Assessment Training

- 2020 Assessment Developments -

March 2020

2020 Assessment Developments

❏ 2020 Assessment structure

❏ Key developments

    o   Management Component

    o   Performance Component
            GRESB Asset Spreadsheet
            Aggregated performance tables

    o   Development Component

❏ 2020 Output & Results

2020 Assessment structure

2020 Assessment structure

MANAGEMENT COMPONENT

The Management Component measures the entity's strategy and leadership management, policies and processes, risk management, and stakeholder engagement approaches, comprised of information collected at the entity level.

2020 Assessment structure

PERFORMANCE COMPONENT

MANAGEMENT COMPONENT

The Performance Component measures the entity's asset portfolio performance, comprised of information collected at the asset and portfolio level. It is suitable for any real estate company or fund with operational assets.

2020 Assessment structure

| PERFORMANCE COMPONENT | MANAGEMENT COMPONENT | DEVELOPMENT COMPONENT |

The Development Component measures the entity's efforts to address ESG issues during the design, construction, and renovation phases of buildings. This component is suitable for entities involved in new construction (building design, site selection and/or construction) and/or major renovation projects, with on-going projects or completed projects during the reporting period.

Key developments

Management Component

Management Component

Structured in five aspects, information submitted at entity level

Aspects

MANAGEMENT COMPONENT

Leadership	(LE1, LE2, LE3, LE4, LE5, LE6)
Policies	(PO1, PO2, PO3)
Reporting	(RP1, RP2.1, RP2.2)
Risk Management	(RM1, RM2, RM3.1, RM3.2, RM4)
Stakeholder Engagement	(SE1, SE2.1, SE2.2, SE3.1, SE3.2, SE4, SE5, SE6, SE7.1, SE7.2, SE8)

Management Component

Key developments

Management component stays consistent to previous years.
The developments are largely structural and are limited to:

1. New answer options to align
   - Internally: other assessments (Infrastructure)
   - Externally: other frameworks (PRI, RobecoSAM, CDP, etc.)

2. All indicators are formulated at entity level (i.e. "Does the entity....."?)

3. Each indicator is assigned a title, to facilitate easy referencing in various documents and data download tools

Key developments
Performance Component

Performance Component

Structured in nine aspects, information submitted at portfolio and asset level

Aspects

Portfolio level

Asset level

PERFORMANCE COMPONENT

Risk Assessments	(RA1, RA2, RA3, RA4, RA5,)
Targets	(T1.1, T1.2)
Tenants & Community	(TC1, TC2.1, TC2.2, TC3, TC4, TC5.1, TC5.2, TC6.1, TC6.2)
Energy	(EN1)
GHG	(GH1)
Water	(WT1)
Waste	(WS1)
Data Monitoring & Review	(MR1, MR2, MR3, MR4,)
Building Certifications	(BC1.1, BC1.2, BC2)

Asset level mandatory
requirement - more info:
https://gresb.com/asset-level-reporting-fundamental-for-evaluating-real-estate-performance/

Performance Component

The scope of the Component is reduced and enables performance measurement at the asset level:

1. Performance indicators
   - Mandatory asset-level reporting for:
     - ✓ Energy / GHG / Water / Waste / Certifications / Technical assessment + Efficiency measures
   - Change of terminology from *Managed* vs. *Indirectly Managed* to *Landlord-Controlled* and *Tenant-Controlled* areas
   - Request for reporting both *location-based* and *market-based* GHG emissions

2. Portfolio composition
   - Indicator R1.1 (former RC5.1) under validation scope

3. Removal of indicators + simplification
   - ME2: DMS
   - ME3/4/5 – monitoring methods
   - PI1.2/PI2.2/PI3.2: intensity rates

Overview of changes
GRESB Asset Spreadsheet

Spreadsheet setup

Tabs requiring values for both reporting years (CY & LY) display 2 rows per asset

<u>2019 Assessment:</u>

The GRESB Asset Spreadsheet displayed multiple **columns** to report data on multiple reporting years

<u>2020 Assessment:</u>

The GRESB Asset Spreadsheet displays multiple **rows** to report data on multiple reporting years

➢ Affected tabs:

<Reporting Characteristics>
<Energy>
<GHG>
<Water>
<Waste>

Reporting Characteristics

Asset Name Do not edit	Property Type Do not edit	Reporting Year Do not edit	Whole Building is <u>Tenant Controlled</u> Mandatory TRUE/FALSE
Asset A	Property Type X	2018	TRUE
		2019	TRUE
Asset B	Property Type Y	2018	FALSE
		2019	FALSE

More granularity

Indicators formerly asked at portfolio level are now tracked at the asset level

<Building Certifications>

➤ Building Certifications

Asset Characteristics		Building Certifications			
Asset Name Do not edit	Property Type Do not edit	Certification 1		Certification 2	
		Scheme/Level Drop-down	Floor Area Covered m2 / Sq. Ft	Scheme/Level Drop-down	Floor Area Covered m2 / Sq. Ft
Asset A	Property Type X	LEED (O+M) — Gold	5,875	WELL Core and Shell — Silver	5,875
Asset B	Property Type Y	BREEAM/In Use — Very Good	12,950		

➤ Energy Ratings

Asset Characteristics		Energy Ratings	
Asset Name Do not edit	Property Type Do not edit	Energy Ratings	
		Scheme/Level Drop-down	Floor Area Covered m2 / Sq. Ft
Asset A	Property Type X	Energy Star Certified - 85-89 Points	5,875
Asset B	Property Type Y	EU EPC - A+	12,950

Indicators formerly asked at portfolio level are now tracked at the asset level

<Efficiency Measures>

- ➤ Technical assessment
    - ✓ Energy
    - ✓ Water
    - ✓ Waste

- ➤ Efficiency measures
    - ✓ Energy
    - ✓ Water
    - ✓ Waste

Energy			
Technical assessment during the last 3 years	Efficiency measures implemented in the last 3 years		
	Automatic meter readings (AMR)	Automation system upgrades	Management systems upgrades
TRUE/FALSE	TRUE/FALSE	TRUE/FALSE	TRUE/FALSE
TRUE	FALSE	FALSE	TRUE

Water			
Technical assessment during the last 3 years	Efficiency measures implemented in the last 3 years		
	Automatic meter readings (AMR)	Cooling tower	Drip / smart irrigation
TRUE/FALSE	TRUE/FALSE	TRUE/FALSE	TRUE/FALSE
TRUE	FALSE	FALSE	TRUE

Waste			
Technical assessment during the last 3 years	Efficiency measures implemented in the last 3 years		
	Automatic meter readings (AMR)	Composting landscape	Recycling
TRUE/FALSE	TRUE/FALSE	TRUE/FALSE	TRUE/FALSE
TRUE	FALSE	FALSE	TRUE

Note: The timeframe for Efficiency measures and Technical assessment has been reduced from 4 to 3 years.

More granularity

Indicators formerly asked at portfolio level are now tracked at the asset level

<Energy>

➢ Renewable Energy
  - ✓ On-site
  - ✓ Off-site

Asset Characteristics		Renewable Energy				
Asset Name	Property Type	Generated and consumed on-site by landlord	Generated on-site and exported by landlord	Generated and consumed on-site by third party or tenant	Generated off-site and purchased by landlord	Generated off-site and purchased by tenant
Do not edit	Do not edit	(kWh)	(kWh)	(kWh)	(kWh)	(kWh)
Asset A	Property Type X					
Asset B	Property Type Y					

<Water>

➢ Recycled Water
  - ✓ On-site
  - ✓ Off-site

Asset Characteristics		Reused and recycled			
Asset Name	Property Type	On-site			Off-site
Do not edit	Do not edit	Water reuse	Water capture	Water extraction	Water purchased
		(m3)	(m3)	(m3)	(m3)
Asset A	Property Type X				
Asset B	Property Type Y				

Data Availability

Identification of period of Data Availability for each relevant utility type

Comments:

- Data Availability ≠ Ownership Period

- Data Availability for GHG not required as same as Energy

Benefits:

- ✓ Fields required for data normalization

- ✓ Ability to report on data prior to acquisition date

\<Energy\>
\<GHG\>

Data Availability	
From (in reporting year) **Mandatory** **Date**	**From (in reporting year)** **Mandatory** **Date**
2018-01-01	2018-12-31
2019-01-01	2019-12-31

\<Water\>

Data Availability	
From (in reporting year) **Mandatory** **Date**	**From (in reporting year)** **Mandatory** **Date**
2018-01-01	2018-12-31
2019-01-01	2019-12-31

\<Waste\>

Data Availability	
From (in reporting year) **Mandatory** **Date**	**From (in reporting year)** **Mandatory** **Date**
2018-01-01	2018-12-31
2019-01-01	2019-12-31

Overview of changes
Aggregated performance tables

Improved aggregated performance metrics to account for Time dimension (Ownership Period)

				Absolute				Like-for-Like		
				2018	2019			2018	2019	
				Consumption (MWh)	Consumption (MWh)	Floor Area Covered (m2/sq.ft.)	Maximum Floor Area (m2/sq.ft.)	Consumption (MWh)	Consumption (MWh)	Floor Area Covered (m2/sq.ft.)
Whole Building	Whole Building	Landlord Controlled	Fuels							
			District Heating & Cooling							
			Electricity							
		Tenant Controlled	Fuels							
			District Heating & Cooling							
			Electricity							
	Energy consumption - Sub-total				N/A	N/A				N/A
Base Building	Common Areas	Landlord Controlled	Fuels							
			District Heating & Cooling							
			Electricity							
	Shared Services	Landlord Controlled	Fuels							
			District Heating & Cooling							
			Electricity							
Tenant Spaces	Tenant Spaces	Landlord Controlled	Fuels							
			District Heating & Cooling							
			Electricity							
		Tenant Controlled	Fuels							
			District Heating & Cooling							
			Electricity							
	Energy consumption - sub-total				N/A	N/A				N/A
	Outdoor / Exterior Areas / Parking	Landlord Controlled	Fuels							
			Electricity							
		Tenant Controlled	Fuels							
			Electricity							
	Energy consumption - TOTAL				N/A	N/A				N/A

Use for GRESB benchmarking:

	Data Coverage			Like-for-Like	
	Space - Aggregated data coverage (%)	Time - Aggregated data coverage (%)	Space/Time - Aggregated data coverage (%)	2019/2018 Aggregated LFL change (%)	LFL data coverage (%)
Landlord Controlled					
Tenant Controlled					

			2018		2019		2019/2018 change (%)
			Consumption (MWh)	% of total Consumption	Consumption (MWh)	% of total Consumption	
Renewable Energy	On-site	Generated and consumed by landlord					
		Generated and exported by landlord					
		Generated by third-party (or tenant)					
	On-site - Sub-total						
	Off-site	Purchased by landlord					
		Purchased by tenant					
	Off-site - Sub-total						
	Renewable Energy - TOTAL						

Improved aggregated performance metrics to account for Time dimension (Ownership Period)

| | | | Absolute | | | | Like-for-Like | | |
| | | | 2018 | 2019 | | | 2018 | 2019 | |
			Emissions (tonnes)	Emissions (tonnes)	Floor Area Covered (m2/sq.ft.)	Maximum Floor Area (m2/sq.ft.)	Emissions (tonnes)	Emissions (tonnes)	Floor Area Covered (m2/sq.ft.)
Whole Building	Scope 1								
	Scope 2	Located Based							
		Market Based (optional)							
	Total Scope 1&2 GHG emissions				N/A	N/A			N/A
	Scope 3								
	Total Scope 1&2&3 GHG emissions				N/A	N/A			N/A
Outdoor/ Exterior areas/ Parking	Scope 1								
	Scope 2	Located Based							
		Market Based (optional)							
	Total Scope 1&2 GHG emissions								
	Scope 3								
	Total Scope 1&2&3 GHG emissions								
GHG Offsets									
Net GHG Emissions after Offsets					N/A	N/A			N/A

Use for GRESB benchmarking:

| | Data Coverage | | | Like-for-Like | |
	Space - Aggregated data coverages (%)	Time - Aggregated data coverages (%)	Space/Time - Aggregated data coverages (%)	2019/2018 Aggregated LFL changes (%)	LFL data coverage (%)
Scope 1 & 2					
Scope 3					

Aggregated performance tables - Water

Improved aggregated performance metrics to account for Time dimension (Ownership Period)

			Absolute				Like-for-Like		
			2018	2019			2018	2019	
			Consumption (m3)	Consumption (m3)	Floor Area Covered (m2/sq.ft.)	Maximum Floor Area (m2/sq.ft.)	Consumption (m3)	Consumption (m3)	Floor Area Covered (m2/sq.ft.)
Whole Building	Whole Building	Landlord Controlled							
		Tenant Controlled							
	Water consumption - sub-total			N/A	N/A				N/A
Base Building	Common Areas	Landlord Controlled							
Tenant Spaecs	Tenant Spaces	Landlord Controlled							
		Tenant Controlled							
	Water consumption - sub-total			N/A	N/A				N/A
	Outdoor / Exterior areas / Parking	Landlord Controlled							
		Tenant Controlled							
Water consumption - TOTAL				N/A	N/A				N/A

Use for GRESB benchmarking:

	Data Coverage			Like-for-Like	
	Space - Aggregated data coverages (%)	Time - Aggregated data coverages (%)	Space/Time - Aggregated data coverages (%)	2019/2018 Aggregated LFL changes (%)	LFL data coverage (%)
Landlord Controlled					
Tenant Controlled					

			2018		2019		2019/2018 change (%)
			Consumption (MWh)	% of total Consumption	Consumption (MWh)	% of total Consumption	
Reused and Recycled	On-site	On-site water reuse					
		On-site water capture					
		On-site water extraction					
	On-site - Sub-total						
	Off-site	Off-site purchased					
	Off-site - Sub-total						
Reused and Recycled - TOTAL							

Key developments

Development Component

Development Component

Structured in seven aspects, information submitted at portfolio level

Aspects

DEVELOPMENT COMPONENT		

ESG Requirements	(DRE1, DRE2, DRE3)
Materials	(DMA1, DMA2.1, DMA2.2)
Building Certifications	(DBC1.1, DBC1.2)
Energy	(DEN1, DEN2.1, DEN2.2)
Water	(DWT1)
Waste	(DWS1)
Stakeholder Engagement	(DSE1, DSE2.1, DSE2.2, DSE2.2, DSE3.1, DSE3.2, DSE4, DSE5.1, DSE5.2)
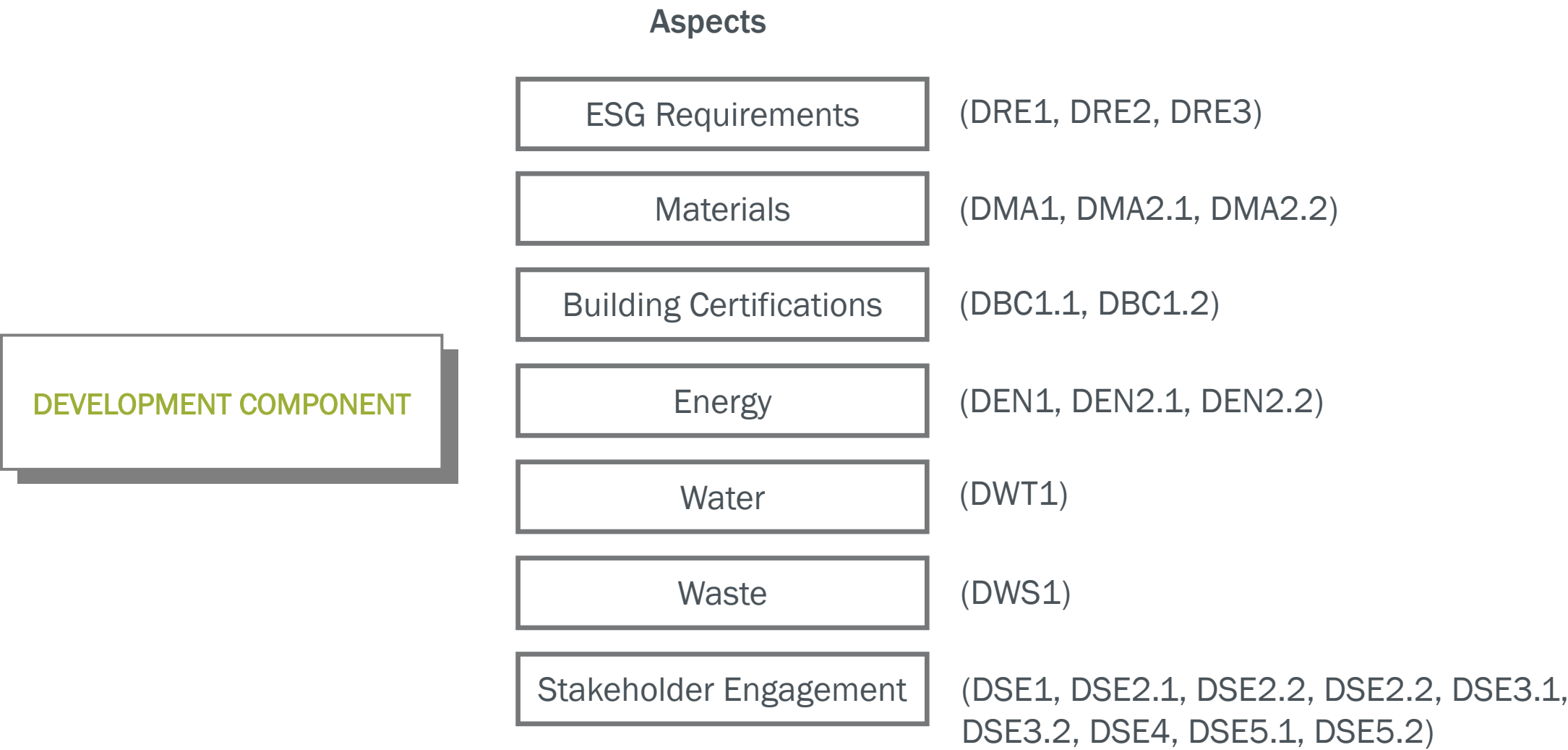
Development Component

Key developments

The Development Component has seen largely a structural change with the introduction of aspects.

1. New answer options to align
   - Internally: other assessments (Infrastructure)
   - Externally: other frameworks (PRI, RobecoSAM, CDP, etc.)

2. Introduction of new topics
   - Life-cycle Assessment (alignment with CDP 2020)
   - Disclosure of embodied carbon (alignment with CDP 2020)

2020 Output & Results

Real Estate Assessment

Real Estate Benchmark (standing investments)

GRESB Benchmark Report

Standing Investments

PERFORMANCE COMPONENT
(70% Score)

MANAGEMENT COMPONENT
(30% Score)

DEVELOPMENT COMPONENT

Real Estate Assessment

PERFORMANCE COMPONENT

MANAGEMENT COMPONENT
(30% Score)

DEVELOPMENT COMPONENT
(70% Score)

Development Benchmark (new buildings)

GRESB
Benchmark
Report

Development

Real Estate Assessment

Real Estate Benchmark (standing investments)

GRESB
Benchmark
Report

Standing Investments

| PERFORMANCE COMPONENT (70% Score) | MANAGEMENT COMPONENT (30% Score) | DEVELOPMENT COMPONENT (70% Score) |

Development Benchmark (new buildings)
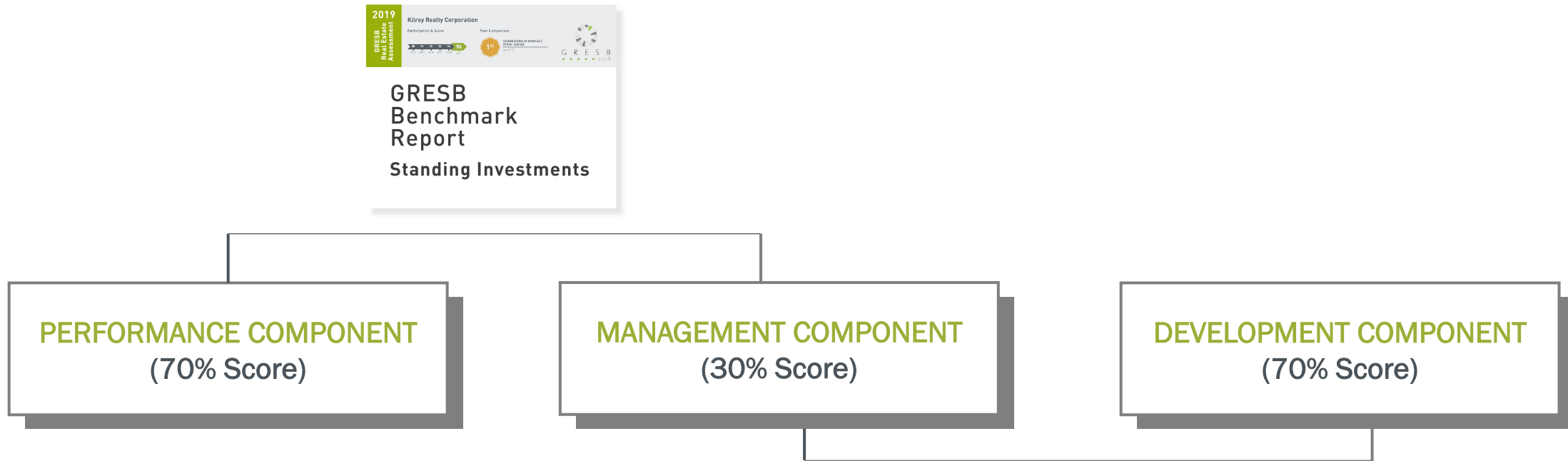
GRESB
Benchmark
Report

Development

Overview - Assessment Structure & Results

REPORTING ENTITY

COMPONENTS

GRESB RESULTS

Portfolios with
- STANDING INVESTMENTS

completing →

- Management
- Performance

receive →

GRESB Benchmark Report

Standing Investments

Portfolios with
- STANDING INVESTMENTS
- DEVELOPMENT PROJECTS

completing →

- Management
- Performance
- Development

receive →

GRESB Benchmark Report

Standing Investments

GRESB Benchmark Report

Development

Portfolios with
- DEVELOPMENT PROJECTS

completing →

- Management
- Development

receive →

GRESB Benchmark Report

Development

Thank you