

PRI REPORTING FRAMEWORK 2014/15

Direct Property

September 2014

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# 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 to identify which indicators are relevant for your organisation.

**Top bar**

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.

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

**Indicator status**

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| MANDATORY | Mandatory indicators reflect core practices. These responses will be made public and must be completed to submit the framework. |
| MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | 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 may also contain commercially sensitive information. |
| VOLUNTARY | Voluntary indicators reflect alternative or advanced practices. These indicators are voluntary to report and disclose. |

**Purpose**

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| 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 the explanatory notes and definitions that contain important information on interpreting and completing the indicators. Read the logic box to make sure an indicator is applicable to you.

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| 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. |
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| xxx 01 | DEFINITIONS |
| **xxx 01** | Definitions of specific terms that are used in the indicator are defined here. |

Table of Contents

Pathways through the module 4

[Preface 5](#_Toc367891483)

[Overview 7](#_Toc367891484)

[Fundraising of property funds 13](#_Toc367891485)

[Pre-investment (selection) 17](#_Toc367891486)

[Selection, appointment and monitoring third-party property managers 24](#_Toc367891487)

[Post-investment (monitoring and active ownership) 26](#_Toc367891488)

[Overview 26](#_Toc367891489)

[Property monitoring and management 28](#_Toc367891490)

[Property developments and refurbishments 32](#_Toc367891491)

[Occupier engagement 34](#_Toc367891492)

[Community engagement 37](#_Toc367891493)

[Outputs and outcomes 39](#_Toc367891494)

[Communication 43](#_Toc367891495)

**PR 21:** ESG issues affected financial/ESG performance

**PR 22:** Examples of ESG issues that affected your property investments

**PR 23:** Disclosure of ESG information to public and clients/beneficiaries

**PR End:** Module confirmation page

**PR 03:** Largest property types

**PR 01:** Breakdown of investments by equity and debt

**PR 02:** Breakdown of assets by management

**PR 04:** Description of approach to RI

**PR 05:** Responsible Property Investment (RPI) policy

**PR 06:** Fund placement documents and RI

**PR 07:** Formal commitments to RI

**PR 08:** Incorporating ESG issues when selecting investments

Investment Managers only

**PR 09:** ESG advice and research when selecting investments

**PR 10:** Examples of ESG issues in investment selection process

**PR 11:** Types of ESG information considered in investment selection

**PR 12:** ESG issues impact in selection process

**PR 14:** ESG issues in post-investment activities

PR 15: Proportion of assets with ESG targets that were set and monitored

**PR 16:** Certification schemes, ratings and benchmarks

**PR 17:** Proportion of developments and refurbishments where ESG issues were considered

**PR 18:** Proportion of property occupiers that were engaged with

**PR 19:** Proportion of green leases or MOUs referencing ESG issues

**PR 20:** Proportion of assets engaged with on community issues

**PR 13:** ESG issues in selection, appointment and monitoring of third-party property managers

Only if equity investments reported and properties are managed via third-party property managers appointed by you

ESG in investment selection

ESG not in investment selection

ESG in property monitoring and management

ESG in development, refurbishment

ESG in occupier engagements

ESG in community engagement related to your properties

ESG in other, or no, post investment activities

If equity investments reported

100% debt reported

# Preface

This module seeks information from investors that invest directly, either individually or alongside other investors, in property via non-listed equity or debt. 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.

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 of the indicators in this module also overlap, partially or fully, with the GRESB (Global Real Estate Sustainability Benchmark), see [link](https://gresb-public.s3.amazonaws.com/2014/2014%20GRESB%20Survey.pdf) to survey. 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.
* 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 structured into four areas: property management, developments and refurbishments, occupier engagements and community engagements.

# Summary of updates

The Reporting Framework has not changed significantly since 2013-14. Some minor amendments have been made to improve data quality or assessment. The guidance has also been clarified throughout.

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| Indicator | Update |
| **PR 02** | An additional property management option has been inserted for this indicator to better align with GRESB. |
| **PR 06** | An additional option has been inserted for organisations that do not fundraise. |
| **PR 16** | This indicator has been updated. Responders now have the option to report that property assets are not assessed against certification schemes, ratings and/or benchmarks, in a new sub-indicator [PR 16.1]. |
| PR 21 | This indicator is a revised version of indicator [PR 21] from the 2013-14 Reporting Framework. It has been rewritten to improve consistency with other modules |
| PR 23 | [PR 23] (communications) has been restructured. The content of this indicator has not changed, therefore prefilling is enabled. |
| Prefilling | Prefilling is enabled for this module, with the following exceptions:   * Examples given in [PR 10], [PR 15.2] and [PR 22] will not be prefilled as these are specific to the reporting year. * [PR 02] and [PR 06] will not prefill as the indicators have changed * [PR 16.1] is a new indicator and will not prefill. Indicators [16.2-3] have not changed since 2013-14 and will prefill. * [PR 21] will not prefill as the indicator has changed. |

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| SECTION |
| Overview |

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|  | Indicator status | Purpose | Principle |
| PR 01 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY/PEERING | GENERAL |

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| PR 01 | INDICATOR | |
| **PR 01.1** | Provide a breakdown of your organisation’s internally managed property investments by equity and debt. | |
|  | **Property investments instruments** | **Percentage of your internally managed property investments (in terms of AUM)** |
| ❑ Equity investments | 🔾 >50%, 🔾 10-50%, 🔾 <10% |
| ❑ Debt investments | 🔾 >50%, 🔾 10-50%, 🔾 <10% |
| **Total** | **100%** |
|  | ❑ N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity or debt in property on their behalf | |
| **PR 01.2** | Indicate the level of ownership you typically hold in your property investments. | |
| 🔾 a majority stake (>50%)  🔾 a 50% stake  🔾 a significant minority stake (between 10-50%)  🔾 a limited minority stake (<10%)  🔾 a mix of ownership stakes | |
| **PR 01.3** | Additional information.  [Optional] | |
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| PR 01 | **EXPLANATORY NOTES** |
| **PR 01.1** | Please report the breakdown in the given categories based on your internal assets under management in property as reported in the Organisational Overview (OO) module, indicator OO 05.  *N/A option*  Applicable for property managers involved in, for example, the day-to-day management of properties, supply of property performance data and advice to clients on investment decisions, but who do not make actual investment decisions on behalf of clients. |
| **PR 01.2** | Select the option which represents your typical ownership stake in properties (consider ‘typical’ as any number of your assets that constitutes more than 50% in any category). This will allow you to be allocated to a peer group with others with similar approaches. Select “a mix of ownership stakes” if your portfolio is diverse and does not have a typical level of ownership stake.  This indicator is applicable only if your organisation has equity stakes in property assets. |
| **PR 01.3** | This may include a discussion of:   * Your organisation’s approach to property investment and its role in transactions (i.e. when identifying and analysing potential investments, and investment monitoring post investment) * Differences in your approach in property investments in which you hold majority or minority stakes * The typical holding period of property investments |
| **LOGIC** | |
| **PR 01** | [01.2] and [02] will only be applicable if you report that some proportion of your property investments are equity investments [01.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 02 | MANDATORY TO REPORT  VOLUNTARY TO DISCLOSE | GATEWAY/PEERING | GENERAL |

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| PR 02 | INDICATOR | |
| **PR 02.1** | Provide a breakdown of your organisation’s property assets based on who manages the assets. | |
|  | **Property assets managed by** | **Breakdown of your property assets (by number)** |
| Managed directly by your organisation | 🔾 >50%, 🔾 10-50%, 🔾 <10%, 🔾 0% |
| Managed via third-party property managers appointed by you | 🔾 >50%, 🔾 10-50%, 🔾 <10%, 🔾 0% |
| Managed by other investors or their property managers | 🔾 >50%, 🔾 10-50%, 🔾 <10%, 🔾 0% |
| Managed by tenant(s) with operational control | 🔾 >50%, 🔾 10-50%, 🔾 <10%, 🔾 0% |
| **Total** | **100%** |
| **PR 02.2** | Additional information.  [Optional] | |
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| PR 02 | **EXPLANATORY NOTES** |
| **PR 02.1** | The definitions for ”Property Management” have been aligned with GRESB 2014 guidance.  Property management refers in this context to the day-to-day operation and execution of decisions for property assets. It does not refer to investment decision-making (e.g. acquisition decisions).  Directly managed Assets are those for which your organisation is determined to have “operational control”. Where tenants or a single tenant has the greatest authority to introduce and implement operating policies and environmental policies, the tenant should be assumed to have operational control. In case both you and the tenant have the authority to introduce and implement day-to-day operational procedures, the asset should be reported as directly managed. |
| **PR 02.2** | This may include a description of those involved in managing your organisation’s properties. |
| **LOGIC** | |
| **PR 02** | This indicator is applicable if you report that some proportion of your property investments are equity investments [01.1].  If some proportion of your property assets are managed by third-party property managers, then indicator [13] will be applicable. |

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| PR 02 | **DEFINITIONS** |
| Third-party property managers | Organisations that manage all types of property assets (e.g. retail, commercial and residential) for other organisations. They provide advice and support in a range of areas (e.g. facilities management, accounting, compliance, maintenance and utilisation). |
| Operational Control | This is defined as having the ability to introduce and implement operating policies, health and safety policies, and/or environmental policies. |

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|  | Indicator status | Purpose | Principle |
| PR 03 | VOLUNTARY | DESCRIPTIVE | GENERAL |

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| PR 03 | INDICATOR | |
| **PR 03.1** | Indicate up to three of your largest property types by AUM. | |
|  | **Types** | **Main property types (by AUM)** |
| ❑ Largest property type | ❑ Industrial  ❑ Retail  ❑ Office  ❑ Residential  ❑ Leisure/Hotel  ❑ Mixed use  ❑ Other, specify \_\_\_\_\_\_\_\_\_\_\_ |
| ❑ Second largest property type | [same as above] |
| ❑ Third largest property type | [same as above] |
| **PR 03.2** | Additional information. | |
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| PR 03 | **EXPLANATORY NOTES** |
| **PR 03.1** | Determine the main property types by internally managed property assets under management. This will help contextualise your reported information in the rest of this module.  The options in this indicator are complementary to GRESB indicator RC5.1 in the ‘Reporting Characteristics’ section of the 2014 GRESB survey. |
| **PR 03.2** | This may include a discussion of:   * Typical property types, breakdown between single and multi-let, number of properties and types of tenants * The proportion within your organisation’s overall property portfolio accounted for by individual property types * Typical breakdown of property investments between greenfield and brownfield assets   Please refer to the *Organisational Overview (OO)*, indicator OO 09, if your organisation has a significant focus on property and has described its typical property investments in this indicator. |

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| PR 03 | **DEFINITIONS** |
| **Industrial** | Includes distribution warehouses, storage, garages and logistics centres |
| **Retail** | Includes high street and out-of-town malls, individual retail stores, retail parks |
| **Office** | Includes office buildings and serviced offices |
| **Residential** | Includes multiple occupancy buildings |
| **Leisure/hotel** | Includes hotels, sports facilities and restaurants |
| **Mixed use** | Property which combines one or more of the above uses |

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|  | Indicator status | Purpose | Principle |
| PR 04 | VOLUNTARY | DESCRIPTIVE | PRI 1-6 |

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| PR 04 | INDICATOR |
| **PR 04.1** | Provide a brief overview of your organisation’s approach to responsible investment in property where you have equity stakes. |
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| **PR 04.2** | Provide a brief overview of your organisation’s approach to responsible investment in property where you hold debt. |
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| PR 04 | **EXPLANATORY NOTES** |
| **PR 04** | This indicator enables you to describe your organisation’s responsible investment approach to property where you make equity and/or debt investments. Please describe here your direct investments in property. Your investments in property funds managed by other managers on your behalf are captured in the *Indirect - Manager Selection, Appointment and Monitoring (SAM)* module. |
| **PR 04.1** | This may include a discussion of how your property portfolio characteristics (level of ownership, property management role, type of property, geographical spread, division between brownfield and greenfield etc.) affects the way you may influence the operations of your properties and thus responsible investment implementation. |
| **PR 04.2** | For property debt, in addition to guidance under PR 04.1, you may wish to comment on your application of responsible investment strategies or recognised standards. |
| **LOGIC** | |
| **PR 04** | Indicator [04.1] will be applicable if you reported that your organisation has equity investments in property [01.1].  Indicator [04.2] will be applicable if you reported that your organisation has debt investments in property [01.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 05 | MANDATORY | CORE ASSESSED | PRI 1-6 |

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| PR 05 | INDICATOR | |
| **PR 05.1** | Indicate if your organisation has a Responsible Property Investment (RPI) policy. | |
|  | 🔾 Yes | 🔾 No |
| **PR 05.2** | Provide a URL if your RPI policy is publicly available.  [Optional] | |
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| **PR 05.3** | Additional information.  [Optional] | |
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| PR 05 | **EXPLANATORY NOTES** |
| **PR 05.1** | 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 2014 GRESB survey. |
| **PR 05.2** | Please list here any property policy document(s) even if you have already listed it/them in the *Overarching Approach (OA)* module. |
| **PR 05.3** | You may include a description of your RPI policy’s coverage for internally managed property investments. |
| **LOGIC** | |
| **PR 05** | [05.2] will be applicable if ’Yes’ is reported in [05.1]. |
| **ASSESSMENT** | |
| **PR 05** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [05.1]. |

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| SECTION |
| Fundraising of property funds |

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|  | Indicator status | Purpose | Principle |
| PR 06 | MANDATORY | CORE ASSESSED | PRI 1,4,6 |

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| PR 06 | INDICATOR | |
| **PR 06.1** | Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation. | |
|  | 🔾 Yes  🔾 No  🔾 Not applicable as our organisation does not fundraise | |
| **PR 06.2** | Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation: | |
|  | ❑ Policy and commitment to responsible investment | 🔾 Always  🔾 In a majority of cases  🔾 In a minority of cases |
| ❑ Approach to ESG issues in pre-investment processes | 🔾 Always  🔾 In a majority of cases  🔾 In a minority of cases |
| ❑ Approach to ESG issues in post-investment processes | 🔾 Always  🔾 In a majority of cases  🔾 In a minority of cases |
| **PR 06.3** | Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar).  [Optional] | |
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| **PR 06.4** | Describe why your organisation does not fundraise. | |
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| **PR 06.5** | Additional information.  [Optional] | |
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| PR 06 | **EXPLANATORY NOTES** |
| **PR 06** | This indicator covers the fundraising process of property funds where 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.  This indicator is applicable only for general partners/for direct fund managers. This is not applicable for asset owners.  If this indicator is applicable to you but your organisation does not fundraise, please select “Not applicable as our organisation does not fundraise” and use indicator [06.4] to explain why.  If your organisation does fundraise, but was not actively fundraising during the reporting year, please select the option which best represents your typical approach. As a general rule, this is the approach your organisation is likely to take during your next round of fundraising. |
| **PR 06.3** | You may include a discussion of your typical PPM’s coverage:   * 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) * 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)   Please report on any public placement documents and PPMs issued recently, not necessarily during the reporting year. |
| **LOGIC** | |
| **PR 06** | This section (indicators [06] and [07]) is about responsible investment and ESG inclusion in relation to fundraising and promotion of property funds. It is therefore applicable only for direct fund managers. It is not applicable to asset owners. In some cases, asset managers do not fundraise. If you report that you do not fundraise in [06.1], indicator [07] will not be applicable.  Within this indicator [06.2] and [06.3] will be applicable if ‘Yes’ is reported in [06.1]. Indicator [06.4] will be applicable if ‘Not Applicable’ is reported in [06.1]. |
| **ASSESSMENT** | |
| **PR 06** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [06.1] and [06.2].  If you report “Not applicable as our organisation does not fundraise”, this indicator will not form part of your score. |

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| PR 06 | **DEFINITIONS** |
| Fund placement documents or Private Placement Memorandum (PPM) | 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 a fund placement documents or PPM to prospective limited partners/investors when it is attempting to raise capital through a fund offering. |

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|  | Indicator status | Purpose | Principle |
| PR 07 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 4 |

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| PR 07 | INDICATOR |
| **PR 07.1** | 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. |
|  | 🔾 We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters  🔾 In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters  🔾 In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters  🔾 We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters  🔾 Our clients do not request us to make formal commitments to responsible investment in property |
| **PR 07.2** | Additional information. |
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| PR 07 | **EXPLANATORY NOTES** |
| **PR 07** | This indicator is applicable only for direct property fund managers. This is not applicable for asset owners. |
| **PR 07.1** | *Fund formation contracts, Limited Partnership Agreements (LPAs)*  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.  Please report on any fund formation contracts, LPAs and side letters signed upon request from investors/AOs recently, not necessarily during the reporting year.  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. |
| **PR 07.2** | You may include a discussion of:   * Description of your organisation’s responsible investment commitments * Adoption and alignment of policies between direct and indirect investors in relation 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) * Portfolio companies’ undertaking in relation to ESG issues * How reporting on ESG issues will be carried out during the life of the fund(s) * How and when potential incidents among portfolio companies will be communicated to investors   If your formal commitments to responsible investment in property exist through other mechanisms that have been described in the *Overarching Approach (OA)* module please make a reference to that reported information in this indicator. |
| **LOGIC** | |
| **PR 07** | This section (indicators [06] and [07]) is about responsible investment and ESG inclusion in relation to fundraising and promotion of property funds. It is therefore applicable only for direct fund managers. It is not applicable to asset owners. |
| **ASSESSMENT** | |
| **PR 07** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [07.1]. |

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| SECTION |
| Pre-investment (selection) |

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|  | Indicator status | Purpose | Principle |
| PR 08 | MANDATORY | GATEWAY | PRI 1 |

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| PR 08 | INDICATOR | |
| **PR 08.1** | Indicate if your organisation typically incorporates ESG issues when selecting property investments. | |
|  | 🔾 Yes | 🔾 No |
| **PR 08.2** | Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.  [Optional] | |
|  | |
| **PR 08.3** | Additional information.  [Optional] | |
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| PR 08 | **EXPLANATORY NOTES** |
| **PR 08** | 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.  The options in this indicator are complementary to GRESB indicator Q15 in the ‘Risk Assessments’ section of the 2014 GRESB survey. |
| **PR 08.2** | Describe your approach in terms of the different stages leading up to the investment decision.  This may include a discussion of:   * 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 use ESG issues to assess downside risk and value creation opportunities * Any differences in how ESG issues are taken into account in different sectors and in different geographic regions * How your approach to ESG issues differs between investment strategies or within strategies with significant variations   *Scope*  This indicator covers all stages of your pre-investment decision making process (initial screening, due diligence, investment decision). |

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| **LOGIC** | |
| **PR 08** | This is a gateway indicator, your response here determines whether the pre-investment section of this module (indicators [09–12]) is applicable.   * If you report ‘Yes’ in [08.1], indicators [09-12] will be applicable. * If you report ‘No’ in [08.1], indicators [09-12] will not be applicable.   Within this indicator, [08.2] will be applicable if ’Yes’ is reported in [08.1]. |
| **ASSESSMENT** | |
| **PR 08** | This indicator is not assessed but a ‘No’ response will result in a zero score for the whole of the pre-investment section. |

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|  | Indicator status | Purpose | Principle |
| PR 09 | VOLUNTARY | DESCRIPTIVE | PRI 1,4 |

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| PR 09 | INDICATOR | |
| **PR 09.1** | Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the property investment selection process. | |
|  | ❑ Internal staff | ❑ Specify role \_\_\_\_\_\_\_\_\_  ❑ Specify role \_\_\_\_\_\_\_\_\_  ❑ Specify role \_\_\_\_\_\_\_\_\_ |
| ❑ External resources | ❑ Environmental advisors  ❑ Social advisors  ❑ Corporate governance advisors  ❑ Regulatory and/or legal advisors  ❑ Other, specify type of advisors/roles\_\_\_\_\_\_\_\_ |
| ❑ No use of internal or external advice on ESG issues | |
| **PR 09.2** | Additional information. | |
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| PR 09 | **EXPLANATORY NOTES** |
| **PR 09.1** | *Internal staff*  Internal roles could include those with responsibility for overseeing and/or implementing responsible investment activities.  *External resources*  External resources that provide advice, due diligence and analysis on E, S and G issues in order to identify potential risks and/or value creation opportunities. Please provide examples in the ‘specify’ fields.  *Incorporating ESG issues*  Refers to strategies, processes and activities that take ESG issues and information about them into account in the pre-investment process (initial screening, due diligence, investment decision). |
| **PR 09.2** | You may report on the division of responsibilities between internal and external specialists (if applicable) and type of advisors/specialists involved in the research process, for example:   * legal counsel * engineers * acquisition advice * brokers/property managers   You can also report on whether they provide advice based on geographic location, property type, new versus existing property assets, local regulations.  You are not required to disclose the names of individuals or organisations that provide advice and/or research but it would be helpful if you could indicate the type of organisation (e.g. university, property consultants). |
| **LOGIC** | |
| **PR 09** | This indicator will be applicable if ‘Yes’ is reported in [08.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 10 | MANDATORY | CORE ASSESSED | PRI 1,3 |

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| PR 10 | INDICATOR | |
| **PR 10.1** | 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** |
| ❑ Environmental |  |
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| ❑ Social |  |
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|  |
| ❑ Governance |  |
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| **PR 10.2** | Additional information.  [Optional] | |
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| PR 10 | **EXPLANATORY NOTES** |
| **PR 10** | ESG issues vary between property types, individual properties, companies managing property portfolios, markets, etc. There are also differences in legal requirements with regards to ESG issues in different jurisdictions. The intention of this indicator is to capture whether you consider relevant E, S and G issues in the property investment selection process. List here only the most typical ESG issues you consider given your organisation's approach and the jurisdictions that you operate in.  Please note that it is only mandatory to report and disclose one example per E, S and G issue. The remaining rows per E, S and G issue are voluntary to report and disclose. |
| **PR 10.1** | The following E, S and G issues are examples only. These issues will not be relevant in every investment case, and this is not intended to be an exhaustive list of potentially relevant issues.  *Environmental*  Energy generation (conventional + renewables), consumption and efficiency, greenhouse gas emissions, water consumption, waste generation, indoor air quality, flooding and contamination, land use, biodiversity/ecology, building materials, alternative means of transport.  *Social*  Health and safety, accident rates, disability access, security, tenant type and demography, occupier turnover and satisfaction, fair wages for workers maintaining the properties, labour standards in procurement policy (or similar), affordable workforce housing, income disparity, social enterprise partnering, community development.  *Governance*  Executive benefits and compensation, bribery and corruption, shareholder structure and rights, business ethics, board structure and composition, independent directors, processes (e.g. environmental management systems) and risk management (e.g. regulatory and reputational risk), whistle-blowing schemes, stakeholder dialogue, lobbying (e.g. property standards and certifications), and disclosure (e.g. property performance or benchmarks). This category may also include business strategy issues, both the implications of business strategy for environmental and social issues, and how the strategy is implemented.  The governance examples are mainly intended and applicable for direct property investors holding stakes in property management companies. |
| **PR 10.2** | Provide additional details relevant to information on the ESG issues considered by your organisation in the investment selection process, e.g. linked to geographic location, type of sector and/or legislation. |
| **LOGIC** | |
| **PR 10** | This indicator will be applicable if ‘Yes’ is reported in [08.1]. |
| **ASSESSMENT** | |
| **PR 10** | Maximum score: Three ★  The assessment of this indicator is based on your response to [10.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 11 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 1,3 |

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| PR 11 | INDICATOR |
| **PR 11.1** | Indicate what type of ESG information your organisation typically considers during your property investment selection process. |
|  | ❑ Raw data from the target property asset/company  ❑ Appraisals/audits  ❑ Benchmarks/ratings against similar property asset  ❑ Country level data/benchmarks  ❑ Data aligned with established property reporting standards, industry codes and certifications  ❑ International initiatives, declarations or standards  ❑ Data from engagements with stakeholders (e.g. tenants and local community surveys)  ❑ Information from external advisers  ❑ Other, specify \_\_\_\_\_\_\_\_\_\_\_\_  ❑ We do not track this information |
| **PR 11.2** | Additional information. |
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| PR 11 | **EXPLANATORY NOTES** |
| **PR 11.2** | This may include a discussion of:   * Sources of information on ESG issues that you frequently use * Whether there is a difference between the sources used by internal and external advisors * Whether your organisation keeps records of ESG information considered in the investment selection process |
| LOGIC | |
| PR 11 | This indicator will be applicable if ‘Yes’ is reported in [08.1]. |
| **ASSESSMENT** | |
| **PR 11** | Maximum score: Three ★  The assessment of this indicator is based on your response to [11.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 12 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 1 |

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| PR 12 | INDICATOR |
| **PR 12.1** | Indicate if ESG issues impacted your property investment selection process during the reporting year. |
|  | ❑ ESG issues helped identify risks and/or opportunities for value creation  ❑ ESG issues led to the abandonment of potential investments  ❑ ESG issues impacted the investment in terms of price offered and/or paid  ❑ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants  ❑ ESG issues were considered but did not have an impact on the investment selection process  ❑ Other, specify \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  ❑ We do not track this potential impact |
| **PR 12.2** | Additional information. |
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| PR 12 | **EXPLANATORY NOTES** |
| **PR 12.2** | You are encouraged to generalise your impact measures, analysis and conclusions across different property investment selection processes and not report on every single deal and their individual characteristics. Indicator [22] will allow your organisation to provide specific examples.  “ESG issues were considered but did not have an impact on the investment selection process” is referring to situations where no ESG issues were identified, or where ESG issues were considered during the investment selection but were considered to be below the materiality threshold and therefore did not impact the investment. |
| **LOGIC** | |
| **PR 12** | This indicator will be applicable if ‘Yes’ is reported in [08.1]. |
| **ASSESSMENT** | |
| **PR 12** | Maximum score: Three ★  The assessment of this indicator is based on your response to [12.1]. |

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| SECTION |
| Selection, appointment and monitoring third-party property managers |

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|  | Indicator status | Purpose | Principle |
| PR 13 | MANDATORY | CORE ASSESSED | PRI 4 |

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| PR 13 | INDICATOR | | |
| **PR 13.1** | Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers. | | |
|  | 🔾 Yes | 🔾 No | |
| **PR 13.2** | Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers. | | |
| ❑ Selection process of property managers incorporated ESG issues | | 🔾 For all third party property managers  🔾 For a majority of property managers  🔾 For a minority of property managers |
| ❑ Contractual requirements when appointing property managers includes ESG issues | | 🔾 For all third party property managers  🔾 For a majority of property managers  🔾 For a minority of property managers |
| ❑ Monitoring of property managers covers ESG responsibilities and implementation | | 🔾 For all third party property managers  🔾 For a majority of property managers  🔾 For a minority of property managers |
| **PR 13.3** | Provide a brief description of your organisation’s selection, appointment and monitoring of third party property managers.  [Optional] | | |
|  |  | | |
| **PR 13.4** | Describe how your third party property managers contribute to the management of ESG issues for your property investments**.**  [Optional] | | |
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| **PR 13.5** | Additional information.  [Optional] | | |
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| PR 13 | **EXPLANATORY NOTES** |
| **PR 13** | This section is applicable only if your organisation outsources property management to third-party property managers as reported in [02]. 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 with regards to those assets for which the management is outsourced. |
| **PR 13.2** | A majority refers to >=50%, a minority refers to <50% of property managers. Determine the proportion for each row based on number of third-party property managers. |
| **PR 13.3** | *Selecting property managers*  This may include a discussion of:   * How your selection processes for property managers is structured   *Appointing property managers*  This may include a discussion of:   * Type of ESG responsibilities, implementation requirements and measures in contractual agreements * How the implementation of ESG issues was formally agreed upon (if applicable)   *Monitoring property managers*  This may include a discussion of:   * 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 * Whether you have a performance evaluation and incentive system based on ESG issues for your property managers |
| **PR 13.4** | This may include a discussion of:   * Type of services with, for example, environmental and social coverage |
| **LOGIC** | |
| **PR 13** | This indicator will be applicable if you reported that some proportion of your property assets are ‘managed via third-party property managers appointed by you’ in [02.1].  [13.2], [13.3] and [13.4] will be applicable if ’Yes’ is reported in [13.1]. |
| **ASSESSMENT** | |
| **PR 13** | Maximum score: Nine ★  The assessment of this indicator is based on your responses to [13.2]. 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. |

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| SECTION |
| Post-investment (monitoring and active ownership) |

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|  | Indicator status | Purpose | Principle |
| PR 14 | MANDATORY | GATEWAY | PRI 2 |

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| PR 14 | INDICATOR | |
| **PR 14.1** | Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets. | |
|  | 🔾 Yes | 🔾 No |
| **PR 14.2** | Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets. | |
| ❑ We consider ESG issues in property monitoring and management  ❑ We consider ESG issues in property developments and refurbishments  ❑ We consider ESG issues in property occupier engagements  ❑ We consider ESG issues in community engagements related to our properties  ❑ We consider ESG issues in other post-investment activities, specify\_\_\_\_\_\_\_\_\_\_ | |
| **PR 14.3** | Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.  [Optional] | |
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| **PR 14.4** | Additional information.  [Optional] | |
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| PR 14 | **EXPLANATORY NOTES** |
| **PR 14** | This indicator refers to the consideration of ESG issues in active property monitoring and management processes and activities. |
| **PR 14.2** | 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 refurbishments of property assets were on-going, you should still select ‘We consider ESG issues in property development and refurbishments’. |
| **PR 14.3** | You may outline how you consider ESG issues 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.  You may also outline whether you have specific guidelines where 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 [15-20]. |
| **LOGIC** | |
| **PR 14** | This is a gateway indicator, so your response here determines which indicators within the post-investment section of this module (indicators [15–20]) are applicable.  If you report that your organisation does consider ESG issues in post-investment activities in [14.1], indicator [14.2] will be applicable, allowing you to indicate which activities are relevant to your approach. Indicator [14.3] will also be applicable, allowing you to describe the approach.  Within the post-investment section, you will only be required to disclose information relevant to the information reported in [14.2]. Specifically, if you report;   * ‘We consider ESG issues in property monitoring and management’, the property monitoring and management section ([15] and [16]) is applicable. * ‘We consider ESG issues in property developments and refurbishments’, the property developments and refurbishments section ([17]) is applicable. * ‘We consider ESG issues in property occupier engagements’, the occupier engagement section ([18] and [19]) is applicable. * ‘We consider ESG issues in community engagements related to our properties’, the community engagement section ([20]) will be applicable.   You may provide additional information in [14.2] on any other areas of post-monitoring and RI implementation that are relevant to you.  If you report in [14.1] that your organisation does not consider ESG issues in post-investment activities, indicators [15-20] will not be applicable. |
| **Assessment** | |
| **PR 14** | This indicator is not assessed but a ‘No’ response in [14.1] will result in a zero score for the whole of the post-investment section.  In [14.2], if you report that you do not consider ESG in the ‘property monitoring and management’, ‘property developments and refurbishments’, ‘property occupier engagements’ and/or ‘community engagements related to our properties’’ you will receive a zero score for that sub-section. |

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| PR 14 | **DEFINITIONS** |
| Occupier engagement | Refers to direct interactions between landlords (or their property managers) and occupiers with the objective of influencing the occupier’s behaviour in relation to ESG issues. |
| Community engagement | Refers to direct interactions between landlords (or their property managers) and stakeholders typically located near or affected by properties in relation to ESG issues. |

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|  | Indicator status | Purpose | Principle |
| PR 15 | MANDATORY | CORE ASSESSED | PRI 2,3 |

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| PR 15 | INDICATOR | |
| **PR 15.1** | 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. | |
| 🔾 >90% of property assets  🔾 51-90% of property assets  🔾 10-50% of property assets  🔾 <10% of property assets  (in terms of number of property assets) | |
| **PR 15.2** | Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue. | |
| **ESG issues** | **List up to three example targets per issue** |
| ❑ Environmental |  |
|  |
|  |
| ❑ Social |  |
|  |
|  |
| ❑ Governance |  |
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|  | ❑ We do not set and/or monitor against targets | |
| **PR 15.3** | Additional information.  [Optional] | |
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| PR 15 | **EXPLANATORY NOTES** |
| **PR 15** | This indicator aims to capture your, and/or property managers, approach to ESG performance in the active monitoring of your property assets. The type of monitoring activities undertaken can range from e.g. individual engagements on boards and/or with senior management to reviews of ESG information covering property assets/companies.  The options in this indicator are complementary to GRESB indicator Q28 in the ‘Targets’ section of the 2014 GRESB survey. |
| **PR 15.1** | 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.  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.  Determine the proportion based on the number of property assets. |
| **PR 15.2** | See [10] for potentially relevant E, S and/or G issues. |
| **PR 15.3** | Your description can cover how your organisation, and/or you property managers, approach ESG issues in property management. You can include a description of:   * 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 * The geographical coverage of your property assets and if your approach differs by location |
| **LOGIC** | |
| **PR 15** | This indicator will be applicable if you reported that your organisation considers ESG issues in property monitoring and management in [14.2] |
| **ASSESSMENT** | |
| **PR 15** | Maximum score: Three ★  This assessment of this indicator is based on your response to [15.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 16 | VOLUNTARY | DESCCRIPTIVE | PRI 2 |

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| PR 16 | INDICATOR | |
| **PR 16.1** | Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks | |
| 🔾 Yes | 🔾 No |
| **PR 16.2** | 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** |
| ❑ Specify:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 🔾 >90% of property assets  🔾 51-90% of property assets  🔾 10-50% of property assets  🔾 <10% of property assets  (in terms of number of property assets) |
| ❑ Specify:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | [same as above] |
| ❑ Specify:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | [same as above] |
| **PR 16.3** | Additional information. | |
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| PR 16 | **EXPLANATORY NOTES** |
| **PR 16** | *Property rating and certification schemes*  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, Green Building Council of Australia’s Green Star rating.  *Property ratings by public agencies*  These may include; National Australian Built Environment Rating System (NABERS) in Australia, Energy Star in the US created by the Environmental Protection Agency (EPA).  *Property benchmarks*  These may include: Greenprint Foundation, Green Rating Alliance, Global Real Estate Sustainability Benchmark (GRESB), International Sustainability Alliance (ISA) and IPD EcoPAS.  The options in this indicator are complementary to GRESB indicator Q28 in the ‘Targets’ section of the 2014 GRESB survey.  Determine the proportion for each row of [16.2] based on number of property assets. |
| **PR 16.3** | 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:   * 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 * Frequency of assessment |
| **LOGIC** | |
| **PR 16** | Indicator [PR 16.2] will be applicable if you report ‘yes’ in [PR 16.1].  This indicator will be applicable if you reported that your organisation considers ESG issues in property monitoring and management in [14.2] |

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|  | Indicator status | Purpose | Principle |
| PR 17 | MANDATORY | CORE ASSESSED | PRI 2 |

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| PR 17 | INDICATOR |
| **PR 17.1** | Indicate the proportion of active property developments and refurbishments where ESG issues have been considered. |
| 🔾 >90% of active developments and refurbishments  🔾 51-90% of active developments and refurbishments  🔾 10-50% of active developments and refurbishments  🔾 <10% of active developments and refurbishments  🔾 N/A, no developments and refurbishments of property assets are active  (by number of active property developments and refurbishments) |
| **PR 17.2** | Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments. |
|  | ❑ Minimum environmental site selection requirements  ❑ Minimum environmental site development requirements  ❑ Sustainable construction materials  ❑ Minimum water efficiency requirements  ❑ Minimum 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  ❑ Other, specify\_\_\_\_\_\_\_\_\_ |
| **PR 17.3** | Additional information.  [Optional] |
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| PR 17 | **EXPLANATORY NOTES** |
| **PR 17.1** | ‘Active’ property developments or refurbishments refer to those that are taking place during the reporting year.  Determine the proportion based on number of active property developments and refurbishments. |
| **PR 17.3** | Your description may cover how your organisation approaches the incorporation of ESG issues into developments and refurbishments. For example, you may comment on:   * Whether your developments and refurbishments aim to improve their ESG performance * Whether your managers (if applicable) have a duty to drive improvements in property sustainability performance * Drivers behind on-going development and refurbishment projects (e.g. investor client demand, economic benefit, occupier demand, future proofing against regulation, compliance with existing regulation or other) * Whether your organisation has ESG standards in place for contractors and how you ensure that contractors are compliant with these standards |
| **LOGIC** | |
| **PR 17** | This indicator will be applicable if you reported that your organisation considers ESG issues in property development and refurbishment in [14.2] |
| **ASSESSMENT** | |
| **PR 17** | Maximum score: Six ★  This indicator assesses two parts of [17] separately. [17.1] is worth three ★ and [17.2] is worth three ★. |

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|  | Indicator status | Purpose | Principle |
| PR 18 | MANDATORY | CORE ASSESSED | PRI 2 |

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| PR 18 | INDICATOR |
| **PR 18.1** | Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year. |
| 🔾 >90% of occupiers  🔾 51-90% of occupiers  🔾 10-50% of occupiers  🔾 <10% of occupiers  (in terms of number of occupiers) |
| **PR 18.2** | Indicate if the following practises and areas are typically part of your, and/or your property managers’, occupier engagements. |
|  | ❑ Distribute a sustainability guide to occupiers  ❑ Organise occupier events focused on increasing sustainability awareness  ❑ Deliver training on energy and water efficiency  ❑ Deliver training on waste minimisation  ❑ Provide feedback on energy and water consumption and/or waste generation  ❑ Provide feedback on waste generation  ❑ Carry out occupier satisfaction surveys  ❑ Other, specify\_\_\_\_\_\_\_\_\_ |
| **PR 18.3** | Additional information.  [Optional] |
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| R 18 | **EXPLANATORY NOTES** |
| **PR 18.1** | Occupiers refer 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.  Determine the proportion based on number of occupiers. |
| **PR 18.2** | The options in this indicator are complementary to GRESB indicator Q36 in the ‘Stakeholder Engagement’ section of the 2014 GRESB survey. |
| **PR 18.3** | You may describe how your organisation, and/or property managers, engages with occupiers on ESG issues. Your description may include discussion of:   * How your organisation selects occupiers for engagements * How your organisation communicates with occupiers * How your organisation ensures that occupiers understand the sustainability attributes of the buildings and spaces they occupy * Whether partnership agreements between your organisation and occupiers to work on certain ESG issues are in place   Depending on the property type (office, retail, industrial, etc), your ability to influence and engage certain occupiers might be challenging as 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 around which property types you have invested in. |
| **LOGIC** | |
| PR 18 | This indicator will be applicable if you reported that your organisation considers ESG issues in property occupier engagements in [14.2] |
| **ASSESSMENT** | |
| **PR 18** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [18.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 19 | VOLUNTARY | ADDITONAL ASSESSED | PRI 2 |

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| PR 19 | INDICATOR |
| **PR 19.1** | 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. |
|  | 🔾 >90% of leases or MoUs  🔾 51-90% of leases or MoUs  🔾 10-50% of leases or MoUs  🔾 <10% of leases or MoUs  🔾 0% of leases or MoUs  🔾 N/A, no leases or MoUs were signed during the reporting year  (in terms of number of leases or MoUs) |
| **PR 19.2** | Additional information. |
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| PR 19 | **EXPLANATORY NOTES** |
| **PR 19.1** | Determine the proportion based on the total number of leases or MoUs signed during the reporting year. |
| **PR 19.2** | This may include a discussion of your green leases and/or MoUs |
| **LOGIC** | |
| PR 19 | This indicator will be applicable if you reported that your organisation considers ESG issues in property occupier engagements in [14.2] |
| **ASSESSMENT** | |
| **PR 19** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [19.1]. |

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| PR 19 | **DEFINITIONS** |
| **Green lease** | A green lease is a lease for a property which, 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 where 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 relation to, for example, water or energy performance. |

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| Macintosh HD:Work:PRI:PRI Chevrons for Word:PRI_Chevron_Orange.png | COMMUNITY ENGAGEMENT |

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|  | Indicator status | Purpose | Principle |
| PR 20 | VOLUNTARY | ADDITONAL ASSESSED | PRI 2 |

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| PR 20 | INDICATOR |
| **PR 20.1** | Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year. |
|  | 🔾 >90% of property assets  🔾 51-90% of property assets  🔾 10-50% of property assets  🔾 <10% of property assets  (in terms of number of property assets) |
| **PR 20.2** | Indicate if the following areas and activities are typically part of your, and/or your property managers’, community engagement. |
|  | ❑ ESG education programmes for the community  ❑ ESG enhancement programmes for public spaces  ❑ Research and networking activities focusing on ESG issues  ❑ Employment creation in communities  ❑ Supporting charities and community groups  ❑ Other, specify\_\_\_\_\_\_\_\_ |
| **PR 20.3** | Additional information. |
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| PR 20 | **EXPLANATORY NOTES** |
| **PR 20.1** | Determine the proportion based on number of property assets. |
| **PR 20.2** | The options in this indicator are complementary to GRESB indicator Q42 in the ‘Community’ section of the 2014 GRESB survey. |
| **PR 20.3** | Community engagement covers engagements with stakeholders located outside, but most often near 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.  Your description could cover how your organisation, and/or your property managers:   * Measure and monitor the impact of your community engagement programme * If your community engagements led to significant changes and to what extent you, and/or your property managers, influenced these changes   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 transparency purposes, [03] also gives you an opportunity to provide some context around which property types you have invested in. |
| **LOGIC** | |
| **PR 20** | This indicator will be applicable if you reported that your organisation considers ESG issues in community engagements related to your properties in [14.2] |
| **ASSESSMENT** | |
| **PR 20** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [20.1]. |

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| SECTION |
| Outputs and outcomes |

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|  | Indicator status | Purpose | Principle |
| PR 21 | VOLUNTARY | ADDITIONAL ASSESSED | PRI 1,2 |

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| PR 21 | INDICATOR | |
| **PR 21.1** | Indicate if your organisation measures whether your approach to ESG issues in property investments has affected financial and/or ESG performance. | |
|  | ❑ We measure whether our approach to ESG issues impacts funds’ financial performance  ❑ We measure whether our approach to ESG issues impacts funds’ ESG performance  ❑ None of the above | |
|  | Describe the impact on: | |
| **PR 21.2** | a) Funds’ financial performance | 🔾 Positive  🔾 Negative  🔾 No impact |
| c) Funds’ ESG performance | 🔾 Positive  🔾 Negative  🔾 No impact |
| **PR 21.3** | Describe how you are able to determine these outcomes | |
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| PR 21 | **EXPLANATORY NOTES** |
| **PR 21** | 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.  *Financial performance*  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.  *ESG performance*  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. This indicator is a revised version of indicator [PR 21] from the 2013-14 Reporting Framework. Because the structure has changed, prefilling is not enabled for this indicator. |
| **PR 21.2** | Describe how you measure how the impact of ESG issues on financial returns, risks and/or ESG performance. You are strongly encouraged to report on carbon benchmarking, if this is undertaken.  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 21** | Indicator [21.2] is applicable if you report that your organisation measures how ESG issues affect financial performance or ESG performance in [21.1]. |
| **ASSESSMENT** | |
| **PR 21** | Maximum score: Three ★  The assessment of this indicator is based on your responses to [21.1]. |

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|  | Indicator status | Purpose | Principle |
| PR 22 | VOLUNTARY | DESCRIPTIVE | PRI 1,3 |

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| PR 22 | INDICATOR | | | |
| **PR 22.1** | 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** |
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| **PR 22.2** | Additional information. | | | |
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| PR 22 | **EXPLANATORY NOTES** |
| **PR 22.1** | *ESG issues*  Refer to the definitions for ESG issues in the [Main definitions](http://www.unpri.org/wp-content/uploads/2013-14_PRI_RF_maindefinitions.pdf) document.  *Types of properties affected*  For example: industrial estates, retail, office, residential, leisure/hotel, etc.  *Impact (or potential impact) on the investment*  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)  *Activities undertaken to influence the investment and the outcomes*  Here you can describe your, and/or your property managers, monitoring activities and the impact of your occupier and/or community engagements.  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. |

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| **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 as less desirable for occupiers because of 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 |

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| SECTION |
| Communication |

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|  | Indicator status | Purpose | Principle |
| PR 23 | MANDATORY | CORE ASSESSED | PRI 6 |

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| PR 23 | INDICATOR | |
| **PR 23.1** | Indicate if your organisation proactively discloses ESG information on your property investments. | |
|  | 🔾 Disclose publicly, provide URL:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  🔾 Disclose to clients/beneficiaries only  🔾 No proactive disclosure to the public or to clients/beneficiaries | |
| **PR 23.2** | Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments’ ESG performance. | |
|  | ❑ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)  ❑ Other property reporting standards, specify\_\_\_\_\_\_\_\_  ❑ No property specific reporting standards are used | |
| **PR 23.3** | Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries. | |
|  | 🔾 Yes | 🔾 No |
| **PR 23.4** | Indicate the type of ESG information that your organisation proactively discloses to the public | |
| ❑ ESG information on how you select property investments  ❑ ESG information on how you monitor and manage property investments  ❑ Information on your property investments’ ESG performance  ❑ Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| **PR 23.5** | Indicate your organisation’s typical frequency of disclosing ESG information to the public. | |
| 🔾 Quarterly or more frequently  🔾 Semi annually  🔾 Annually  🔾 Every two years or less frequently  🔾 Ad-hoc, specify\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| **PR 23.6** | Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries. | |
| ❑ ESG information on how you select property investments  ❑ ESG information on how you monitor and manage property investments  ❑ Information on your property investments’ ESG performance  ❑ Other, specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| **PR 23.7** | Indicate your organisation’s typical frequency of disclosing ESG information to your clients/beneficiaries. | |
| 🔾 Quarterly or more frequently  🔾 Semi annually  🔾 Annually  🔾 Every two years or less frequently  🔾 Ad-hoc, specify\_\_\_\_\_\_\_\_\_\_\_\_\_ | |
| **PR 23.8** | Describe the type of ESG information you disclose and how your organisation proactively discloses it to the public and/or clients/beneficiaries.  [Optional] | |
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| **PR 23.9** | Additional information.  [Optional] | |
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| PR 23 | **EXPLANATORY NOTES** |
| **PR 23** | The purpose of this indicator is to allow signatories to demonstrate how widely they make information about their responsible investment activities available. Information provided to certain groups – such as pension fund beneficiaries – may in practice be in the public domain. However, deliberate reporting to the public at large is treated here as a separate category of communication.  Proactively means beyond the publication of your responses to the PRI Reporting Framework on the PRI website . This can be information on your own website (such as your PRI Reporting Framework responses), annual report, newsletter, etc. which may include the information from the PRI Reporting Framework, in full, a selection or as a link. It may also be information proactively given to clients using any form judged most appropriate. The options in this indicator are complementary to GRESB indicator Q7 in the ‘Policy & Disclosure’ section of the 2014 GRESB survey.  The content of this indicator is identical to the 2013-14 reporting period. The structure has been changed to allow better analysis of the data. |
| **PR 23.2** | This indicator aims to capture reporting using specific property standards, irrespective if these relate to a sub-set of funds or to the organisation as a whole. |
| **PR 23.8** | This may include a discussion of:   * Whether your disclosure is at the organisational level, fund by fund and/or asset level * The proportion of property assets covered by ESG reporting standards during the reporting year * Any difference in reporting frequency to clients/beneficiaries and the public * Type of disclosure in relation to pre- and post-investment activities and outcomes * The communication channels used to inform clients or the public. Please provide URL where relevant * Any situations where you do not disclose to the public because clients have proactively mandated your organisation not to |
| **LOGIC** | |
| **PR 23** | Within this indicator:   * If you report that your organisation discloses information to your clients/beneficiaries only, indicators [23.2], [23.6] and [23.7] will be applicable. * If you report that your organisation discloses information to the public, indicators [23.2], [23.3], [23.4] and [23.5] will be applicable. * If you report that the information presented to the public and clients/beneficiaries is different in indicator [23.3], indicators [23.6] and [23.7] will also be applicable, allowing you to describe the differences in approach. |
| **ASSESSMENT** | |
| **PR 23** | Maximum score: Six ★  The assessment of this indicator is based on whether information is disclosed to the public or clients/beneficiaries only, what information is disclosed and how frequently. The top score can only be achieved if information is being disclosed to the public. |