



Document B: Results Communication to Stakeholders

Results Interpretation in a Year of Transition

The 2020 GRESB Assessment structure fundamentally changed, establishing a new baseline for measuring Performance. The split between Management and Performance Components brings a stronger focus on consistent data collection and reporting. GRESB advises against a direct comparison between 2020 GRESB Scores and prior year results. Changes to the 2020 Assessment produced inconsistent impacts to scoring regardless of geographic region, property type or investment strategy.

Compounding the structural changes, Covid-19 negatively impacted data collection efforts across the industry, with disproportionate impact on certain regions and property types. Objective comparison between absolute GRESB scores from this year and previous years is therefore not meaningful.

2020 GRESB Assessment Restructuring

In [December 2019](#), GRESB shared long-standing plans to restructure the GRESB Real Estate Assessments with the intention to:

1. Provide more consistency between the Real Estate and Infrastructure Assessments
2. Improve alignment with other reporting standards and frameworks
3. Offer new data and analytical tools
4. Support a further evolution in data quality, metrics and impact tracking

This 2020 restructuring included the introduction of separate Management, Performance, and Development Components for the Real Estate Assessment. In addition to the structural changes, the number of indicators was reduced and several indicators were simplified.

Importantly, GRESB made it mandatory to report aspects of the Performance Component at the asset level. The data validation and scoring methodology were also adapted to fit asset level reporting. Although challenging for many participants, asset-level data reporting sets the stage for increased granularity in data analytics - including the ability to investigate physical and transitional climate risks- advanced property type benchmarking, standardization of performance

metrics across geographies and property types, and stronger validation quality controls for the reported data.

As a direct result of these changes, most 2020 GRESB participants are seeing changes to the scores when compared to 2019. More information on these score changes will be provided in the Benchmark Reports published on November 16, based on the final results. A number of participants are experiencing point swings due to shifts in portfolio structure rather than the Assessment changes.

Objective comparison between absolute GRESB scores from this year and previous years is therefore not meaningful.

Expected vs. Actual Impact on GRESB Scores

The 2020 revisions to indicator materiality weights were developed in consultation with the GRESB Real Estate Advisory Board. The Board consists of voluntary, individual representatives of GRESB Investor Members and Industry Partners who provide strategic advice and input to GRESB.

We shared the evaluation of the impact of these revisions with each regional Benchmark Committee in advance of the 2020 Assessment pre-release in December 2019. GRESB then published its high-level conclusions to the entire industry when communicating the [2020 Real Estate Assessment development process](#) (see Appendix 2: Estimated 2020 scores per region).

When evaluating the impact of the 2020 structural changes, GRESB anticipated a score retreat, estimating the impact based on information collected in 2019. However, there were also changes for which the impact could not be accurately estimated, leading to larger scoring impacts than anticipated:

- **Property Type Granularity:** The 2020 GRESB property type structure follows a three-level hierarchy whereby a Property Sector is composed of multiple Property Types, further refined into Property Sub-Types. These granular level-3 Property Sub-Types are used for benchmarking purposes in an effort to increase long-term asset data comparability and accurate peer grouping.
- **Property Measurement Methodology:** This year, it became mandatory for all participants to report the size of assets measured in the Gross Floor Area (GFA). Participants previously allowed to report data using Net Lettable Area (NLA) were asked to estimate the size of their Common Areas using GRESB calculated estimate intervals ([see 2020 Reference Guide Appendix 3a: Property Types Classification](#)).

The change in property measurement methodology combined with an increasingly granular asset-level reporting mechanism led to confusion in guidance interpretation and to situations where participants were not adequately rewarded for their data coverage. More specifically, the

2020 requirement for Gross Floor Area (GFA) based reporting made it difficult for some participants to determine the required representation of Data Coverage in overlapping areas (in particular Common Areas and Shared Services). **This disproportionately affected regions where the standard floor area measurement uses NLA (i.e. Oceania and the United Kingdom).** See Document A: Review Period Summary, Gross Floor Area reporting, for more details.

To support the interpretation of this year's results, a 2020 Theoretical Score is included in the 2020 GRESB Benchmark Reports. This estimated score attempts to bridge the impact on a participant's results given the structural changes between the 2020 and 2019 GRESB Real Estate Assessments.

The Theoretical Score does not take into account: 1) indicators removed from the 2020 GRESB Real Estate Assessment; 2) changes in score weightings of elements within an indicator (e.g. Data coverage within Energy consumption), 3) changes in portfolio asset count or structure; 4) benchmarking at a more granular level within property types; or 5) updates to validation requirements.

Consequently, the 2020 Theoretical Score is not directly comparable with the 2019 GRESB Score and should only be used as a reference.

Interpretation of Performance Results

In this year's Real Estate Assessment, only a limited number of indicators in the Performance Component are based on actual performance metrics. For example, data coverage percentages or data quality indicators are not metrics of environmental outcomes. Rather, these indicators recognize progress towards data availability, which is crucial for measuring, scoring and benchmarking true performance and outcomes.

As such, the 2020 Performance Component Score should be interpreted as an indication of performance-enabling measures taken to progress towards positive outcomes, rather than actual performance in the sense of the delivery and/or impact of those outcomes.

Stakeholder Engagement on 2020 Results

Despite the challenges in drawing direct comparisons between 2020 vs 2019 GRESB scores, GRESB Benchmark Reports provide meaningful Assessment results based on relative performance. Peer group comparisons can be used for engagement between investors and investment managers, aiming to better understand relative progress alongside forward-facing objectives.

The Benchmark Reports are designed to inform investor engagement. Fund managers have the ability to comment on the 2020 results directly in the GRESB Portal and provide comments that will be visible to investors in the Benchmark Reports (this option is available to both Real Estate and Infrastructure participants).

Infrastructure

2016 2017 **2020**

Assessments for Asset Entity 13191

ASSESSMENT - STATUS	PRINT	DOCUMENTS	LINKS	SHOP	MORE
Asset - Results available	View Results				

NEWS

30 Jul, 2020 **Portal news: Infrastructure Fund and Asset**

Help with 2020 Assessment payments and submissions If your Assessment participation fee is outstanding, or you have an open invoice with us, you will hit a payroll when submitting your Assessment. If your Assessment participation fee is outstanding - please either pay by credit card or request an invoice. You will see both options directly in the Portal when submitting. Once you have chosen an option, you will be able to proceed with your submission. If you have an open invoice and your payment is still pending - please contact us. We will remove the block on your submission and contact you by email to let you know that we have done so. You will be able to submit until Monday, 3 August, 11:59 PDT and still participate in the 2020 benchmark. If you believe your Assessment has been paid for by another GRESB Member - please contact us. We will check if this is the case and help you to link to the appropriate account. You will be able to submit until Monday, 3 August, 11:59 PDT and still participate in the 2020 benchmark.

← ALL REPORTING ENTITIES

ASSESSMENTS

- Component selection
- Data sharing settings
- Provide context to the results
- Delete this response
- Manage templates

Some questions to consider when engaging with stakeholders on the 2020 GRESB results:

- Have there been any major changes in the operating environment of your organization, or in the composition of the portfolio?
- How has ESG advanced culturally at your firm? What are the company's top three forward priorities for the coming 24 months?
- Have there been any major advances to your ESG strategies, policies, or processes?
- How has attention to ESG metrics led to heightened organizational awareness to internal portfolio investment opportunities and/or hidden risks?
- Have there been any upgrades to how you measure and monitor your assets' performance?
- Outline which ESG factors were most relevant/material over the reporting period and why, and how you've addressed them.
- Have there been any improvements in the ESG performance of your assets?
- How is the organization performing relative to the GRESB universe (i.e. rankings and star rating)?
- On which ESG aspects are you outperforming and/or underperforming your peer group? Why?

- Provide specific examples of major ESG risks and opportunities that you identified from last year's GRESB results, and any programs developed/implemented to address them.

We acknowledge the need to get better at anticipating and understanding participant challenges resulting from Assessment changes, as the GRESB results become increasingly important for engagement, capital raising and external communication. In turn this will help us to provide better support and effective guidance for participants, as well as improved Investor Member communications regarding scoring changes and their implications. This is one of the key focus areas identified in [GRESB Improvements for 2021 and Beyond](#).

APPENDIX 2: Estimated 2020 average scores by region

The table below shows the estimated, anticipated 2020 average scores by region. Following the release of the official 2020 results on November 16, we will publish updated regional breakdowns of average scores and score ranges alongside commentary on how to interpret the results.

Region	Year	Management	Performance	Development	Overall
<i>Africa</i>	2019	58.0	46.2	43.2	49.2
	2020*	60.1	47.6	45.4	51.3
<i>Americas</i>	2019	78.6	69.7	57.2	72.1
	2020*	83.4	65.1	57.0	70.6
<i>Asia</i>	2019	76.9	71.2	64.4	72.7
	2020*	83.1	66.2	64.4	71.3
<i>Diversified</i>	2019	82.5	68.8	N/A	72.3
	2020*	87.3	61.9	N/A	69.5
<i>Europe</i>	2019	80.2	67.3	65.0	70.7
	2020*	85.7	62.2	65.0	69.3
<i>Oceania</i>	2019	84.8	79.5	77.7	80.9
	2020*	88.9	74.2	77.7	78.6

(*) estimated scores