



G R E S B[®]
REAL ESTATE DEBT

2017 Debt Assessment

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About GRESB

GRESB is an investor-driven organization that is transforming the way we assess the environmental, social and governance (ESG) performance of real assets globally, including real estate portfolios and infrastructure assets. More than 250 members, of which about 60 are pension funds and their fiduciaries, use the GRESB data in their investment management and engagement process, with a clear goal to optimize the risk/return profile of their investments. GRESB has assessed more than 1,100 property companies and funds, on behalf of more than 60 institutional investors.

The global property and infrastructure sectors are at the heart of the most important and far-reaching issues of our time, including urbanization, demographic change, resource constraints, environmental impacts and emerging technologies. The design, construction and operation of assets reflects, drives and potentially mitigates the impact of all of these issues on occupants, owners, communities and society at large. For more information, visit gresb.com. Follow [@GRESB](https://twitter.com/GRESB) on Twitter.

About the 2017 GRESB Debt Assessment

The GRESB Debt Assessment is an ESG engagement and benchmarking tool for primary lenders including regional and national banks; insurance companies; private equity debt funds; and mortgage REITs. The benchmark is specifically tailored to real estate lenders with focus on sustainability actions related to:

- Corporate ESG policies and business unit implementation
- Loan origination, due diligence and stakeholder engagement processes
- Property-level collateral monitoring methods
- Targeted loan programs and asset upgrade financing offerings

The GRESB Debt Assessment results provide opportunities to identify organizational strengths alongside areas for ESG performance improvement, both in absolute terms and relative to peers. Participants utilize their individualized benchmark as an internal and external engagement toolkit to inform forward business planning and stakeholder communication efforts by providing:

- Management evaluation opportunities
- Gap analysis through the identification of industry best practices
- Due diligence, loan monitoring and risk management process introspection
- Market insights to inform new or enhanced loan products

For mortgage REITs and private equity real estate funds, the GRESB Debt Assessment serves as an outward-facing communication tool to GRESB institutional investor members, and to the capital markets more broadly. Annual participation communicates commitment to ESG management practices and the incorporation of sustainability techniques into commercial real estate lending.

Entity and Reporting Characteristics

Entity Characteristics

EC1 **Entity Name** _____
Organization Name (if applicable) _____

EC2 **Location of the entity's headquarters office**
Street Address _____
City _____
Region/State _____
Country _____

EC3 **Nature of the entity**

- Private equity real estate debt fund
- Mortgage REIT
- Real estate lending unit of a
 - Bank
 - Life insurance company
 - Pension fund
 - Sovereign wealth fund
 - Other _____

The entity is a

- Public company
 - Listed on _____
 - ISIN _____
- Private company
- Other _____

EC4 **Nature of the business**

- Loan originator
 - _____ % of originations held on balance sheet
 - _____ % of originations syndicated
 - _____ % of originations securitized
- Loan purchaser

EC5 **The reporting period is**

- Calendar year
- Fiscal year

Specify the starting month _____

Reporting Characteristics

RC1 **Values are reported in**

- Australian Dollar (AUD)
- Brazilian Real (BRL)
- Canadian Dollar (CAD)
- Chinese Yuan (CNY)
- Danish Krone (DKK)
- Euro (EUR)
- Hong Kong Dollar (HKD)
- Indian Rupee (INR)
- Japanese Yen (JPY)
- Malaysian Ringgit (MYR)
- Mexican Peso (MXN)
- Pound Sterling (GBP)
- Singapore Dollar (SGD)
- South African Rand (ZAR)
- South Korean Won (KRW)
- Swedish Krona (SEK)
- Swiss Franc (CHF)
- United States Dollar (USD)
- Other _____

RC2 **What is the aggregate unpaid principal balance (i.e. outstanding loan value) of the entity's portfolio at the end of the reporting period?**

_____ (in millions)

RC3 For peer group purposes, describe the portfolio composition

Debt Strategy	% of loan portfolio	Average Loan Term
Senior loans		
Subordinated loans (mezzanine/junior)		
Participation loans		
Syndicated loans		
Securitized loans		
Other		

RC4 Which countries are included in the entity's portfolio?

Country	% of loan portfolio	Number of Assets	% Property Type by Market Value					
			Retail	Office	Industrial	Residential	Hotel	Other
Select country								
Select country								
Select country								

RC5 Provide additional context describing the entity's portfolio (maximum 250 words)



Sustainability Objectives

2016 Question

Q1.1 Does the organization have sustainability objectives? **Q1**

- Yes
 - ESG issues are broadly addressed in the organization's overall stakeholder communications
 - The organization has clear and specific sustainability objectives within its business strategy
 - Sustainability objectives are tied to key performance indicators [KPIs]

The objectives are

- Publicly available
 - Online - hyperlink_____
 - Offline - separate document
 - Upload** Indicate where in the evidence the relevant information can be found_____
- Not publicly available
 - Upload** Indicate where in the evidence the relevant information can be found_____
- No

Q1.2 Are these sustainability objectives integrated into the lending unit's practice(s)? **Q1**

- Yes
 - Select applicable inclusion level
 - All organization objectives are integrated into the lending unit's policies and practices
 - Most objectives are included in lending practices
 - Specify all objectives identified in Q1.1 that are included and excluded
 - _____
 - Few objectives are integrated into the lending practices
 - Specify all objectives identified in Q1.1 that are included and excluded
 - _____
 - Describe the integration of sustainability objectives and/or KPIs within the lending platform (maximum 250 words)
 - _____
- No

Q2

Does the organization have one or more persons responsible for implementing sustainability objectives within the lending unit? (multiple answers possible)

Q2

Yes

Employee(s) with accountability for implementation and results

Provide the details for the most senior of these employees

Name_____

Job title_____

E-mail_____

Employee(s) responsible for ongoing monitoring and/or KPI reporting

Provide the details for the most senior of these employees

Name_____

Job title_____

E-mail_____

Employee(s) for whom sustainability is among their responsibilities

Provide the details for the most senior of these employees

Name_____

Job title_____

E-mail_____

Other_____

Provide the details for the most senior of these employees

Name_____

Job title_____

E-mail_____

No

Sustainability Decision Making

Q3

Does the organization have a sustainability taskforce or committee?

Q3

Yes

Select the issue(s) assigned to the taskforce (multiple answers possible)

Develop/refine policies to include sustainability issues

Policy oversight/implementation

Product development

Research/analyze sustainability risk impacts

Determine and track relevant KPIs

Inform stakeholder reporting

Research industry best practice

Formal executive level advisory

Other_____

Describe how this taskforce or committee impacts the real estate lending unit (maximum 250 words)

No

Q4.1

Does the lending unit have a senior decision maker accountable for sustainability?

Q4

Yes

This individual is part of (multiple answers possible)

- Senior Management Team
- Board of Directors
- Chief Credit Officer
- Chief Risk Officer
- Credit Committee
- Loan Portfolio Manager
- Asset Manager
- Loan Servicing Team
- Loan Underwriting Team
- Other

Provide the details for the most senior decision maker on sustainability issues

Name _____

Job title _____

E-mail _____

No

Q4.2

Is the senior decision maker for sustainability involved in the lending decision process?

new

Yes

Describe inclusion process, including scale and scope (maximum 250 words)

Identify the minimum loan size that requires investment committee approval (EUR equivalent)

- < 2 million EUR
 - ≥ 2 million EUR, < 5 million EUR
 - ≥ 5 million EUR, < 10 million EUR
 - ≥ 10 million EUR
- No

Does the lender include sustainability factors in employee annual performance targets?

Yes

Select the employees for whom these factors apply (multiple answers possible)

- Asset Managers
- Credit Committee
- Fund/portfolio Managers
- Loan Servicing Team
- Loan Underwriting Team
- Risk Management Committee
- Senior Management Team
- All employees
- Other _____

No



Q6.1

Does the organization disclose the sustainability-related performance of the lending activities?

Q7.1

Yes

Disclosure location(s) (multiple answers possible)

Annual Report

Select the applicable reporting level

Dedicated section describing lending actions and/or resultant KPIs

Aggregated information is presented along with other business units

Upload Indicate where in the evidence the relevant information can be found_____

Aligned with

Sustainability report

Select the applicable reporting level

Dedicated section describing lending actions and/or resultant KPIs

Aggregated information is presented along with other business units

Upload Indicate where in the evidence the relevant information can be found_____

Aligned with

Corporate website

Select the applicable reporting level

Dedicated section describing lending actions and/or resultant KPIs

Aggregated information is presented along with other business units

Provide applicable hyperlink_____

Integrated Report

Select the applicable reporting level

Dedicated section describing lending actions and/or resultant KPIs

Aggregated information is presented along with other business units

Upload Indicate where in the evidence the relevant information can be found_____

Aligned with

Investor report

Select the applicable reporting level

Dedicated section describing lending actions and/or resultant KPIs

Aggregated information is presented along with other business units

Upload Indicate where in the evidence the relevant information can be found_____

Aligned with

Other _____

Select the applicable reporting level

- Dedicated section describing lending actions and/or resultant KPIs
- Aggregated information is presented along with other business units

Upload Indicate where in the evidence the relevant information can be found _____

Aligned with

No

Guideline name

- ▼ GRI Sustainability Reporting Guidelines, G4
- ▼ IIRC International Integrated Reporting Framework, 2013
- ▼ PRI Reporting Framework, 2016
- ▼ Other _____

Q6.2

Is this sustainability disclosure reviewed by an independent third party?

Q7.2

Yes

Select all applicable options (multiple answers possible, selections must match answers in Q6.1)

Annual Report

- Externally checked by _____
- Externally verified by _____ using
- Externally assured by _____ using

Sustainability Report

- Externally checked by _____
- Externally verified by _____ using
- Externally assured by _____ using

Integrated Report

- Externally checked by _____
- Externally verified by _____ using
- Externally assured by _____ using

Investor Report

- Externally checked by _____
- Externally verified by _____ using
- Externally assured by _____ using

Other _____

- Externally checked by _____
- Externally verified by _____ using
- Externally assured by _____ using

No

Sustainability Policies

Q7 Is there a stakeholder engagement program in place designed to achieve sustainability objectives? **Q10**

Yes

Applicable to (multiple answers possible)

- Borrowers
- Operational Supply Chain
- Community
- Investors/Shareholders
- Industry Associations
- Government/Regulators
- Loan Syndication Partners
- Academia/Universities
- Other _____

Upload Indicate where in the evidence the relevant information can be found _____

No

Q8 Does the organization maintain policies incorporating sustainability requirements in its commercial real estate lending practices? **new**

Yes

Upload the policy/policies

Upload Indicate where in the evidence the relevant information can be found _____

Policy is applied during (multiple answers possible)

- Screening and risk determination
- Collateral assessment
- Loan approval
- Other _____
- Other _____

Provide context on implementation actions (maximum 250 words)

Does this include differences in property types and geographic region?

Yes

- Regional differences addressed
- Property differences addressed (multiple answers possible)
 - Office
 - Retail

- Residential
- Industrial
- Other _____

- No
- No

Q9 **Does the entity have one or more policies in place that addresses environmental issues at the collateral level?** **12.1**

- Yes

Select environmental issues included (multiple answers possible)

- Energy consumption
- Water consumption
- GHG emissions profile
- Waste management
- Climate change adaptation
- Resilience assessment
- Habitat biodiversity impact
- Other _____

Upload Indicate where in the evidence the relevant information can be found _____

- No

Q10 **Does the lender utilize loan covenants requiring sustainability and/or minimum efficiency standards for collateral improvements?** **12.2**

- Yes

Select applicable scope

- New construction
- Tenant fit-outs
- Retrofit/renovation
- Other _____
- Other _____

Provide specific examples and metrics when loan covenants were used (maximum 250 words)

- No



Property Assessment

2016 Question

Q11 As part of its standard due diligence process, does the lender evaluate sustainability related information?

Q13

Yes

Select all applicable options

- Borrower submitted sustainability asset plan
- Energy audit
- Environmental assessment (Phase I, ESA)
- EPC or similar energy certificate
- Green building certification documentation/report
- Health impact assessment
- Property condition assessment (PCA)
- Inclusion within the appraisal valuation report
- Other _____

Upload checklist

Upload Indicate where in the evidence the relevant information can be found _____

No

Q12 Does the lender review sustainability-related risk factors as part of standard underwriting?

Q14

Yes

Select applicable actions and/or risk factors (multiple answers possible)

- | | |
|---|---|
| <input type="checkbox"/> Natural hazards | <input type="checkbox"/> Transportation linkages |
| <input type="checkbox"/> Property condition | <input type="checkbox"/> Socio-economic/demographic factors |
| <input type="checkbox"/> Energy consumption audit | <input type="checkbox"/> On-site renewable energy potential |
| <input type="checkbox"/> Water consumption audit | <input type="checkbox"/> GHG emissions profile |
| <input type="checkbox"/> Energy rating certificate(s) | <input type="checkbox"/> Resilience assessment |
| <input type="checkbox"/> Green building certification(s) | <input type="checkbox"/> Habitat biodiversity impact(s) |
| <input type="checkbox"/> Health and well-being attributes | <input type="checkbox"/> Waste generation/diversion audit |
| <input type="checkbox"/> Exposure to regulatory risk | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Climate change adaptation | |

Describe how this information is incorporated into loan decision-making including any thresholds (maximum 250 words)

No

Borrower Assessment

Q13 Are there formal policies in place that underlie the organization's responsible lending practices and processes?

new

Yes

Describe core elements and how this policy is applied in borrower assessment (maximum 250 words)

Upload Indicate where in the evidence the relevant information can be found_____

No

Q14 Does the lender perform a comprehensive borrower/sponsor assessment during the underwriting process?

Q16

Yes

Select applicable issues (multiple answers possible)

- Borrower or sponsor misconduct
- Environmental fines and penalties
- Community engagement/social programs
- Review of borrower sustainability track record
- Use of building monitoring and tracking systems that includes
 - Energy metrics
 - Water metrics
 - Waste metrics
 - GHG metrics
- Other_____

Provide context on how borrower specific information is incorporated into lending decision (maximum 250 words)

No

Does the lender review borrower's sustainability-based actions during or after property improvements?

Yes

Select applicable actions (multiple answers possible)

- Third party document review
- Onsite property visit(s)
- Review of final green building certification documents
- Inspect design documents for energy efficiency measures/ratings
- Require energy rating within one year of occupancy
- Other _____

Describe the lender engagement process to ensure borrower adherence (maximum 250 words)

No

Not applicable



Monitoring System

2016 Question

Q16 Does the entity track the sustainability aspects of its commercial real estate loan portfolio?

new

Yes

Select loan types (multiple answers possible)

- Originated - On book
- Originated - Securitized
- Syndicated
- Credit Enhancement
- Secondary Market Purchases
- Other _____

No

Q17 Does the entity monitor sustainability KPIs related to the loan collateral?

Q21

Yes

Select applicable KPIs (multiple answers possible)

- Water consumption
- Energy consumption
- Energy ratings
- GHG emissions
- On-site renewable energy generation
- Social factors _____
- Governance factors _____
- Other _____

What percentage of the loan portfolio is monitored for KPIs _____

Describe the system that collects/organizes/manages sustainability KPIs related to loan collateral (maximum 250 words)

No

Portfolio Monitoring

Q18 Does the lender specifically identify and track loans it defines as "green"? **new**

Yes

Select applicable "green" attributes (multiple answers possible)

- Building certifications
- Energy efficiency upgrades
- Water efficiency upgrades
- Renewable energy installations
- Other _____

Elaborate on the lender's definition of "green loan" (maximum 250 words)

What percentage of the loan portfolio is defined as "green"?

Percentage portfolio ▼

No

Select the % portfolio

- ▼ > 0%, < 10%
- ▼ ≥ 10%, < 20%
- ▼ ≥ 20%, < 40%
- ▼ ≥ 40%, < 60%
- ▼ ≥ 60%, < 80%
- ▼ ≥ 80%, ≤ 100%

Q19 Does the entity maintain a systematic process to address and monitor the existing loan portfolio's exposure to natural disaster risk? **Q22**

Yes

Describe the process and KPIs used in monitoring (maximum 250 words)

What percentage of the loan portfolio is exposed to natural disaster risk?

Percentage portfolio ▼

No

Select the % portfolio

- ▼ > 0%, < 10%
- ▼ ≥ 10%, < 20%
- ▼ ≥ 20%, < 40%
- ▼ ≥ 40%, < 60%
- ▼ ≥ 60%, < 80%
- ▼ ≥ 80%, ≤ 100%

Q20

Does the entity monitor actual energy performance within the existing commercial real estate loan portfolio?

new

Yes

Borrowers are required to submit

Annual energy consumption data

Monthly energy consumption data

Other _____

Consumption data is available for _____% of the loan portfolio

No

Select the % portfolio

▼ > 0%, < 10%

▼ ≥ 10%, < 20%

▼ ≥ 20%, < 40%

▼ ≥ 40%, < 60%

▼ ≥ 60%, < 80%

▼ ≥ 80%, ≤ 100%

Q21

Does the lender monitor energy ratings within the loan portfolio?

Q23

Yes

Report percentage of the portfolio which has received an energy rating

Select energy ratings present within entity's portfolio

EU - Energy Performance Certificate. _____ % of portfolio.

Australia - NABERS Energy. _____ % of portfolio.

North America - ENERGY STAR. _____ % of portfolio.

Government efficiency benchmark _____. _____ % of portfolio.

Other. Please specify scheme name _____. _____ % of portfolio.

No

Select the % portfolio

▼ > 0%, < 10%

▼ ≥ 10%, < 20%

▼ ≥ 20%, < 40%

▼ ≥ 40%, < 60%

▼ ≥ 60%, < 80%

▼ ≥ 80%, ≤ 100%

Yes

Report percentage of the portfolio with one or more green building (re) certifications within the last five (5) years

Select schemes present within entity's portfolio

- BREEAM. _____ % of portfolio within the last 5 years
- CASBEE. _____ % of portfolio within the last 5 years
- DGNB. _____ % of portfolio within the last 5 years
- Green Star [AU/NZ]. _____ % of portfolio within the last 5 years
- LEED. _____ % of portfolio within the last 5 years
- Other. Please specify scheme _____. _____ % of portfolio within the last 5 years

No

Select the % portfolio

- ▼ > 0%, < 10%
- ▼ ≥ 10%, < 20%
- ▼ ≥ 20%, < 40%
- ▼ ≥ 40%, < 60%
- ▼ ≥ 60%, < 80%
- ▼ ≥ 80%, ≤ 100%



Q23.1 Does the lender require valuation professionals to identify and include high performance attributes within its Appraisal Scope of Work?

new

Yes

Identify additional attributes included in the Scope of Work

- Equipment operating efficiencies - energy/water
- Advanced building controls
- Onsite renewable energy generation
- Peak load energy demand reduction
- Onsite energy storage
- Indoor environmental quality
- Multi-modal transit access
- Energy ratings
- Other _____

Identify market analysis attributes

- Energy ratings
- Green building certifications
- Lease rate differentials
- Operating expense differences
- Capitalization rate divergence
- Other _____

Provide additional context (maximum 250 words)

No

Q23.2

Are borrowers required to provide high-performance building information for analysis and inclusion in the final valuation report?

new

Yes

Select all applicable (multiple answers possible)

- Utility bills
- Property condition assessment reports
- Energy audits
- Statements of energy performance
- Building commissioning reports
- Energy modeling reports
- Green building certification scorecard/report
- Building design plans and/or construction specifications
- Other_____

No

Q24

Does the entity provide financing for property improvements resulting in improved environmental impacts?

Q27

Yes

Targeted environmental impacts include (multiple answers possible)

- Water efficiency
- Reduced CO2 emissions
- Energy efficiency
- Improved waste management
- Other_____

Provide description of the loan program(s) (maximum 250 words)

Upload Indicate where in the evidence the relevant information can be found_____

No

Q25

For loans targeting energy efficiency improvements, does the lender provide specific loan incentives?

new

Yes

Loan attributes include (multiple answers possible)

- Greater loan proceeds
- Reduced interest rate
- Greater LTV ratio
- Increased debt service coverage ratio
- Other _____

Provide incentive description and example(s) (maximum 250 words)

No

Not applicable

Q26

Has the lender engaged in a materiality analysis of long-term sustainability risks that may impact the existing loan portfolio?

new

Yes

Provide description including any mitigating actions (maximum 500 words)

No