



GRESB Real Estate

New Opportunities in 2016

NAREIT Leader in the Light
Miami, Florida

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Agenda

- Health & Wellbeing
- Developer
- Debt/Fixed-Income
- Infrastructure
- Leader in the Light



Real Estate Supplement

Health & Well-being Module

Health and Wellbeing

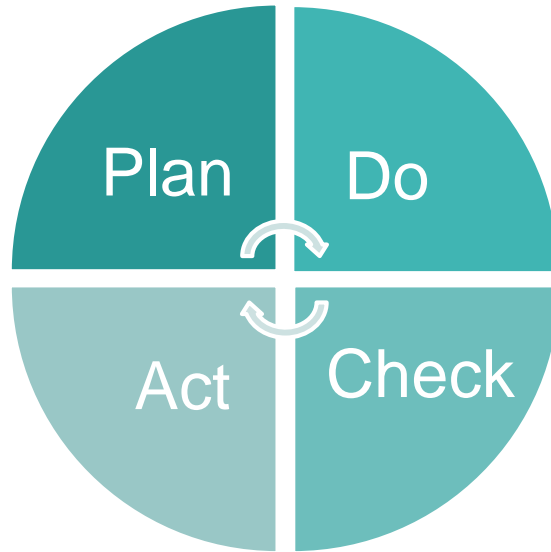
2015 GRESB Real Estate Assessment



Health and Wellbeing

2015 GRESB Real Estate Assessment

- Q11: employee policy
- NC4.1: communication with local community
- NC3: site development requirements
- NC5: construction materials



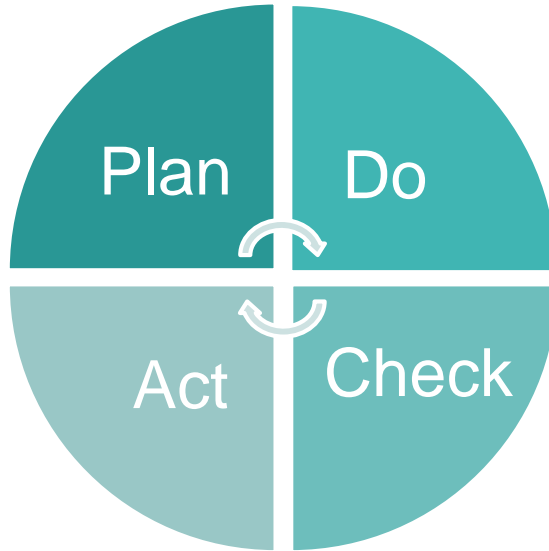
- Q15.1 and Q15.2: risk assessments
- Q42.1: community engagement program
- NC9: building measures on health & well-being
- NC13.1: on-site occupational H&S management system
- Q21.1: data management system
- Q35.1 and Q35.2: health and safety checks
- Q42.2: impact on community
- Q42.3: monitoring community engagement
- NC 4.2: impact on local community
- NC 13.2: occupational H&S indicators
- NC14: socio-economic impact of

Health and Wellbeing

Opportunities

- Q11: employee policy
- NC4.1: communication with local community
- NC3: site development requirements
- NC9: construction materials



Leadership & Responsibility




- Q15.1 and Q15.2: risk assessments
- Q42.1: community engagement program
- NC9: building measures on health & wellbeing
- NC13.1: on-site occupational H&S management system
- Q21.1: data management system
- Q35.1 and Q35.2: health and safety checks
- Q42.2: impact on community
- Q42.3: community engagement
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- NC 13.2: occupational H&S indicators
- NC14: socio-economic impact of

Leadership

Cancer screening for construction workers



SkinCheck at
Lend Lease Europe



Check4Cancer
Early detection saves lives



IFT-LendLease/11.14/v.1



How many were offered the checks?

Checks were offered to the entire region on a first come first served basis. In total, 35% of our employees had the checks, part way through we had to double the number available as demand was so high. Due to the popularity and feedback we'll make more appointments available when we provide the service again next year.

Why do you think the uptake was so high?

This isn't something that's available on the High Street and where it is available it's costly and time consuming. Being able to access a service like this for free and with the convenience of it being at your place of work is of huge benefit. Through this we were able to offer a service as close as possible to seeing a professional dermatologist.

So, is this now a regular feature for your employees?

For the foreseeable future it will become a regular feature. A key part of skin cancer prevention is monitoring.

What was the detection rate?

About 10% of us were referred for immediate treatment, with a further 10% referred for further GP checks. A number of the referrals are still ongoing which has resulted in surgery for some people.

What does the company itself get out of this?

We care about our employees, and it's a way of showing that we care.

What feedback have you had from your employees?

Overall feedback has been absolutely fantastic, with many colleagues praising the thorough examination, the flexibility and that it could be incorporated into a working day.

Leadership

Reducing toxic exposures for employees and tenants

Existing Buildings

extended our successful Green Cleaning Program to properties we acquired this year and focused on reducing paper use via the installation of paper towel inserts and increased switching to coreless restroom tissue rolls.

As we have done since our Green Cleaning Program launched in 2010, we continued to ensure that all cleaning products we use meet the relevant LEED environmental standard, either GreenSeal or the California VOC limit. Our vacuums achieve the Carpet and Rug Institute Seal of Approval, and we use microfiber cloths and rags to capture additional dirt to improve air quality. Finally, we continue to replace many of our traditional plastic trash bags with a biodegradable product, others with a compostable product in conjunction with an extension of our composting program.



(San Francisco, California)

100 First Street - Exterior (left) & Lobby (right)



Kilroy Green @kilroygreen · Jan 14

Our #Irvine janitors graduated from @Building_Skills @USGBCLA Green Janitor program! First #OrangeCounty graduates!



Leadership

Enhancing wellbeing



British Land PLC @BritishLandPLC · Jan 7

The Pursuit of Happiness: how we're using science in urban design to enhance wellbeing #sustainability ov...



4



6



British Land PLC

@BritishLandPLC



Follow

Data on our Head Office refurbishment shows its positive impact on #wellbeing [ov.ly/VR2pc](https://www.britishland.co.uk/ov.ly/VR2pc)



British Land PLC @BritishLandPLC · 26 Nov 2015

.@PaddingtonCen hosts seasonal wellbeing activities for visitors, residents & those working on campus #BLSpotlight



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GRESB Health & Well-Being Module

Plan

- New questions to recognize on-going leadership by real estate companies and funds
- Develop and evaluate new strategies to establish peer groups and understand performance indicators
- A voluntary, not scored supplement
- Open for participation on April 1, 2016



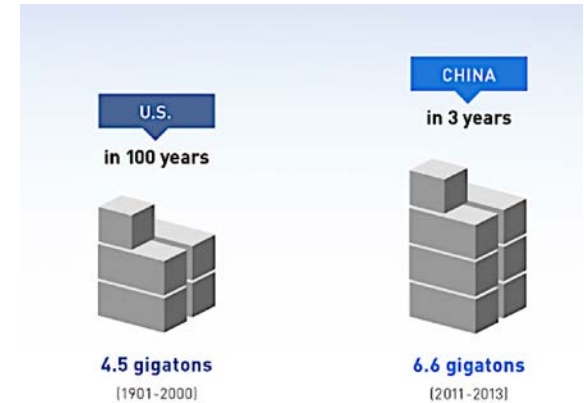
Existing Assessment, now standalone

Developer Assessment

Tools for Developers

- In 2014, GRESB launched a sub-set of questions for parties that only focus on development activities - so-called “Development Only” participants
- In 2015, a total of 19 Development Only participants filled out the sub-set of questions in the GRESB Real Estate Assessment (of which 16 participants from emerging markets)
- Opportunity to support more “Development Only” participants and provide more relevant peer group comparisons and analyses

Emerging market construction activity



GRESB Developer Assessment

New for 2016



- A stand-alone tool for Development Only participants
- Who should participate:
 - Organizations that develop projects with the aim to sell the completed projects to a third party. Projects can be developed to a tenant's specification (build to suit); commissioned by an investment manager; or at risk
 - Organizations that invest in development projects, with the aim to sell the completed projects to a third party
 - Organizations that develop projects, or invest in development projects, with the aim to own and operate the completed projects. In these cases, a minimum of 75% of the organization's annual revenues should be generated by development activities (including project sales), while a maximum of 25% should be generated by their operating buildings



New Assessment

Debt/Fixed Income

GRESB Debt

Actionable transparency for institutional investors

- Applying the same mission, vision and process to fixed income property investors
- 2015 Inaugural Debt Survey
 - Assesses the sustainability performance and engagement of lenders



Aspects and Dimensions

6 aspects, all of which look at ESG factors and how they are implemented

Management & Policy



Management



Policy & Disclosure

Implementation & Lender Practice



Risks (bribery & corruption)



Due Diligence



Monitoring



Opportunities

Participation

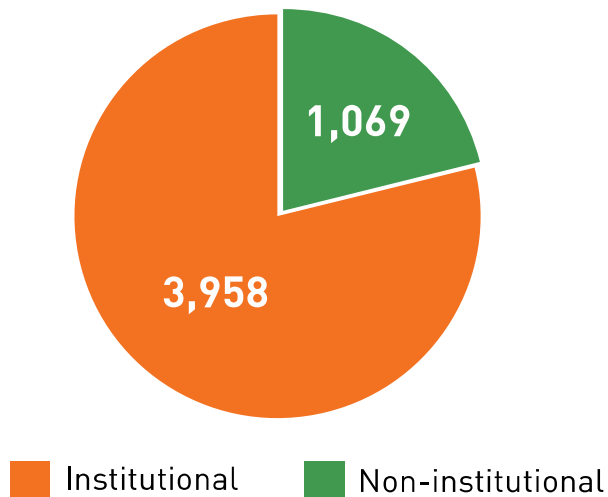
Diverse universe of funds reporting

- 10 funds
- \$5.03 billion in aggregate NAV
- 127 assets (loans)
- Representing 7% of the PERE debt fund universe

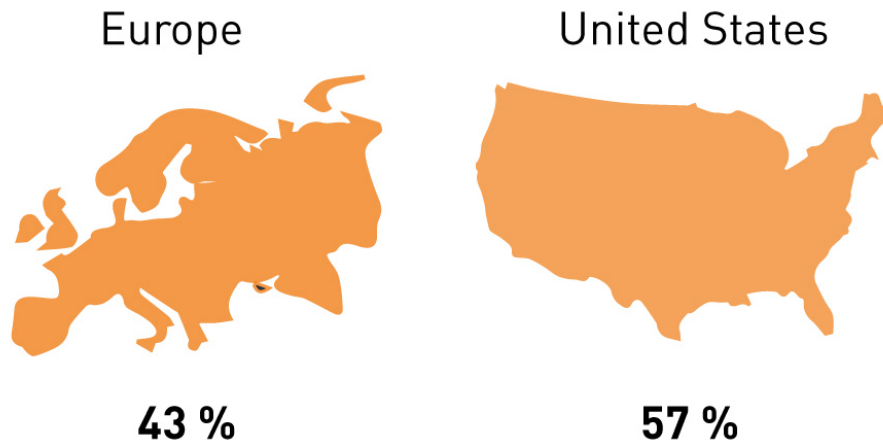
Participation

Based on NAV

Response rate by lender type (based on NAV in USD millions (\$))

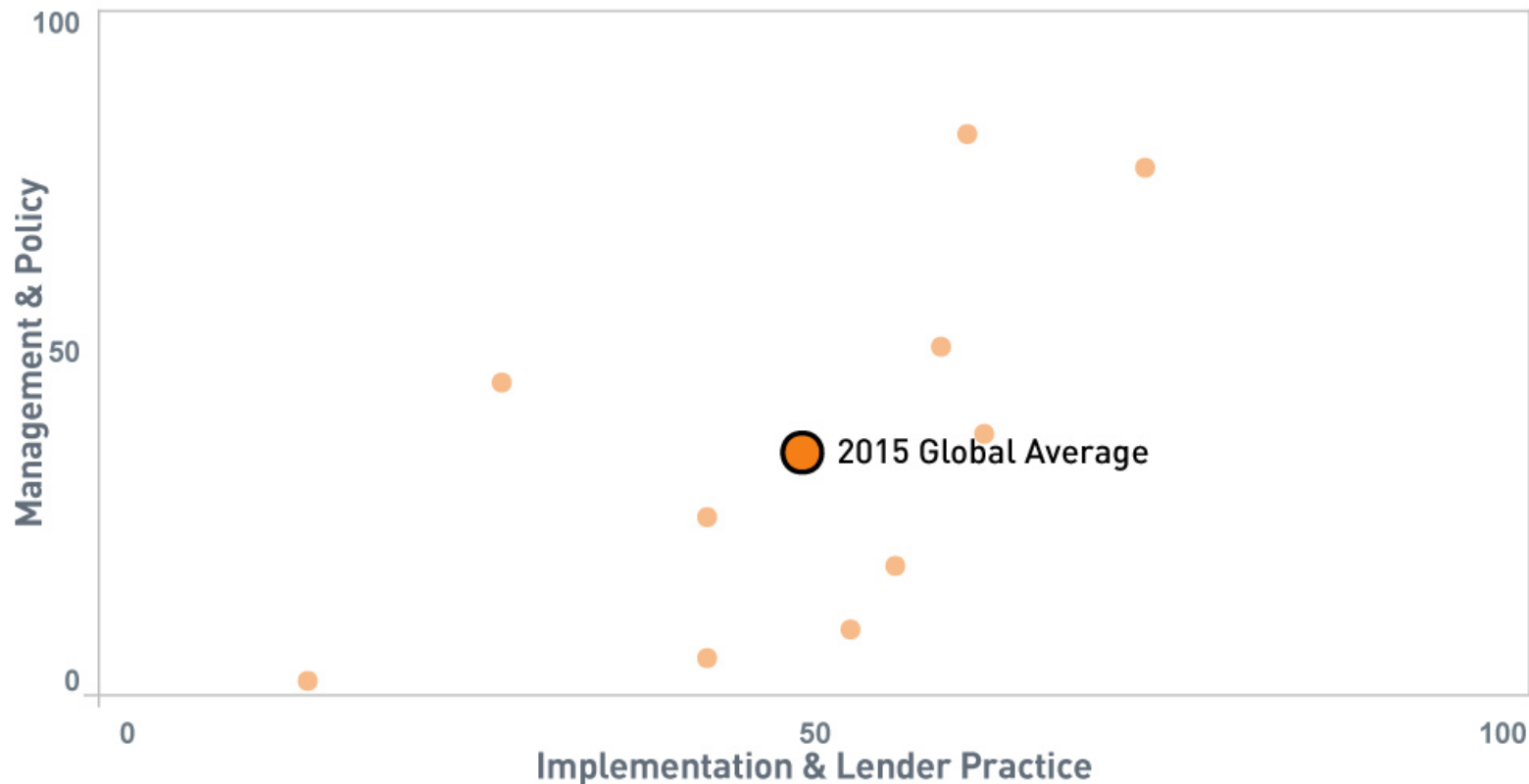


Response rate by geographic focus (based on NAV)

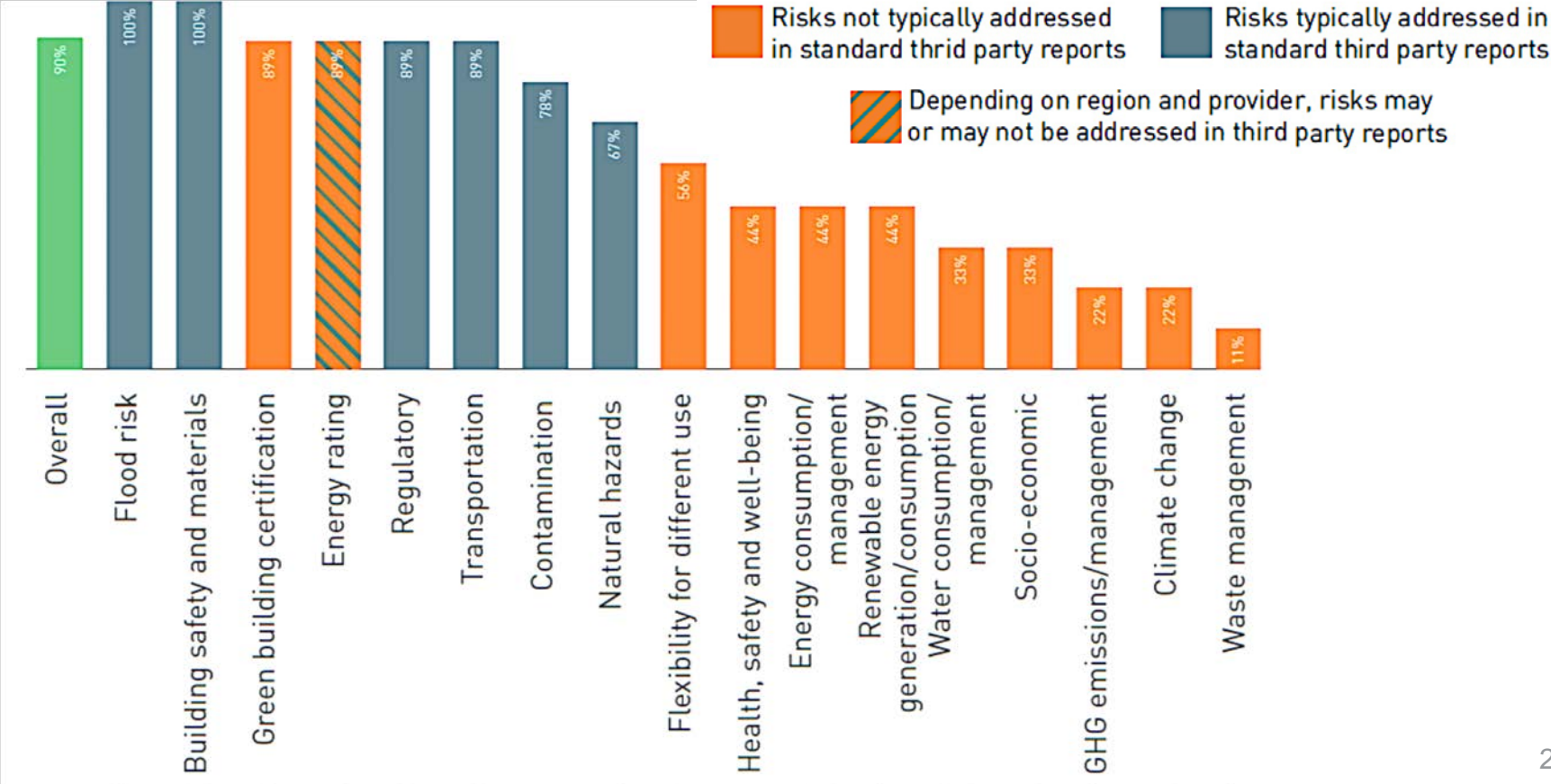


Overall scores

GRESB Model reflects absolute and relative performance of Debt funds



Property-level sustainability risks reviewed



Green Bonds – GRESB Guidelines

Identifying eligible green project criteria (pre-issuance)

Green Bond Principles

- Should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.

GRESB GB Guideline s for RE

- Assets certifying to a rigorous **green building rating systems**, such as LEED, Green Star, BREEAM, CASBEE, DGNB, EDGE (or similar) may serve as the basis for Eligible Green Projects.
- Energy rating programs can describe energy efficiency investment objectives and may be used to qualify Eligible Green Projects.

GRESB Real Estate Debt & REITs

Full suite of services and tools for GRESB Bank Members

- Debt Assessment & Benchmark
 - Open to broader lender participation in 2016
 - Banks, life companies, pension funds and mortgage REITs
- ESG data access for lenders
 - Understand the ESG profile of borrowers/sponsors
- Green Bond Working Group
 - Institutional investors, property companies, and financial institutions, share information and evolve best practices to grow the green property bond market



New Assessment **Infrastructure**

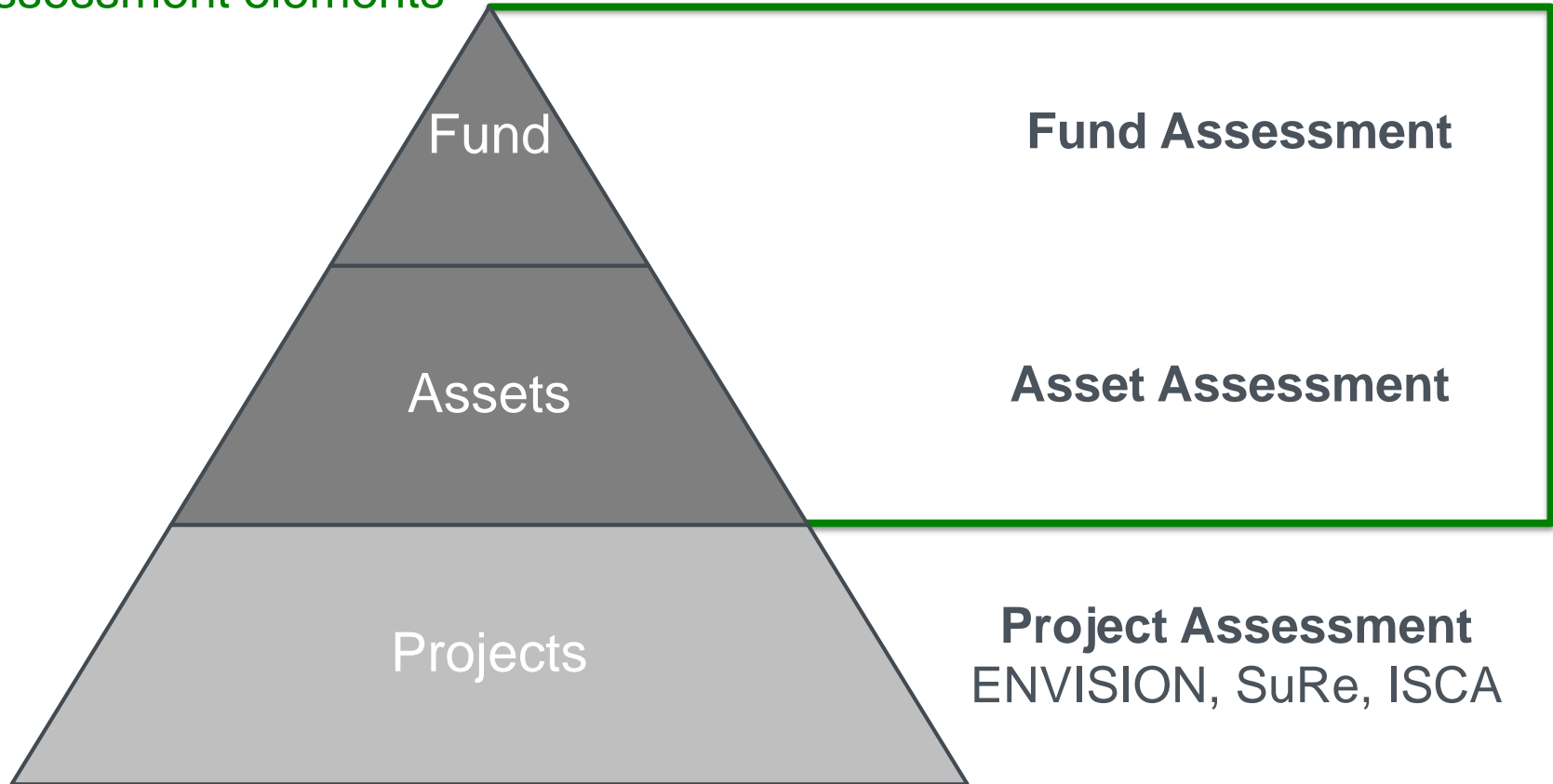
GRESB Infrastructure

Actionable transparency for institutional investors

- Applying the GRESB's mission, vision and process to infrastructure investments
- Systematic assessment, scoring, and benchmarking for infrastructure companies and funds
- 2016 Inaugural Infrastructure Assessment
 - A monitoring tool for standing, brownfield infrastructure investments

Hierarchy

Assessment elements



GRESB Infrastructure

Coverage

Investment in income generating real property:

- Energy Generation
- Energy Distribution
- Water Resources
- Waste Management

- Telecommunications
- Transportation
- Social

Airports, Train Stations, Courts, Aged Care, Cell Towers, Schools, Correctional Facilities...

GRESB Infrastructure

Milestones

- February
 - Complete technical development
- March
 - Pre-release infrastructure assessment
 - Briefings for targeted investors and participants
- April through June
 - Assessment open for participation
- October
 - Results released



Update

NAREIT Leader in the Light

Leader in the Light Module

Issues for discussion

- A partnership between GRESB and NAREIT
- Scores are 70% GRESB and 30% NAREIT Supplement
- Five supplemental questions:
 - Key financial performance indicators
 - Energy efficiency projects
 - Water efficiency projects
 - Renewable energy projects
 - Waste management projects

Discussion: Opportunities to improve the current approach?

NAREIT

Leader In The Light
Sustainable Real Estate Practices



2015 Winners

Retail: The Macerich Company

Residential: AvalonBay Communities, Inc.

Office: Boston Properties and Kilroy Realty Corporation

Industrial: Prologis

Health Care: HCP, Inc.

Diversified: Vornado Realty Trust

Lodging/Resorts: Hersha Hospitality Trust and Host Hotels & Resorts, Inc.

Global: British Land Company PLC



More information

Visit [GRESB.com](https://www.gresb.com)



Real Estate Assessment Opens

April 1, 2016

More information on
GRESB.com