

Supplemental Scoring Guidance comparing methodological changes year-over-year

This document reflects the scoring methodology for the 2024 GRESB final Benchmark Reports (October 2024).

Disclaimer:

The methodologies and examples provided in this document are intended for illustrative and educational purposes. While every effort has been made to ensure accuracy, certain concepts had to be simplified for the purpose of clarity and accessibility by the readers. As such, this guidance may not fully encompass all technical details or nuances applicable to specific real-world scenarios. Readers are welcome to consult GRESB for additional direction when applying the principles discussed herein.

Below is an overview of the key changes in GRESB's methodology expected to impact the 2024 GRESB Scores in the final Benchmark reports.

Building certifications

Until last year, the Standard did not account for the actual age of building certifications, making no differentiation between a decade old certification and one obtained during the reporting period.

In 2024, the GRESB Foundation introduced a "Time Factor" into the scoring methodology of the 2024 Standard, giving lesser value to old certifications and raising the bar on certification practices for all participants.

The expected impact on scores will vary based on the age profile of the certification in each reporting portfolio. Older certification schemes reported to GRESB will see a greater impact, while recent certifications will remain largely unaffected. In the aggregate and for all participants, this change will only result in lower absolute scores, but in relative terms and in relative rankings, it will benefit those participants with more recent certifications.

Introduction of country in benchmarking methodology

Before 2024, relevant benchmark buckets were composed of portfolios of similar Property Sub-Types, located in the same Region (Africa, Americas, Asia, Europe, or Oceania) as the reporting entity, irrespective of the geography of the individual assets comprising those portfolios (for example, Corporate, Office, High-Rise in the Americas). The 2024 methodology focuses on the asset as the foundation of the benchmark, factoring asset-specific attributes into the formation of benchmark groups. For example, the methodology now considers the Country of an asset when determining the relevant benchmark bucket and calculates the score for any metric reported at the

asset level based on its relative position within a Country-specific benchmark group. As a result, all key performance indicators (energy, ghg, water, waste) are also benchmarked and scored at a more granular level, ensuring that the score ultimately received by a reporting entity is a better representation of the performance of each of its underlying assets.

The next section provides an overview of 2024 and 2023 scoring methodologies for key metrics subject to dynamic benchmarking: Data Coverage, LFL Changes, Renewable Energy, Building Certifications.



Data Coverage Scoring

Participants can earn up to 19.5 points to reward data coverage. The scoring logic applies for Energy (8.5 points), GHG (5 points), Water (4 points), and Waste (2 points). Energy Data Coverage is explained below with similar logic for the other utilities.

- In 2023, data coverage was first aggregated and then scored at property sub-type level.
 - All asset-level data coverages relevant to a property sub-type would be aggregated (separately for landlord controlled and tenant-controlled areas) and then compared against a relevant benchmark distribution (separately for landlord controlled and tenant-controlled areas) to achieve a score.
 - This data coverage score would be a result of how the data coverage of the property sub-type performs against the benchmark distribution.
 - The score for each group of property sub-type would then be aggregated at portfolio level (using the GAV per property sub-type as a weighting factor).
- In 2024, data coverage is first scored at the asset level and then aggregated at property sub-type / country level.
 - All asset-level data coverages relevant to a property sub-type are compared against a relevant benchmark distribution (separately for landlord controlled and tenant-controlled areas) to achieve a score (separately for landlord controlled and tenant-controlled areas).
 - Those scores are then aggregated for each asset individually and subsequently aggregated at property sub-type / country level (using the floor area * ownership per asset as weighting factor).
 - The score for each group of property sub-type is then aggregated at portfolio level (using the GAV per property sub-type / country as a weighting factor).

Example: Consider 10 Residential: Multi-family Mid-rise USA assets with identical square footage (GFA) and all tenant-controlled with 100% ownership. 1 asset has full data coverage (100%), 9 assets have no data coverage (0%). Here below is a recalculation of the Energy Data Coverage Score of this portfolio.

- 2023: all 10 asset-level data coverages are aggregated at property sub-type level, resulting in a data coverage of 10%. Assume the relevant benchmark average is 40%, which results in a relatively low score achieved by the property sub-type considering its value below benchmark i.e. $\sim 2/8.5$. Assuming the relevant benchmark average was lower (e.g. 10%), this would have resulted in a score of approximately half of the points i.e. $\sim 4.25/8.5$, as the property sub-type performs in line with the benchmark.
- 2024: each asset included in the property sub-type have their data coverage benchmarked and scored separately. Out of 10 assets, 1 obtains a full score considering its data coverage of 100%, and 9 assets obtain a score of 0% considering their data coverage of 0. These asset-level scores are then aggregated at property sub-type / country level using assets'

floor area and ownership as a weighting factor. This results in score achieved by the property sub-type / country of $(100\%*(1/10)) + (0\%*(9/10)) * 8.5 = 0.85/8.5$ points.

LFL Data Availability Scoring

For the **Like-For-Like Data Availability** (only applicable to Energy), participants can earn up to 0.5 points for demonstrating the existence of an Energy LFL Change value:

- In 2023, portfolios used to be rewarded at the property sub-type level in full for demonstrating the existence of “any” Energy Like-For-Like change value, irrespective of the portfolio coverage. This means even if one asset within a property sub-type had an LFL change value, the property sub-type received the full 0.5 points. If no one asset within a property sub-type group meets the LFL calculation eligibility criteria, the score received by the group is zero.
- In 2024, the scoring method has been adjusted to reward 0.5 points for each asset able to demonstrate the existence of a LFL change value. However, assets that do not meet the LFL eligibility criteria (e.g. having two consecutive years of data) are excluded from the aggregation, such as they do not influence the score received by the entity. Scores received by each eligible asset are then aggregated to the property sub-type / country level (using the asset’s floor area and ownership as a weighting factor). If no one asset within a property sub-type and country group meets the LFL calculation eligibility criteria, the score received by the group is zero.

Example: Consider 10 Residential: Multi-family Mid-rise USA assets that with identical square footage (GFA) and 100% ownership. 2 assets do not meet the LFL calculation eligibility criteria and are therefore excluded from the aggregation. 8 assets meet the eligibility criteria and demonstrate the existence of a LFL Change value.

- 2023: the property sub-type would achieve 0.5 points, since at least one asset within this property sub-type was sufficient to achieve full points.
- 2024: eight assets demonstrate the existence of a LFL Change, which are each rewarded by their respective fraction of points available i.e. $8*(0.5p/8) = 0.5p$.

LFL Performance Scoring

For LFL Performance Scoring (LFL change), participants can earn up to 6 points. Note that the same scoring logic applies for Energy (2 points), GHG (2 points), and Water (2 points).

Energy

GRESB rewards the reduction in consumption data between two consecutive reporting years separately for landlord and tenant-controlled spaces:

- In 2023, LFL change was first aggregated and then scored at property sub-type level.
 - Within a property sub-type group, all LFL changes relating assets eligible for LFL calculation would be aggregated (separately for landlord controlled and tenant-controlled areas) and then compared against a relevant benchmark distribution (separately for landlord controlled and tenant-controlled areas) to achieve a score.
 - This LFL change score would be the result of how the LFL change of the property sub-type performs against the benchmark distribution.
 - A positive score would only be achieved in case the LFL change value was negative (consumption reduction), such that any positive LFL change value (consumption increase) would automatically receive a score of zero for the property sub-type / country.
 - The score for each group of property sub-type would then be aggregated at portfolio level (using the GAV per property sub-type as a weighting factor).
- In 2024, LFL change is first scored at the asset level and then aggregated at property sub-type / country level.
 - Within a property sub-type group, all asset-level LFL changes are compared against a relevant benchmark distribution (separately for landlord controlled and tenant-controlled areas) to achieve a score (separately for landlord controlled and tenant-controlled areas). Assets not eligible for LFL calculation (i.e. do not meet the eligibility criteria) are automatically excluded from the scoring scope (treated as *Not Applicable*). The eligibility criteria for LFL calculation are provided in the Reference Guide.
 - Those scores are then aggregated for each asset individually, and subsequently aggregated at property sub-type / country level (using the floor area and ownership per asset as weighting factor). The LFL score received by the entity at the property sub-type and country level reflects the aggregation of asset-level scores for assets that qualify for LFL only. The score for each group of property sub-type is then aggregated at portfolio level (using the GAV per property sub-type / country as a weighting factor).

Example: Consider 15 Residential: Multi-family Mid-rise USA assets that with identical square footage (GFA) and all tenant-controlled with 100% ownership. 5 assets do not meet the LFL eligibility criteria. 10 assets are eligible for LFL calculation, out of which 8 have the same LFL

change value of -2%, and 2 assets have a LFL change value of 2% (i.e., increase in energy consumption).

- 2023: the LFL change of the 10 assets eligible for LFL calculation are aggregated at property sub-type level (separately for landlord controlled and tenant-controlled areas), resulting in a LFL change of ~1.2%. The 5 assets not meeting the LFL eligibility criteria are excluded from this scope. Assume the relevant benchmark average is -3%, which results in a score achieved by the property sub-type of ~1/2 points.
- 2024: the 10 eligible assets are included in the LFL calculation from the property sub-type have their LFL change benchmarked and scored separately. 8 assets have their LFL change compared against a relevant benchmark of -3%, resulting in a score achieved by each asset of ~60%. 2 assets automatically receive a score of 0 considering their increase in energy consumption. 5 assets are considered Not Applicable and hence excluded from the aggregation. All asset-level scores are then aggregated at property sub-type / country level using assets' floor area and ownership as a weighting factor. This results in score achieved by the property sub-type / country of $(60\% * (8/10)) + (0\% * (2/10)) * 2 = 0.96/2$ points.

Renewable Performance Scoring

For renewable energy performance, participants can earn up to 2 points.

GRESB rewards points based on (1) the coverage of renewable energy used (as per the total energy consumption in the current year) and (2) the improvement in coverage compared to the previous year.

- In 2023, renewable performance was first aggregated and then scored at the property sub-type level.
 - Within a property sub-type group, all renewable energy consumption (or generation) and energy consumption for the reporting year would be aggregated to calculate the *% renewable energy*. The same calculation would apply for the year prior, resulting in the *year-on-year improvement* in renewable energy %.
 - The *year-on-year improvement* would then be compared against a relevant benchmark distribution to achieve an *improvement score*. The *improvement score* of the property sub-type would be the result of how the improvement of the property sub-type performs against the benchmark distribution.
 - The performance score of the property sub-type would then be calculated as a function both components (1) *% renewable energy* and (2) the *improvement score*.
 - The score for each group of property sub-type would then be aggregated at portfolio level (using the GAV per property sub-type as a weighting factor).
- In 2024, renewable energy performance is first scored at the asset level and then aggregated at property sub-type / country level
 - Within a property sub-type group, all asset-level *% renewable energy* are calculated for the reporting year and prior.
 - Asset-level *year-on-year improvement* values are then compared against a relevant benchmark distribution to achieve an *improvement score*. Assets with no renewable energy coverage have a *% renewable energy* of 0, resulting in a score of 0.
 - The performance score of each asset is then calculated as a function of both components (1) *% renewable energy* and (2) the improvement score.
 - The asset-level scores are then subsequently aggregated at property sub-type / country level (using the floor area and ownership per asset as weighting factor).

Example: Consider 10 Residential: Multi-family Mid-rise USA assets that with identical square footage (GFA) and 100% ownership. All assets have an identical energy consumption.

- In the prior year, 2 assets were entirely powered by renewable energy and 8 assets did not have any renewable energy.
- In the current year, one additional asset is half powered by renewable energy and 7 assets do not have any renewable energy.
- 2023: the *% renewable energy* is calculated at property sub-type level by aggregating all asset-level *% renewable energy* for both the current year and the last year, resulting values

of 25% and 20% respectively. The *year-on-year improvement* in renewable energy % is then calculated for the property sub-type as 25% - 20% = 5%. The *year-on-year improvement of 5%* is then compared against a relevant benchmark distribution to achieve an *improvement score* of ~60%. The performance score for the property sub-type is then calculated by applying the following formula, where p represents the current year's % *renewable energy* and i the *improvement score*.

$$\begin{aligned} & [((100 + p) / 200) * (p / 100)] + [(100 - p) / 200] * i \\ & = [((100 + 25) / 200) * 25\%] + [(100 - 25) / 200] * 60\% \\ & = 0.156 + 0.225 = 0.381 \end{aligned}$$

As a result, the total number of points achieved to that section is 0.381 * 2 = 0.762 points.

- 2024: the % *renewable energy* is calculated for all assets for both the current year and the last year, resulting in the following values:
 - Last year: 100%, 100%, 0%, 0%, 0%, 0%, 0%, 0%, 0%, 0%.
 - Current year: 100%, 100%, 50%, 0%, 0%, 0%, 0%, 0%, 0%, 0%.
- The *year-on-year improvement* is calculated for all assets, resulting in the following values: 0%, 0%, 50%, 0%, 0%, 0%, 0%, 0%, 0%, 0%.
- Asset-level *year-on-year improvement* values are then compared against a relevant benchmark distribution to achieve an *improvement score*. Out of the 10 assets, 1 achieves a *improvement score* of ~90%, 9 achieve an improvement score of 0.
- The performance score for each asset is then calculated by applying the above formula. For the one asset subject to a positive improvement score, the performance score is calculated as:

$$\begin{aligned} & [((100 + p) / 200) * (p / 100)] + [(100 - p) / 200] * i \\ & = [((100 + 50) / 200) * 50\%] + [(100 - 50) / 200] * 90\% \\ & = 0.375 + 0.225 = 0.6 \end{aligned}$$

- As a result, the total number of points achieved by that asset in this section is 0.6 * 2 = 1.2 points. Other assets fully powered by renewable energy in the current year achieve a performance score of 2 points, and assets with no renewable energy achieve a performance score of 0.
- Finally, all asset-level performance scores are aggregated at the property sub-type / country (using assets' floor area as a weighting factor) of (1.2p*(1/10)) + (2p*(2/10)) + (0p*(7/10)) = 0.52 points.

Note: This same logic applies to the points relevant to Water re-use and recycling performance (0.75 points).

Building Certification Scoring

For **Building Certification** Scoring, participants can earn up to 8.5 points. There are up to 7 points available for BC1.1 Design & Construction Certifications and up to 8.5 points for BC1.2 Operational Certifications. These two scores are capped at 8.5 points when summed.

The below applies separately per indicator (BC1.1 and BC1.2), where the key metric used for scoring is the percentage of floor area certified (*% floor area certified*)

- In 2023:
 - First, the *% floor area certified* for all certification schemes reported to a property sub-type would be calculated, incorporating the corresponding Validation Status Factor (Full point: 1, Partial+: 0.6, Partial-: 0.3) and the Percentage of Ownership in the result.
 - In case multiple certification schemes were reported to the same assets, these would contribute to the calculation of the aggregated *% floor area certified* (and capped at 100% at that level).
 - Aggregated *% floor area certified* at property sub-type level (incorporating Validation Status) was then compared against a relevant benchmark distribution to achieve a score. This score would be a result of how the *% floor area certified* of the property sub-type performs against the benchmark distribution.
 - The score for each group of property sub-type would then be aggregated at portfolio level (using the GAV per property sub-type as a weighting factor).
- In 2024:
 - First, the *% floor area certified* for all certification schemes reported to a property sub-type and country is calculated, incorporating the corresponding percentage of Validation Status Factor (Full point: 1, Partial+: 0.6, Partial-: 0.3), Time Factor and Percentage of Ownership in the result (incorporating Validation Status and Time).
 - In case multiple certification schemes were reported to the same assets, these would contribute to the calculation of the aggregated *% floor area certified* (and capped at 100% at that level).
 - Aggregated *% floor area certified* per property sub-type / country (incorporating Validation Status and Time factor) is then compared against a relevant benchmark distribution to achieve a score. This score is a result of how the *% floor area certified* of the property sub-type and country performs against the benchmark distribution.
 - The score for each group of property sub-type and country is then aggregated at portfolio level (using the GAV per property sub-type / country as a weighting factor).

Example: Consider 10 Residential: Multi-family Mid-rise USA assets with identical square footage (GFA) and all with 100% ownership. 1 asset has a 4 year-old (Time Factor of 50%) operational certification scheme (indicator BC1.2) covering 100% floor area and the scheme has a Validation Status Factor of 0.6 (Partial+).

- 2023: All scheme-level % *floor area certified* are aggregated at property sub-type level, resulting in a value of 10%. When incorporating the Validation Status, this value becomes $10\% \times 0.6 = 6\%$. This aggregated % *floor area certified* for the scheme (incorporating Validation Status) is then compared against a relevant benchmark (which also includes its corresponding Validation Status), which results in a score achieved by the scheme for the property sub-type of ~30% (assuming the relevant benchmark average is 20%). Considering that no other scheme was reported in this property sub-type, the final score received is $\sim 30\% \times 8.5 = 2.55$ points.
- 2024: All scheme-level % *floor area certified* are aggregated at property sub-type and country level, resulting in a value of 10%. When incorporating the Validation Status and Time Factor, this value becomes $10\% \times 0.6 \times 0.5 = 3\%$. This aggregated % *floor area certified* (incorporating Validation Status and Time Factor) is then compared against a relevant benchmark (which also includes its corresponding Validation Status and Time Factor), which results in a score achieved by the scheme for the property sub-type and country of ~15% (assuming the relevant benchmark average is 20%). Considering that no other scheme was reported in this property sub-type / country, the final score received is $\sim 15\% \times 8.5 = 1.28$ points.