GRESB

2024 Real Estate Assessment – Technical FAQ

GRESB
March 2024

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Participants who would like to seek professional support to assist them with their ESG strategy or help them complete the GRESB Assessment can find a list of GRESB partners here. GRESB partners include leading consultants, solution providers, and industry bodies across the globe that are dedicated to advancing ESG in real assets. Participants can make use of the directory on our webpage to find the right Partner for their ESG needs.

Section 1 – Reporting Guide

General Reporting Guidelines

Q: What type of ownership must the reporting entity hold over the assets reported in the Real Estate Assessment?

A: Participants are required to hold financial ownership to report the assets in the Real Estate Assessment.

Q: Can assets that are solely managed but not owned by the reporting entity be reported to the Real Estate Assessment?

A: Participants should only report on/participate with assets of which they have financial ownership, with the following exceptions:

1. Development assets. GRESB understands that their ownership structures are more complex. Therefore, developers that exclusively develop assets on behalf of investors (i.e. with the investment from their investors) but would like to benchmark their development efforts(such as policies, strategies, etc.) are allowed to report.

2. When a fund manager explicitly authorizes a property manager to report on their behalf. In this case, the participant only manages the assets and does not own them. The property manager would then report the assets in the same manner as the actual fund manager (i.e., using their ownership %, etc.).

Q: Does the nature of business selection in indicator RC5 need to match my component selection? (RC5)

A: No. It is up to the reporting entity to determine the modules they want to report every year and RC5 selection will not impact the GRESB score. For example, if an entity whose core business is both operational and under development, yet it did not have any development activities during the reporting period, the entity can select all three options for RC5. In this scenario, the entity would not need to complete the Development Component. Should the entity want to submit the Development Component in the following year, however, that option is also acceptable.

Q: What is GFA (Gross Floor Area)? Can I report on NLA (Net Lease Area) instead?

A: In the GRESB Assessment, participants are required to report the Gross Floor Area (GFA). The GFA is the total floor area measured from the external side of walls (including all elevator shafts, hallways etc.). GFA is distinct from Net Leasable Area (NLA), or usable area. Participants should not use NLA.

NLA refers to tenant spaces, not common areas, which participants must therefore estimate. GRESB provides ratios in the Reference Guide to estimate common areas.

As found in *Appendix 3a - Property Types Classification* section of the Reference Guides, The Common Area / Total Floor Area ratio is calculated by GRESB based on previous year's data reported at asset level and is provided as an indication for cases where participants only know their Lettable Floor Area. Participants who do not track the gross floor area of their assets can use these estimated intervals to calculate the size of their common areas.

Performance Component Reporting

Q: Is there any threshold that reporting entities need to meet in order to submit the Performance Component?

A: The entity needs to hold at least one percent ownership of at least one operational asset to complete the Performance Component.

Q: Under which circumstances can an entity exclude an owned operational asset from the Performance Component?

A: An entity cannot exclude any owned operational asset from the Performance Component unless the asset was non-operational and, therefore, neither consumed any energy or water nor produced any emissions or waste during the reporting period.

Development Component Reporting

Q: What criteria are required for assets to be classified as development assets?

A: GRESB's general inclusion criteria for assets under development are as follows:

- GRESB considers a project to have started as soon as the design phase is completed and the location, asset size, and property type of the asset are known.
- GRESB considers a project to be complete as soon as it is ready to be occupied by tenants. The participant should bear in mind that from the completion day onwards, the Portal will require performance data.

Q: For an entity participating in the development component, is it mandatory to report assets that are still under the design stage?

A: Yes. The reporting scope includes assets that are under the design stage, as well as under construction and/or major renovations. It should exclude plain vacant land with no design project in progress, cash, or other non-real estate assets owned by the entity.

For assets whose construction has not yet started and are part of a design process, entities should report them using the best possible estimates. Only when an indicator is not applicable to the entity should participants select "Not Applicable".

Q: What constitutes 'Major renovation' and 'new construction'? My entity has an asset that is under construction, but I still want to report its performance data. Is this possible?

A: **GRESB considers a major renovation to be:** Alterations that affect more than 50 percent of the total building floor area or cause relocation of more than 50 percent of regular building occupants. Major renovation projects refer to buildings under construction at any point during the reporting year.

GRESB considers new constructions to be: All activities to obtain or change building or land use permissions and financing. This includes construction work for the project with the intention of enhancing the property's value. Additionally, the development of new buildings and additions to existing buildings that affect usable space can be treated as new construction.

New construction projects should refer to buildings that were under construction at any point during the reporting year.

Any asset with any alteration greater than 50 percent should be classified as a major renovation. On the other hand, if the alteration is smaller than 50 percent, the asset has to be classified as a standing investment.

If participants have operational data that they want to report on despite the renovation, they can separate the asset into 2 (i.e., one operational asset and one asset under development) and explain their reasoning in the open text box of the R1 indicator.

Evidence-related Reporting Issues

Q: How does indicator prefilling work?

A: When an indicator is pre-filled, participants must note that the indicators subject to manual validation show the pre-validation status within the Assessment Portal. When an indicator shows the pre-validation status and subsequently remains untouched in terms of new documentation or edited indicator selections, the validation decision from the prior year will be automatically applied without requiring another review.

For example, it is unnecessary to update the documentation to note that it is not applicable for a particular year. GRESB advises participants to simply state that the documents are applicable to the reporting year in question to maintain year-agnosticism.

GRESB selects which indicators are pre-filled and pre-validated to ensure that time-sensitivity is taken into account with these decisions.

Q: My entity has recently updated our ESG policy. Can I submit it as evidence?

A: For GRESB to accept an ESG policy, the policy must have been in place at some point during the relevant reporting year (i.e., Fiscal year or Calendar year) as selected in indicator EC4. For instance, if an updated policy was released after the end of the reporting year, it will not be accepted as the policy was not applicable at any point during the reporting year.

Q: We are updating a policy where some requirements apply only to assets with >30% investment share. Would this be accepted? (PO1, PO2 and other policy-relevant indicators)

A: No. The policy that participants report on should apply consistently throughout participants' portfolios. The policy must be a requirement for all assets regardless of ownership.

Q: What is considered 'Publicly Available'?

To be considered publicly available, the entity should have an open document/webpage that allows the public to request or access the relevant document that relates to the entity.

Q: Why is an external contributor of my entity unable to upload evidence/submit the Assessment?

A: According to GRESB's access rights for different users, External Contributors are not permitted to upload evidence or hyperlinks. Participants may ask one of the Account Manager users to upgrade their access to Internal Contributor or Account Manager. Otherwise, another with Internal Contributor access or higher must upload the evidence on behalf of the account manager.

Please note that only the Account Manager has the right to submit the GRESB Assessment.

Q: Is there a place where I can find all indicators that are manually validated and require evidence?

A: Yes. There is a table under Appendix 2a - Validation of the Real Estate Reference Guide, which shows a list of indicators selected for manual validation and that request evidence upload. Alternatively, participants can also find this information in the Indicator Summary document on the Resources page of the GRESB website.

Reporting on Assets

Q: What changes have been made to the 2024 Asset Spreadsheet?

A: Please see below the summary of 2024 Asset Portal/Spreadsheet changes:

- Introduction of multiple energy ratings. Previously, there was only one energy rating per asset.

- Introduction of the Year field for Building Certifications

- Introduction of a new energy field for non-operational consumption by EV charging stations

- Reclassification of Medical Office property subtype from the Office sector to Healthcare sector (Office: Medical Office is now Healthcare: Medical Office)

- Removal of the Revenue field

Q: An asset was undergoing Major Renovations for a portion of the reporting year, after which it became operational for the remainder of the year. Does this asset need to be reported in the Development Component or in the Performance Component?

A: This depends on which Component your entity has chosen to report on. If your entity has chosen to report on both Components, the Asset Portal will expect performance data from this asset once the construction has been completed. The asset will hence be included in both Components.

Q: Why and when can an asset be merged?

A: When entities report phased developments where an asset is being expanded but remains operational, the entity should always report them as separate assets. The operational portion of the asset should be classified as a Standing Investment, while the other portion should be New Construction.

Once the additional phases are complete the entity should combine the different phases into one standing investment in the next reporting period. Please note that once the phases are combined, the asset will not be eligible for Like-for-Like comparisons in the first year of reporting.

Q: How should I report on merged assets in the asset spreadsheet/portal?

A: Participants are required to report the two buildings together to match their financial reporting. To adapt the asset spreadsheet accordingly, participants may choose one of the two options presented below:

1. Delete last year's asset from the spreadsheet and create a new line with the new asset (without any asset id)
2. Delete one of the assets and adapt the figures (e.g. Gross Floor Area) of the remaining one accordingly. com

Q: An asset was merged, but now I want to split them again. What should I do?

A: If the asset was split out in last year's assessment and participants want to merge it into one, they can use one of the previous Asset IDs. Participants should also provide an increased floor area size and delete the assets and the previous floor area sizes from the spreadsheet (albeit this won't mean that they will be deleted from the Asset Portal).

On the other hand, if a participant merged an asset in last year's assessment and now wishes to split it out, they can use the existing Asset ID. For the new aggregated assets, however, the participant should leave the Asset ID cell empty and provide reduced floor area sizes. The Asset Portal will automatically generate new Asset IDs.

Q: How should I report on demolished assets?

A: Participants can report the asset (in the asset spreadsheet) as an owned Standing Investment until the demolition date. When participants still own the land and are planning a new building, they can report this building as a new asset as New Construction with the project start date being the date of commencement.

Q: Why are my assets duplicated on the Asset Portal when I upload the asset spreadsheet?

A: If participants upload existing assets through a new asset spreadsheet, the Asset Portal will register the existing asset as new and duplicate the entry. Therefore, existing participants should always export last year's spreadsheet when starting a new submission. First-year participants should start by downloading a new asset spreadsheet on GRESB's resources page.

If participants have mistakenly duplicated their assets, they can either contact info@gresb.com to delete all assets and start again with a new spreadsheet, or manually delete each duplicated asset.

Please note that participants should always leave the GRESB Asset ID column blank for newly reported assets.

Q: What are the necessary criteria to consolidate assets and report them collectively as one unit?

A: Participants in the Residential sector (particularly “Multi-Family” and “Family Homes”) can consolidate multiple units into a single asset sharing similar characteristics as appropriate. Specificity and granularity are preferred, but GRESB acknowledges that this can be challenging. Note that unit consolidation is only applicable to the residential sector. Reporting entities from non-residential sectors are expected to report their assets individually.

For further details on how to report on consolidated assets, please refer to the <instructions> tab of the asset spreadsheet.

Q: Where can I find the Asset IDs in the Asset Portal?

A: There are two ways in which participants can find the GRESB Asset ID for an asset, as outlined below. Please note that an Asset ID is only generated when participants upload an asset spreadsheet and update portfolio data.

1. Upon logging into the GRESB Portal and selecting the relevant entity, participants should then select 'assets' from the column on the right side of the screen. Next, they should click on the cog icon found under the 'Manage' column and select 'edit' for the entity with the Asset ID they wish to locate. From there, participants will see the GRESB Asset ID under 'asset characteristics'.

2. After having uploaded the asset spreadsheet and updated portfolio data, participants should click 'export data to Excel'. Upon downloading and opening the asset spreadsheet, participants will find the list of Asset ID's for all assets under the 'asset characteristics' tab.

Q: Why does the Portal expect performance data from my 'developmental' assets?

A: If an asset of a portfolio underwent construction during the reporting year, participants are required to classify it as a ‘Development’ project (i.e. Major Renovation). From the project completion date onwards, the Asset Portal will consider the asset operational (Standing Investment) and require consumption data. Within the required evidence, participants can classify the asset as a Major Renovation for a portion of the year and as a Standing Investment for the rest of the reporting year. The information in the asset spreadsheet will automatically feed into the R1 and DR1 indicators as the Portal recognizes the asset’s two classifications throughout the reporting year (once for each indicator).

Please note that according to GRESB reporting requirements, any asset that is both under development and an operational Standing Investment should be classified as ‘Development.’ However, this does not mean that the asset is an exclusively development asset.

Q: How do I report my asset-level data if I only own a single unit in a building?

A: If participants only own a single (or several) unit(s) within a building, they do not have to report data for the entire building. Please find below some additional guidance on how to report the different data points that GRESB collects at the asset-level.

· Asset Size (GFA) reported as owned by the entity (i.e., excluding area of units not owned by the entity).

· Energy, GHG and Water data reported for the floor area owned by the entity.

· GAV reported for the units owned by the entity (i.e. would not be the GAV for the entire building, as that would include the units that are not owned by the entity).

· Vacancy rate reported for the units owned by the client (i.e. would not be data for the entire building as that would include the units that are not owned by the entity).

On the above basis, % of ownership for each asset would be reported as 100% (assuming the reporting entity fully owns the unit(s)).

Q: When unsure, how can reporting entities choose the most suitable sectorial classification for an asset based on its mixed-use characteristics?

A: Participants should refer to rows 91-102 of the <Instructions> tab in the Asset Spreadsheet and 'Appendix 3a - Property Types Classification' of the Real Estate Reference Guide for more information on how to report for Mixed Use property types combinations.

Q: Why does my asset location flag an error? How can I resolve location errors of my assets?

A: Asset location validation is a new due diligence process to improve GRESB data quality. The following guide can help you resolve the errors:

1. Ensure spelling and correctness of the field(s) with errors.
2. Verify spelling and correctness of all other location fields, regardless of error indication.
3. Confirm the accuracy of the Country field, even if no error is flagged.
4. If providing a street address, consider using the suggested location or inputting only the street number and name.
5. If street address is not provided, add it.
6. If the error persists, try the following:

   For City: utilize a nearby city name.
   For State/Province: use the country name.

To address a large number of location errors, participants are encouraged first to review the error descriptions in the Asset Characteristics tabs of the Asset Portal to understand the nature of the errors. Then, they may update asset locations in bulk using the asset spreadsheet import feature.

If the issue persists, please contact info@gresb.com and include the hyperlink(s) or Asset ID(s) for our assistance.

Results-related Issues

Q: Can a reporting entity select its own peer group?

A: GRESB released the 'Customized Peer Group' functionality in August 2023, allowing participants to either confirm their predefined peer group or submit edits to their peer grouping criteria as deemed relevant. Available variables include:

• Property type (including property sub-type, type, and sector);

• Location (including country, sub-region, and region);

• Legal status/Investment Strategy/Open or Closed End;

• Entity commencement date;

• GAV;

• Asset count;

• Whether majority of the floor area is tenant controlled or not

In 2024, it is anticipated the Customized Peer Group rankings will be included alongside GRESB-allocated Peer Group rankings in the Benchmark Report.

GRESB is currently investigating existing peer groups' comparison to industry benchmarks/financial indices.

Q: When can first-year participants opt in to the Grace Period? Can they opt out of it?

A: Participants can opt-in for the Grace Period until the Assessment closes (i.e., before July 1). They can go to 'More → Response Settings' next to 'Edit response' in the Portal to make the opt-in/opt-out selection.

After the GRESB results are released, participants can opt out of the Grace Period anytime in the 'Response Settings'. Once they opt out of the Grace Period, participants cannot opt-in again.

Q: Why is there a change of score/star rating after the review period in the final results release?

A: After the release of the preliminary results, all participants have the opportunity to participate in the Review Period during which they can challenge certain validation decisions or make edits to their assessment responses. Following the end of the Review Period, GRESB runs the scoring model a second time to produce the final results. This means that a participant's peer group, score, and star rating are all subject to change as the performance of other entities in your benchmark can be impacted.

For example, the calculation of the star rating is based on the GRESB score and its quintile position relative to the GRESB benchmark. If the participant is among the top 20% scoring entities of the benchmark for the current year, it is placed in the top quintile and will receive a GRESB 5-star rating. If the participant ranks in the bottom quintile, it will receive a 1-star rating.

If the score of certain entities changes following the Review Period, it is then possible that a reporting entity will move from one quintile to another.

Section 2: Aspect/Indicator-specific Guide

Management Component

Leadership (LE)

Q: If the fund manager or parent company possesses ESG objectives, would it be appropriate to state that the reporting entity also has ESG objectives? (LE2)

A: As long as the ESG objectives on the fund manager-/group-level are directly applicable to the reporting entity, they could select "yes". Participants should use the open text box to explain that this is the case.

Q: If the fund manager or parent company holds an ESG task force/committee, would it be appropriate to state that the reporting entity also has an ESG task for/committee? (LE4)

A: As long as the ESG taskforce/committee from the fund manager/fund has oversight on the entity, the reporting entity could select "yes".

Q: Is there a linkage between indicators LE2, "Diversity, Equity, and Inclusion (DEI) Objectives," LE3, "Individual responsible for ESG, climate-related, and/or DEI objectives," and LE5, "ESG, climate-related and/or DEI senior decision maker"? (LE2, LE3, LE5)

A: Yes. Even if an entity lacks defined DEI objectives, it may report the existence of employees or senior management responsible for implementing DEI policies, commitments, and/or evaluation.

Policies (PO)

Q: Can a policy that addresses emissions reduction qualify as a Net Zero Policy? (PO1)

A: No. A policy solely on reducing emissions would not qualify as a Net Zero Policy. GRESB requires a Net Zero Policy to explicitly address Net Zero or Carbon Neutrality.

Q: To what extent does the public availability of policy documents regarding indicators PO1, PO2, and PO3 influence the scoring of the Real Estate Assessment? (PO1, PO2, PO3)

A: It is not mandatory for organizations to have their policies publicly disclosed in order to select "Yes" for these indicators.

Reporting (RP)

Q: If our company has undergone rebranding in the middle of the reporting year, which organizational policies should I upload? (RP1)

A: The most important thing is that the uploaded policy was in effect during the reporting period. Participants can upload the pre-/post-branding policies as evidence. Please clearly mention in the open-text boxes that the firm underwent a rebranding, and that the entity name changed during the reporting year.

That being said, GRESB recommends that participants upload the latest documents from the new companies as soon as possible, as GRESB will pre-fill some indicators for them in the next year assessment. For further details about pre-filled indicators, please see the 'Indicators Summary' PDF on the Assessment Resources page.

Q: In light of the 2024 changes, "Section in entity reporting to investors" was removed. Is it possible to respond to "Other" using the same evidence used for "Section in entity reporting to investors" in prior years? (RP1)

A: Yes. Evidence that would have previously been accepted as "Section in entity reporting to investors" can still be reported under "Other". However, since participants can only submit one piece of evidence as 'Other' in RP1, they can no longer benefit from reporting on this section in addition to another type of disclosure such as CDP and UN PRI Transparency Reports.

Q: Can an Annex 4 SFDR Periodic disclosure be used in RP1 as an "Other" accepted disclosure? (RP1)

A: Yes. While SFDR would not be sufficient on its own to fulfill the function of a standalone sustainability report, it still contributes to the disclosure of sustainability-related information and can therefore be reported as "Other" ESG disclosure.

Risk Management (RM)

Q: How old can an Environmental Management System (EMS) certificate be? (RM1)

A: GRESB does not impose an age requirement for an entity's EMS. Nonetheless, the EMS certificate must have been active at some point during the reporting year for it to be considered valid.

Q: Would it be sufficient to certify the Investment Manager for an EMS? (RM1)

A: It is important that the EMS covers the reported entity. If the relationship between the entity (fund) and the manager is clear from the evidence, it will be accepted.

Q: If my entity is in the process of obtaining the EMS certification before the end of the reporting year, can the EMS be reported as 'externally certified'? (RM1)

A: If the EMS certification application is still under review at the time of an entity's GRESB Assessment submission, the EMS should be reported 'aligned with a standard' for the GRESB 2024 submission.

If the EMS certification application has been accepted by the time an entity submits its GRESB Assessment, it can select 'externally certified by an independent third party' under RM1.

Q: In indicator RM5, at which organizational level does GRESB require the completion of the resilience evaluation to be qualified for the selections in the sub-question? (RM5)

A: The evaluation referenced in the sub-question needs to be completed for all assets held by the reporting entity to qualify.

Q: Is there a change to the validation process of RM6.1 – 6.4? (RM6.1, RM6.2, RM6.3, RM6.4)

A: Yes. Evidence from RM6.1 – RM6.4 is subject to manual validation starting from 2024.

Stakeholder Engagement (SE)

Q: Can GRESB recommend any reliable third-party company for the employee satisfaction survey? (SE2.1)

A: Participants have historically used many different third parties to conduct the satisfaction survey. GRESB does not have a particular recommendation for a third-party company. However, it is important to note that the third party is overseeing the creation of the content and the analysis of the results of the survey independently from the participant. Therefore, survey development tools, such as SurveyMonkey, are not accepted as third parties.

Q: Does tracking employee presence in the office per year vs. working from home to confirm employee whereabouts would be acceptable evidence under the "Other" section? (SE4)

A: No. SE4 is intended to describe metrics collected by the entity to understand health, safety and productivity of employees.

Performance Component

Risk Assessments (RA)

Q: Can a building certification be reported as a Technical Building Assessment? (RA2)

A: GRESB defines a technical building assessment as a formal documented assessment of a building undertaken by a person with technical expertise (e.g., building engineers or surveyors), which requires structural processes, outcomes, and potential improvement opportunities to drive further efficiency. A building certification that only reviews the energy performance of an asset, for example, would therefore not qualify as a Technical Building Assessment since it does not fulfill the minimum criteria.

Q: Can entities report efficiency measures that encompass elements added during the construction of the building? (RA3, RA4, RA5)

A: As long as the measures were taken within the past three years, participants can report them even if they were implemented during construction.

Targets (T)

Q: What are the differences between "Like-for-Like", "intensity based" and "absolute" in the indicator T1.1? (T1.1)

A: Their differences are as follows:

'**Absolute data**' is an absolute consumption, emission or production measure provided by an entity regarding its emissions and/or use of Energy/ GHG Emissions/ Water/ Waste etc. for the reporting year.

'**Like-for-like data**' are calculated based on a metric that enables comparison of results between years whilst controlling for changes such as expansions and acquisitions of the portfolio that could over or understate the values of one year as compared to another.

'**Intensity-based data**' is calculated based on the amount of Energy/ GHG Emissions/ Water/ Waste etc. used or produced per unit of an appropriate denominator, usually the floor area covered (e.g., for energy this would be kWh/m2).

Tenant & Community (TC)

Q: In cases where tenants are not allowed to refurbish the building spaces, how should the reporting entity answer indicator TC3? (TC3)

A: The entity should select "Not Applicable".

GRESB is aware that this issue persists across many property types classified as Residential, Student Housing, etc. GRESB is currently investigating solutions to better suit the residential sector in the coming years. We hope to reassure participants that this year, their peers are also facing the same difficulties, and hence they will not be at a disadvantage when compared to their counterparts.

Energy (EN)

Q: How does GRESB define operational control? (i.e. whether the asset is landlord- or tenant-controlled) (EN1, GH1)

A: Operational control of a given asset comes down not only to who pays the bills, who procures energy, or even who introduces new policies -- but to who is responsible for the actual implementation of such policies (i.e., the establishment of different processes and procedures).

Landlord-controlled areas are those for which the landlord is determined to have “operational control”, where operational control is defined as having the ability to introduce and implement operating policies, health and safety policies, and/or environmental policies. If both the landlord and tenant have the authority to introduce and implement any or all of the policies mentioned above, the area should be reported as landlord-controlled. Where a single tenant has the greatest authority to introduce and implement operating policies and environmental policies, the tenant should be assumed to have operational control.

An area's categorization as landlord- or tenant-controlled does not depend on whether or not it is vacant. Even if a portion of the asset is vacant, its operational control does not necessarily change. The only exception to this rule would be when an entire asset is 100% vacant during the year. In that case, an asset that was previously classified as tenant-controlled can be classified as landlord-controlled for that reporting year.

Q: When should I report on Whole Building level, instead of Base Building + Tenant Space level? (EN1)

A: Whole building should only be reported when the entity is unable to break down any of the energy utilities (neither fuels, district heating & cooling, nor electricity) amongst any of the different subspaces of the building. However, if there is a split between the energy consumed in different subspaces, then the entity should reported at the Base Building + Tenant Space level to accurately allocate the corresponding GHG emissions.

Q: What are the differences between shared services and common areas? (EN1, GH1)

A: Common areas and shared services make up what is known as the Base Building part of an asset. Both fall under the landlord's control.

Common areas are areas shared with other building occupants, including entrance areas, corridors, lifts, staircases, waste storage stores, communal kitchens, breakout facilities, etc. Consumption data gathered from common areas should therefore come from the spaces shared by all tenants.

Shared Services/Central Plant is a central source providing energy for the whole building, including common areas and shared services for tenants. If consumption cannot be separated between common areas and tenant spaces, entities should report both here.

Q: Can you elaborate on the renewable energy score? (EN1)

A: The maximum points achievable for Renewable energy is 3 points. One third of that score (i.e., 1 point) is achieved if any on-site renewable energy was generated in the current year. If no on-site renewable energy was generated but some off-site renewable energy was generated in the current year, the participant would earn 0.5 points. If the participant has both on-site and off-site renewable energy, the participant will still receive only 1 point.

The remaining two-thirds of the score (i.e., 2 points) is then achieved based on the formula using the following formula, where *p* is the percentage of renewable energy and *i* is the improvement score: *Score = (100 + p) / 200 * p / 100 + (100 - p) / 200 * i*

If an entity has 100% renewable energy, it would use the following formula:

Score = 100 + 100 / 200 * 100/100 + 100-100/200*i = 200/200 * 1 + 0*i = 1.

This number (i.e., 1) will then be multiplied by the maximum score for that element of renewable energy (i.e., 2 points). Consequently, an entity would not be penalized for not improving if they already have 100% renewable energy, as they would still achieve maximum score.

Q: How can I report off-site generated and purchased renewable energy? (EN1)

A: Participants can use 'Generate off-site and purchased' fields in the Real Estate Assessment asset spreadsheet to reflect the renewable energy procured by the reporting entity through contractual instruments such as Renewable Energy Credits (RECs) and/or Power Purchase Agreement (PPA). Participants can also report RECs retired on their behalf by a third party, such as local governments and/or utility companies.

Q: Should indoor parking be included in my reporting? (EN1)

A: Indoor parking must be included if it is metered together with the central part of the asset. In other words, indoor parking should be reported as part of the asset and its GFA should be included in the asset's GFA. Participants may only exclude indoor parking from the main asset if reporting it as a separate asset in the asset spreadsheet.

If the participant does choose to report the indoor car park separately, they should adjust the GFA and the consumption of the main asset for both years to ensure their LFL is not incorrectly impacted.

Q: My energy consumption of shopping centers, offices and residential multi-family displays a decrease percentage larger than the Benchmark in the Like-for-Like comparison. What has prevented these sub-property types from achieving full points in the Like-for-Like section in my results? (EN1)

A: To score fully for Like-for-Like improvement, participants must outperform most peers in their Benchmark. Since the Like-for-Like graph only represents averages but not the median, participants cannot gauge directly from the Benchmark charts whether they are at the top of their Benchmarks for Like-for-Like improvement.

Q: A building owner entered into an agreement with a third party to install solar panels on the asset's rooftop. The third party is responsible for generating and selling renewable energy from the on-site photovoltaic panels. How should the entity report this portion of renewable energy? (EN1)

A: The entity cannot report this portion of renewable energy, as the reporting entity is only leasing its rooftops and is not directly involved in the energy generation process.

Q: In the case of energy, GHG and water, consumption of which areas is included in the Like-for-Like calculations? (EN1, GH1, WT1)

A: Apart from non-operational energy, an asset's indoor and outdoor consumption must be included in the Like-for-Like calculations.

GHG Emissions (GH)

Q: Did the definition of Scope 3 emissions calculation methodology change in the asset spreadsheet? (GH1)

A: No. The definition Scope 3 emissions calculation methodology remains in line with last year's. It will be reflected in the final version of the 2024 Asset Spreadsheet available on 28 March. Note that the GHG Protocol has conducted an industry review of Scope 3 calculation methodology, which GRESB intends to closely monitor to ensure continuous alignment on this topic in the future.

Q: Does GRESB have a Scope 2 Data Quality Criteria for market-based method/offsite renewable energy credits? (EN1, GH1)

A: GRESB's guidance on this topic is aligned with the GHG Protocol. Please find below an overview of its Scope 2 Quality Criteria. All contractual instruments (e.g., RECs) used in the market-based method for scope 2 accounting shall:

1. Convey the direct GHG emission rate attribute associated with the unit of electricity produced;
2. Be the only instruments that carry the GHG emission rate attribute claim associated with that quantity of electricity generation;
3. Be tracked and redeemed, retired, or canceled by or on behalf of the reporting entity;
4. Be issued and redeemed as close as possible to the period of energy consumption to which the instrument is applied; and
5. Be sourced from the same market in which the reporting entity's electricity-consuming operations are located and to which the instrument is applied.

In addition, utility-specific emission factors shall:

6. Be calculated based on delivered electricity, incorporating certificates sourced and retired on behalf of its customers. Electricity from renewable facilities for which the attributes have been sold off (via contracts or certificates) shall be characterized as having the GHG attributes of the residual mix in the utility or supplier-specific emission factor.

In addition, companies purchasing electricity directly from generators or consuming on-site generation shall:

7. Ensure all contractual instruments conveying emissions claims be transferred to the reporting entity only. No other instruments that convey this claim to another end user shall be issued for the contracted electricity. The electricity from the facility shall not carry the GHG emission rate claim for use by a utility, for example, for the purpose of delivery and use claims.

Finally, to use any contractual instrument in the market-based method requires that:

8. An adjusted, residual mix characterizing the GHG intensity of unclaimed or publicly shared electricity shall be made available for consumer scope 2 calculations, or its absence shall be disclosed by the reporting entity.

Q: How should I calculate Scope 3 emissions for 'Whole Building tenant-controlled'? (GH1)

A: Below is a hypothetical scenario to illustrate GRESB's guidance on reporting Scope 3 emissions when participants report their asset as Whole Building - Tenant controlled.

Fuels

Floor Area Covered (sqm): 50
Maximum Floor Area (sqm): 100

DH&C

Floor Area Covered (sqm): 75
Maximum Floor Area (sqm): 150

Electricity

Floor Area Covered (sqm): 100
Maximum Floor Area (sqm): 200

How is this reported in the GHG tab under Scope 3 tenant emissions?

Scope 3: Tenant Emissions - Whole Building
Floor Area Covered (sqm): (((50/100)*100+ (75/150)*150 + (100/200)*200)) / (100+150+200) = 100

- (i.e., ((% data coverage*maximum floor area) + (% data coverage*maximum floor area) + (% data coverage*maximum floor area) / (sum of all maximum floor areas))

Maximum Floor Area (sqm): 200

Q: What data does GRESB explicitly require from participants to report in the GHG tab? (GH1)

A: Participants are required to report emissions calculated with the Location-Based method. It is optional to report emissions calculated using the Market-Based approach though this will not be factored into the final score.

Waste Management (WS)

Q: Should compost be reported as 'waste to energy', 'reuse' or 'recycling'? (WS1)

A: Compost is classified as 'recycling' in the GRESB Real Estate Assessment.

Q: Which disposal routes contribute to the GRESB Score? (WS1)

A: Only waste that is diverted will be factored in the scoring, with a maximum of 2 points.

Q: How should I convert volume to waste? (WS1)

A: GRESB has no specific conversion factor since entities themselves will have better waste composition data to inform a more accurate conversion factor.

Please see this list of volume-weight conversion factors from the UN EPA which might be useful to participants: Volume-to-Weight Conversion Factors, April 2016 (epa.gov)

Data Monitoring and Review (MR)

Q: What criteria does GRESB consider for accrediting professionals eligible to perform assurance/verification services for indicators MR1-4? (MR1-4)

A: GRESB considers an individual or company as eligible so long as they possess a valid license to perform the assurance and provide third-party data review evidence provided that aligns with the requirements listed in the 'evidence' section under indicators MR1-4 of our Reference Guides.

Building Certifications (BC)

Q: How does the introduction of 'Country' in benchmarking affect the scoring of Building Certifications?

A: Apart from more granular performance benchmarking and scoring, GRESB moved Building Certifications to asset-level scoring. Therefore, the combination of the sum of asset scores with validation status and time factor is now capped at 100%.

Please refer to the 2024 Scoring Document for further details.

Q: How did GRESB come up with the time factor concept and determine its scoring impact? (BC1.1, BC1.2)

A: GRESB is currently preparing an article that will give further insights into how the changes in the 2024 Assessment about building certifications are integrated into the overall approach to BC indicators, along with the rationale behind them. GRESB aims to publish the article before the assessment opens.

Q: How should we report if our building certifications do not have a certification date, only a certification year?

A: There is no problem. GRESB only requests participants to fill out the certification year in the Assessment.

Q: Can I submit a new scheme to be considered by GRESB for the current year's assessment? (BC)

A: Yes. The deadline to submit a new scheme is before June.

Please fill out the form in Appendix 4c - Green Building Certification Evaluation Form of the Real Estate Reference Guide and send it to info@gresb.com. We will get back to you with a final decision after a thorough review.

Q: How does the actual level/rating achieved impact the score for Building Certifications and Energy Ratings? (BC1, BC2)

A: As of now, the actual level achieved is not factored into the calculations, and there is no scoring impact.

Q: Does GRESB provide calculation examples for building certifications? (BC1)

A: Yes. Participants can find these examples under BC1 of the 2024 GRESB Real Estate Scoring Document by April 15. A: As of now, the actual level achieved is not factored into the calculations, and there is no scoring impact.

Q: How should I log Certification Year? (BC1)

Certification year refers to 'the year corresponding to a reported scheme related to the actual performance period covered by the certification'.

Q: How is certification age calculated? (BC1)

Certification Age = Reporting Year - Certification Year

- The Reporting Year for all entities in the 2024 Assessment would always be '2023', even for fiscal-year reporting entities.
- The Certification Year is the year corresponding to a reported scheme related to the actual performance period covered by the certification. For fiscal-year-reporting entities with certifications that have a performance period extending to 2024, please still log the Certification Year as 2023.

Section 3 – Miscellaneous

Q: How are intensity outliers calculated?

A: Intensity = Consumption / Applicable Area

Using this formula, buildings with a low data availability (i.e., only a few months of the year available) or a high vacancy rate would naturally have a low consumption and, therefore, a low intensity. Considering these instances as outliers would clearly be inappropriate, however, as the deviation in intensity is not caused by an abnormal consumption but by a natural decrease in reported consumption caused by those other factors. Therefore, for purposes of outlier detection, GRESB normalizes (or scales) the reported values accordingly (note that GRESB does not normalize data according to vacancy rate for scoring):

Intensity = Consumption / (Applicable Area * Data Availability * (1 - Vacancy Rate))

Q: If my entity has a diversified property type, how will it be allocated in the peer group?

A: If 75% or more of an entity's GAV belongs to one Property Sub-Type, the entity gets allocated to the peer group corresponding to that Property Sub-Type (assuming minimum size of 6 entities is met).

Similarly, if less than 75% of an entity's GAV belongs to one Property Sub-Type, but that 75% or more of the entity's GAV belongs to one Property Type, the entity gets allocated to the peer group corresponding to that Property Type (assuming minimum size of 6 is met).

The same logic as above applies to Property Type and Sector.

If, for example, 75% or more of an entity's GAV is split between the Property Sectors Office and Retail, Office and Residential, or Office and Industrial, the entity's categorization will correspond to Diversified Office/Retail, Diversified Office/Residential, or Diversified Office/Industrial, respectively. The GAV threshold calculation also considers the % of GAV allocated to the Mixed-Use property types that are in line with those categories.

For example, if an entity's total GAV is allocated as follows:

- 25% Offices,
- 20% Industrial,
- 30% Mixed Use, Office/Industrial,
- 25% Other

The entity will be categorized as Diversified Office/Industrial.

If 75% or more of an entity's GAV does not belong to a single property sector or any of the Sector combinations listed above, the entity's categorization will be Diversified.

Q: Who should a hotel owner consider as tenants in the Real Estate Assessment?

A: GRESB considers the third-party hotel operator to be the tenant. In cases where there is no third-party hotel operator and the reporting entity directly operates the hotel instead, the hotel guests should be considered the tenants. Please note that this rule applies to all aspects, including indicators under Tenant and Community (TC).

Q: Apart from the 2024 list of changes document, can you share more information concerning the energy efficiency scoring change?

A: Please see Appendix 1 of the 2024 Real Estate Reference Guide for additional methodological details. Note that an Energy Efficiency scoring example will be available under Energy (EN1) of the 2024 Real Estate Scoring Document by April 15.