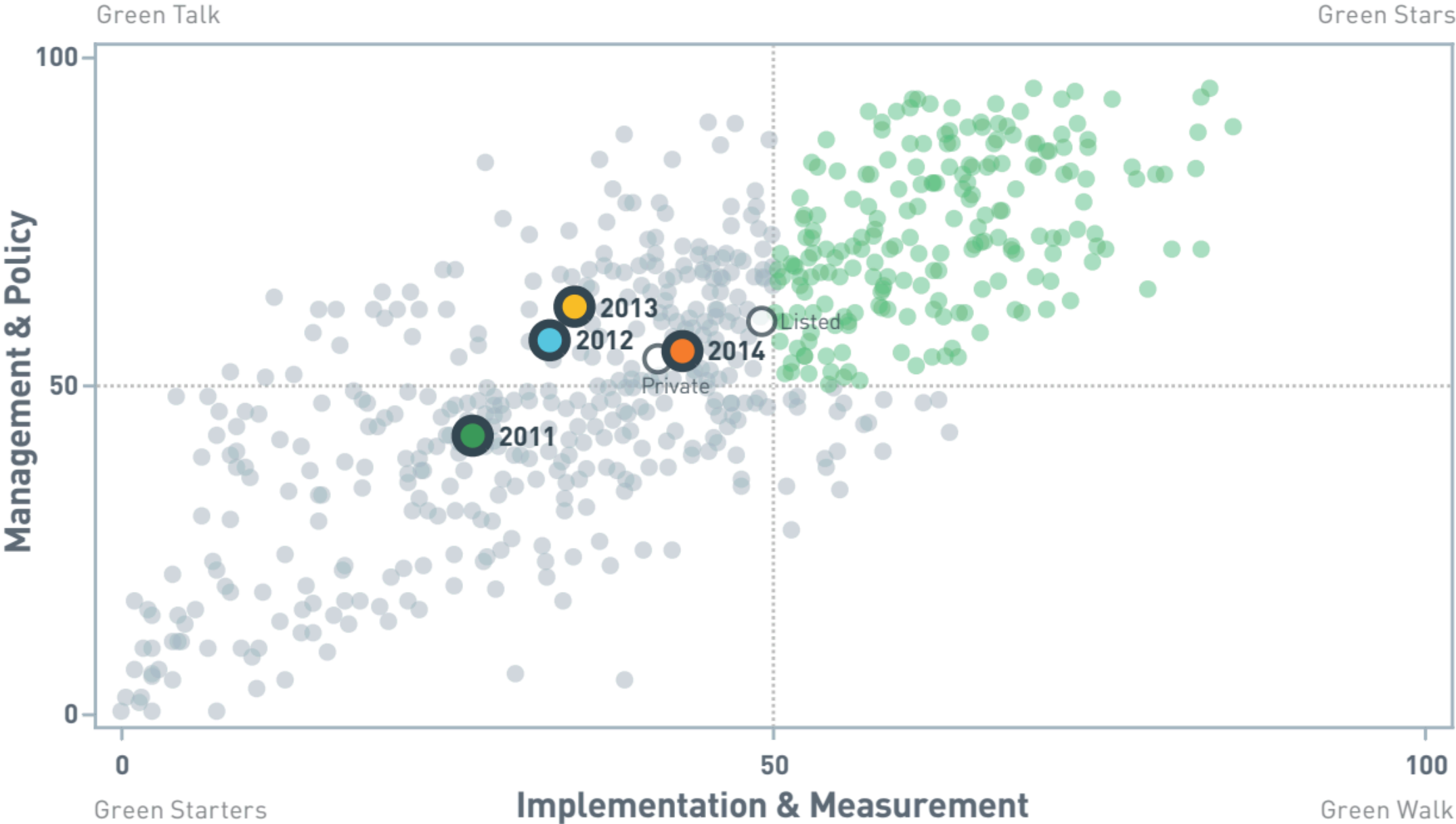


Asset Data :: Required for GRESB Performance Score

location data [required] | consumption data [as available]

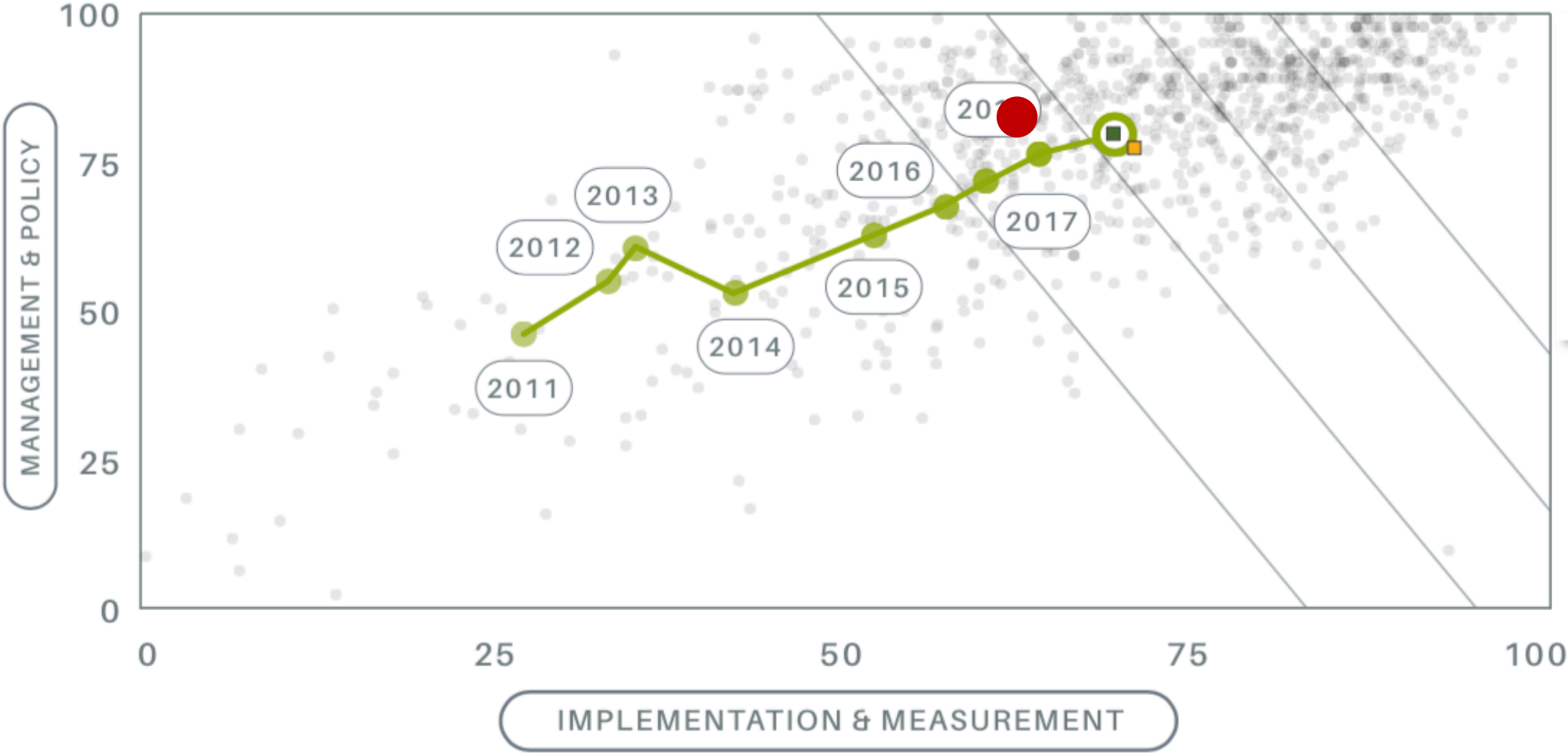


Impact :: History



GRESB Score Projections

2020 scenario analysis [in red]



What are the key takeaways from the GRESB 2020 Pre-release?

Changes to the asset level spreadsheet and data focus:

- Efficiency Measures
- Building certifications
- Asset Characteristics vs. Reporting Characteristics
- Data Availability
- Scope 3 emissions

Qualitative:

- Increased focus on asset level characteristics on questions
- Removal, consolidation of questions
- Restructure of the 7 categories into 3 components: development, performance, management

What about data coverage?

What qualifies my data to be included as like for like?

How do I improve data coverage?

How should I classify assets to improve data coverage?

I've have been submitting to GRESB for years – what more can I do to improve?

- Increase data coverage
- Building certifications
- Evaluate resiliency component
- Increase focus on community component
- Employee sustainability training
- Release ESG initiatives publicly
- Conduct asset level risk assessments

The slide features three decorative circles: a large teal circle on the left edge, a large yellow circle in the top right corner, and a smaller teal circle below the yellow one.

Questions?

Thank you!



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APPENDIX



INSTITUTIONAL INVESTORS 2020

Measures | Metrics | Impacts

Investment Spectrum



Investment Spectrum

The New Paradigm

Traditional	Responsible	Sustainable		Impact		Philanthropy
Limited or no regard for environmental, social or governance (ESG) risk management practices	Delivering competitive returns					
	Mitigating ESG risks					
	Pursuing ESG opportunities					
	Focusing on (measurable) high-impact solutions					
	Mitigate risky ESG practices in order to <i>protect value</i>	Adopt progressive ESG practices that may <i>enhance value</i>	Address societal challenges that generate <i>competitive financial returns</i> for investors	Address societal challenges where returns are as yet unproven	Address societal challenges that require a below-market financial return for investors	Address societal challenges that cannot generate a financial return for investors

Applications

Opportunities for portfolio de-risking

Capital Markets | Institutional Investors

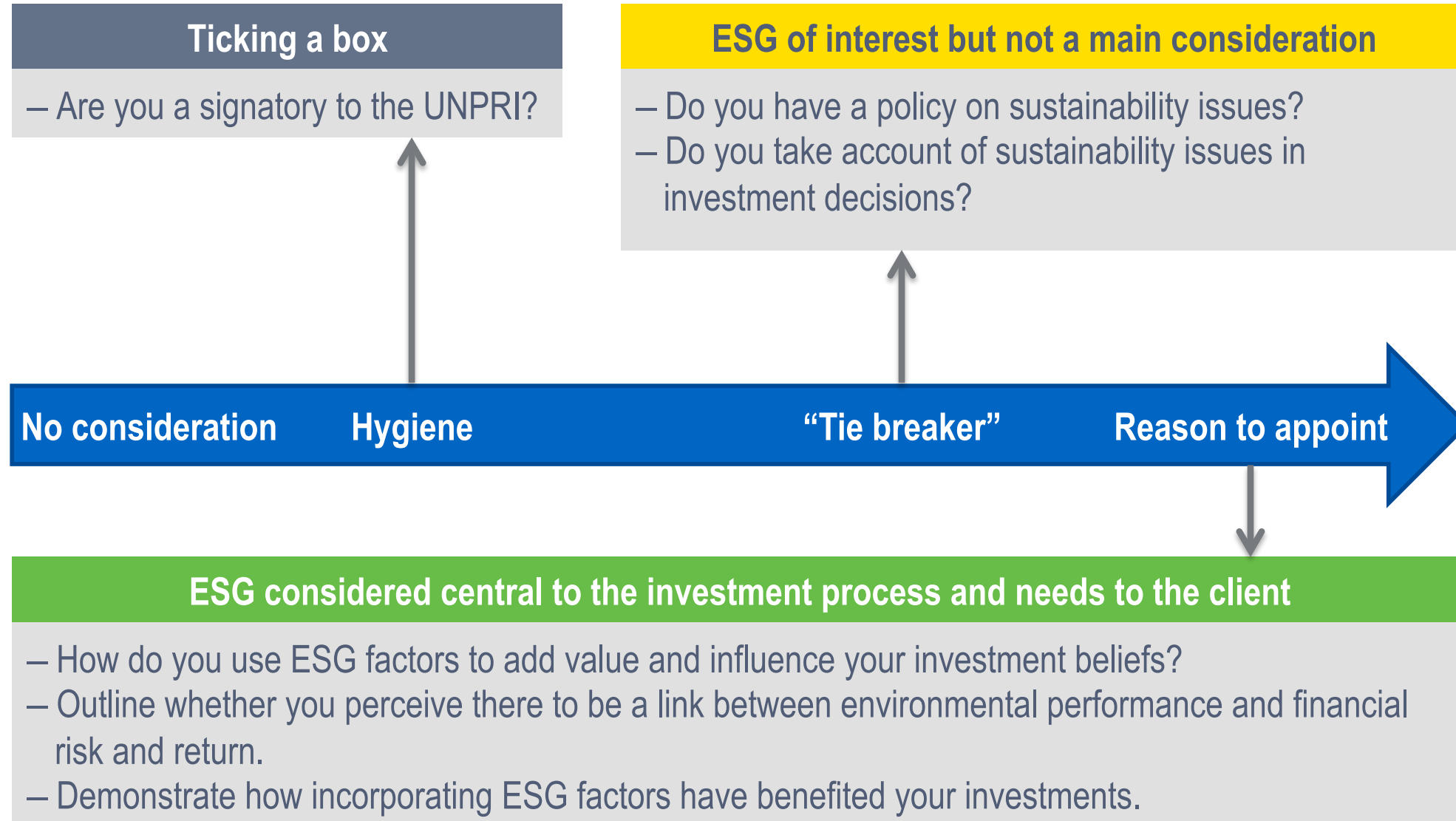
- Positive screening for capital allocation and manager selection
- Transparency mechanism for pursuing enhanced risk-adjusted returns
- Additional measure of performance
- Ongoing engagement tool with investment managers
- Carbon footprint reporting

Industry Sectors | Participants

- Understand ESG related portfolio risks and opportunities
- Identify industry best practices in ESG performance
- Perform gap analysis / introspection
- Develop tailored action plans for improvement
- Metrics for investor communications

Engagement

Private equity fund underwriting



Due Diligence

pre-investment phase



CLOSING
REMARK



BENCHMARKING

Curiosity | Compliance | Competition | Continuous Improvement

Real Estate Industry Drivers

2009 - 2014

Phase I

2009 - 2014

COMPLIANCE

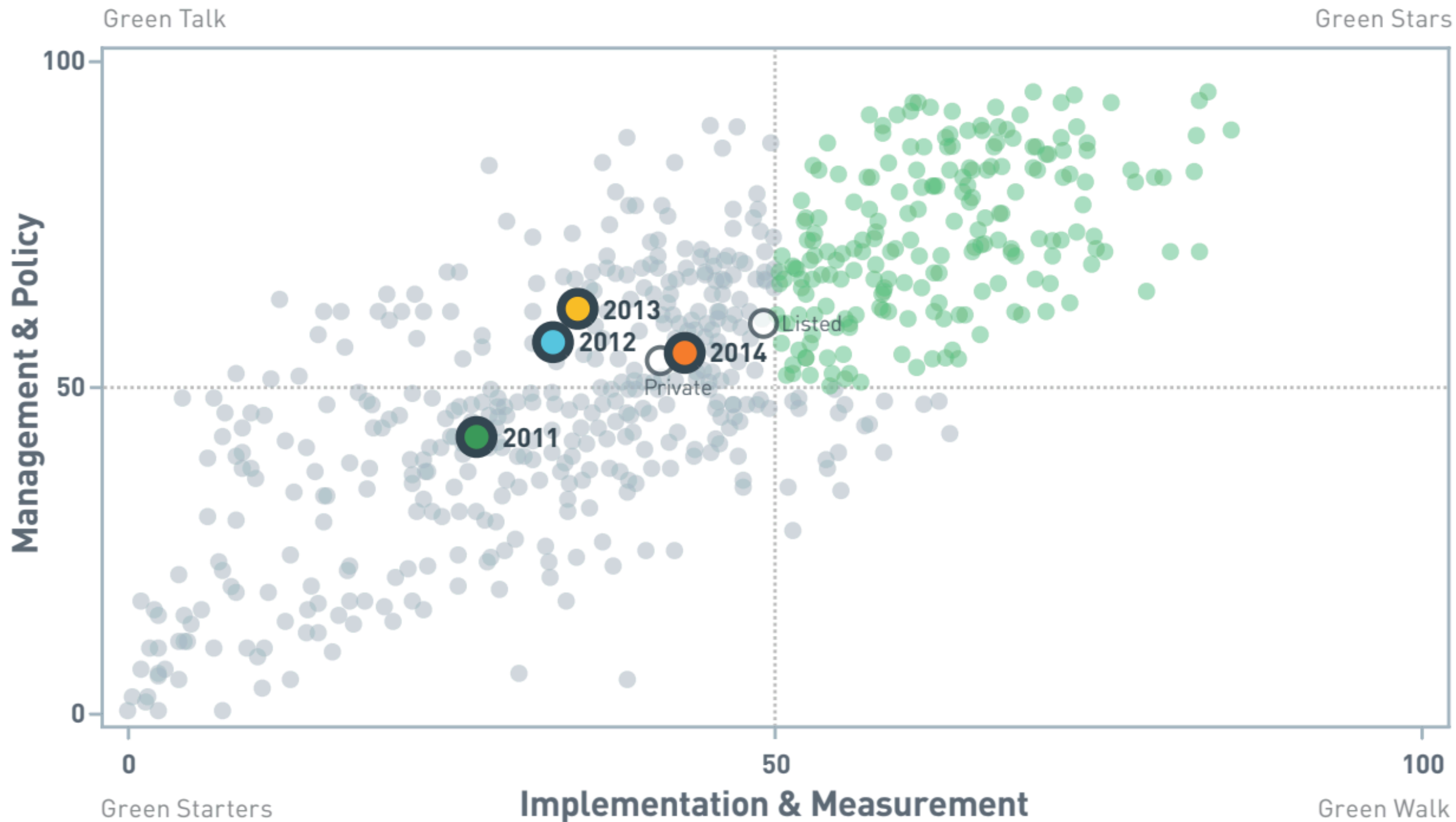
CURIOSITY



Participation



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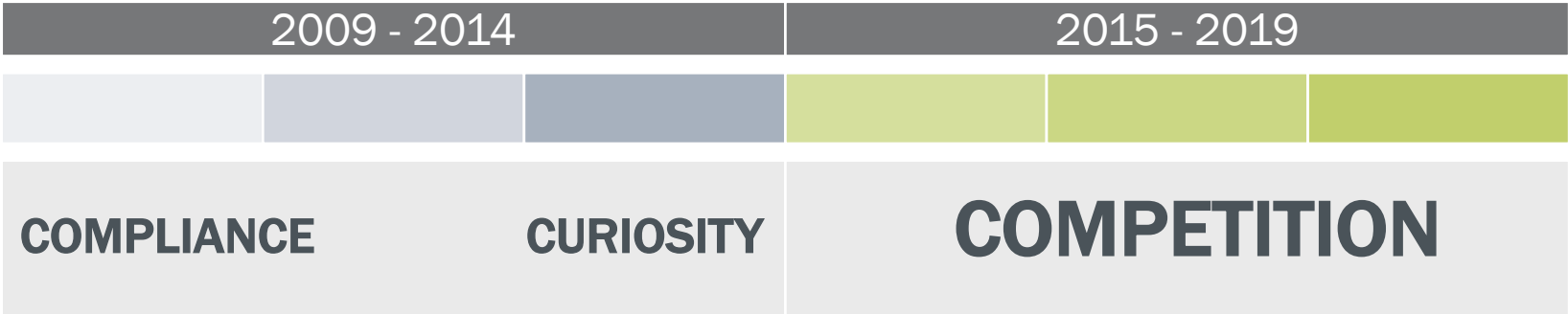


Real Estate Industry Drivers

2015 - 2019

Phase I

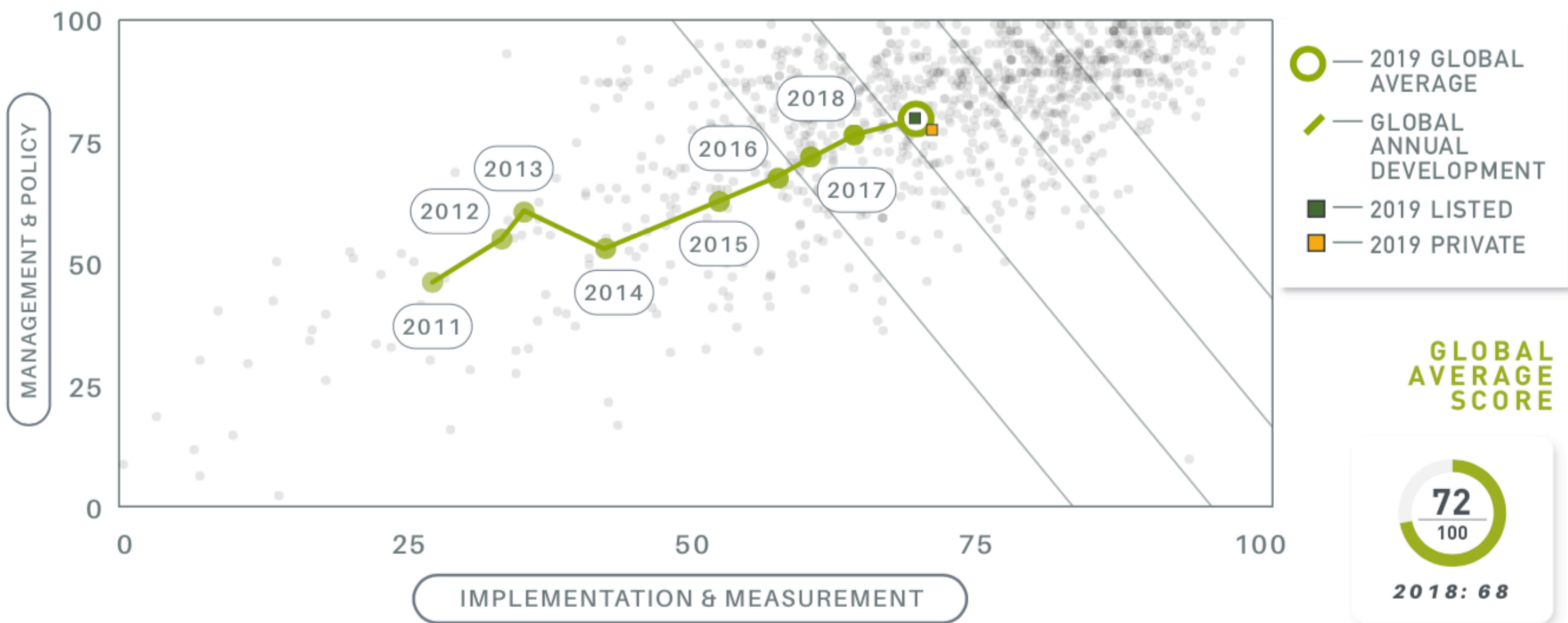
Phase II



Participation



G R E S B[®]



Real Estate Industry Drivers

2020+

Phase I

Phase II

Phase III

2009 – 2014

2015 – 2019

2020+

COMPLIANCE

CURIOSITY

COMPETITION

RISK
MANAGEMENT

BUSINESS
VALUE



Participation



G R E S B[®]

