



Investor Engagement Guide

ESG ENGAGEMENT WITH PROPERTY COMPANIES AND FUNDS USING GRESB DATA

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KEY MESSAGES

GRESB offers a consistent framework to measure and compare key environmental, social, and governance (ESG) indicators and related performance metrics across global real estate portfolios. GRESB Investor Members are key to increasing the transparency of ESG performance of their investments.

- By participating in the annual GRESB Real Estate Assessment, managers are able to communicate their commitment to ESG and responsible investing to their investors, using an industry-specific framework.
- As an Investor Member, you are able to use GRESB data to benchmark and compare your investments across regions and property types.
- The annual GRESB results allow you to engage with your managers on how they are managing ESG risks and capitalizing on opportunities.
- Not all property companies and funds with whom you engage may participate in GRESB. For those that do not participate, the benefits of doing so are explained on [the Real Estate Assessment page](#).
- Participants can choose to submit the Assessment as a Participant and pay a nominal participation fee or submit the Assessment as a GRESB Member. Participation is free of charge for non-OECD countries.

Assessment Aspects



MANAGEMENT



POLICY & DISCLOSURE



RISKS & OPPORTUNITES



PERFORMANCE INDICATORS



MONITORING & EMS



STAKEHOLDER ENGAGEMENT



NEW CONSTRUCTIONS & RENOVATIONS



BUILDING CERTIFICATIONS

TOPICS FOR ENGAGEMENT WITH INVESTMENTS

1. Consider asking your managers the following questions:

- Do you report on your ESG performance by participating in the annual GRESB Real Estate Assessment?
- For fund managers only: If so, with how many funds do you participate?
- What proportion of your funds (by AUM) participate in the Assessment?
- Do you participate in the Assessment with separate accounts and joint ventures?
- If you do not participate, please explain why, and whether you plan to participate in the future?

2. ESG and responsible investment policies

- You can request access to Assessment results through the GRESB Portal and use the GRESB Score and responses as the basis for engagement with your managers.
- The topics addressed by the annual Assessment are relevant for investors, whether or not your managers currently participate. The starting point is to ask whether your managers participate in the GRESB Assessment.
- If your managers do not participate, you can still use the engagement topics as the basis for discussions and encourage future participation as a way of reporting on these topics.

3. The engagement process

- Encourage managers to report to GRESB in each Assessment year.
- Explain to your managers that continuously improving their sustainability performance is more important than their absolute GRESB Score.
- Ask managers to explain their GRESB Scores and encourage them to improve underperforming Aspects.
- Encourage participants to become more transparent by improving and/or expanding the scope of their GRESB reporting

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ASSESSING PERFORMANCE AGAINST YOUR ESG OR RI POLICY

1. Examine the sustainability performance of your investments against your own ESG criteria and policies.
2. Consider:
 - The percentage of your investments that participate in GRESB.
 - The GRESB Scores of your investments in absolute terms, and relative to their peers.
 - Assessing whether there are any violations of internal ESG criteria/policies.
 - Identifying engagement candidates, e.g., investments that underperform either on an absolute basis, or relative to their peers.
 - Setting clear targets for improvement, e.g., focus on indicators and topics that are most material to your own ESG and responsible investing criteria/policies.

FURTHER INTEGRATION INTO DECISION MAKING

1. Assess possibilities to (further) integrate GRESB data into the due diligence/investment decision-making process.
2. Consider for non-listed investments:
 - Requiring the manager to participate in the annual GRESB Real Estate Assessment for the full holding period of your investment (GRESB can provide examples of standard side letters).
 - If the investment does not perform in line with your expectations, requiring the manager to work with you to identify and implement strategies to improve future performance.
 - Setting GRESB performance levels when determining capital allocations.
3. Consider for listed investments:
 - Including the GRESB Assessment results and the GRESB Rating of a company/REIT in the valuation model. The GRESB Score and Rating could translate into a risk premium or discount.
 - Using the GRESB Public Disclosure results for non-participating companies/REITs. This can be used as a proxy for the GRESB Rating outcomes.

2017 BENCHMARK KEY FACTS

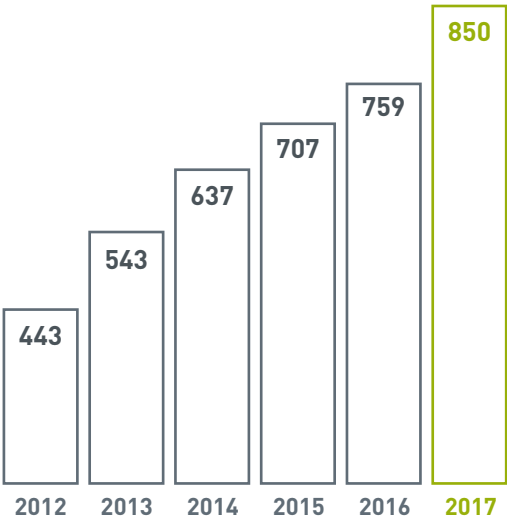
INVESTOR MEMBERS



BENCHMARK COVERAGE



GRESB PARTICIPANTS



EXTERNAL COMMUNICATION AND REPORTING

1. Integrate the results from your ESG engagement process into external communication and reporting.
2. Consider communicating:
 - The percentage of your investments that participated in GRESB and your target for future years
 - Your aggregated GRESB Score (value-weighted) and how this Score compares to the (regional) benchmark
 - Your engagement process, outcomes and targets
 - How your investments perform against your own ESG criteria and policies
 - The total energy consumption or carbon footprint of your real estate investments, and the change over time.

MEMBER PORTAL ENGAGEMENT TOOLS

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

INVITE PARTICIPANTS

You are encouraged to use the "Invite" feature in the Member Portal to contact any managers and prompt participation during the Assessment open period (2 April, 2018 - 1 July, 2018).

RESPONSE TRACKER

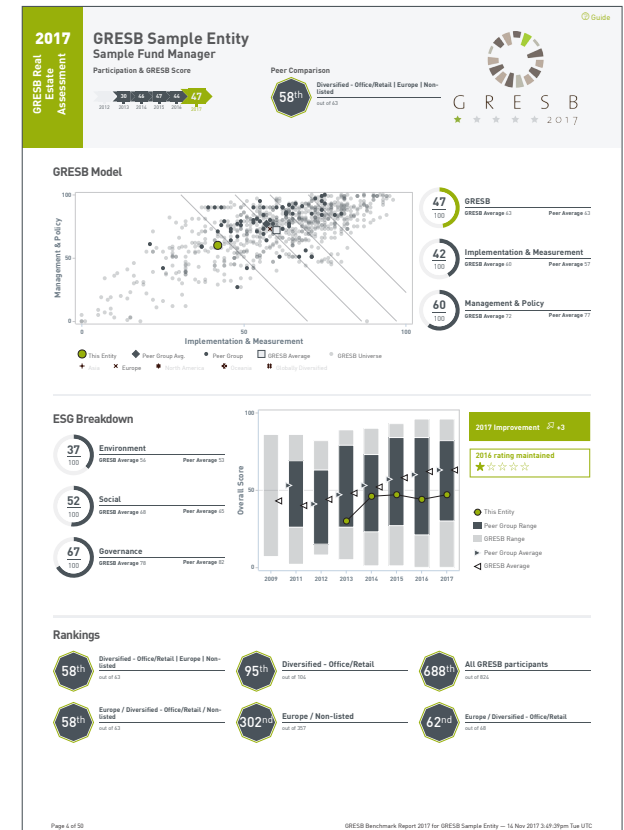
The Response Tracker allows you to track the progress of Assessment submissions and identify investments that may require additional outreach.

DATA ACCESS REQUEST

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 REPORT

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 deepen engagement on sustainability issues with managers.



[Download a sample Benchmark Report](#)

PORTFOLIO ANALYSIS TOOL

Using the Portfolio Analysis Tool enables you to perform a portfolio analysis for self-selected groups of your investments, including application of weights and customized benchmarks. This online tool provides relevant insight into how each investment contributes to the investment portfolio's aggregated ESG performance. It also provides a combined environmental footprint of the investment portfolio.

INVESTOR MEMBERS

JANUARY - FEBRUARY

- Engage with the GRESB team on the most material topics in the Real Estate Assessment

MARCH: ENGAGEMENT PROCESS CONTINUES

- Review Pre-release materials for a better understanding of the 2018 GRESB Real Estate Assessment
- Outreach to managers to request participation in the 2018 Assessment. This part of the engagement process continues throughout the Assessment period

MAY : OUTREACH

- Second outreach to managers to request participation in the 2018 Assessments
- Tracking progress of Assessment submissions

JUNE : OUTREACH

- Third outreach to investments to request participation in the 2018 Assessments
- Tracking progress of Assessment submissions

SEPTEMBER 5: ASSESSMENT RESULTS

- Data in GRESB Portal
- Portfolio Analysis tool available
- Engagement with managers on results

OCTOBER - DECEMBER: CONSULTATION PERIOD STARTS

- Aggregate and analyze feedback received
- Engage with the GRESB team on the Assessment results

JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER

GRESB

JANUARY

- Structured investor and industry consultation - GRESB Portal development

FEBRUARY

- February 15: Pre-Release of Assessments

MARCH

- March 1: Pre-release of Reference Guides

APRIL

- April 2: Assessment Portal opens. Companies, funds and assets are invited to participate in the 2018 GRESB Assessments by logging into the Assessment Portal.

MAY

- Response Checks

JUNE

- June 15: Deadline to request a Response Check - Validation starts

JULY

- July 1: Assessment Portal closes. All submissions must be received by July 1, 2018

AUGUST

- Validation ends - Scoring and benchmarking

SEPTEMBER

- September 5: Launch of the Assessment Results - Results Review - Public results events

OCTOBER

- Public results events - Participants feedback - GRESB Data Training

NOVEMBER

- Assessment consultation - Aggregation & analysis of feedback - GRESB Data Training

DECEMBER

- Assessment consultation - GRESB Portal development - Start of 2019 Assessment cycle

Enhance and protect shareholder value by assessing and empowering sustainability practices in the real asset sector.



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