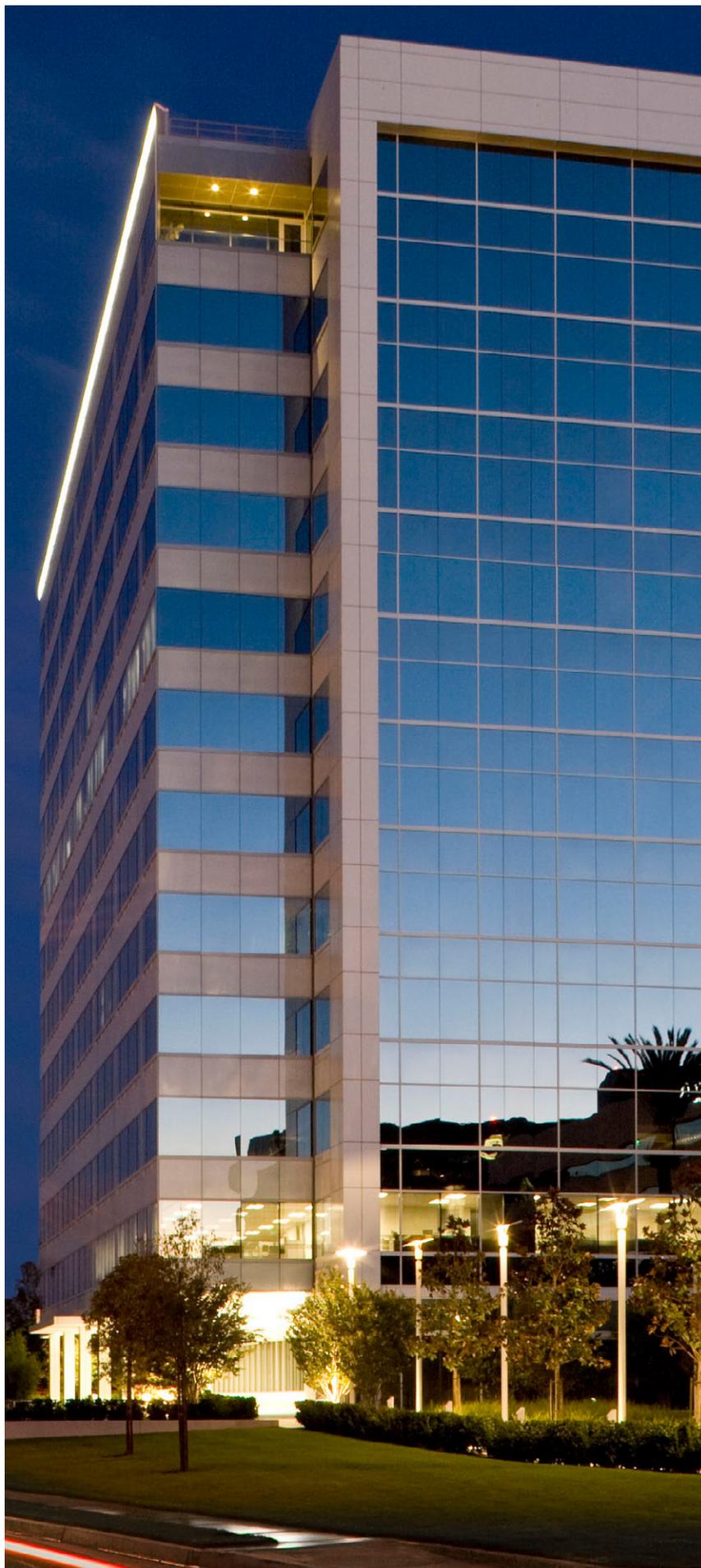


**Making the
most of
GRESB
Real Estate**
*Guidance on
preparing your
real estate
portfolio for the
2017 assessment*

April 2017



What is the GRESB Real Estate Assessment?

The assessment is the most widely accepted standard used by property companies and funds to measure, evaluate and benchmark the sustainability performance of their real estate portfolios. GRESB defines sustainability in terms of a portfolio's plans, policies, and performance related to environmental, social and governance (ESG) metrics.

The assessment is administered annually through a survey comprising approximately 50 questions across seven different aspect areas:

- management
- performance indicators
- policy & disclosure
- building certification
- risks & opportunities
- stakeholder engagement
- monitoring & EMS

The assessment addresses ESG trends in the real estate industry; these are developed through feedback from GRESB investor members as well as engagement with the real estate industry through the GRESB advisory board, benchmark committees, and industry working groups. It requires that respondents collect and aggregate building data related to commonly used environmental performance indicators such as energy and water consumption, greenhouse gas (GHG) emissions and waste. It also asks for portfolio-wide information about broader management issues, including sustainability plans and policies; sustainability risk assessments; performance improvement programs; green building certifications; and engagement with employees, tenants, suppliers and the community. The assessment covers existing real estate assets and includes a section focused on new construction and major renovations.

How does GRESB evaluate a real estate portfolio's sustainability performance?

The assessment is divided into two dimensions:

- **Management and Policy:** This dimension is based on qualitative information, such as how sustainability is managed (within the organization, across the portfolio and among stakeholders) and what actions have been taken by the company or fund to support a move toward improved sustainability performance.
- **Implementation and Measurement:** This dimension is based largely on quantitative information, such as performance data during the reporting year and measurable long-term targets. It also evaluates the methods used to capture or measure performance data.

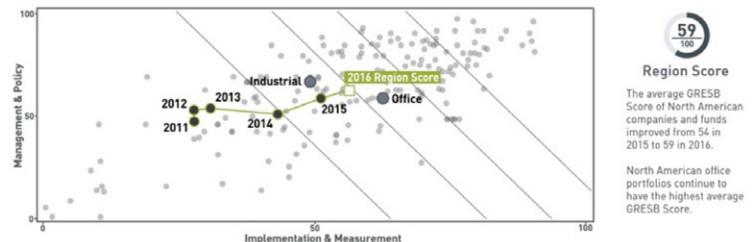
Respondents receive a score for both dimensions. Taken together, they demonstrate how well sustainability is integrated into the organization or fund and within the portfolio. Results are plotted in GRESB's quintile model,

and respondents receive a GRESB rating between 1-star and 5-star.

Each respondent receives a GRESB scorecard that provides a score for each aspect area, with a comparison to benchmarks achieved by their peers (groups created based on property type and geographic location).

Respondents can also receive a more in-depth score analysis, called a GRESB benchmark report, for an additional fee (free for GRESB members) that provides question by question scoring and feedback. The report is particularly useful for helping managers improve a portfolio's sustainability performance and develop detailed action plans accordingly.

GRESB model



Trends from the 2016 GRESB assessment

The number of participants in the GRESB Real Estate Assessment has shown steady growth since its inception seven years ago. In 2016, the assessment was completed by 759 respondents and consulted by 58 institutional investors. The 2016 assessment also demonstrated significant performance improvements by its respondents, who collectively reduced GHG emissions by 2 percent, energy use by 1.2 percent, and water use by 1.9 percent compared to the previous year. In addition, 592 GWh of on-site renewable energy production was reported in 2016, an increase compared to the 438 GWh of renewable energy reported the previous year.

How will the 2017 GRESB Real Estate Assessment change?

The assessment is updated each year based on respondent feedback and shifting priorities in the market. However, the number of questions impacted each year is restricted to less than 20 percent to manage the rate of change. For 2017, GRESB has introduced minor changes, with a focus on simplifying the reporting process and increasing the quality of responses. Key updates for 2017 include:

- **Auto-completing responses in the online portal.** For respondents that participated in 2016, the GRESB online portal is pre-populated with responses for questions that remain unchanged year-over-year. These questions are identified in the portal with the text "Pre-filled from 2016" above the question title.

- **A complementary public disclosure scorecard for listed companies.** To promote further transparency, GRESB has launched a process to assess listed companies' disclosure of ESG policies, performance and risks. Based on publicly-available information, GRESB assesses large companies on five aspects: disclosure, governance of sustainability, implementation, operational performance and stakeholder engagement.

Collected information is made available to GRESB investor members and is used to assign a public disclosure score from A to E.

How to participate in the 2017 GRESB Real Estate Assessment

Property companies and funds are invited to participate in the GRESB Real Estate Assessment by registering at www.gresb.com.

Timeline

<p>March 1, 2017 2017 GRESB Real Estate Assessment reference guide available</p>
<p>April 1, 2017 GRESB online portal opens</p>
<p>June 1, 2017 Deadline to request a response check</p>
<p>June 15, 2017 Validation process begins</p>
<p>July 1, 2017 Assessment closes</p>
<p>September 2017 2017 GRESB results released</p>

Improving your GRESB Real Estate Assessment response

1. Plan accordingly

- Start the process as early as possible. Data collection and analysis can be time consuming.
- To streamline the process before beginning your response, review the assessment questions to determine which internal and external stakeholders are required to support your response.
- Prepare a work plan, establish regular status meetings and implement project milestones.
- Identify responsible individuals from across a range of business functions within your organization including sustainability, facilities, transportation, procurement, risk, legal, finance, marketing and communications.

- Have an early discussion about your data collection requirements with individuals outside your organization, such as service providers and external consultants.

2. Attend a training event

- Attend one of the many training sessions offered by GRESB in cities around the world. The program provides insight into the reporting process, analytics, and available tools.

3. Take advantage of the tools provided by GRESB - familiarize yourself with the tools provided by GRESB that facilitate the survey response process, such as the:

- automated data feed tool, which adds energy, GHG emissions, water and waste data from a data provider's collection system directly into the online GRESB portal.
- Energy Star portfolio manager converter, which also automatically adds these data into a GRESB submission.
- GRESB website, which provides insights for enhancing the value of sustainability for your assets through relevant articles, case studies and blogs.

4. Budget your time

- Finish your response before the assessment closes on July 1 to allow time for a thorough review before submitting it.
- If you submit your response before June 1, you have the option of requesting a response check. A response check is an optional high-level review of a response prior to the final submission. This response check includes a review of key data points, clarification of any anomalies identified and a written review summary. It can minimize the risk of errors that could adversely affect the submission.
- The response check is complimentary for GRESB members; for non-members there is a nominal fee.

5. Opt for the grace period

- First-time respondents are offered the ability to not have their GRESB results disclosed to investors. This is referred to as a "grace period."
- The grace period allows companies and funds a one-year period to familiarize themselves with the GRESB reporting and assessment process, without disclosing results externally to investor members.
- The names of companies and funds using the grace period will still be disclosed to GRESB investor members; however, these results will not be disclosed to investor members.

6. Collect sustainability innovation case studies

- If your company implemented any innovative projects during the reporting period, consider submitting it as a case study. While these submissions will not receive a score, they will be included in GRESB scorecards

and benchmark reports issued in the fall, providing an excellent opportunity for feedback on cutting edge sustainability practices. Case studies will also be featured on the GRESB website.

- Innovation case studies from previous years have included tenant engagement programs, on-site renewable energy systems, energy and water conservation strategies, health and wellness programs, electric vehicle infrastructure and many more.

7. Prepare for next year

- Only policies, programs and accomplishments that were in place in the reporting year (e.g., calendar year 2016) are eligible to be included that year's assessment. However, it is not too early to start implementing improvements now; they will contribute to the next year's assessment.

8. If you are unsure, ask

- If you have technical questions while completing the assessment you can click the "Ask GRESB" button which appears next to every question in the online portal.

WSP and GRESB

In 2017, WSP was named a GRESB global partner for the GRESB Real Estate and GRESB Infrastructure programs for a second year. In the past, WSP has served on the GRESB infrastructure technical working group and currently serves on the greenfield and development asset industry working group, advising GRESB on updates to its infrastructure program. As a GRESB global partner, WSP supports all aspects of the GRESB process, including compiling sustainability performance data; developing strategy, policy and governance programs; setting goals and targets; assessing risk and opportunity; engaging stakeholders and responding to GRESB's annual assessments.

Our GRESB advisory services are complimented by technical capability in energy, GHG and water management; sustainable energy design; climate resiliency and adaptation; product sustainability and life cycle assessment (LCA); and sustainability strategy and program development — positioning us to manage a diverse array of sustainability issues for clients across sectors.

About WSP

WSP, one of the world's leading engineering and professional services consulting firms, provides services designed to transform the built environment and restore the natural one. The firm's expertise ranges from environmental remediation and urban planning, to engineering iconic buildings and designing sustainable transport networks, to developing the energy sources of the future and creating innovations that reduce environmental impact. More than 37,000 employees, including engineers, technicians, scientists, planners, surveyors, program and construction management professionals, as well as various environmental and sustainability experts, work for this dynamic organization in more than 500 offices across 40 countries worldwide. Find out more at wsp.com.

For more information on GRESB Real Estate or our sustainability and energy services, please contact:

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