

PRI REPORTING FRAMEWORK 2018

Direct Property

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reporting@unpri.org

+44 (0) 20 3714 3187

PRI Association

Registered office: 5th floor, 25 Camperdown Street
London, UK, E1 8DZ Company no. 7207947
T: +44 (0) 20 3714 3220 W: www.unpri.org E: info@unpri.org



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

Understanding this document

In addition to the detailed indicator text and selection options, in each module of the PRI Reporting Framework, you can find information that will help you identify which indicators are relevant for your organisation.

Key information about each indicator is highlighted in the top bar, including the indicator status (mandatory or voluntary), the purpose of the indicator and which PRI Principle it relates to.

xxx 01	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 2
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Indicator status






MANDATORY
MANDATORY TO REPORT VOLUNTARY TO DISCLOSE
VOLUNTARY

Mandatory indicators reflect core practices. These responses will be made public and must be completed to submit the framework.

Some indicators are mandatory to complete, but voluntary to disclose. These indicators may determine which subsequent indicators are applicable or are used for peering, but they may also contain commercially sensitive information.

Voluntary indicators reflect alternative or advanced practices. These indicators are voluntary to report and disclose.

Purpose

Gateway		The responses to this indicator 'unlock' other indicators within a module if they are relevant for your organisation. Please refer to the logic box for more information.
Peering		These indicators are used to determine your peer groups for assessment purposes.
Core assessed		These indicators form the core of the assessment and represent the majority of your final assessment score.
Additional assessed		These indicators represent more advanced or alternative practices and contribute to a smaller part of your score.
Descriptive		These are open-ended narrative indicators, allowing you to describe your activities.

Underneath the indicator

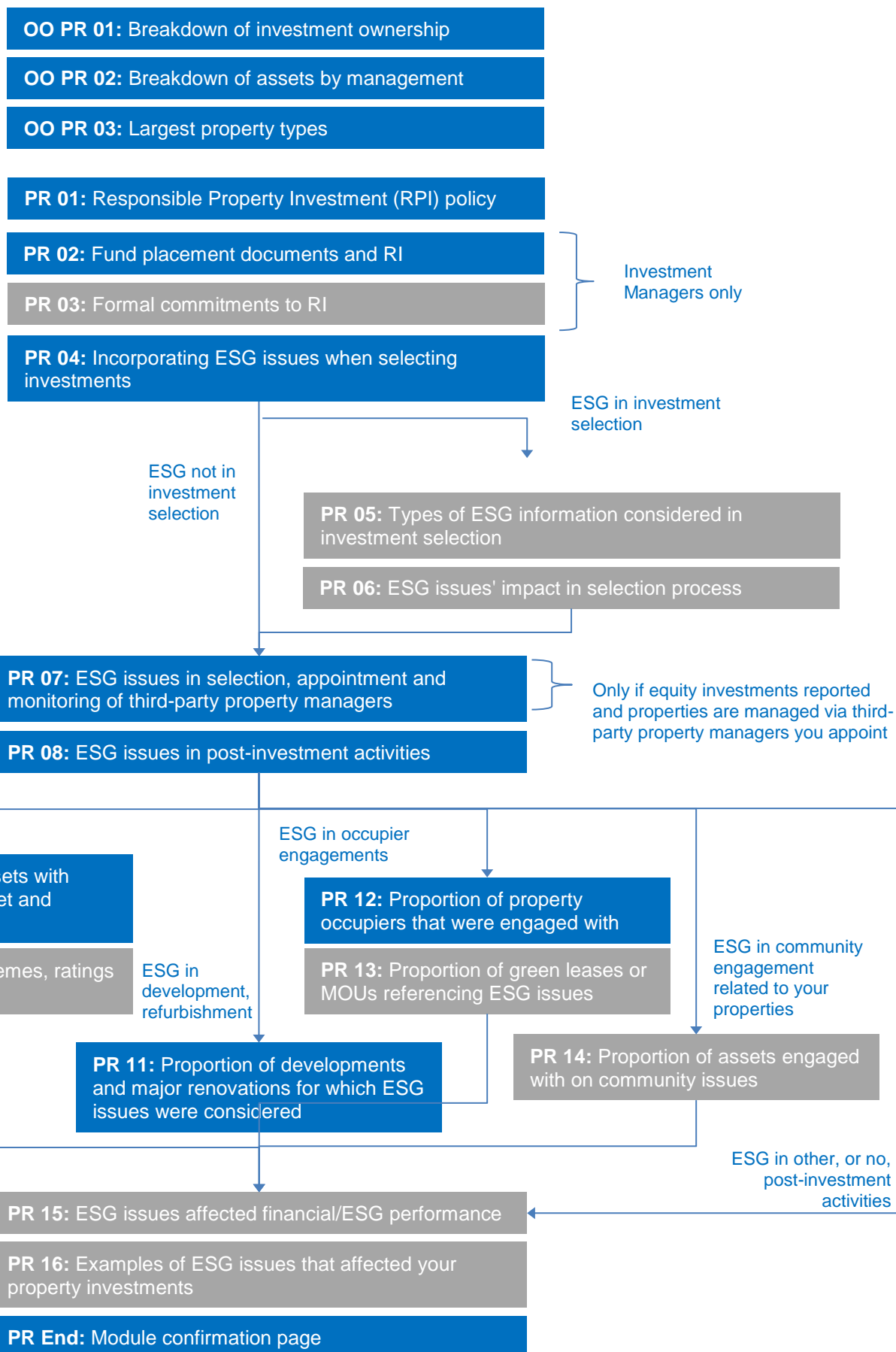
Underneath the indicator, you can find explanatory notes and definitions that include important information on interpreting and completing the indicators. Read the logic box to make sure an indicator is applicable to you.

xxx 01	EXPLANATORY NOTES
xxx 01.1	This provides guidance on how to interpret the sub-indicators, including examples of what could be reported.
xxx 01.2	
LOGIC	
xxx 01	This explains when this indicator is applicable and/or if it has an impact on subsequent indicators. If there is no logic box, the indicator is always applicable and does not affect other indicators.
ASSESSMENT	
xxx 01	This provides a brief overview of the pilot assessment approach for this indicator.
xxx 01	DEFINITIONS
xxx 01	Specific terms that are used in the indicator are defined here.

Table of Contents

Understanding this document	2
Preface	5
Summary of updates	6
Overview	7
Fund-raising of property funds	9
Pre-investment (selection)	14
Selection, appointment and monitoring third-party property managers	21
Post-investment (monitoring and active ownership)	24
OVERVIEW	24
PROPERTY MONITORING AND MANAGEMENT	26
PROPERTY DEVELOPMENTS AND MAJOR RENOVATIONS	31
OCCUPIER ENGAGEMENT	33
COMMUNITY ENGAGEMENT	37
Outputs and outcomes	39

Pathways through the module



Preface

This module seeks information from investors that invest directly, either individually or with other investors, in property via non-listed equity. The investments can be both direct in physical property assets and in non-listed property management companies in which you are significantly involved in investment decisions and monitoring of underlying property assets.

The module seeks information about your organisation's ownership of property assets by type and value and how these assets are managed. It enables direct property investors to report how they apply their responsible property investment (RPI) policy, strategy and processes to investment selection, monitoring and management. 'Property management' refers to the operation and day-to-day management of property assets.

If you invest in non-listed property funds or fund-of-funds via external managers, you should not report in this module but instead use the *Indirect—Manager Selection, Appointment and Monitoring (SAM)* module. If you invest in the listed equity of property management companies, you should report in the *Direct—Listed Equity Incorporation (LEI)* and *Direct—Listed Equity Active Ownership (LEA)* modules in the same way as you report all your other listed equity investments. Investments into real estate investment trusts (REITS) should be reported in this module.

This module refers to ESG issues in property investment selection and monitoring processes and activities to ensure alignment with terminology generally used by the PRI. The term "sustainability" is often used by property initiatives, surveys and codes. Sustainability in property investment may, depending on the context and area of focus, partially or fully overlap with ESG issues.

Some indicators in this module also overlap, partially or fully, with the Global Real Estate Sustainability Benchmark (GRESB); see [link](#) to assessment. Please note that this module seeks information at the organisational level and for your property investments in aggregate, not at a fund level.

The module has two main sections:

- pre-investment processes, i.e., initial screening, due diligence and investment decision-making processes that your organisation has in place for new property investments; and
- post-investment processes, i.e., consideration of ESG issues in property investment monitoring and implementation processes. The potential activities you may undertake in relation to property assets have been divided into four areas: property management, developments and major renovations, occupier engagements and community engagements.

Summary of updates

2017 Indicator	Update summary
PR 01 - PR 03	Moved to the OO module. Indicator status of PR 03 has changed
PR 04 - PR 19	These indicators have been renumbered
PR 20	Sub-indicator moved to the SG module

To view a detailed summary of changes to the modules, please click [here](#).

SECTION

Overview

PR 01	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 1-6
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PR 01	INDICATOR	
PR 01.1	Indicate whether your organisation has a Responsible Property Investment (RPI) policy.	
	<input type="radio"/> Yes	<input type="radio"/> No
PR 01.2	Provide a URL to or attach the document.	
	URL	Attachment
PR 01.3	Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.	

PR 01	EXPLANATORY NOTES	
PR 01.1	Policy documents come in a variety of forms and are sometimes referred to as principles or guidance. The RPI policy may be a standalone document or may be part of the organisation's overall responsible investment policy.	
	The options in this indicator are complementary to GRESB indicator Q1 in the 'Sustainability Objectives' section of the 2016 GRESB assessment.	
PR 01.2	Please list here any property policy document(s) even if you have already listed it/them in the <i>Strategy and Governance (SG)</i> module. At a minimum, respondents must provide either a URL or an Attachment. You may provide both.	
PR 01.3	You may include a description of your RPI policy's coverage for internally managed property investments and how it links to business strategy. You may also wish to address specific Environmental, Social and Governance issues included in your responsible investment approach to property. This may for instance include your take on climate change, energy efficiency and greenhouse gas emissions.	
LOGIC		
PR 01	[PR 01.2] will be applicable if "Yes" is reported in [PR 01.1].	
ASSESSMENT		
PR 01	Maximum score: Three ★	
	Indicator scoring methodology	
	Selected response	Level score
	'No'	○
	Further Details	

	'Yes'	***	
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SECTION

Fund-raising of property funds

PR 02	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 1,4,6
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PR 02	INDICATOR
PR 02.1	<p>Indicate whether your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.</p> <p><input type="radio"/> Yes</p> <p><input type="radio"/> No</p> <p><input type="radio"/> Not applicable because our organisation does not fund-raise.</p>
PR 02.2	<p>Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation.</p> <p><input type="checkbox"/> Policy and commitment to responsible investment</p> <p><input type="checkbox"/> Approach to ESG issues in pre-investment processes</p> <p><input type="checkbox"/> Approach to ESG issues in post-investment processes</p>
PR 02.3	<p>Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar).</p> <p>[OPTIONAL]</p>
PR 02.4	<p>Explain why your organisation does not fund-raise.</p>
PR 02.5	<p>Additional information</p> <p>[OPTIONAL]</p>

PR 02	EXPLANATORY NOTES		
PR 02	<p>This indicator covers the fund-raising process of property funds in which relationship between the direct investor and the indirect investor client is established. A PPM or similar document issued by the direct investor about a particular fund can provide the recipient with a general sense of your approach to responsible investment and management of ESG issues.</p> <p>This indicator is applicable only for general partners/for direct fund managers. This is not applicable for asset owners.</p> <p>If this indicator is applicable to you but your organisation does not fund-raise, please select “Not applicable as our organisation does not fund-raise” and use indicator [03.4] to explain why.</p> <p>If your organisation does fund-raise but was not actively fund-raising during the reporting year, please select the option that best represents your typical approach. As a general rule, this is the approach your organisation is likely to take during your next round of fund-raising or what it included in your most recent round of fund-raising.</p>		
PR 02.3	<p>You may include a discussion of your typical PPM’s coverage:</p> <ul style="list-style-type: none"> • policy (e.g., reference to responsible investment and consideration of ESG issues throughout all investment stages); • pre-investment (e.g., processes such as due diligence and the consideration of ESG issues in these); and/or • post-investment (e.g., ESG implementation programmes for portfolio companies, tracking achievements and identifying opportunities through monitoring processes, such as audits that consider ESG issues, until exit). <p>Please report on any public placement documents and PPMs issued recently, not necessarily during the reporting year.</p>		
LOGIC			
PR 02	<p>[PR 02.2] and [PR 02.3] will be applicable if “Yes” is reported in [PR 02.1].</p> <p>[PR 02.4] will be applicable if “Not Applicable” is reported in [PR 02.1].</p> <p>[PR 03] will not be applicable if you report “Not applicable because our organisation does not fund-raise” in [PR 02.1].</p>		
ASSESSMENT			
PR 02	<p>Maximum score: Three ★</p> <p>If you report “Not applicable as our organisation does not fund-raise”, this indicator will not form part of your score.</p>		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	Not applicable because our organisation does not fund-raise.	N/A	
	Fund placement documents or PPM’s do not cover any of the above	●	
	One selection from policy, pre-investment or post-investment	★	
	Two selections from policy, pre-investment or post-investment	★★	
Three selections from policy, pre-investment or post-investment	★★★		

PR 02	DEFINITIONS
Fund placement documents or Private Placement Memorandum (PPM)	<p>A fund placement document or Private Placement Memorandum (PPM) provides a broad range of information to help potential investors learn about the firm and its investment strategy as well as the proposed summary terms and conditions of the investment opportunity. These types of documents are also known as an “Offering Memorandum”. A private equity firm will issue fund placement documents or PPM to prospective limited partners/investors when it is attempting to raise capital through a fund offering.</p>

PR 03	Indicator status VOLUNTARY	Purpose ADDITIONAL ASSESSED	Principle PRI 4
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PR 03	INDICATOR
PR 03.1	<p>Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.</p> <p><input type="radio"/> We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters.</p> <p><input type="radio"/> In a majority of cases, we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters.</p> <p><input type="radio"/> In a minority of cases, we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters.</p> <p><input type="radio"/> We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters.</p> <p><input type="radio"/> We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not ask us to do so.</p>
PR 03.2	<p>Additional information</p> <p>[OPTIONAL]</p>

PR 03	EXPLANATORY NOTES
PR 03	This indicator is applicable only for direct property fund managers. This is not applicable for asset owners.
PR 03.1	<p>Fund formation contracts, Limited Partnership Agreements (LPAs)</p> <p>Formal commitments on responsible investment implementation and consideration of ESG issues can be requested by investors and included in fund formation contracts, LPAs and side letters. They can also be made in your investment strategy, guidelines and/or mandate, either in a dedicated paragraph or integrated across the document. This latter approach can eliminate the need for separate fund formation contracts, LPAs or side letters.</p> <p>Please report on any fund formation contracts, LPAs and side letters signed upon request from investors/AOs recently, not necessarily during the reporting year.</p> <p>Please note that a formal commitment can have different levels of significance when it comes to implementation. Even though a responsible investment policy is mentioned, it does not mean ESG issues will be implemented in operational processes.</p>
PR 03.2	<p>You may include a discussion of:</p> <ul style="list-style-type: none"> • description of your organisation's responsible investment commitments; • adoption and alignment of policies between direct and indirect investors in relationship to responsible investment and ESG issues; • exclusion of investments in certain areas, either based on a direct property investor's own suggestion or in accordance with the indirect investor's preferences; • processes in place to deliver approach towards responsible investment and consideration of ESG issues, both during pre- and post-investment (including exits); • listing of specific E, S and G issues (e.g., climate change and remuneration, and how they will be dealt with (if required));

	<ul style="list-style-type: none"> • portfolio companies' undertaking in relationship to ESG issues; • how reporting on ESG issues will be carried out during the life of the fund(s); and/or • how and when potential incidents among portfolio companies will be communicated to investors. <p>If your formal commitments to responsible investment in property exist through other mechanisms that have been described in the Overarching Approach (OA) module, please refer to that reported information in this indicator.</p>		
LOGIC			
PR 03	[PR 03] will not be applicable if you report "Not applicable because our organisation does not fund-raise" in [PR 02.1].		
ASSESSMENT			
PR 03	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	Our clients do not request us to make formal commitments to responsible investment in property	N/A	
	We do not make formal commitment to responsible investment in LPAs or side letters	○	
	In a minority of cases we make formal commitment to responsible investment in LPAs or side letters	★	
	In a majority of cases we make formal commitment to responsible investment in LPAs or side letters	★★	
	We always make formal commitment to responsible investment in LPAs or side letters	★★★	

SECTION

Pre-investment (selection)

PR 04	Indicator status MANDATORY	Purpose GATEWAY/ CORE ASSESSED	Principle PRI 1
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PR 04	INDICATOR		
PR 04.1	Indicate whether your organisation typically incorporates ESG issues when selecting property investments.		
	<input type="radio"/> Yes		<input type="radio"/> No
PR 04.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.		
PR 04.3	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.		
	ESG issues	List up to three typical examples per E, S and G issue	Description [OPTIONAL]
	<input type="checkbox"/> Environmental	[Dropdown list] Climate change adaptation, Contamination, Energy efficiency, Energy supply, Flooding, GHG emissions, Indoor environmental quality, Natural hazards, Resilience, Transportation, Water efficiency, Waste management, Water supply, Other, Other,	
		(Name all the options in the dropdown according to above examples)	
		Same as above	
	<input type="checkbox"/> Social	[Dropdown list] Building safety and materials, Health, safety and wellbeing, Socio-economic, Accessibility, Affordable Housing, Occupier Satisfaction, Other, Other, Other	
		(Name all the options in the dropdown according to above examples)	
		Same as above	
	<input type="checkbox"/> Governance	[Dropdown list] Anti-bribery & corruption, Board structure, Conflicts of interest, Governance structure, Regulatory,	

		Shareholder structure & rights, Supply chain governance, Other, Other ,Other (Name all the options in the dropdown according to above examples)	
		Same as above	
		Same as above	
PR 04.4	Additional information [OPTIONAL]		

PR 04	EXPLANATORY NOTES
PR 04	<p>This gateway indicator allows you to report whether your organisation incorporates ESG issues when selecting investments. The details of your processes will be captured in subsequent indicators.</p> <p>The options in this indicator are complementary to GRESB indicator Q15 in the 'Environmental & Social' section of the 2016 GRESB assessment.</p>
PR 04.2	<p>Describe your approach in terms of the different stages leading up to the investment decision. This may include a discussion of:</p> <ul style="list-style-type: none"> • whether the incorporation of ESG issues in pre-investment is determined by client mandates and, in that case, how it has been structured; • how ESG issues, short- and long-term, are incorporated into the pre-investment process; • how you assess risks and opportunities that may affect or result from your real estate investment decisions”; • any differences in how ESG issues are taken into account in different sectors and in different geographic regions; and/or • how your approach to ESG issues differs between investment strategies or within strategies with significant variations. <p>For further guidance refer to UNEP FI's Sustainable Real Estate Investment: Implementing the Paris Agreement. An Action Framework, p.35.</p> <p><i>Scope</i></p> <p>This indicator covers all stages of your pre-investment decision-making process (initial screening, due diligence, investment decision).</p>

LOGIC			
PR 04	<p>[PR 05 - PR 06] will be applicable if you report "Yes" in [PR 04.1]. [PR 05 - PR 06] will not be applicable if you report "No" in [PR 04.1]</p> <p>[PR 04.2] will be applicable if "Yes" is reported in [PR 04.1].</p>		
ASSESSMENT			
PR 04	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	No ESG issues typically considered	○	
	One E, S or G issue typically considered	★	Including if 'other' is selected
	Two E, S or G issues typically considered	★★	Including if 'other' is selected
All three ESG issues typically considered	★★★	Including if 'other' is selected	

PR 05	Indicator status VOLUNTARY	Purpose ADDITIONAL ASSESSED	Principle PRI 1,3
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PR 05	INDICATOR
PR 05.1	<p>Indicate what type of ESG information your organisation typically considers during your property investment selection process.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Raw data from the target property asset/company <input type="checkbox"/> Appraisals/audits <input type="checkbox"/> Benchmarks/ratings against similar property asset <input type="checkbox"/> Country level data/benchmarks <input type="checkbox"/> Data aligned with established property reporting standards, industry codes and certifications <input type="checkbox"/> International initiatives, declarations or standards <input type="checkbox"/> Data from engagements with stakeholders (e.g., tenants and local community surveys) <input type="checkbox"/> Information from external advisers <input type="checkbox"/> Other; specify _____ <input type="checkbox"/> We do not track this information.
PR 05.2	<p>Provide a brief description of how this ESG information was incorporated into your investment selection process.</p>

PR 05	EXPLANATORY NOTES
PR 05.2	<p>This may include a discussion of:</p> <ul style="list-style-type: none"> • Measuring how these factors impact on real estate investment performance and how they influence real estate market fundamentals; • Capturing the value of property level sustainability investment at the fund or corporate level, and adopting internal investment models to integrate ESG and climate risks considerations in the assessment of value; • Providing valuers with building sustainability characteristics information; • Collaborating with valuers to incorporate sustainability data as part of the standard valuation assessments; • Considering the impact on a property's likelihood to command top market rents, become vacant, remain vacant, and other market fundamentals that drive value; and/or • Requesting valuers' opinion on risk posed by the sustainability characteristics of buildings, according to RICS rules. <p>For further guidance refer to UNEP FI's Sustainable Real Estate Investment: Implementing the Paris Agreement, An Action Framework, p.39.</p> <p>This may also include a discussion of:</p> <ul style="list-style-type: none"> • sources of information on ESG issues that you frequently use; • whether there is a difference between the sources used by internal and external advisers; and/or • whether your organisation keeps records of ESG information considered in the investment selection process.

LOGIC			
PR 05	[PR 05] is applicable if "Yes" is reported in [PR 04.1].		
ASSESSMENT			
PR 05	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	'We do not track this information'	●	
	1–2 selections	★	Including if 'other' is selected
	3–4 selections	★★	Including if 'other' is selected
	More than 4 selections	★★★	Including if 'other' is selected

PR 06	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 1
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PR 06	INDICATOR
PR 06.1	<p>Indicate whether ESG issues impacted your property investment selection process during the reporting year.</p> <ul style="list-style-type: none"> <input type="checkbox"/> ESG issues helped identify risks and/or opportunities for value creation. <input type="checkbox"/> ESG issues led to the abandonment of potential investments. <input type="checkbox"/> ESG issues impacted the investment in terms of price offered and/or paid. <input type="checkbox"/> ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants. <input type="checkbox"/> ESG issues were considered but did not have an impact on the investment selection process. <input type="checkbox"/> Other; specify _____ <input type="checkbox"/> Not applicable, our organisation did not select any investments in the reporting year <input type="checkbox"/> We do not track this potential impact. <p>Please explain _____</p>
PR 06.2	<p>Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.</p> <ul style="list-style-type: none"> <input type="checkbox"/> ESG issues impacted the investment in terms of price offered and/or paid. <input type="checkbox"/> ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants. <input type="checkbox"/> ESG issues were considered but did not have an impact on the deal structuring process. <input type="checkbox"/> Other; specify _____ <input type="checkbox"/> Not applicable, our organisation did not select any investments in the reporting year <input type="checkbox"/> We do not track this potential impact. <p>Please explain _____</p>
PR 06.3	<p>Additional information [OPTIONAL]</p>

PR 12	EXPLANATORY NOTES
PR 06.3	<p>You are encouraged to generalise your impact measures, analysis and conclusions across different property investment selection processes and not to report every single deal and its individual characteristics. Indicator [16] will allow your organisation to provide specific examples.</p> <p>“ESG issues were considered but did not have an impact on the investment selection process” refers to situations in which no ESG issues were identified or in which ESG issues were considered during the investment selection but were considered to be below the materiality threshold and therefore did not impact the investment.</p>
LOGIC	
PR 06	[PR 06] is applicable if "Yes" is reported in [PR 04.1].
ASSESSMENT	

PR 06	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	'Not applicable'	N/A	
	'We do not track this potential impact' in PR 06.1 and PR 06.2.	○	
	One selection in either PR 06.1 OR PR 06.2.	★	Including if 'other' is selected
	At least one selection in PR 06.1 AND PR 06.2.	★★	Including if 'other' is selected
	At least three selections from PR 06.2 AND PR 06.2.	★★★	Including if 'other' is selected

SECTION

Selection, appointment and monitoring third-party property managers

PR 07	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 4
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PR 07	INDICATOR		
PR 07.1	Indicate whether your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.		
	<input type="radio"/> Yes		<input type="radio"/> No
PR 07.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.		
	Selection/appointment/monitoring	Types of actions	Coverage
	<input type="checkbox"/> Selection process of property managers incorporates ESG issues.	<input type="checkbox"/> Request explanation of how ESG is effectively integrated, including inquiries about governance and processes <input type="checkbox"/> Request track records and examples of how the manager implements ESG in their asset and property management <input type="checkbox"/> Discuss property level out-performance opportunities through greater integration of ESG criteria <input type="checkbox"/> Request explanation of engaging stakeholders on ESG issues <input type="checkbox"/> Other, explain	<input type="radio"/> 75-100% <input type="radio"/> 50-75% <input type="radio"/> 25 – 50% <input type="radio"/> 0 – 25%
	<input type="checkbox"/> Contractual requirements when appointing property managers includes ESG issues.	<input type="checkbox"/> Include clear and detailed expectations for incorporating ESG <input type="checkbox"/> Require dedicated ESG procedures in all relevant asset and property management phases <input type="checkbox"/> Clear ESG reporting requirements <input type="checkbox"/> Clear ESG performance targets <input type="checkbox"/> Other, explain?	<input type="radio"/> 75-100% <input type="radio"/> 50-75% <input type="radio"/> 25 – 50% <input type="radio"/> 0 – 25%
<input type="checkbox"/> Monitoring of property managers covers ESG responsibilities and implementation.	<input type="checkbox"/> Performance against quantitative and material environmental / resource targets over specified timeframe. <input type="checkbox"/> Performance against quantitative and material environmental / resource targets against relevant benchmarks <input type="checkbox"/> Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment.	<input type="radio"/> 75-100% <input type="radio"/> 50-75% <input type="radio"/> 25 – 50% <input type="radio"/> 0 – 25%	

	<input type="checkbox"/> Other, explain
PR 07.3	Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

PR 07	EXPLANATORY NOTES		
PR 07	This section is applicable only if your organisation outsources property management to third-party property managers as reported in OO, aligned with GRESB 2016 guidance. See OO for definitions. If you manage all properties in-house, this indicator will not be applicable. If you manage some properties in-house and outsource some, you should report only about those assets for which management is outsourced.		
PR 07.3	<p><i>Selecting property managers</i> This may include a discussion of how your selection processes for property managers is structured.</p> <p><i>Appointing property managers</i> This may include a discussion of:</p> <ul style="list-style-type: none"> • type of ESG responsibilities, implementation requirements and measures in contractual agreements; and/or • how the implementation of ESG issues was formally agreed upon (if applicable). <p><i>Monitoring property managers</i> This may include a discussion of:</p> <ul style="list-style-type: none"> • your typical interaction with property managers; • whether you make regular property visits; • to what extent your interactions include discussions of ESG initiatives; • whether there are variations across different managers in the monitoring that you carry out; and/or • whether you have a performance evaluation and incentive system based on ESG issues for your property managers. <p>For further guidance, refer to UNEP FI's Sustainable Real Estate Investment: Implementing the Paris Climate Agreement, An Action Framework, p. 45.</p>		
LOGIC			
PR 07	<p>[PR 07] will be applicable if you reported in [OO PR 02.1] that some proportion of your property assets are 'managed via third-party property managers you appointed'.</p> <p>[PR 07.2] will be applicable if 'Yes' is reported in [PR 07.1].</p>		
ASSESSMENT			
PR 07	<p>Maximum score: Nine ★</p> <p>This indicator is only assessed for organisations that outsource management. For those organisations that do not outsource management, it is N/A and removed from your denominator.</p>		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	PR 07.2 a – Selection		

ESG issues not considered in selection process	○	
'For a minority of our property managers'	★	
'For a majority of our property managers'	★★	
'For all third-party property managers'	★★★	
PR 07.2 b - Contractual requirements when Appointing		
ESG issues not considered in contractual requirements	○	
'For a minority of our property managers'	★	
'For a majority of our property managers'	★★	
'For all third-party property managers'	★★★	
PR 07.2 c - Monitoring		
Selected response	Level score	Further Details
ESG issues not considered in monitoring processes	○	
'For a minority of our property managers'	★	
'For a majority of our property managers'	★★	
'For all third-party property managers'	★★★	

SECTION

Post-investment (monitoring and active ownership)

OVERVIEW

PR 08	Indicator status MANDATORY	Purpose GATEWAY	Principle PRI 2
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PR 08	INDICATOR
PR 08.1	<p>Indicate whether your organisation and/or property managers consider ESG issues in post-investment activities relating to your property assets.</p> <p style="text-align: center;"> <input type="radio"/> Yes <input type="radio"/> No </p>
PR 08.2	<p>Indicate whether your organisation and/or property managers consider ESG issues in the following post-investment activities relating to your property assets.</p> <ul style="list-style-type: none"> <input type="checkbox"/> We consider ESG issues in property monitoring and management. <input type="checkbox"/> We consider ESG issues in property developments and major renovations. <input type="checkbox"/> We consider ESG issues in property occupier engagements. <input type="checkbox"/> We consider ESG issues in community engagements related to our properties. <input type="checkbox"/> We consider ESG issues in other post-investment activities; specify _____
PR 08.3	<p>Describe how your organisation and/or property managers consider ESG issues in post-investment activities related to your property assets.</p>

PR 08	EXPLANATORY NOTES
PR 08	This indicator refers to the consideration of ESG issues in active property monitoring and management processes and activities.
PR 08.2	If you have a policy and procedures to address ESG issues in the development and refurbishment of your assets but did not apply it in the reporting year since no developments and major renovations of property assets were ongoing, you should still select 'We consider ESG issues in property development and major renovations'.

<p>PR 08.3</p>	<p>You may outline how you consider ESG issues, such as climate change and energy efficiency, in the different areas and associated activities. For example, you can describe whether your organisation, your property managers and/or your joint venture partners have the main responsibility for the different areas of property investment monitoring and implementation. If you are a minority investor, your description can cover how you influence partners and/or their property managers to consider ESG issues in their monitoring and management processes and activities.</p> <p>You may want to include ESG considerations such as:</p> <ul style="list-style-type: none"> • Environmental site selection requirements; • Environmental site development requirements; • Sustainable construction materials; • Water efficiency requirements; • Energy efficiency requirements; • Energy generation from on-site renewable sources; • Waste management plans at sites; • Health and safety management systems at sites; • Construction contractors comply with sustainability guidelines; and • Resilient building design and orientation. <p>You may also outline whether you have specific guidelines by which operating programmes, plans and short- or long-term goals for these activities are captured and described. More details per area of implementation can be reported in respective sub-section [09-20].</p>
<p>LOGIC</p>	
<p>PR 08</p>	<p>[PR 08.2] and [PR 08.3] will be applicable if you report "Yes" in [PR 08.1]. [PR 09 - PR 14] will not be applicable if you report "No" in [PR 08.1].</p>
<p>PR 08.2</p>	<p>[PR 09] and [PR 10] will be applicable if "We consider ESG issues in property monitoring and management" is selected.</p> <p>[PR 11] will be applicable if "We consider ESG issues in property developments and major renovations" is selected.</p> <p>[PR 12] and [PR 13] will be applicable if "We consider ESG issues in property occupier engagements" is selected.</p> <p>[PR 14] will be applicable if "We consider ESG issues in community engagements related to our properties".</p>
<p>Assessment</p>	
<p>PR 08</p>	<p>This indicator is not assessed but a 'No' response in [08.1] will result in a zero score for the whole of the post-investment section.</p> <p>In [08.2], if you report that you do not consider ESG in the 'property monitoring and management', 'property developments and major renovations', 'property occupier engagements' and/or 'community engagements related to our properties' you will receive a zero score for that sub-section.</p>

PROPERTY MONITORING AND MANAGEMENT

PR 09	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 2,3
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PR 09	INDICATOR	
PR 09.1	Indicate the proportion of property assets for which your organisation and/or property managers set and monitored ESG targets (KPIs or similar) during the reporting year.	
	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)	
PR 09.2	Indicate which ESG targets your organisation and/or property managers typically set and monitor.	
	Target/KPI	Progress Achieved
	<input type="checkbox"/> Environmental	
	<input type="checkbox"/> Social	
	<input type="checkbox"/> Governance	
	<input type="checkbox"/> We do not set and/or monitor against targets.	
PR 09.3	Additional information [OPTIONAL]	

PR 09	EXPLANATORY NOTES
PR 09	<p>This indicator aims to capture your and/or your property managers' approach to ESG performance in the active monitoring of your property assets. The type of monitoring activities undertaken can range from individual engagements on boards and/or with senior management to reviews of ESG information covering property assets/companies.</p> <p>The options in this indicator are complementary to GRESB indicator Q29 in the 'Targets' section of the 2016 GRESB assessment.</p>
PR 09.1	<p>Select the proportion of your properties for which you and/or your property managers have set targets that cover at least one E, S or G issue and monitor performance towards achieving this target. For example, if your organisation has set energy efficiency targets for 40% of properties (by number) which for those same properties has set disability access targets in 20% of cases, you should still select the '10-50%' option. If instead your organisation has set energy targets for 40% of properties and for a different set of properties has set disability access targets in 20% of cases, you should select the '51-90%' option. Not encouraging, reviewing reports or participating in discussions around ESG issues should not be reported as monitoring.</p> <p>Please note that this indicator does not ask for a specific level of targets. The level of E, S and G targets that an organisation is able to set will vary depending on a number of factors such as their value add, risk reduction potential and financial performance targets.</p> <p>Determine the proportion based on the number of property assets.</p>
PR 09.2	<p>These may include:</p> <ul style="list-style-type: none"> • Qualitative targets to have investment and asset management procedures in place, as well as tools to integrate ESG in climate risks in asset acquisition, management, operation, planning, new developments, refurbishment, upgrade, rental and occupier management; • Quantitative and material targets to reduce energy, carbon intensity, water and waste of the portfolio over specified timeframes; • Setting a goal to measure and reduce the environmental/ resource intensity of a portfolio against relevant benchmarks over a given time period; • Quantitative and qualitative targets to address social impacts of the portfolio, including community engagement and contribution to local communities; • Setting quantitative targets for the inclusion of green lease clauses in the lease agreements with tenants; • Target for a specified proportion of the fund's buildings to be powered by clean energy, to be highly energy efficient, to achieve minimum requirements for renovations, or to be "best in class" with respect to resource intensity; and / or • Periodic reports on progress against targets. <p>For further guidance, refer to UNEP FI's Sustainable Real Estate Investment: Implementing the Paris Climate Agreement, An Action Framework, p. 36.</p>
PR 09.3	<p>Your description can cover how your organisation and/or your property managers approach ESG issues in property management. You can include a description of:</p> <ul style="list-style-type: none"> • your organisation's general approach to property management, consideration of ESG issues and particular areas of practise deemed appropriate for your stakeholders; • how investment strategies influence your property management; • how you set ESG targets and monitor performance for individual property assets; • how you develop reliable tracking and benchmarking for different ESG issues; and/or • the geographical coverage of your property assets and whether your approach differs by location.

LOGIC			
PR 09	[PR 09] will be applicable if you reported in [PR 08.2] that your organisation considers ESG issues in property monitoring and management.		
ASSESSMENT			
PR 09	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	0% or <10% of property assets	●	
	10 – 50% of property assets	★	
	50 – 90% of property assets	★★	
	>90% of property assets	★★★	

PR 10	Indicator status VOLUNTARY	Purpose DESCRIPTIVE	Principle PRI 2
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PR 10	INDICATOR	
PR 10.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks.	
	<input type="radio"/> Yes	<input type="radio"/> No
PR 10.2	List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.	
	Certification schemes, ratings and benchmarks	Proportion of property assets these apply to
	<input type="checkbox"/> Specify: _____	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)
	<input type="checkbox"/> Specify: _____	[same as above]
	<input type="checkbox"/> Specify: _____	[same as above]
PR 10.3	Indicate whether your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.	
	<input type="checkbox"/> Global Reporting Initiative (GRI) Construction and Real Estate Sector Supplement (CRESS)	
	<input type="checkbox"/> Other property reporting standards; specify _____	
	<input type="checkbox"/> No property specific reporting standards are used.	
PR 10.4	Additional information	
	[OPTIONAL]	

PR 10	EXPLANATORY NOTES
PR 10	<i>Property rating and certification schemes</i>
	These may include Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Method (BREEAM), National Association of Home Builders (NAHBGreen) in the US, Comprehensive Assessment System for Built Environment Efficiency (CASBEE) in Japan, Haute Qualité Environnementale (HQE) in France, Minergie in Switzerland, Deutsches Gütesiegel Nachhaltiges Bauen (DGNB) in Germany, and/or Green Building Council of Australia's Green Star rating.
	<i>Property ratings by public agencies</i>
	These may include National Australian Built Environment Rating System (NABERS) in Australia and/or Energy Star in the US created by the Environmental Protection Agency (EPA).
	<i>Property benchmarks</i>
	These may include Greenprint Foundation, Green Rating Alliance, Global Real Estate Sustainability Benchmark (GRESB), International Sustainability Alliance (ISA) and/or IPD EcoPAS.

	<p>The options in this indicator are complementary to GRESB indicator Q30 in the 'Targets' section of the 2016 GRESB assessment.</p> <p>Determine the proportion for each row of [11.2] based on the number of property assets.</p>
PR 10.3	<p>This indicator aims to capture reporting using specific property standards, irrespective of whether these relate to a sub-set of funds or to the organisation as a whole</p>
PR 10.4	<p>This may include greater information on your certification schemes, ratings and benchmarks and a discussion of your approach to property certification schemes, ratings and benchmarks. For example, you can describe:</p> <ul style="list-style-type: none"> • proportion of your property investments that have been assessed against certain standards; • variations in assessment results between ratings and accreditations (e.g., silver, gold, platinum or EPC label A-G); • variations in ratings and accreditations across your portfolio in different countries; • resource constraints that may limit your possibilities of applying certification schemes, ratings or benchmarks (certifications can require resources and capital not available for all funds); • whether existing and new properties are treated differently when it comes to use of ratings; and/or • frequency of assessment.
LOGIC	
PR 10	<p>[PR 10] is applicable if you reported in [PR 08.2] that your organisation considers ESG issues in property monitoring and management.</p> <p>[PR 10.2] will be applicable if you report "Yes" in [PR 10.1].</p>

PROPERTY DEVELOPMENTS AND MAJOR RENOVATIONS

PR 11	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 2
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PR 11	INDICATOR
PR 11.1	<p>Indicate the proportion of <u>active</u> property developments and major renovations in which ESG issues have been considered.</p> <ul style="list-style-type: none"> <input type="radio"/> >90% of active developments and major renovations <input type="radio"/> 51-90% of active developments and major renovations <input type="radio"/> 10-50% of active developments and major renovations <input type="radio"/> <10% of active developments and major renovations <input type="radio"/> N/A, no developments and major renovations of property assets are active. <p>(by number of active property developments and major renovations)</p>
PR 11.2	<p>Indicate whether the following ESG considerations are typically implemented and monitored in your property developments and major renovations.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Environmental site selection requirements <input type="checkbox"/> Environmental site development requirements <input type="checkbox"/> Sustainable construction materials <input type="checkbox"/> Water efficiency requirements <input type="checkbox"/> Energy efficiency requirements <input type="checkbox"/> Energy generation from on-site renewable sources <input type="checkbox"/> Waste management plans at sites <input type="checkbox"/> Health and safety management systems at sites <input type="checkbox"/> Construction contractors comply with sustainability guidelines <input type="checkbox"/> Resilient building design and orientation <input type="checkbox"/> Other; specify _____
PR 11.3	<p>Additional information</p> <p>[OPTIONAL]</p>

PR 11		EXPLANATORY NOTES	
PR 11.1	<p>'Active' property developments or major renovations refer to those that are taking place during the reporting year.</p> <p>In line with GRESB definitions a major renovation is defined as: "Alterations that affect more than 50 percent of the total building floor area or cause relocation of more than 50 percent of regular building occupants. Major Renovation projects refer to buildings that were under construction at any time during the reporting period."</p> <p>Determine the proportion based on number of active property developments and major renovations.</p>		
	<p>Your description may cover how your organisation approaches the incorporation of ESG issues into developments and major renovations. For example, you may comment on:</p> <ul style="list-style-type: none"> • whether your developments and major renovations aim to improve their ESG performance; • whether your managers (if applicable) have a duty to drive improvements in property sustainability performance; • drivers behind ongoing development and major renovation projects (e.g. investor client demand, economic benefit, occupier demand, future proofing against regulation, compliance with existing regulation or other); and/or • whether your organisation has ESG standards in place for contractors and how you ensure that contractors are compliant with these standards. 		
LOGIC			
PR 11	[PR 11] is applicable if you reported in [PR 08.2] that your organisation considers ESG issues in property development and major renovations.		
ASSESSMENT			
PR 11	Maximum score: Six ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	PR 11.1		
	N/A, no developments and major renovations of property assets are active	N/A	
	0% or <10% of active developments/ major renovations	●	
	10 – 50% of active developments/ major renovations	★	
	50 – 90% of active developments/ major renovations	★★	
	>90% of active developments/ major renovations	★★★	
	PR 11.2		
	No ESG considerations	●	
	1–2 ESG considerations	★	
	3–4 ESG considerations	★★	
	More than 4 ESG considerations	★★★	

OCCUPIER ENGAGEMENT

PR 12	Indicator status MANDATORY	Purpose CORE ASSESSED	Principle PRI 2
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PR 12	INDICATOR
PR 12.1	<p>Indicate the proportion of property occupiers your organisation and/or your property managers engaged with on ESG issues during the reporting year.</p> <ul style="list-style-type: none"> <input type="radio"/> >90% of occupiers <input type="radio"/> 51-90% of occupiers <input type="radio"/> 10-50% of occupiers <input type="radio"/> <10% of occupiers <p>(in terms of number of occupiers)</p>
PR 12.2	<p>Indicate whether the following practises and areas are typically part of your and/or your property managers' occupier engagements.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Distribute a sustainability guide to occupiers <input type="checkbox"/> Organise occupier events focused on increasing sustainability awareness <input type="checkbox"/> Deliver training on energy and water efficiency <input type="checkbox"/> Deliver training on waste minimisation <input type="checkbox"/> Provide feedback on energy and water consumption and/or waste generation <input type="checkbox"/> Provide feedback on waste generation <input type="checkbox"/> Carry out occupier satisfaction surveys <input type="checkbox"/> Offer green leases <input type="checkbox"/> Other; specify _____
PR 12.3	<p>Additional information</p> <p style="color: #0070C0;">[OPTIONAL]</p>

PR 12	EXPLANATORY NOTES
PR 12.1	<p>'Occupiers' refers to a person or group that occupies a house, office, industrial estate or similar. For the purpose of this module, 'occupiers' refer to tenants. For example, one occupier or tenant may have 200 employees or five residents. Please count the number of engagements as one per occupier, regardless of whether that particular occupier has 200 employees or five residents.</p> <p>Determine the proportion based on the number of occupiers.</p>
PR 12.2	<p>The options in this indicator are complementary to GRESB indicator Q36 in the 'Stakeholder Engagement' section of the 2016 GRESB assessment.</p>
PR 12.3	<p>You may describe how your organisation and/or your property managers engage with occupiers on ESG issues. Your description may include discussion of:</p> <ul style="list-style-type: none"> how your organisation selects occupiers for engagements; how your organisation communicates with occupiers;

	<p>how your organisation ensures that occupiers understand the sustainability attributes of the buildings and spaces they occupy; and/or</p> <p>whether partnership agreements between your organisation and occupiers to work on certain ESG issues are in place.</p> <p>Depending on the property type (office, retail, industrial, etc.), your ability to influence and engage certain occupiers might be challenging because the occupier has operational control. If applicable, please discuss this in your response to this indicator. For transparency purposes, PR03 also gives you an opportunity to provide some context about which property types you have invested in.</p>		
LOGIC			
PR 12	[PR 12] will be applicable if you reported in [PR 08.2] that your organisation considers ESG issues in property occupier engagements		
ASSESSMENT			
PR 12	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	No occupier engagements OR <10% of occupiers	●	
	10 – 50% of occupiers	★	
	50–90% of occupiers	★★	
	>90% of occupiers	★★★	

PR 13	Indicator status VOLUNTARY	Purpose ADDITIONAL ASSESSED	Principle PRI 2
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PR 13	INDICATOR
PR 13.1	<p>Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.</p> <p> <input type="radio"/> >90% of leases or MoUs <input type="radio"/> 51-90% of leases or MoUs <input type="radio"/> 10-50% of leases or MoUs <input type="radio"/> <10% of leases or MoUs <input type="radio"/> 0% of leases or MoUs <input type="radio"/> N/A, no leases or MoUs were signed during the reporting year. (in terms of number of leases or MoUs) </p>
PR 13.2	<p>Additional information [OPTIONAL]</p>

PR 13	EXPLANATORY NOTES	
PR 13.1	Determine the proportion based on the total number of leases or MoUs signed during the reporting year.	
PR 13.2	This may include a discussion of your green leases and/or MoUs.	
LOGIC		
PR 13	[PR 13] will be applicable if you reported in [PR 08.2] that your organisation considers ESG issues in property occupier engagements	
ASSESSMENT		
PR 13	Maximum score: Three ★	
Indicator scoring methodology		
Selected response	Level score	Further Details
N/A, no leases or MoUs were signed during the reporting year	N/A	
0% OR <10% of leases or MoUs	●	
10 – 50% of leases or MoUs	★	
50 – 90% of leases or MoUs	★★	
>90% of leases or MoUs	★★★	

PR 13	DEFINITIONS
Green lease	A green lease is a lease for a property that, within its terms or through an attached schedule, includes provisions that encourage the landlord, occupier or both to carry out their roles in a sustainable way. The details of the provisions and the means of encouraging sustainable behaviour are negotiated between the parties, but typically relate to the achievement of specific ESG targets (e.g., for energy, water use and waste management). Clauses in green leases may also include the use of sustainable materials when possible and sharing of environmental data between landlord and occupier.
Memorandum of Understanding (MoU)	An MoU provides a formal mechanism for landlords and occupiers to discuss issues that will be included in the lease agreement and is not necessarily legally binding. In this context, it may represent a starting point for both parties to incorporate ESG considerations in relationship to, for example, water or energy performance.

COMMUNITY ENGAGEMENT

PR 14	Indicator status VOLUNTARY	Purpose ADDITIONAL ASSESSED	Principle PRI 2
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PR 14	INDICATOR
PR 14.1	<p>Indicate what proportion of property assets your organisation and/or your property managers engaged with the community on ESG issues during the reporting year.</p> <p> <input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets) </p>
PR 14.2	<p>Indicate whether the following areas and activities are typically part of your and/or your property managers' community engagement.</p> <p> <input type="checkbox"/> ESG education programmes for the community <input type="checkbox"/> ESG enhancement programmes for public spaces <input type="checkbox"/> Research and networking activities focusing on ESG issues <input type="checkbox"/> Employment creation in communities <input type="checkbox"/> Supporting charities and community groups <input type="checkbox"/> Other; specify _____ </p>
PR 14.3	<p>Additional information</p> <p>[OPTIONAL]</p>

PR 14	EXPLANATORY NOTES
PR 14.1	Determine the proportion based on the number of property assets.
PR 14.2	The options in this indicator are complementary to GRESB indicator Q42 in the 'Community' section of the 2016 GRESB assessment.
PR 14.3	<p>'Community engagement' covers engagements with stakeholders located outside, but most often close to, properties, and generally includes members of the public. If you have dedicated community engagement programs, please specify the objectives of these programs in the community and the outcomes they typically intend to deliver.</p> <p>Your description could cover how your organisation, and/or your property managers:</p> <ul style="list-style-type: none"> • measure and monitor the impact of your community engagement programme; and/or • whether your community engagements have led to significant changes and to what extent you and/or your property managers influenced these changes. <p>Depending on the property type, for example, offices, your ability to influence and engage the community might be challenging. If applicable, discuss this in your response to this indicator. For</p>

	transparency purposes, the OO module also gives you an opportunity to provide some context about which property types you have invested in.		
LOGIC			
PR 14	[PR 14] will be applicable if you reported in [PR 08.2] that your organisation considers ESG issues in community engagements related to your properties		
ASSESSMENT			
PR 14	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	No community engagements OR <10% of property assets	○	
	10 – 50% of property assets	★	
	50 – 90% of property assets	★★	
	>90% of property assets	★★★	

SECTION

Outputs and outcomes

PR 15	Indicator status VOLUNTARY	Purpose ADDITIONAL ASSESSED	Principle PRI 1,2
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PR 15	INDICATOR	
PR 15.1	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.	
	<input type="checkbox"/> We measure whether our approach to ESG issues impacts funds' financial performance. <input type="checkbox"/> We measure whether our approach to ESG issues impacts funds' ESG performance. <input type="checkbox"/> None of the above	
	Describe the impact on the following.	
PR 15.2	a) Funds' financial performance	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact
	b) Funds' ESG performance	<input type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact
PR 15.3	Describe how you are able to determine these outcomes.	

PR 15	EXPLANATORY NOTES
PR 15	<p>This indicator aims to capture whether you measure impact, positive or negative, of taking account and managing ESG issues on both financial and ESG performance. The impact could come from either pre-investment activities (e.g., selecting the best properties) or post-investment influencing.</p> <p><i>Financial performance</i></p> <p>Examples may include reduced operating expenses, improved net operating income (NOI), retention of existing tenants, attracted new tenants, capitalized value, etc. Note that financial risk mitigation should also be included in this category.</p> <p><i>ESG performance</i></p> <p>This relates to tracking the performance of ESG risks and/or opportunities throughout the lifetime of a fund.</p> <p>Examples may include water and energy efficiency improvements, reduction of waste, reduction of health and safety incidents, etc. Note that ESG risk mitigation should also be included in this category.</p>
	PR 15.2

	You are encouraged to specify the ESG issues (e.g., greenhouse gas emissions, water consumption) and financial measures you use to assess performance and comment on any practical issues in using these measures in your processes.		
LOGIC			
PR 15	[PR 15.2] is applicable if you report that your organisation measures how ESG issues affect financial performance or ESG performance in [PR 15.1].		
ASSESSMENT			
PR 15	Maximum score: Three ★		
	Indicator scoring methodology		
	Selected response	Level score	Further Details
	Do not measure either	○	
	Measure EITHER financial or ESG performance	★★	
	Measure financial and ESG performance	★★★	

PR 16	Indicator status VOLUNTARY	Purpose DESCRIPTIVE	Principle PRI 1,3
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PR 16	INDICATOR			
PR 16.1	Provide examples of ESG issues that affected your property investments during the reporting year.			
	ESG issues	Types of properties affected	Impact (or potential impact) on the investment	Activities undertaken to influence the investment and its response
PR 16.2	Additional information [OPTIONAL]			

PR 16	EXPLANATORY NOTES
PR 16.1	<p><i>ESG issues</i></p> <p>Refer to the definitions for ESG issues in the Main definitions document.</p> <p><i>Types of properties affected</i></p> <p>For example: industrial estates, retail, office, residential, leisure/hotel, etc.</p> <p><i>Impact (or potential impact) on the investment</i></p> <p>The financial, reputational and/or ESG/sustainability-related impact (or potential impact) and at what stage in the investment process the ESG issues were identified (e.g., initial screening, due diligence, decision or investment monitoring)</p> <p><i>Activities undertaken to influence the investment and the outcomes</i></p> <p>Here you can describe your and/or your property managers' monitoring activities and the impact of your occupier and/or community engagements.</p> <p>The number of examples you provide will inevitably depend on exactly how you incorporate ESG issues into your investment processes. Organisations are encouraged to provide at least three and up to five examples. As far as practicable, these examples should be your most material examples of how ESG issues are incorporated.</p>

EXAMPLES			
ESG issues	Types of properties affected	Impact (or potential impact) on the investment	Activities undertaken to influence the investment and its response
CO2 emissions	Non-commercial property with private tenants	Financial including cost of refurbishment and future operational cost of the building (e.g., heating and CO2 emissions)	Based on this, a decision was made to refurbish with high environmental standards in place.
Flood risk	Any type located in defined flood areas; more acute for those reliant on regular supply of goods	Lower demand because less desirable for occupiers due to potential business interruption, plus threat of future insurability	Accuracy of flood risk, liaison with environment agencies, future predictions for location, future plans for flood defences. Decided whether to pursue, pursue with conditions, or withdraw