



Turning 10 provides an opportunity to look back at the key milestones in GRESB's development as well as look forward and consider what is needed to make the transition to sustainable real assets

# 10 Years of GRESB

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# REFLECTING ON THE LAST 10 YEARS AND PREPARING FOR WHAT'S AHEAD



# Mainstreaming ESG benchmarking in real assets

10 years ago, APG, PGGM and USS came together with the University of Maastricht to design a real estate survey. They wanted more transparency on the ESG performance of their real estate investments and a closer engagement with their managers. The inaugural Real Estate Assessment was launched in 2009, and GRESB was born.

In the years that followed, an entire industry has come together to develop a common language and consistent approach to measuring and reporting on ESG performance. Today, more than 100 investors, representing over USD 22 trillion AUM, encourage their managers to report to GRESB, and the resulting Real Estate and Infrastructure Benchmarks cover more than USD 4.5 trillion in real asset value.

*"The reason why we established GRESB is simple. Ten years ago there was no uniform or consistent way to measure the sustainability performance of real estate companies and funds across countries, across regions and across private and publicly traded investment structures. And if you can't measure and compare, it is difficult to engage with a manager on how to improve."*

**Patrick Kanters,  
Managing Director Global Real Estate &  
Infrastructure at APG Asset Management**

This process of annual ESG benchmarking on such a large scale has built a powerful global ecosystem of investors, lenders, managers, service

providers and industry bodies working towards a shared vision of sustainable real assets. It's a story that demonstrates how a top-down demand for ESG transparency and benchmarking encourages a bottom-up response that drives the spread of sustainability best practices around the world, raising the standard of an entire industry.

Standardized benchmarks work because they give clarity and direction to the market and a means to focus on complex problems. They help capital providers and asset managers compare investments across portfolios, inspiring a deeper engagement on the opportunities, risks and choices that need to be made as the industry transitions to a sustainable future. And at an aggregated level, benchmarks provide an objective reference point on sector and regional performance, help to track industry progress against relevant targets and shine a light on where to focus improvement efforts.

*"Having the asset owner as the driving force behind the GRESB Assessments, and engaged in their development from the beginning, has been key to the rapid growth of the benchmark. This investor pressure is driving transformative change through the investment chain and raising the sustainability standard of an entire industry."*

**David Russell,  
Head of Responsible Investment at USS**

This report celebrates the key milestones in GRESB's development over the past decade and includes commentary from a group of sustainability champions from across the world who have inspired us with their leadership and commitment. Our industry is full of such people who have contributed so much to our collective vision and the growth of the benchmark. This momentum in the right direction is vital and should be celebrated, but it does not take away the urgency of the challenges that lie ahead.

In the next decade we will need to take dramatic steps as an industry if we are to achieve our shared vision of sustainable real assets. Preeminent among the challenges is climate risk and resilience. Central banks have already made the link between climate risk and financial stability, calls for mandatory climate related disclosures are intensifying and it's clear that the longer the industry delays in addressing risks associated with climate change the more disruptive the policy response will inevitably be.

At the same time, it's not enough to just focus on climate action. We are facing multiple convergent crises to which a sustainable real asset industry can make an important contribution - ecological system breakdown, mass extinctions, growing inequality, political instability, mass migrations, demographic changes and accelerated urbanization - and significant improvement in one area can only be delivered together with

measures to increase progress in all areas.

The stakes are getting higher for GRESB and the industry and it's clear that our success in the next decade will not only be measured by the coverage of our benchmarks, but by our ability to influence investment practices that lead to more sustainable and resilient real assets. We have listened to the feedback of our members, partners, governance bodies, working groups and engaged with the broader industry that relies on our benchmarks and standards and identified a set of priorities and commitments to guide the next phase of our work. These align with our three strategic pillars: Assessments, Technology and Stakeholders.

## Assessments: Real Estate, Infrastructure and more

### RECOGNIZING ALL PARTICIPANTS AS GRESB MEMBERS

The last 10 years have shown the power of an industry-led benchmark to inspire a collaborative effort to improve ESG transparency across the world. We are proud of the role our members have played in shaping the Assessments and benchmarks and are committed to finding ways to further integrate their collective intelligence into our work. This starts in 2020, when we will recognize all participants as GRESB Members, opening up new opportunities to be involved in our working groups, committees and governance bodies.

## GREATER TRANSPARENCY IN THE ASSESSMENTS

Transparency is one of our core values and we are taking steps to improve our Assessment guidance and support so that participants are able to report more accurately and efficiently. Future improvements include providing immediate feedback on calculated variables derived from Assessment inputs, more detailed scoring information and, ultimately, draft scoring within the Portal as well as greater clarity on validation decisions, and their rationale, in the Benchmark Reports.

Over time we will add an additional layer of transparency in both the GRESB Real Estate and Infrastructure Assessment showing where managers are on the journey of including all of their assets in the benchmark.

## REVIEW PERIOD

In 2020 we will introduce a new Review Period in the *Assessment Cycle* to further strengthen the reliability of our Assessments and benchmark results. The Review Period will start on September 1, when preliminary individual GRESB results will be made available to all participants. During the Review Period, participants will be able to submit a review request to GRESB using a dedicated form. The final results will be launched to both participants and Investor Members on October 1. Public Results events and other results outputs

will be rescheduled to October and November in order to accommodate the September Review Period.

## WIDENING OUR SCOPE AND IMPACT

GRESB has been approached by several institutional investors and asset managers to develop a global ESG benchmark and assessment framework for assessing investments in agriculture, forestry and other real asset verticals. A first step will be to convene an Industry Working Group to discuss the development of the new Assessments.

We are also exploring applying our benchmarking methodology and industry-led approach to other asset classes such as private equity or private markets more broadly. Two additional areas we are investigating are government owned infrastructure and corporate real estate.

## Technology: Platform, Products and Services

### NEW TOOLS TO ASSESS AND MANAGE TRANSITION AND PHYSICAL RISKS

The investment industry is sharpening its focus on transition and physical risks associated with climate change. Starting in 2020 we are introducing new tools for investors and managers to inform their engagement on these risks and support strategic decision making.

The 2020 Real Estate Assessment will include an integration with the [\*\*Carbon Risk Real Estate Monitor \(CRREM\)\*\*](#) methodology to show real estate carbon transition pathways at portfolio and asset level to remain within 1.5 and 2.0 degrees of warming. The pathways will be an important tool to understand and mitigate the long-term systemic risk associated with the retrofit investments required to transition to a low carbon economy.

*"GRESB has an important role to play in helping the investment community understand climate-change risks in real asset investments. The CRREM science-based decarbonization targets and pathways can be used to inform our engagement with external investment managers in order to reduce transition risks."*

**Mathieu Elshout,  
Senior Director Private Real Estate  
at PGGM**

In parallel, we are upgrading the Real Estate Asset Portal to enable managers to assess the exposure of their assets to physical climate risks. These new services which are based on integrating geo-coded asset data with third party geospatial risk datasets will be accessible entirely at the discretion of managers. Our 2019 collaboration with Verisk Maplecroft on a [\*\*Climate Risk & Resilience Scorecard\*\*](#) for real estate portfolios, which focuses on physical risk data, is an early example of this approach. Going forward, these integrations will be available directly in the

Portal, and will expand to include financial and other third party datasets.

#### **STRONGER FOCUS ON MEASURING PERFORMANCE AND IMPACT**

Over time we envisage introducing an even higher weighting of the Performance Component towards the GRESB Score. The Performance Indicator metrics in the Assessments will be standardized to provide better comparisons and more transparency on actual performance. These changes will be flagged in advance, to give time for the industry to understand and adjust to expectations.

With a growing number of our Investor Members interested in understanding their contribution to the UN SDGs and their ESG impacts in general, we are taking steps to ensure our Assessments are aligned with the new taxonomies that are being developed. Other important national and global frameworks and targets that investors and managers are seeking to align with include the World Green Building Council Net Zero Carbon target, TCFD recommendations, the Paris Climate Agreement, Science Based Targets initiative, EU Sustainable Finance Taxonomy and Disclosure Regulations and the International Energy Agency Sustainable Development Scenario. We are committed to supporting these efforts by refining the performance metrics to enable reporting of impacts, aligned with these frameworks.

# 1. REFLECTING ON THE LAST 10 YEARS AND PREPARING FOR WHAT'S AHEAD

	Real Estate	Real Estate Development	Infrastructure Fund	Infrastructure Asset
MANAGEMENT COMPONENT	■	■	■	■
PERFORMANCE COMPONENT	■	N/A <small>From Infrastructure Asset Assessment</small>		■
DEVELOPMENT COMPONENT	N/A	■	N/A	N/A
RESILIENCE MODULE	■	■	■	■

## A FURTHER EVOLUTION OF ESG PERFORMANCE DATA

Several factors are now converging to facilitate a further evolution in performance data accessibility and reliability in the Assessments and benchmarks. First, requirements for asset level reporting in the Performance Component of the Real Estate Assessment will enable us to introduce a new asset-level validation process. Second, we are leveraging advanced technology to put in place more automated error and outlier checks. Third, the expanding API integrations with GRESB data partners are resulting in a more streamlined and robust asset-level performance data reporting process. And fourth, we are moving forward as an industry to define common guidelines for performance data reporting as reflected in the GRESB ESG Data Standard.

The sum of these efforts is creating a high-quality ESG performance data flow and global database, from asset-level up, that investors and managers can rely on to better understand risks and opportunities and take appropriate actions.

## MORE FLEXIBLE OUTPUTS

Consistent with developments in the world of 'big data', our members are seeking to use their data in more flexible ways. We will provide both tailored solutions around specific products, and greater flexibility for advanced users in the fu-

ture. These outputs will be developed through close engagement with investors and managers to include customized impact analyses and peer group comparisons; enhanced access to raw data for modeling and time-series analyses through a re-designed data export tool; as well as enhanced portfolio analysis, including footprinting based on aggregated asset data.

## Stakeholders: GRESB Members and Partners

### INCREASING THE ACCESSIBILITY OF THE ASSESSMENTS

With the 2020 restructuring of the Assessments into separate Management and Performance Components (and Development Component for real estate developers), managers will be able to complete one of the Components and still be part of the benchmark. For example, managers with more opportunistic strategies and those who are constructing a portfolio or raising capital will find value in the Management Component as a way to share structured ESG information with investors. The Management Component will also provide an easier entry point to new participants for whom the reporting burden can be particularly challenging, such as those in emerging markets.

While the restructuring will open up the Assessment to new participants, the GRESB Score will only apply for:

- Real Estate entities completing both the Management and Performance (or the Management and Development Components in the case of developers)
- Infrastructure Funds participating with at least 25% of their assets in the Infrastructure Asset Assessment
- Infrastructure Assets completing both the Management and Performance Components

The GRESB Score will continue to underpin the GRESB Ratings and drive the global benchmarks, just as it does today.

#### **IMPROVING REPORTING EFFICIENCIES AND SUPPORT**

Reducing the reporting burden for Assessment participants is not a new imperative for GRESB, but it's one that requires continued focus. The sheer scale of the transition we are going through as an industry requires an ESG reporting process that is as straightforward and efficient as possible. We are introducing new tools within the Portal to increase reporting efficiencies, improving our alignment with other reporting initiatives and strengthening our capacity in non-OECD markets where our coverage is still relatively low. In addition, we are building a new online Assessment training program alongside our in-person training to make the content more accessible to managers and partners around the world.

#### **DESIGNING A NEW COLLABORATIVE RESEARCH AGENDA**

We're in the process of designing a new collaborative research agenda with our members, partners and industry partners. Our extensive ESG coverage of the industry means we are in a unique position to provide deep insights back to the market on the evolving state of sustainability in real assets.

Building on initiatives already underway, our 2020 research efforts will focus on providing deeper insights into transition and physical risks associated with climate change. There is also the opportunity to develop a new suite of aggregated benchmarks by sector, region and country relevant for our industry partners, their membership and networks.

## ANNUAL REPORTING ON OUR OPERATIONAL PERFORMANCE

As an organization with fewer than 30 employees and a relatively small operational footprint, our most significant impacts come from our assessment and benchmarking work and, ultimately, the extent to which we are able to influence investment practices that lead to more sustainable real assets. At the same time, we are committed to managing the impacts from our operations, being transparent about our own performance and taking action to further improve it in the future.

Reflecting our material impacts (see page 33), we have focussed our social reporting on employees and our environmental reporting on our operational GHG emissions.

We have taken the step to offset our GHG emissions from staff flights, office energy consumption and staff lunches, estimated for the decade where data is available, by planting two GRESB Forests via the Treedom program. One forest of 802 trees will be located in Kenya. The second forest, in Guatemala, will have 250 trees.

Looking forward, we have made a commitment to improving the sustainability of GRESB Events and will continue to measure the key indicators highlighted in this report as well as engage more closely with our stakeholders on how best to communicate our impacts and reduce these further in the future.

# THANK YOU FOR ENGAGING WITH OUR SHARED MISSION

As we look back over what has been a remarkable decade for ESG benchmarking, we are reminded that we are only here today because of the global community that has developed around our shared mission.

As investors, lenders, managers, operators, leaders, influencers and experts, you are the ones digging in to ask and answer the tough sustainability questions. You are the ones managing the risks, identifying the opportunities and finding ways to make positive real-world impacts. It's your efforts that are making the difference. Your decisions that are re-shaping the markets. And your investments that are creating the future that we and next generations will inherit.

The transition to a sustainable real asset industry is one of the most fundamental challenges we face. We can only meet it with reliable ESG information, meaningful global benchmarks and collective action from all our stakeholders as we work towards a more sustainable future.

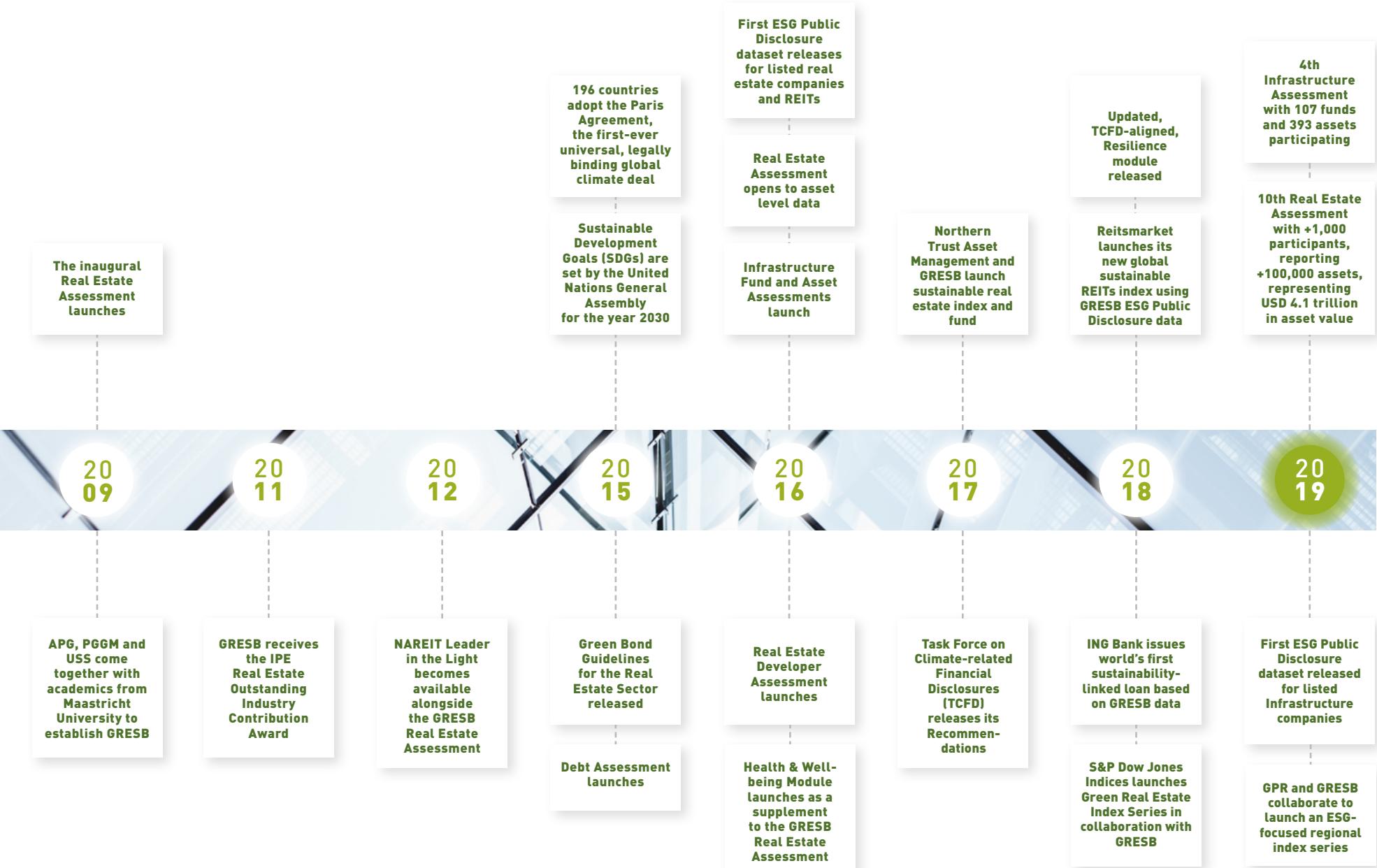
Thank you for making the story your own.



**Sander Paul van Tongeren**  
Co-founder and  
Managing Director  
GRESB



## 10 YEAR TIMELINE



## KEY MILESTONES IN GRESB'S DEVELOPMENT



### 3. KEY MILESTONES IN GRESB'S DEVELOPMENT

#### PAUL EDWARDS

*General Manager Workplace Experiences,  
Mirvac*

*"The Investment community is a key stakeholder in our ecosystem and we recognise their need to ensure transparency by participating in a variety of ESG indices. As our strategy and work has matured, we now have direct conversations with our Investors, and with the proliferation of these indices types, we are careful to ensure we remain balanced between outcomes, delivery, and transparent reporting."*

#### JESSICA ELENGICAL

*Director, DWS*

*"GRESB has helped the industry to define what ESG integration means for real assets and what are the ways in which we can measure both our metrics around ESG as well as the outcomes we would like to achieve. As the discussion of ESG has evolved, GRESB has evolved with it and done a great job of bringing together both asset managers and asset owners together on the topic. GRESB has also been successful in creating a global platform on ESG, a unique accomplishment given the often regional nature of real estate markets."*

#### ROWAN GRIFFIN

*Head of Sustainability-  
Property, Lendlease*

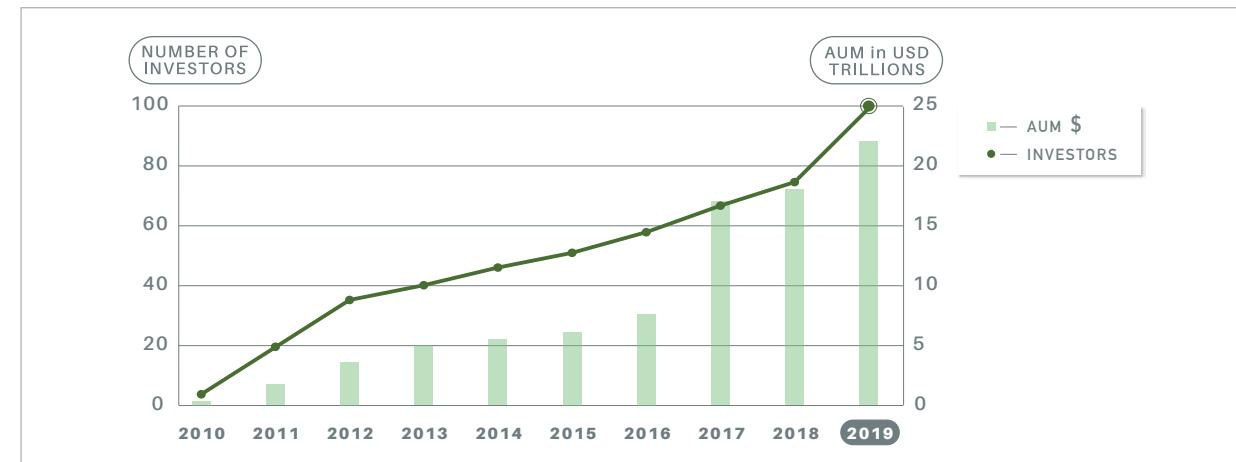
*"GRESB has become the benchmark of choice for institutional investors and super-funds, in first-pass assessment of funds they may wish to invest in, as well as a tool to compare fund ESG performance and encourages a conversation about ESG performance between investors and managers. overall it has played a significant role in ESG transformation in real assets."*

#### An expanding network of Investor Members

The growth of the GRESB benchmark has been driven from the outset by institutional investors. It started as a research project where real estate fund managers were surveyed on environmental considerations and quickly grew to include a broader set of sustainability metrics.

In the intervening years, many more investors joined GRESB and today more than 100 investors, including many of the world's largest and

most respected pension funds, insurance companies and sovereign wealth funds, have become **Investor Members**. By exercising their considerable market power to seek transparency on ESG performance, they are driving transformative change through the real asset investment chain and moving us closer to the sustainable future that we'd all like to see.



## 2019 INVESTOR MEMBER SURVEY RESULTS SUMMARY

Earlier in 2019, we sent GRESB Investor Members a survey to learn how they engage with investment managers, use GRESB data and to understand their level of satisfaction with our products and services.

35 Investor Members responded to the survey. Here is a summary of the results:

- Nearly all investors (94%) actively reach out to their managers to request participation in the annual GRESB Assessment.
- Participation in the annual GRESB Assessment is mandatory for 63% of investors.
- 84% use GRESB results for monitoring and ongoing engagement with managers, 47% use the data for their investment selection process and 31% integrate the results in their risk/valuation models.
- The main challenges in effectively using GRESB results in investment decision making are low coverage in certain markets and property types, and the need for globally standardized and comprehensive environmental performance indicator data.

- 53% of investors set performance targets based on GRESB data, a significant increase compared to the 2017 survey, where only 35% reported setting targets.
- Climate change risks and related disclosures were mentioned as the most important ESG issues that are currently underrepresented in the GRESB Assessments.
- 75% of investors state that they publicly disclose the GRESB results of their investments to either their clients and beneficiaries or to the general public.
- A majority would be interested in receiving additional support to get the most out of the GRESB Portal and/or the annual GRESB results and to effectively engage with their managers.
- A majority of investors reported satisfaction levels of 4 out of 5 with GRESB products and services, the main Assessments, the benchmark results, and the public results.

### PAUL EDWARDS

*General Manager Workplace  
Experiences, Mirvac*

*"GRESB was instrumental in helping change the conversation with the Investor community. In those days very few discussed sustainability and if a sustainability lead existed in the company they sat in a back room...Back then Hammerson decided to take the unusual step of including sustainability, and myself on Investor tours. In 2008 Netherlands led the way in responsible Investment, in particular ASN, PGGM, APG, ING, amongst many others. Hammerson were the first property company to take this approach, as such in places like North America we received some funny looks and questions like "what is it you do exactly?"*

### HIDEKI KOBAYASHI

*Head of ESG Office, Japan Real Estate  
Management Co*

*"To integrate ESG factors into investment management, Japan Real Estate Asset Management (JRE-AM) became a GRESB Real Estate Company & Fund Manager Member as the first Japanese real estate and asset management company... Nowadays, not only J-REITs but also major Japanese developers are starting to participate in GRESB RE Assessment. GRESB is firmly rooted in the Japanese real estate industry."*

### 3. KEY MILESTONES IN GRESB'S DEVELOPMENT

**MICHAEL BROOKS**  
*Chief Executive Officer, REALPAC*

*"GRESB effectively differentiated itself from the existing disclosure-only based tools, by providing ESG metrics that could be compared across companies and across countries. That innovation—ESG disclosure that was both absolute and relative—was a key advancement in the marketplace in 2009 and I believe has been the main driver of GRESB success over the past decade."*

**TOM MILLER**  
*Head of Development and Sustainability  
Asia Pacific,  
LaSalle Investment Management*

*"In the early years, when many of us were trying to figure out what should be the full scope of our sustainability program, the GRESB assessment proved to be a great guide as to all of the areas we should be addressing in our program. As we developed our sustainability program, over a multi-year period, the continual improvements to the GRESB assessment helped us to fine-tune our program, and to ensure that we kept our program current, and focused on the new and upcoming sustainability topics year in and year out. It has been a great vehicle for keeping us on track and continually moving forward."*

#### A growing set of ESG indices and sustainability-linked loans use GRESB data

As GRESB's coverage increases we are increasingly being requested by capital market providers to collaborate on ESG indices, sustainability-linked loans and other products. Over the last few years, GRESB data has been used in the following initiatives:



GPR ESG focused regional index series developed in collaboration with GRESB



Northern Trust Asset Management and GRESB sustainable real estate index and fund



ReitsMarket global sustainable REITs index uses GRESB ESG Public Disclosure data

**S&P Global**  
Market Intelligence

S&P Dow Jones Green Real Estate Index Series developed in collaboration with GRESB



Green loan by syndicate of four banks led by Barclays, linked to GRESB real estate data

**BNP PARIBAS**

BNP Paribas sustainability-linked loan based on GRESB infrastructure data

**星展銀行 DBS**

DBS Hong Kong sustainability-linked loan based on GRESB real estate data

**ING**

ING Bank sustainability-linked loan based on GRESB real estate data

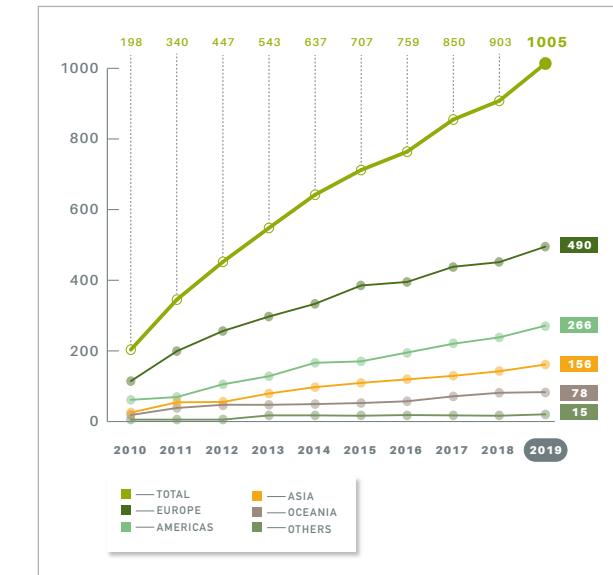
## 10 years of real estate benchmark growth

Participation in the GRESB Real Estate Assessment has grown steadily since our founding 10 years ago. In 2019, 1,005 property companies, REITs, funds and developers, representing more than USD 4.1 trillion AUM, reported to us. The 2019 benchmark includes more than 100,000 assets, of which more than 66,000 were reported at the asset level, giving an unrivaled set of ESG data and insights for the real estate investment market.

Looking at coverage of the private market by fund size, The benchmark represents 75 of IPE Real Assets' Top 100 Global Real Estate Investment Managers (participating with at least one fund) and 47 of PERE 100: institutional capital's top manager picks. The listed dataset has 65% coverage of the major developed listed real estate indices and full coverage when we factor in the Real Estate Public Disclosure Dataset. The data combines high-level overall scores with in-depth information across hundreds of ESG data points, including performance indicators such as energy consumption, GHG emissions, water consumption and waste.

The comprehensive nature of the benchmark reveals meaningful global and regional insights and allows us to track the performance of the sector against key national and policy goals such as the United Nations Sustainable Development Goals (UN SDGs), the Paris Climate Agreement, and the net-zero targets laid down by the World Green Building Council (WorldGBC).

*"We can't find solutions to global problems without a global benchmark to show us where we stand and how far we need to go."*  
**Sander Paul van Tongeren,  
Co-founder and Managing Director  
at GRESB**



### TOM MILLER

*Head of Development and Sustainability  
Asia Pacific,  
LaSalle Investment Management*

*"In my view, [GRESB] was one of the primary drivers for compelling the industry to move away from the "Greenwash" practices, that were prevalent in the earlier years, to the current state of actually having robust sustainability programs in place, and transparent reporting."*

### RYUICHI HORIE

*Co-founder and CEO, CSR Design Green Investment Advisory*

*"GRESB participants from Japan increased from zero to 77 over the last 10 years. Most notably, the participation ratio in the J-REIT sector has risen to as high as 92% in terms of market capitalization... Also, though we rarely found ESG disclosure in the industry 10 years ago, it has now become a common practice to disclose ESG in their websites, annual reports, investor reports, and some J-REITs and funds have even published standalone ESG reports recently."*

### CHURN ANALYSIS FOR THE 2019 REAL ESTATE ASSESSMENT

GRESB experiences a very low churn rate for year on year participation in the Real Estate Assessments. Most entities that stop participating do so due to liquidation or wind down.

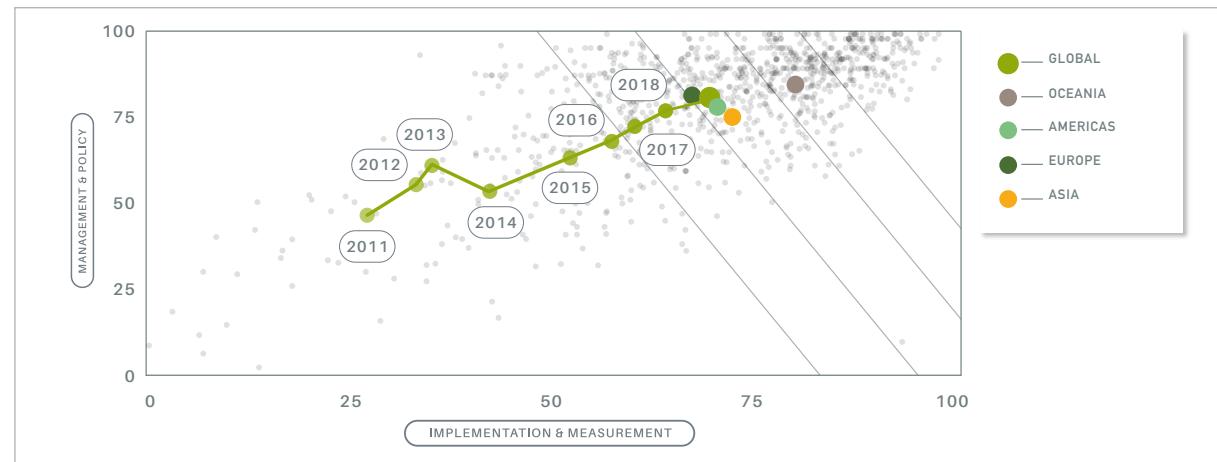
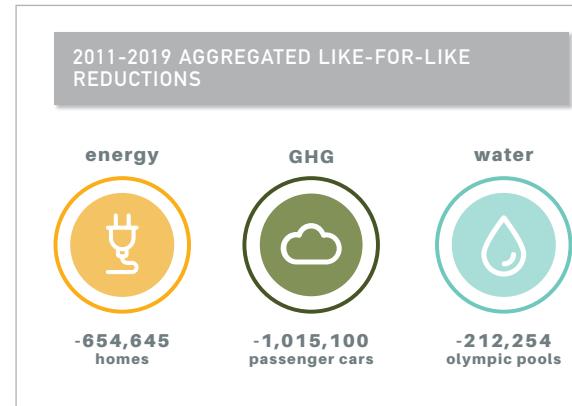
See breakdown for the 2019 Assessment:

- 42** - Liquidated or in wind down mode
- 11** - Mergers, acquisitions, reporting consolidation with other entities
- 8** - Special reasons (time constraints, internal restructuring, did not receive final signoff, did not feel prepared enough to submit, person responsible for reporting left the company, corporate restructuring)
- 3** - Duplicate entities
- 19** - Unknown

	new in 2019		stopped participating in 2019	
	LISTED	NON-LISTED	LISTED	NON-LISTED
EUROPE	<b>20</b>	<b>67</b>	<b>10</b>	<b>31</b>
NORTH AMERICA	<b>15</b>	<b>28</b>	<b>4</b>	<b>16</b>
ASIA	<b>13</b>	<b>12</b>	<b>2</b>	<b>13</b>
OCEANIA	<b>0</b>	<b>11</b>	<b>1</b>	<b>4</b>
AFRICA	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
GLOBALLY DIVERSIFIED	<b>3</b>	<b>3</b>	<b>0</b>	<b>1</b>
SOUTH AMERICA	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>TOTAL</b>	<b>52</b>	<b>121</b>	<b>17</b>	<b>66</b>
	<b>173 (up from 161 in 2018)</b>		<b>83 (down from 109 in 2018)</b>	

## Increasing ESG transparency and performance in the real estate sector

With increasing GRESB scores around the world, and like for like portfolio energy consumption, GHG emissions and water consumption reducing at an aggregate level from 2011-2019, the data tells the story of a real estate industry stepping up decisively to improve ESG transparency and performance.



### MARK DELISI

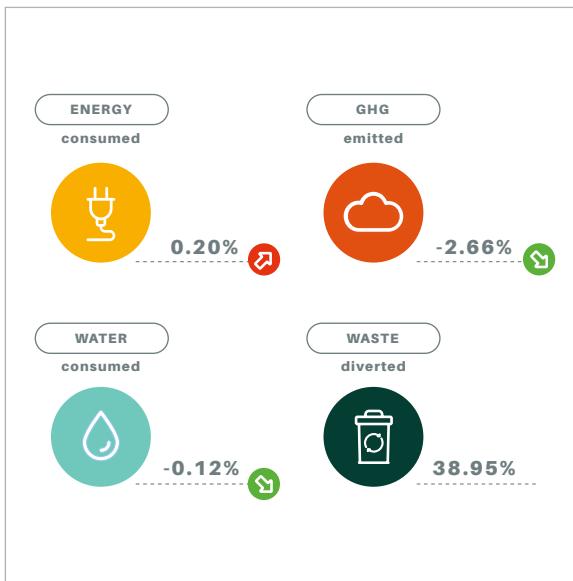
*Vice President of Corporate Responsibility, AvalonBay Communities*

*"I am big believer that "what gets measured gets done" and so in that way GRESB has moved our industry to measure and report on ESG goals, initiatives and progress. This has pushed the industry to get more "done!"'*

### ALAN DALGLEISH

*Chief Executive Officer, ANREV*

*"At an aggregate level, GRESB's assessment results provide a view of the progress of the industry as a whole. Taking both these aspects together, it is clear GRESB has had a major impact in delivering measurable results for investors and managers and really provided a huge amount of momentum to encourage ESG integration in the wider industry."*



**DEBORAH NG**  
Head of Responsible Investing,  
Ontario Teachers' Pension Plan

*"By becoming the de facto standard for real asset sustainability it has helped to improve overall sustainability in real estate, and, in time, we expect that GRESB can do the same for infrastructure."*

A trend analysis for indicators that have remained consistent over the past years also shows a significant shift in practice. For example:

- In 2009, 19% of participants collected energy data. In 2019, it's 98%
- In 2009, 13% of participants used renewable energy. In 2019, it's 61%
- In 2012, 70% of participants had a senior decision-maker accountable for sustainability, in 2019, it's 99%
- In 2012, 26% of participants had sustainability clauses in their lease contracts. In 2019, it's 86%;

### But more improvements are needed to meet global goals

But despite this remarkable increase in transparency and the great progress made over the past decade, much more effort is needed to meet key global goals and achieve the transition to a low-carbon, resilient and sustainable future.

The 2019 real estate results show global like-for-like GHG emissions falling by 2.66%, a lower rate than the 4.91% reduction achieved in the previous year. This slower reduction rate will not be enough to meet the 1.5-degree target set out by the Paris Climate Agreement. And, with only three net-zero portfolios in the 2019 benchmark, much more still needs to be done to shift the industry to a sustainable path.

*"Even in the face of present challenges, we remain optimistic because of the breadth and depth of the sustainability ecosystem that has grown up since the inaugural Real Estate Assessment in 2009. Looking back, it has been a remarkable decade of movement building that has laid the groundwork for exponential progress to be made in the next decade and beyond," says Roxana Isaiu, Director Real Estate at GRESB.*

### Benchmark growth and performance improvements in the infrastructure industry

Following the proven path of the GRESB Real Estate Assessment, the Infrastructure Assessment is on track to become the global benchmark for the industry.

It all started in 2016, when a group of pioneering investors, including AIMCo, AMP Capital, APG, ATP, Aviva Investors, CalPERS, Mirova, Pension-Danmark, Ontario Teachers' Pension Plan and PGGM, joined forces with GRESB to launch the inaugural Infrastructure Assessment. The industry has responded decisively and each year more funds and assets are stepping forward to participate.

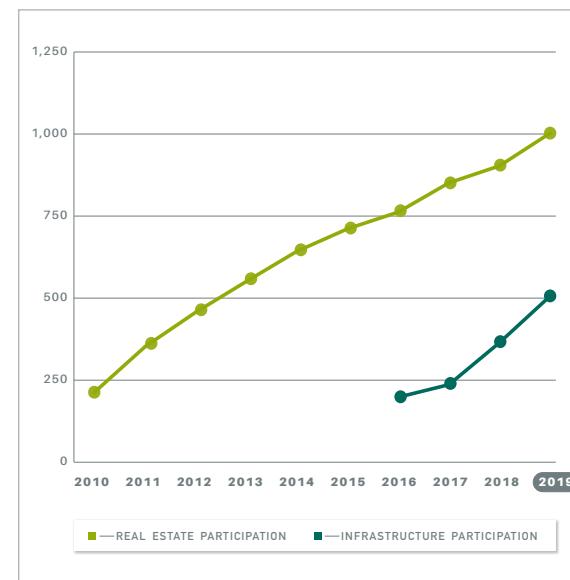
In 2019, the Infrastructure Fund Assessment grew by 43% to include 107 funds. The Assessment covers 33 of IPE Real Assets' Top 75 Infrastructure Investment Managers – participating with at least one fund. Participation in the Infrastructure Asset Assessment increased by 40% to cover 393 assets across 30 of the 33 industry sectors and 57 countries.

In 2019 we introduced performance intensity data into the asset benchmark reports. The reports show data on Health & Safety, Energy, GHG emissions, Water, Waste, Biodiversity & Habitat as intensity metrics with comparisons to peers. This is a significant step towards a standardized approach to measuring and scoring assets across different sectors globally. As more sectors provide sufficient data, these benchmarking possibilities will help managers and operators better understand their performance against the market and improve their intensity profiles.

2019 also saw the launch of the Infrastructure Public Disclosure dataset, providing comprehensive coverage of listed infrastructure companies across the entire GLIO Global Coverage Index. The data reveals which listed infrastructure companies are the most transparent about their ESG performance, which perform in the mid-range and which are lagging their peers.

*"We are delighted that the industry continues to endorse GRESB Infrastructure as*

*demonstrated by sustained growth in participation". says Rick Walters, Director Infrastructure at GRESB. "We look forward to supporting our participant and investor members to use ESG data in engagement with stakeholders and to build on this platform to accelerate the transformation towards sustainable infrastructure. Whilst the global infrastructure and SDG gaps are large and formidable, strong ESG performance is one of the keys to unlocking further infrastructure funding and bridging these gaps."*

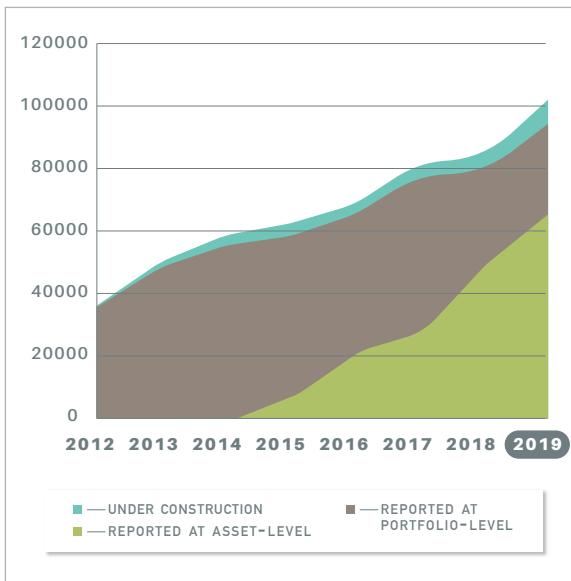


**NEIL KRAWITZ**  
*Partner, Head of ESG, Arcus*

*"The ability to score performance, where industry wide standards are still evolving, provides credibility and a verified medium to illustrate performance and provide a tool for engagement. Arcus' participation in GRESB was driven by the desire to have all of these attributes in our ESG reporting and GRESB has been very important in allowing us to better and more consistently integrate and improve our own and our portfolio companies ESG performance."*

**ADAM KIRKMAN**  
*Head of ESG, AMP Capital*

*"GRESB improves rigour of risk governance and risk management oversight, assists with ESG specific measurement including carbon footprinting and energy consumption; Facilitates and encourages regular engagement with stakeholders on material sustainability issues; provides a consistent ESG performance data review mechanism; facilitates discussion on ESG matters by the Board and improves the focus on business sustainability strategies and asset masterplans (1,3,5+ years)."*



## Advancements in asset level reporting and data coverage

With ESG driving ever more investment decisions, expectations around the quality of ESG data are naturally increasing. Through advancements in asset reporting practices, technological improvements and the support of GRESB's data partners, the industry has taken great strides to increase the ESG data coverage at the portfolio level, and support this with improved reporting at the asset level.

### REAL ESTATE ASSET LEVEL REPORTING:

In 2019, 89% of entities reported their environmental performance data at the asset level. This represents more than 66,000 assets of the total 100,000 assets covered by the benchmark. In 2020, asset level reporting is a requirement for real estate funds and companies completing the Performance Component.

### INFRASTRUCTURE ASSET LEVEL REPORTING:

The GRESB Infrastructure Assessment was designed for asset level reporting through the Asset Assessment from its launch in 2016. In 2019, the average proportion of assets participating within funds stands at 50%.

## More reliable performance data in the Assessment

Ever since our launch, GRESB has been committed to providing standardized and validated ESG data to the capital markets. We use a combination of algorithmic and human processes to ensure that the quality of reported data is as accurate as possible. Our three-layer validation process includes real-time error detection in the Portal, automated outlier checks, third party validation review as well as qualitative consistency checks.

As the benchmark grows and more decisions are based on ESG data, investors and participants are requesting clearer understanding of the quality of their data. That's why in late 2018 we started the process of developing common guidelines for performance data reporting to be reflected in the GRESB ESG Data Standard. A Technical Working Group of more than 40 data experts from across the commercial real estate industry has been convened to inform the content, structure and evolution of the guidelines. In turn, it is expected that the guidelines will be adapted to suit the infrastructure industry in the future.

## Assessments becoming more aligned with other reporting initiatives to promote market consistency

With the interest in ESG and data intensifying in recent years, the number of non-financial reporting frameworks, guidelines and standards is exploding. GRESB has a role and responsibility to standardize ESG data collection and benchmarking across the real asset industry, and to help our stakeholders to address the growing data needs, without increasing reporting burden. Each year we update our alignment analysis, mapping our Assessment to other frameworks to ensure that we reflect the best and most commonly used indicators and metrics for real assets wherever possible.

The 2019 gap analysis alignment work to prepare for the 2020 Assessments, which has been the most detailed to date, covered initiatives including PRI, GRI, CDP, ISO, DJSI (RobecoSAM), SASB, TCFD and the UN SDGs. We are also seeing more coordination among certification schemes used around the world and take steps to ensure that we continue to recognize the major schemes within our Assessments.

In addition to these formal mapping exercises, we consult closely with our Members and Indu-

stry Partners and take part in working groups to ensure that we are able to respond to significant initiatives, targets and policy goals pertinent to our industry. Examples include the EU Sustainable Finance Taxonomy and Disclosure Regulations, Paris Agreement, 100 Resilient Cities, Science Based Targets, World GBC, EPRA and the UN SDGs.

## MATTHEW BRENNAN *Head of Sustainability, Transurban*

*"Having an easy-to-use interface for providing standardized data that gives a participating asset or organisation insights into its relative sustainability performance is invaluable - it flags areas of opportunity, risk and provides feedback about the gap between current and desired performance. This, together with the use by investors to gain insights into sustainability performance, has, and will continue to drive real-world environmental and social outcomes. The proof of ESG integration in the industry is evident in the rapid year-on-year increase in the number of participants."*

## DEBORAH NG *Head of Responsible Investing, Ontario Teachers' Pension Plan*

*"Importantly, GRESB brings context to an asset's performance by providing insights on how the sector as a whole performs. This is another lens by which we can identify sustainability-related opportunities and risks."*

### 3. KEY MILESTONES IN GRESB'S DEVELOPMENT

**CHRISTOPHER CAYTEN**  
*Principal, CodeGreen Solutions*

*"We utilize the GRESB framework to reinforce the strategic sustainability services we provide to real estate owners and investors who represent hundreds of millions of square feet of property across the country and the continent. GRESB is an indispensable tool for real estate organizations at all stages of their ESG journey, helping to make ESG more approachable and structured for companies that are just starting out and helping to raise the bar and differentiate levels of achievement for the leaders in real estate ESG."*

**BILL HUGHES**  
*Head of Real Assets, LGIM*

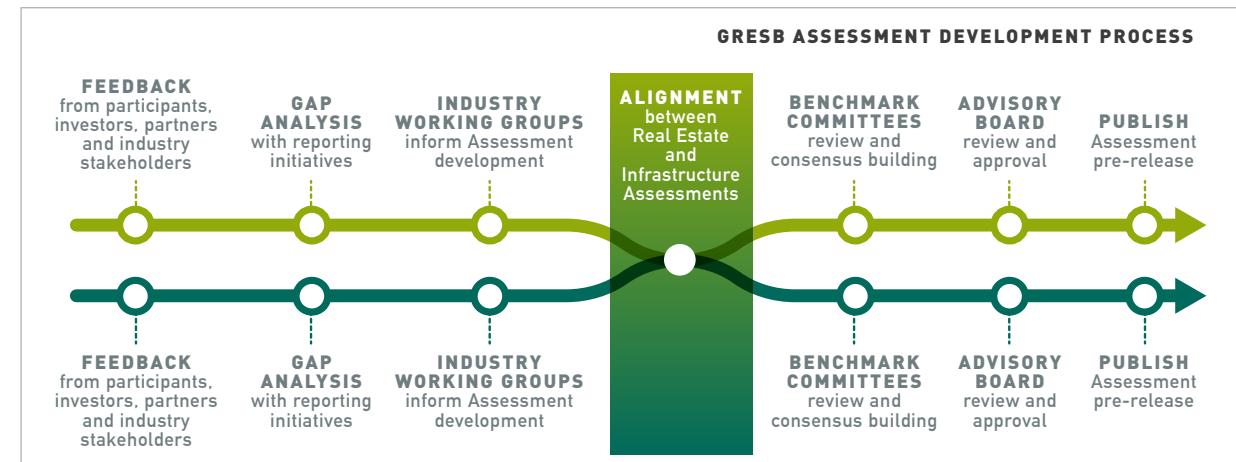
*"GRESB has provided a degree of public recognition of the work we do to embed sustainability throughout the lifecycle of our assets. But more broadly, GRESB has increased awareness of sustainability issues in the investment sector. Importantly, it has integrated environmental, social and governance issues into management and decision making."*

#### Deepening industry engagement, 'radical transparency' and an improved governance structure

GRESB is at its heart a member driven organisation. We are committed to evolve the GRESB Assessments in line with the needs of our members - the institutional investors, managers and asset operators who rely on our Assessments and benchmarks. This annual process is guided by our medium-term plan and involves analyzing Assessment and validation results; gathering feedback from participants; performing gap analyses with other ESG frameworks; soliciting input

via Industry Working Groups; engaging with the wider industry and then developing the Assessments iteratively in consultation with our Regional Benchmark Committees and Advisory Boards. Combined, this structured industry engagement brings together a representative group of stakeholders in the Assessment development process.

Our annual Assessment review is designed to ensure our Assessments meet the needs of ma-



nagers just getting started with ESG, provide a best practice standard and enable benchmarking among all participants, while at the same time remaining stable enough to provide year on year comparability. Managing these diverse and, at times, competing needs is difficult. Thankfully we are able to rely on experts in our community, many of whom participate in our Governance bodies, to help us strike the right balance through some of the more difficult discussions. It's a journey that we are taking together as an industry and every conversation we have, and piece of feedback we receive helps us to improve the Assessments and benchmarks in line with what it means to be striving for sustainability in a changing world.

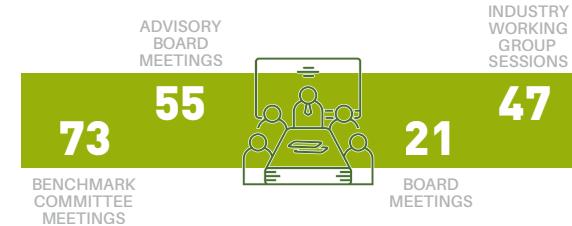
In 2014, we updated our governance structure and clarified the relationship between our [Advisory Boards and Benchmark Committees](#).

- The Advisory Boards bring together more than 30 of the world's leading asset owners and managers, reflecting the broad support for ESG reporting within the real assets industry. Meeting around 6 times a year, each Advisory Board has oversight of the respective Assessment development process and provides strategic advice and input to GRESB and the GRESB Board. The chairs of the Advisory Boards serve as observers on the GRESB Board.

- The Regional Benchmark Committees have approximately 90 members, all taken from the GRESB membership community and each meet approxima-

tely 6 times a year at key points in the Assessment cycle. The Committees provide commercial and technical input into the development of GRESB Assessments, and other products and services as well as regional context and guidance for our relationship with the wider industry. The chairs of the Regional Benchmark Committees serve as observers on the respective Advisory Boards.

#### OVER THE LAST 10 YEARS GRESB HAS HAD:



In addition to the Advisory Boards and Benchmark Committees, we periodically establish Industry Working Groups to examine specific topics relevant to GRESB Assessments.

It goes without saying that we are strong advocates for transparency. That's why we have made our entire Assessment methodology, scoring documentation and guidance documents publicly available online.



**ALAN DALGLEISH**  
*Chief Executive Officer, ANREV*

*"For a number of years ANREV has helped GRESB distribute its assessments to the unlisted real estate industry in the Asia Pacific region, to help ensure the assessments have as wide a distribution and participation as possible."*

**TADATERU KITAOKA**  
*Head of Planning & Coordination Department,  
Mitsubishi Corp.-UBS Realty Inc.*

*"It doesn't make sense to implement ESG measures just as a single company; rather J-REITs must work toward these practices together. Furthermore, as the overall level of ESG integration [and GRESB scores] rise among J-REITs, trust from investors will increase."*

## Supporting and strengthening the responsible investing network

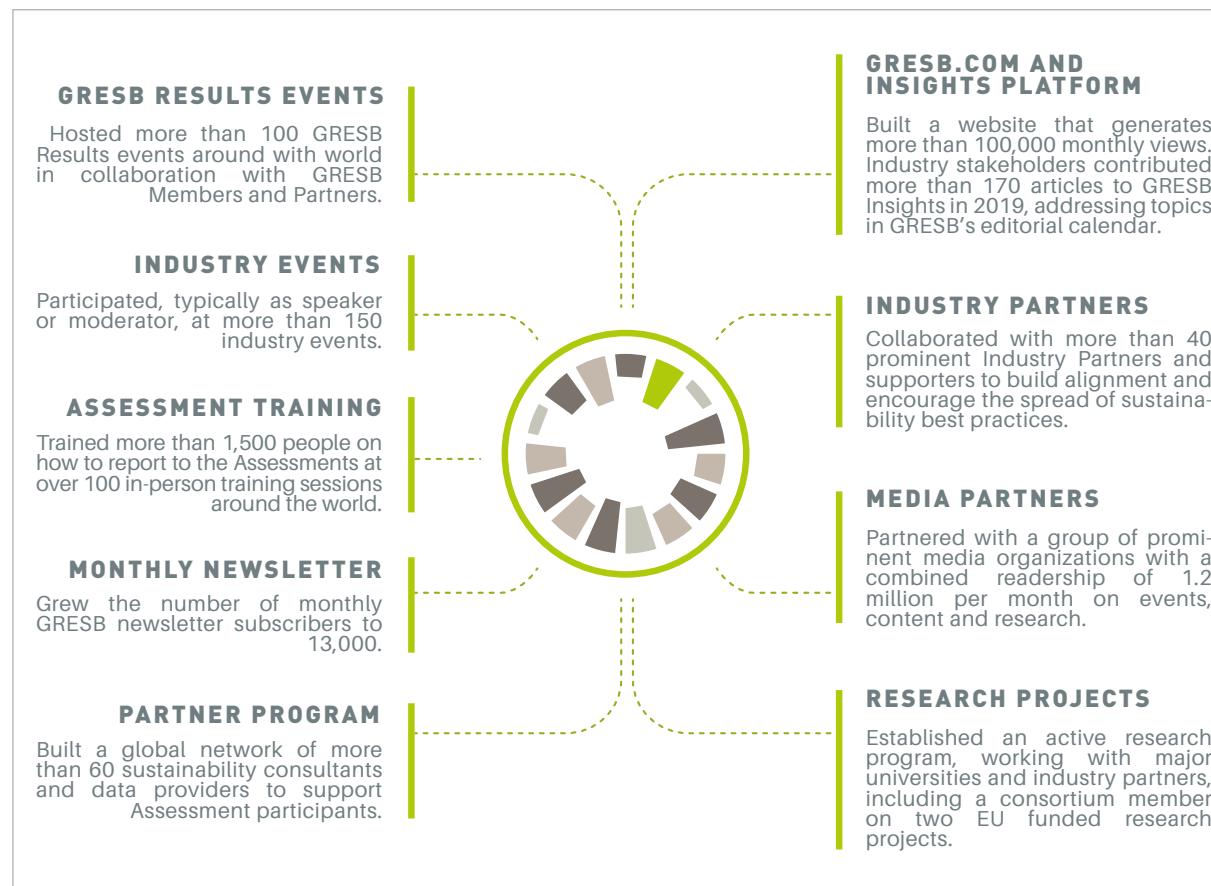
It's impossible to think about GRESB without also considering the responsible investing network and ecosystem that we are embedded within. Our core activities over the last 10 years to support and strengthen the network include:

- Collaborating with the leading national, regional and global industry bodies and associations ([GRESB Industry Partners](#)) working in real estate and infrastructure sectors on joint research, awareness raising and alignment on what constitutes sustainable best practices.
- Building a global network of highly capable sustainability consultants and solution providers, known as [GRESB Partners](#), who can assist participants to efficiently complete their Assessments, manage their ESG data and integrate sustainable investing into their processes.
- Creating a comprehensive industry-specific ESG performance data ecosystem in collaboration with [GRESB Data Partners](#), as well as the data guidelines and validation processes to make it reliable and meaningful.
- Speaking at industry events around the world to increase global awareness of the importance of ESG transparency and benchmarking for institutional investors and the wider industry.
- Working with GRESB Media Partners to raise awareness about the status of ESG performance in our

industry, contributing data backed content and collaborating on events.

- Organizing our own networking and knowledge sharing events open to GRESB members and stakeholders.
- Supporting Assessment participants through training, guidance and the development of tools to improve reporting efficiencies.

## EVENTS, REACH AND COLLABORATIONS OVER THE PAST DECADE



**ROMILLY MADEW**  
*Chief Executive Officer,  
Infrastructure Australia*

*"GBCA took a lead quite early in working collaboratively with GRESB, inviting GRESB team members to update GBCA members regularly including presenting at many Green Cities Conferences, participating on working groups and supporting GRESB annual releases."*

*"GRESB has made a huge impact on the Australian property market. Australia and NZ have led the annual results for the past 9 years."*

4.

WE ASKED THE INDUSTRY “WHAT WILL ESG BENCHMARKING LOOK LIKE IN 10 YEARS?”

## WE ASKED THE INDUSTRY “WHAT WILL ESG BENCHMARKING LOOK LIKE IN 10 YEARS?”



We've included commentary throughout the report from a group of sustainability champions who have inspired us with their leadership and commitment. Our industry is full of such people who have contributed so much to our collective vision and the growth of the benchmark.



**BILL HUGHES**  
Head of Real Assets,  
LGIM



**NEIL KRAWITZ**  
Partner, Head  
of ESG,  
Arcus



**ADAM KIRKMAN**  
Head of ESG,  
AMP Capital



**DAVINA ROONEY**  
CEO,  
GBCA



**CALVIN LEE KWAN**  
GM Corporate Development and Strategy, Link Asset Management



**PAUL EDWARDS**  
General Manager Workplace Experiences, Mirvac



**PETER VERWER**  
Executive Chairman, Fractal IQ



**HIDEKI KOBAYASHI**  
Head of ESG Office, Japan Real Estate Management Co



**CHRISTOPHER CAYTEN**  
Principal, CodeGreen Solutions



**DEBORAH NG**  
Head of Responsible Investing, Ontario Teachers' Pension Plan



**TADATERU KITAOKA**  
Head of Planning & Coordination Department, Mitsubishi Corp.-UBS Realty Inc.



**ROEL KALFSVEL**  
Manager Sustainability, Syntrus Achmea Real Estate & Finance



**KAREN XU**  
Head of Investor Relations, White Peak



**BEN MYERS**  
Director, Sustainability, Boston Properties



**RYUICHI HORIE**  
Co-founder and CEO, CSR Design Green Investment Advisory



**TOM MILLER**  
Head of Development and Sustainability Asia Pacific, LaSalle Investment Management



**ROWAN GRIFFIN**  
Head of Sustainability- Property, Lendlease



**ALAN DALGLEISH**  
Chief Executive Officer, ANREV



**MARK DELISI**  
Vice President of Corporate Responsibility, AvalonBay Communities



**MATTHEW BRENNAN**  
Head of Sustainability, Transurban



**ROMILLY MADEW**  
Chief Executive Officer, Infrastructure Australia



**MICHAEL BROOKS**  
Chief Executive Officer, REALPAC



**JESSICA ELENICAL**  
Director, DWS

**JESSICA ELENGICAL**  
Director, DWS

"I think data availability and quality will continue to move, further enabling us to move away from qualitative to metrics-based evaluation tools. I believe social metrics will become increasingly important, and there will be more ways in which we can benchmark portfolios by social outcomes."

**ROEL KALFSVEL**  
Manager Sustainability, Syntrus Achmea Real Estate & Finance

"Most real estate funds improve their GRESB score every year. Initiatives with which sector leaders can distinguish themselves now will be common practice in a couple of years. ...We expect that social issues will become increasingly important in the next 10 years."

**ROWAN GRIFFIN**  
Head of Sustainability- Property, Lendlease

"[GRESB] will continue to allow differentiation between funds and managers in how they implement ESG, but will be more focussed on the efficient use of resources, utilities, water, and carbon emissions in a trajectory to carbon positive. The circular economy will be better understood and be a part of the assessment as well as stronger focus on social equity, impact and community outcomes. I also see an alignment to the SDG's, as impacted by the real asset sector."

**RYUICHI HORIE**  
Co-founder and CEO, CSR Design Green Investment Advisory

"As ESG will become a part of normal due diligence process, ESG benchmarking of real assets will be integrated into asset valuation. For example, there will be more focus on climate resilience/adaptation, as both physical and transition risks of climate change will become more apparent. It is likely that climate VaR is required to be reported in the benchmarking metrics to understand the impact of climate change to the valuation."

"With respect to data quality, third-party review will become a common practice, as investors demand high quality data. Assurance will become more popular as opposed to mere review."

**TADATERU KITAOKA**  
Head of Planning & Coordination Department, Mitsubishi Corp.-UBS Realty Inc.

"Going forward, evaluations based on TCFD, "Corporate Governance", "Strategies", "Risk management", and "Indicators and targets" will become increasingly important, and if GRESB specializing in real estate management assume the role of evaluations, confidence from investors will also increase. It would also be more useful to include in the valuation indicators that are referenced by non-passive equity investors, for example, positive impact investments."

**PAUL EDWARDS**  
General Manager Workplace Experiences, Mirvac

"Investors and businesses are recognising the importance of doing the right thing for future generations and our planet. Over the next ten years I expect the level of expectation to grow alongside responsibility. Transparency and trust will be key to survival and customer attraction and retention. The future worker, millennial, Gen Z, etc has placed a new level of importance on purpose and social responsibility. Climate Change is now front and centre for young people, who can see it impacting their future, so they demand that companies do more.."

**NEIL KRAWITZ**  
Partner, Head of ESG, Arcus

"As ESG is an evolving topic with increasingly important global initiatives like climate change and sustainable development, ESG benchmarking in real assets in 10 years will need to cover detailed measurement and tracking of key parameters which are contributing to these issues. More emphasis will be placed on international standards for environmental, social and governance, and transparency and reporting will become more impor-

tant but also begin to drive allocation of capital to high performers, meaning ESG management will be a critical success factor and differentiator in the funds management industry, not just a "tick a box hygiene check".

**BILL HUGHES**  
Head of Real Assets, LGIM

"The current 'one size fits all' approach needs to evolve to a more tailored approach to make it relevant and bespoke to individual funds and portfolios. Benchmarks will need to cover a broader group of issues as investors increase their focus on areas such as social value, social impact and embodied carbon, and further embed ESG into business activities and performance metrics."

On a more far reaching point, GRESB currently places peer comparison at the heart of its benchmarks. With new challenges increasingly emerging around ESG, there are questions around whether a peer benchmark will continue to be appropriate in future. Many believe that the next ten years will require radical change. GRESB may need to consider how it can best encourage an appropriate level of improvement in order to meet these challenges. This may require not only peer comparisons but benchmarking against a stipulated industry target which reflects future needs."

**PETER VERWER**  
Executive Chairman, Fractal IQ

"ESG benchmarking will be integrated into the internet of things. GRESB will be an integral element of AI platforms that monitor actual and expected performance while providing dynamic recommendations for optimising the ESG profiles of real assets."

**MATTHEW BRENNAN**  
Head of Sustainability, Transurban

"I think that it will drive greater collaboration and be one of the major means of facilitating sustainable finance solutions. Sustainable assets financed sustainably will be the new norm but I think this will happen much sooner than many think."

**CHRISTOPHER CAYTEN**  
*Principal, CodeGreen Solutions*

"By 2029 I believe corporate ESG benchmarking for all organizations, not just real assets, will be fully integrated into the holistic measure of corporate health and financial value. Once ESG performance is valued at the same level as financial performance, the market will demand accurate, standardized and transparent ESG data for all organizations, and getting this information from stakeholders will become standard practice. Organizations that are proactively managing the risks and opportunities that arise from the physical and transitional risks of climate change will be the financial and environmental leaders around the world."

**BEN MYERS**  
*Director, Sustainability,  
Boston Properties*

"In 10 years there will be more ESG disclosure requirements for publicly-traded companies and better evidence correlating shareholder returns with ESG performance."

**KAREN XU**  
*Head of Investor Relations, White Peak*

"ESG benchmarking data will become increasingly important for investors to understand a company or an asset's long-term value. Therefore, more and more companies will start to report ESG benchmarking assessments to their shareholders. There might even be regulatory requirements for listed real estate companies to disclose their ESG benchmarking results to the public."

**CALVIN LEE KWAN**  
*GM Corporate Development and  
Strategy, Link Asset Management*

"Ideally in 10 years time, ESG benchmarking should be a critical component in corporate credit ratings and investor decision making. To achieve this, definitions, reporting rules and requirements, and auditability will have to evolve to become more stringent in regards to ESG."

**ROMILLY MADEW**  
*Chief Executive Officer,  
Infrastructure Australia*

"ESG benchmarking will mature and continue to be impactful, taking into account carbon, technology and resilience."

**MARK DELISI**  
*Vice President of Corporate  
Responsibility,  
AvalonBay Communities*

"I think it will be similar to financial reporting in that it will be how business reports and measures progress, engages stakeholders, and defines success."

**ALAN DALGLEISH**  
*Chief Executive Officer, ANREV*

"I think that ESG benchmarking will become even more embedded across the industry than it already is. It will continue to become an automatic part of reporting...I would also expect ESG benchmarking to link into financial reporting in much more sophisticated ways in future."

**DAVINA ROONEY**  
*CEO, GBCA*

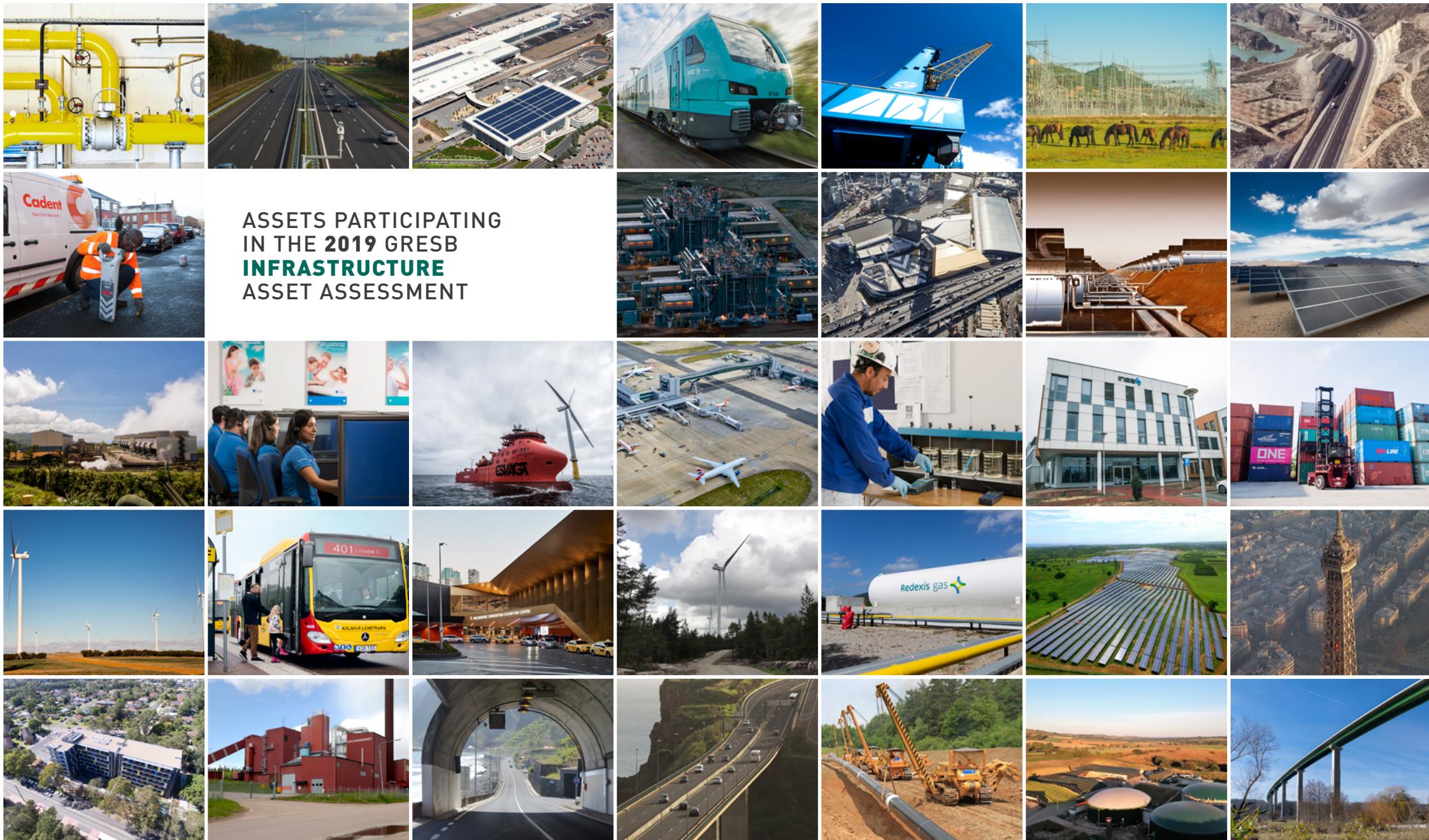
"I look forward to being part of real time monitoring and assessments of the sustainable built environment to create resilient and positive places."

**ADAM KIRKMAN**  
*Head of ESG, AMP Capital*

"Over the next 10 years investors will continue to require systematic ways for gathering ESG and sustainability metrics and performance data across their assets and portfolios as institutional investors seek to manage risk, and fulfil their fiduciary and disclosure obligations. ESG Benchmarking will play an increasingly important role in developing the strategies necessary to build sustainable and resilient investment portfolios that deliver long term performance."

**TOM MILLER**  
*Head of Development and  
Sustainability Asia Pacific,  
LaSalle Investment Management*

"In 10 years, the major items for ESG benchmarking in real assets will be concerned with: a) the establishment of carbon-neutral pathways at the asset level, and progress along these pathways; b) identification and action plans to counter, in detail, the transition risks and physical risks at the asset and Fund level and c) a measurement of the resilience of an asset , both physically against climate change shocks, as well as an evaluation of the condition of stressors in the communities in which they sit, and how these stressor conditions impact the resilience quality of the asset."



ASSETS PARTICIPATING  
IN THE 2019 GRESB  
**INFRASTRUCTURE**  
ASSET ASSESSMENT

## OPERATIONAL SOCIAL AND ENVIRONMENTAL IMPACTS



**As an organization with fewer than 30 employees and a small operations footprint, our most significant impacts comes from our assessment and benchmarking work and, ultimately, the extent to which we are able to influence investment practices that lead to a more sustainable real asset industry. At the same time, we are committed to managing the impacts from our operations, being transparent about our own performance and taking action to further improve it in the future.**

**Reflecting our material ESG impacts, we have focussed our social reporting on employees and our environmental reporting on our operational GHG emissions. Looking forward, we have made a commitment to improving the sustainability of GRESB Events and will continue to measure the key indicators highlighted in this report as well as engage more closely with our stakeholders on how best to communicate our impacts and reduce these further in the future.**

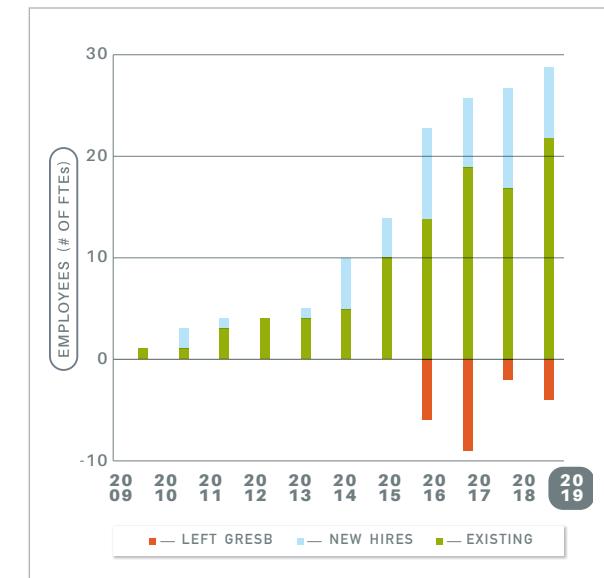
## EMPLOYEES

### Size and turnover

GRESB has grown considerably over the last decade. Starting with just two part-time staff members in 2009, we now directly employ 29 people full-time. Apart from a short-lived spike in turnover in 2017, turnover has remained very low for the decade.

### Culture and work environment

We are a diverse and dynamic team with an open culture and a flat organizational structure. This helps us to have an entrepreneurial and collaborative environment that encourages individuals to develop quickly in the direction of their skills and interests. We regularly work in cross-functional teams and aim to instill a work environment that is both informal and hard working. By bringing our software development and analytics capabilities in house, and doubling this team in the last 12 months, we have added sprints and agile methodologies to our product development process.





In the 2018 satisfaction survey employees were asked to come up with "three words that describe GRESB culture." Several of the most common

words - such as "collaborative", "open", "dedicated" and "committed" - have a similar character to our published values.

A word cloud graphic containing various positive adjectives describing GRESB culture. The words are arranged in a cluster, with larger, bolder words in green and smaller, lighter words in shades of green and blue. The visible words include: dynamic, fun, committed, open, collaborative, energetic, diverse, family, productive, passionate, friendly, bright, sprint, and growing. Some words have additional descriptive text next to them, such as "sprint" next to "fun", "productive" next to "productive", and "rushed" next to "family".

## Diversity

GRESB is a diverse workforce with 17 different nationalities among our 29 employees. We have more male staff than female staff at all levels in the organization. As an equal opportunity employer we are looking to address this balance and take steps to always including female candidates in the final recruitment stages for all roles recruited. In 2018, the pay ratio between the highest and lowest paid staff member (excluding interns) was 4.4:1.

20.6% of the current GRESB team were once interns, which points to our effectiveness in providing career development opportunities, despite our flat structure. Professional growth opportunities are supported via an annual €2,500 professional development budget available to all staff.

## Satisfaction

In 2018, employees were asked to rate job satisfaction from 1-10. 43% rated their satisfaction as 7/10, 30% as 8/10 and 17% as 9/10. While not directly comparable to 2017 and 2016 results due to a change in the scale used, satisfaction levels appear stable over the three years. Most qualitative responses behind these numbers were positive but several employees indicated frustration with heavy day-to-day workloads leaving them unable to spend time on new projects and initiatives.

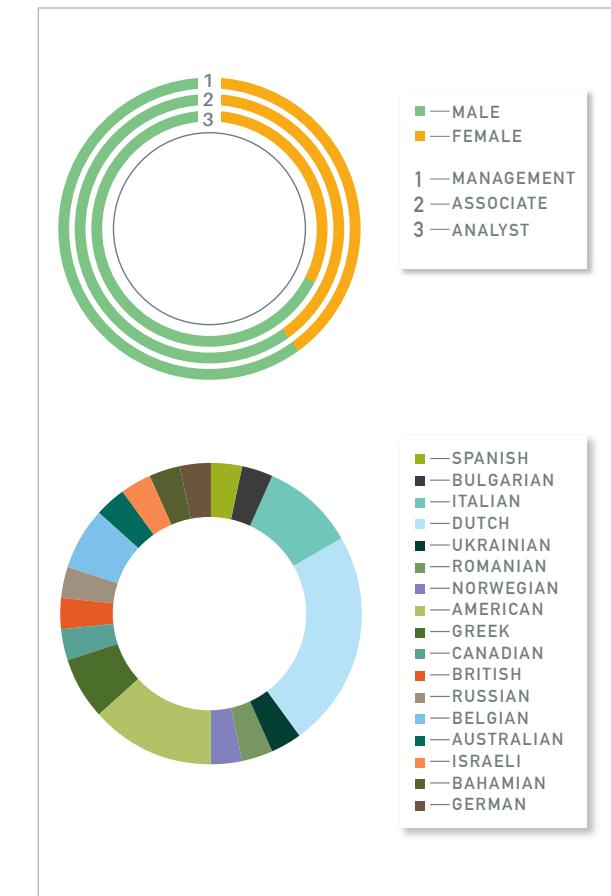
When it comes to stress levels, perceptions have improved since 2016 when 31% of employees reported feeling "very or extremely stressed". In 2018, only 17% of staff felt this way. The perception of GRESB as employer also improved. When asked how likely employees would recommend GRESB as a place to work 43% of employees chose 9/10 or 10/10, up from 16% in 2016.

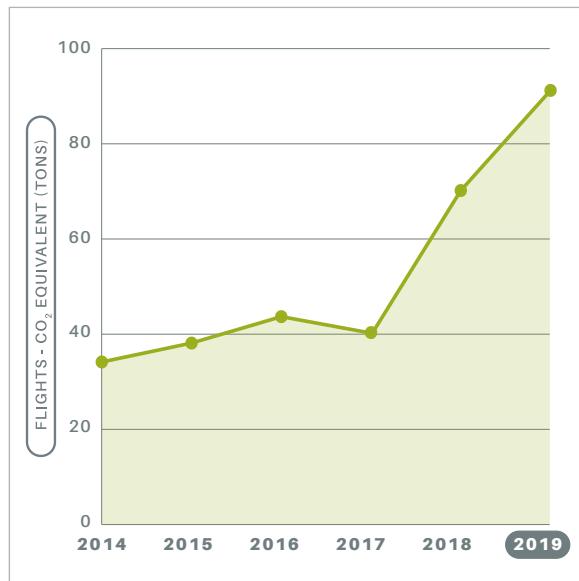
## Team building and volunteering

GRESB began organizing focussed team building events in 2015. These events, which can run for several days, combine learning with an opportunity for bonding and relationship building that goes beyond the working environment. We also use the events to talk candidly about opportunities and challenges, and to come together around a shared vision for the next year and beyond.

This year, for the first time, we organized an Alumni Reception to celebrate GRESB's 10 year Anniversary and the contribution of past GRESB staff and interns who have done so much to build our DNA and shape our culture.

We are excited to be putting together a volunteering program in 2020.





## OPERATIONAL GHG EMISSIONS

The table below shows GRESB's largest operational GHG emissions in CO<sub>2</sub> equivalents for 2018 and 2019.

	2018 tCO <sub>2</sub> e	2019 tCO <sub>2</sub> e (estimated)
STAFF FLIGHTS	<b>69.8</b>	<b>91.0</b>
OFFICE ENERGY CONSUMPTION	<b>31.2</b>	<b>22.8</b>
STAFF LUNCHES	<b>8.8</b>	<b>9.0</b>

### Staff flights

Data from flights taken from 2014-2019 show increasing GHG emissions annually as our staff numbers, membership and outreach efforts have grown. In 2015 we introduced the Assessment training program resulting in an additional 10-15 flights a year. GRESB Infrastructure was launched in 2016, adding team members and the need for more travel. Then in 2018 our emissions saw another uptick due to a doubling of flights taken by Regional Heads and Directors.

Approximately half of staff flights have been offset

at the time of purchase via airline provided carbon offset programs. We have offset the remainder by planting a GRESB Forest (see below). We are confident that we can reduce our travel emissions in the future by reducing travel through more effective use of technology like videoconferencing and webinars, shifting modes for regional travel such as taking trains to London and other European locations, and offsetting remaining essential flights.

### Office energy consumption

GRESB office is externally managed by our lease administrator, SPACES in Zuidas Amsterdam. The office has a B energy label. Using landlord provided data, we were able to calculate GHG emissions for our full 2018 energy consumption as 31.2 tCO<sub>2</sub>e.

### Staff lunches

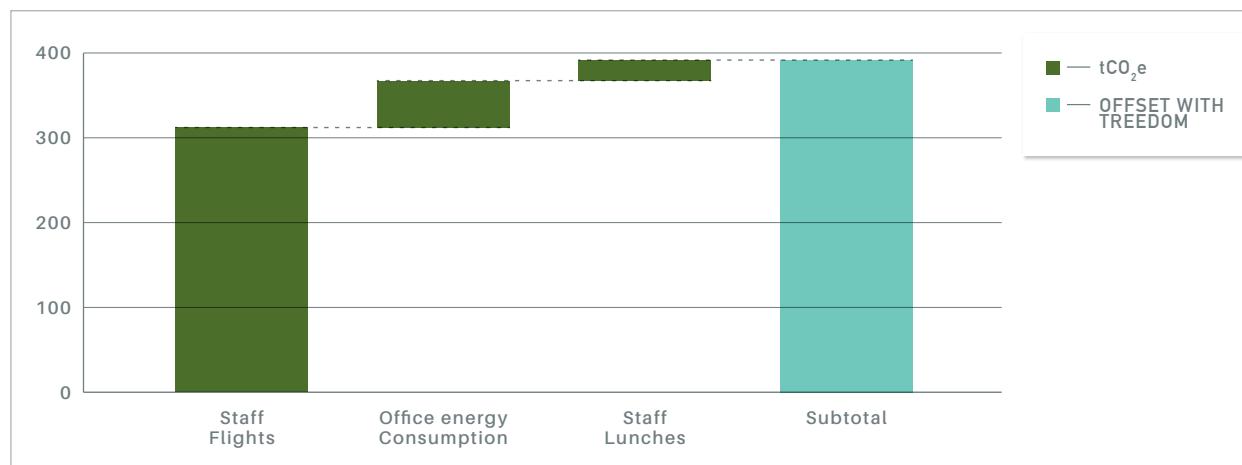
GRESB staff receive a free, communally prepared lunch each day. In 2018 our move to a pescatarian menu (vegetarian with occasional fish) reduced GHG emissions per person from 600kg to 450kg annually. Our lunches are provided by [De Buurtboer](#), a supplier who delivers locally sourced products according to the number of employees in the office that day, leading to minimal food waste. De Buurtboer works exclusively with locally produced and seasonal products and brings any of their leftovers to the [Amsterdam Food Bank](#).



### Offsetting GHG emissions for the last 10 years

Our most material operational GHG emissions are from flights taken by GRESB staff, office energy consumption and staff lunches. Based on available flight data from 2014-2019, energy consumption for 2018 and 2019, following our move to SPACES, and staff lunches since 2017, our GHG emissions come to 392.2 tCO<sub>2</sub>.

We are offsetting these GHG emissions by planting two GRESB Forests via the Treedom program for a total cost of €13,066. One forest of 802 trees will be located in Kenya. The second forest, in Guatemala, will have 250 trees.



### NON-OPERATIONAL, INDIRECT GHG EMISSIONS

In 2019 we held around 50 Assessment Training and Results Events around the world, and while we are not able to report on flight emissions for all (non-GRESB employee) event participants, we estimate it represents our largest non-operational, indirect CO2 impact.

From 2020 onwards, as part of our commitment to improving the sustainability of GRESB Events we will measure, and offset, all GHG flight emissions that have not already been offset by event participants. We are also introducing online Assessment Training in 2020, designed to expand our reach while at the same time reducing the number of in-person training events and associated CO2 impact.

#### Our commitment to Sustainable GRESB Events:

- Offset GHG emissions of all the attendees who are not offsetting theirs
- Responsible catering where possible
- Post-consumer recycled and/or responsibly sourced event materials
- Where possible we will make event presentation available online

#### Waste management

While GRESB differentiates paper, glass, plastic and compost waste into separate bins, not all of the waste from the building is properly differentiated after being removed from the separate offices. We are developing a new waste management strategy with our landlord in 2020, with the intention that it will also be rolled out across the building.

#### Water Use

According to landlord provided data we consumed 153 m<sup>3</sup> of water in 2018, in a low water stress area.

#### Financial Summary

Our growth as an organization has been particularly pronounced over the last 5 years. In this period, our revenues and costs both rose strongly as benchmark participation increased and the GRESB team tripled in size. Financial sustainability is important as we pursue our mission and GRESB has no financial debt or external loans. We commit to reinvesting surpluses to further improve our benchmarks, products and services as well as extend our market coverage within real assets.

