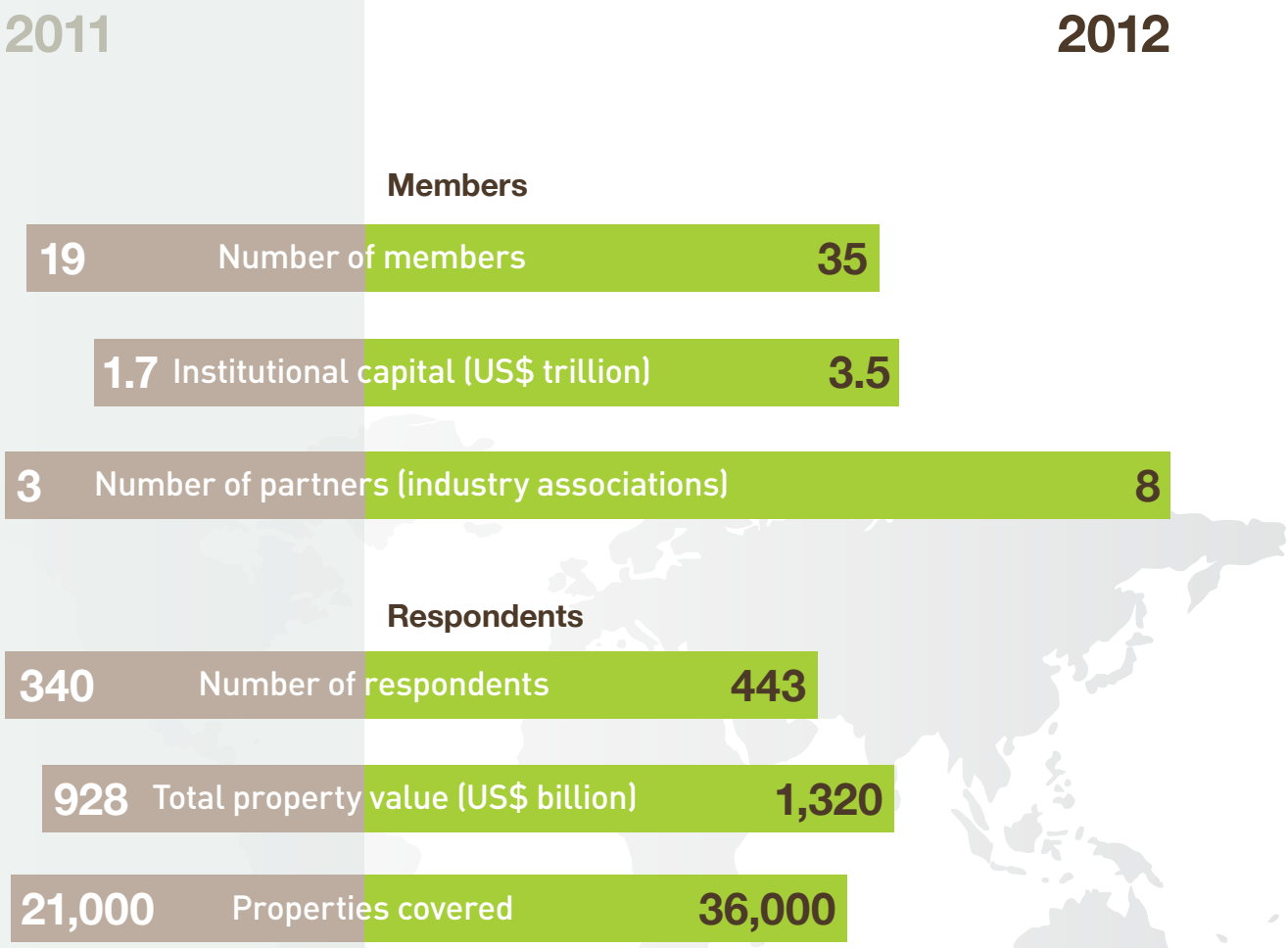


GRESB

Global Real Estate
Sustainability Benchmark

2012 GRESB REPORT

Key Figures



GRESB's mission is to enhance and protect shareholder value by evaluating and improving sustainability practices in the global real estate sector

Members

Investors and Managers



AP3 Third Swedish National Pension Fund

































































Partners

Associate Members

Support Provided By

Association of Foreign Investors in Real Estate (AFIRE)
Australian Council of Super Investors (ACSI)
ARES
British Property Federation (BPF)
Danish Property Federation
Association of Institutional Property Investors in The Netherlands (IVBN)
Property Council of Australia (PCA)
Real Property Association of Canada (REALpac)
Responsible Investment Association Australasia (RIAA)
United Nations Principles for Responsible investment (UN PRI)

GRESB Membership

The GRESB global membership includes more than 35 institutional real estate investors and investment managers, all major real estate industry associations, and a variety of solution providers (including consultants and product vendors).

GRESB Members

- **Receive** valuable insights into their portfolios' sustainability performance to identify sustainability opportunities and exposure to environmental and social risk.
- **Obtain** access to best in class solution providers to improve sustainability performance.
- **Participate** in a unique collaboration between institutional real estate inverstors, managers, industry bodies and associates and leading academics.
- **Obtain** access to numerous GRESB events and resources, including newsletters, in-depth white papers, website and online benchmark-platform.
- **Contribute** to the ongoing improvement of the benchmark survey and the scorecards.

GRESB member categories:

Members:
Institutional real estate investors, owners and managers

Partners:
Real estate and sustainability industry bodies and associations

Associate Members:
Best in class providers of sustainability-oriented products and services

About GRESB

GRESB is an industry-led organization committed to rigorous and independent evaluation of the sustainability performance of real estate portfolios. GRESB works in tandem with institutional investors and their portfolio managers to identify and implement sustainability best practices in order to enhance and protect shareholder value.

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Executive Summary

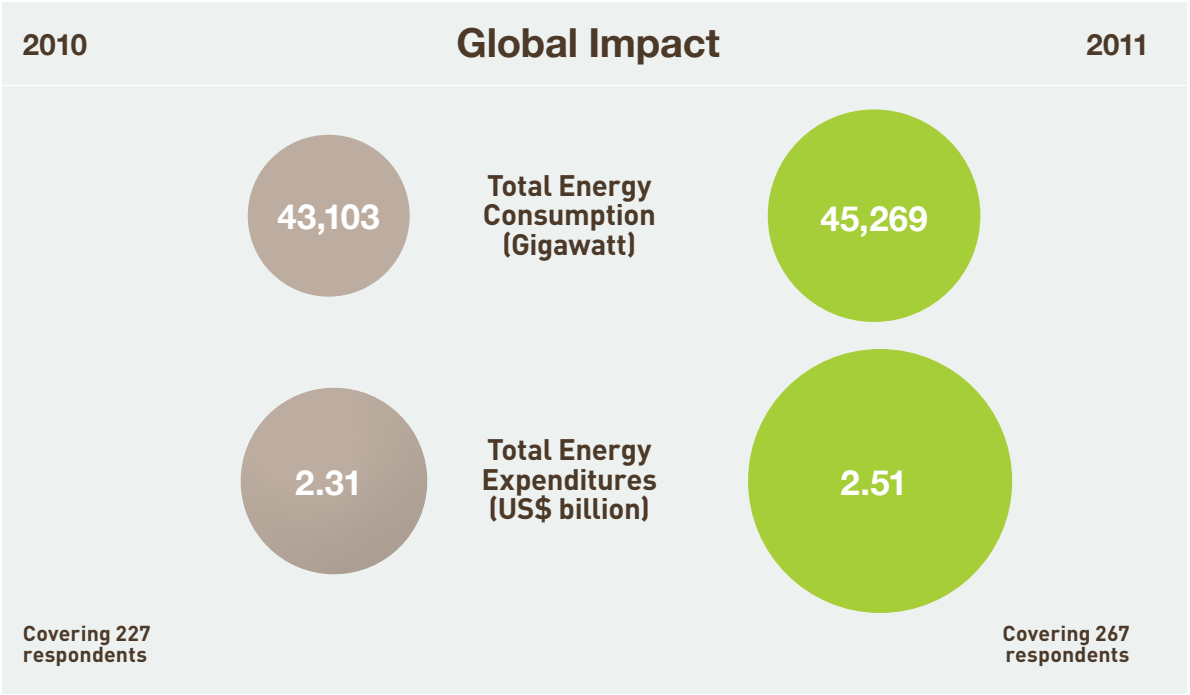
The GRESB global membership now includes more than 35 institutional real estate investors and investment managers and all major real estate industry associations.

Participation in the 2012 GRESB Survey increased by 30 percent as compared to 2011. The data represents almost 450 property companies and funds, providing aggregate information for 36,000 properties, representing US$1,320 billion in global assets under management. The Survey responses illustrate that real estate investors and managers are sharpening their focus on sustainability issues. Key trends observed in GRESB's analysis of the Survey data include:

- **60 percent of the respondents collect and report energy consumption data, as compared to just 34 percent in 2011;**
- **The energy consumption reported by GRESB respondents is now over 45,000 GW and energy expenditures equal US$2.5 billion. These figures exclude tenant obtained energy consumption, which means the total impact of the commercial real estate industry is even higher;**
- **On a like-for-like basis, the GHG emissions of 171 property companies and funds decreased by 6 percent. In absolute terms, this is a reduction of 432,000 metric tons of CO2, which is equivalent to removing 85,000 cars from the road;**
- **Green building certification is becoming more prevalent, with 51 percent of the respondents including green building certificates in their portfolio, of which LEED certification is most widely adopted.**

However, the GRESB data shows there are several areas where property companies and funds can make substantial improvements, including:

- **40 percent of the property companies and funds are still considered "Green Starters," with limited disclosure of sustainability performance towards the investment community. This represents substantial upside potential in reducing operational costs;**
- **Portfolio coverage of energy data is still limited. 52 percent of respondents have data for less than 10 percent of their portfolio. Measuring tenant-obtained energy remains a challenge, with less than 8 percent of respondents collecting such information.**



Preface

In the subdued economic recovery, investors, property companies and managers are intensifying their focus on long-term strategies to increase and maintain property values. We are pleased to be Partners with GRESB, which serves that goal by providing a global standard for assessing, monitoring and improving the sustainability performance of real estate portfolios, an effort which is increasingly being proven to enhance and protect property values.

A significant number of our collective members participated in the 2012 GRESB Survey, the results of which are summarized in this Report. As the real estate industry's participation in its annual Survey increases, GRESB's Report provides a compelling profile of how the real estate industry is making progress to create a more sustainable and desirable environment for tenants which, in turn, will enhance value for investors and shareholders.

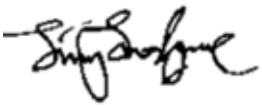
Going forward, GRESB is committed to not only quantifying the real estate industry's sustainability efforts, but also being an active partner with each of our Associations to determine how to best evaluate and implement sustainability solutions. In the coming years, we will be working with GRESB in engaging our members to further benchmark sustainability gains, as well as to actively implement best practice, profitable sustainability solutions.

We anticipate that you will find the following GRESB Report to be as informative and enlightening as we did, not only as a reflection of where we stand today, but also as a guidepost for the road ahead.

Sincerely,



Nicholas Loup
Chairman, ANREV



Lim Swe Guan
Chairman, APREA



David Atkins
Chairman, EPRA



Patrick Kanters
Chairman, INREV



Donald C Wood
Chairman, NAREIT



Ted Eliopoulos
Chairman, PREA

Introduction

The Relevance of Sustainability for Real Estate Investors

The summer heat waves in North America and Europe are timely reminders of mankind's dependence on energy to provide a comfortable environment in the buildings in which we work and live, and the accompanying importance of energy efficiency. Several governments have recently voted into law legislation that affects the impact of buildings' resource consumption and carbon emissions. The CRC Energy Efficiency Scheme in the United Kingdom and, indirectly, the carbon pricing scheme in Australia, are measures that increase the cost of energy, whereas mandatory disclosure in Europe, Australia and several US cities aims to encourage investment in energy improvements through market efficiency, as occupants, and ultimately landlords, will face increased operational expenses in less efficient buildings.

Whether due to legislation or market pressures, institutional real estate investors have started to take an active stance towards integrating information on the sustainability of buildings and portfolios into the underwriting of new investments and the operation of existing holdings. This activity is not being driven by a desire to create responsible investments, but rather by the positive influence that sustainability factors have on both risk and return of real estate companies and funds.

As real estate owners have started to state explicit investment beliefs on the integration and implementation of sustainability into their portfolios, the main barrier for investors is often just that – the implementation. Many institutional investors have no direct leverage over the buildings they own, but they do have discretion over the property companies and investment managers they select. As the evidence mounts regarding the improved performance that implementing sustainability measures provides, an increasing number of real estate investors will select the property companies, investment managers and funds that have taken seriously the implementation of sustainability measures into the organization and the operation of property portfolios.

Sustainability and the Financial Performance of REITs

There is now comprehensive understanding of the effects of energy efficiency on the income returns of direct real estate, but until recently it had been unclear to what extent the improved income in more efficient properties is offset by the marginal investment cost. A recent research paper ("Portfolio Greenness and the Financial Performance of REITs" by Eichholtz, Kok and Yonder) investigates the financial implications of energy efficiency and sustainability in the commercial property sector for Real Estate Investment Trusts (REITs) and their investors.

Importantly, the paper documents that the investment performance of REITs, as measured by three measures of operating performance – return on assets, return on equity and the ratio of funds from operations to total revenue - is positively related to the adoption of Energy Star and LEED certification in REIT portfolios. The paper also documents that there is no significant relationship between the relative sustainability of real estate portfolios and abnormal stock returns, suggesting that stock prices already reflect the higher cash flows derived from investments in more energy efficient properties. However, REITs with a greater percentage of efficient, sustainable properties display significantly lower market betas. This finding is explained by the fact that "green" properties may be less exposed to business cycle volatility and may be less prone to occupancy risks.

REIT portfolios with more efficient properties thus have higher risk-adjusted returns, suggesting that the benefits of investments in "greening" properties outweigh the costs.

KEY FACT

Research shows that REITs with a higher fraction of "green" properties display significantly lower market betas.

The 2012 GRESB Survey & Report

The GRESB Survey provides focus and direction for the real estate sector by benchmarking sustainability performance, which can generate and further strengthen the market forces needed for a reduction in resource consumption. Using data derived from the Survey, the GRESB Report provides a collective overview of the aggregate sustainability activities and trends in the global real estate arena. In addition, GRESB members who are institutional investors have access to a database with Survey information specifically regarding their investments in listed property companies and private funds. This data provides a base for informed discussions with their real estate investment managers regarding the sustainability of existing investments as well as setting parameters for new investments.

To assess and reflect the sustainability performance of an institutional investor's real estate allocation, the GRESB Survey is the only sustainability benchmark that captures almost 50 data points measuring sustainability, including environmental and social factors. These metrics are divided between seven sub-aspects within the environmental and social dimensions, with an additional category added for property companies and funds with development activities, which is not included in the total GRESB score.

The data collected includes environmental performance indicators, such as energy consumption, GHG emissions, water consumption and waste, but the GRESB Survey goes beyond those parameters. For some property companies and funds, environmental performance indicators are less relevant or may be hard to obtain, whereas sustainability processes and practices, such as policies, risk assessments and social indicators (e.g. tenant engagement) are relevant for nearly all property companies and funds.

"The data collected by GRESB provides investors with more transparency in the sustainability performance of their allocation to real estate, stimulating market efficiency."

NILS KOK, EXECUTIVE DIRECTOR, GRESB

Most importantly, the benchmarks set by the GRESB Survey are designed to highlight reduced operational expenditures that are driven by improved sustainability practices. This methodology is intended to illustrate not only the mitigation of climate change or other environmental threats, but also the accompanying reduced risk and improved financial performance of real estate investments.

Data Collection & Verification

In 2011, GRESB introduced an online, secure platform to collect Survey data. This platform provides enhanced features such as the ability to store data and return to the platform at any point in time, and the ability to view and print the answers provided for internal verification.

Requests to participate in the GRESB Survey are always first distributed via the main industry associations in each region, and separate requests to respond to the GRESB Survey are sent out by institutional investors that are GRESB members. The active approach of investors contacting the private funds and listed companies in which they invest warrants a higher and more unbiased response rate.

Respondents completing the survey are supported by a specific guidance document, to make sure accurate and comparable data is submitted. Additional guidance is provided via a dedicated help desk assisting respondents in explaining individual questions and solving IT-related issues.

Data are fully self-reported, with some respondents relying on independent third parties to collect information on sustainability indicators. Before submitting the Survey, respondents have to confirm that "all statements made in the GRESB Survey are true and accurate to the respondent's best knowledge and belief." Given the dependence of respondents on the capital market and the data request stemming from providers of equity capital to the industry, the pressure to report data should lead to accurate results, but GRESB takes additional steps to make sure that high-quality data is collected.

Data Verification and Analysis

Step 1: Accurate data is provided via online portal

- Shareholders' request to disclose performance
- Guidance is provided by GRESB (documents, help desk)
- Internal sign-off on data accuracy by respondents
- Data verification/assurance by third parties is valued additionally in scoring

Step 2: Extensive data verification process

- Outlier analysis and a randomized check performed by GRESB, assisted by Maastricht University
- Additional verification on open questions and provided documents
- Respondents asked to provide additional assurance or to further explain response

Step 3: Tailored comparison of different property types

- Include scoring per property type to incorporate sector differences
- Benchmark performance and scores with appropiate peer group
- Benchmark on most granular level possible (e.g. same country and property type)

To further enhance consistency and completeness of data, and to resolve possible ambiguities, GRESB reviews all data provided and directly contacts respondents to obtain clarification, if needed. The additional explanation and verification on submitted data ensures that complete and correct information is considered in the scoring process and the publication of results. Data that is ambiguous or does not adhere to the strict standards of GRESB is not incorporated into the final scoring of the individual respondents.

KEY FACT

Over 40 data points are manually verified on content and accuracy.

Methodology & Scoring

The proven and rigorous benchmarking framework of GRESB involves scoring individual questions, with scores for each question based on their relevance to investors. In 2012, refinements were made to take into account the unique differences within the real estate industry, for example in the maturity of sustainability, the level of implementation, and the possibility to measure and improve sustainability performance. The result is tailored scoring per property type for a select number of questions.

The GRESB Survey is divided into seven unique aspects of sustainability. An additional aspect is added for respondents with property development activities, but this is not part of the GRESB score as not all respondents have in-house development activities. The scores for the seven aspects are added up to generate the total GRESB score, which is expressed as a percentage of the maximum score. The total GRESB score is further divided into two dimensions: Management & Policy (MP), which has a weight of about one-third, and Implementation & Measurement (IM), which is about two-thirds of the total score. Each individual question is allocated to one of the dimensions, and the scores on MP and IM are reflected as a percentage of the total score.

Compared to 2011, the GRESB Scoring & Methodology has been slightly modified. First, Strategy & Analysis has been renamed Risks & Opportunities, which is more closely aligned with the content of the Survey questions for that aspect. Second, the weight for Performance Indicators has decreased from 37 percent to 25 percent. This change reflects the difficulty faced by landlords in collecting and reporting appropriate data on energy consumption, GHG emissions, water consumption and waste management.

GRESB Dimensions	Weights
Management & Policy	34%
Implementation & Measurement	66%

Sustainability Aspects	Weights
1. Management & Strategy	13%
2. Policy & Disclosure	9%
3. Risk & Opportunities	15%
4. Environmental Management Systems	11%
5. Performance Indicators	25%
6. Building Certifications	11%
7. Social Factors	16%
8. New Developments	0%

GRESB Scoring Synopsis

The scoring of individual questions in the GRESB Survey is based on the relevance of the topic to investors.

A selection of questions is scored based on a respondent's primary property type. As such, GRESB takes into account the unique characteristics of a property type not only in benchmarking, but also in the scoring of each Survey.

GRESB provides an in-depth Scoring document via the online data portal, accessible to each respondent. The Scoring document details the relevance of each answer, providing direction for best practices in implementing sustainability.

Details regarding Methodology and Scoring are available via the online Survey Portal.

Global Survey Results

Response Rate

GRESB's goal is to both improve the transparency of firms' sustainability reporting as well as their performance. The measure of success for the former is the response rate to the 2012 GRESB Survey. This year almost 450 listed companies and private funds completed the Survey which, compared to 2011, is a 30 percent increase in the response rate. The total coverage of the Survey is now US$ 1,320 billion in assets under management.

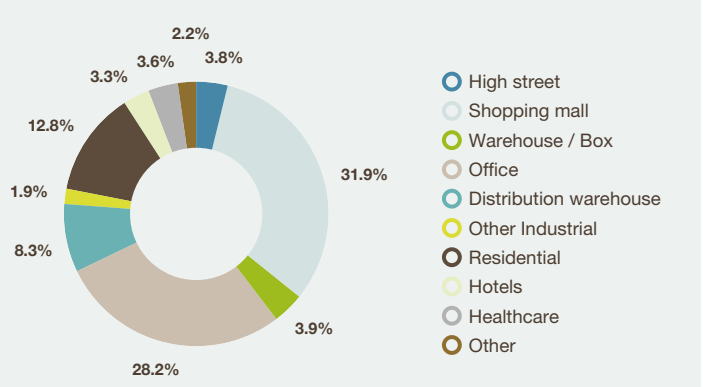
A significant reason for the increased response rate stems from participation in the United States and Canada. The number of responding listed property companies (REITs) more than doubled and the number of private funds increased by 33 percent. The market coverage of the FTSE/NAREIT Index is approximately 44 percent in North America. The response rate in Europe has increased as well, with the inclusion of seven more listed property companies and 40 more private funds. The response rate in Asia remained stable, whereas the response in Oceania inched up further to 42, now including the vast majority of listed property companies.

The coverage by property type shows that the largest property sectors included in the GRESB database are offices (28 percent), shopping malls (32 percent) and residential (13 percent).

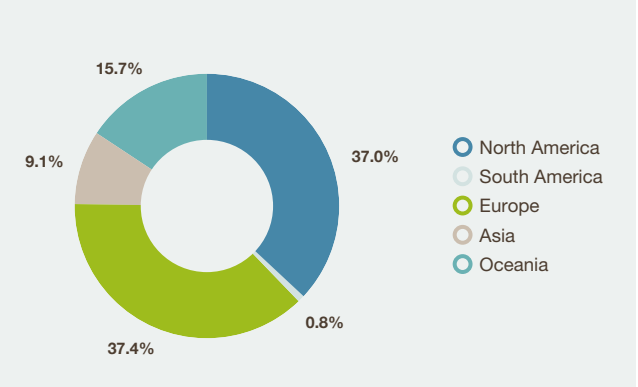
Response Overview	Number of Respondents	Market Coverage (value-weighted)*	Gross Asset Value ($ billion)
North America	31	44%	251,919
Europe	40	65%	214,301
Asia	14	11%	47,747
Oceania	10	75%	151,846
Listed Total	**95**		**665,812**
North America	63		261,779
South America	6		1,779
Europe	211		252,346
Asia	36		60,702
Oceania	32		80,083
Private Total	**348**		**656,689**
Grand Total	**443**		**1,322,501**

**based on the FTSE EPRA/NAREIT market index.*

Response by Property Type (based on GAV)



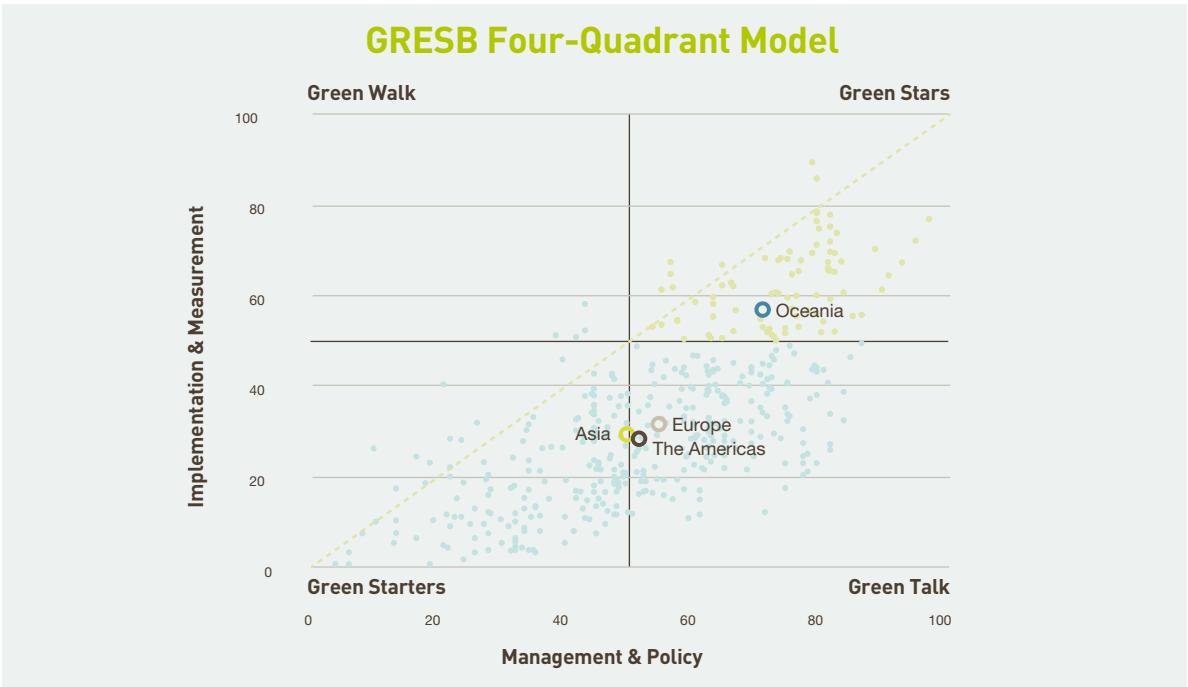
Response by Region (based on GAV)



The GRESB Four-Quadrant Model

The GRESB four-quadrant model of sustainability performance provides an overview of the global sustainability performance of property companies and funds, and provides each respondent with a rating designation based on its data submission. For every Survey respondent, the model shows the percentage scores on issues related to Management & Policy and Implementation & Measurement. The four quadrants illustrate the position that a respondent has on the adoption of both dimensions:

- **Green Starters:** Have started to develop some sustainability policies, but show limited organizational focus. Environmental initiatives are not yet fully implemented and measured across the entire portfolio. No comprehensive measurement of environmental key performance indicators.
- **Green Talk:** Dedicated resources for sustainability management, comprehensive external reporting, sustainability implementation plans have been developed. More attention should be given towards the implementation and measurement of these action plans.
- **Green Walk:** Integration of sustainability policies and measurement of environmental key performance indicators, but limited reporting, and a lack of formal policies and procedures. External stakeholders expect a stronger focus on transparency.
- **Green Stars:** Integrated organizational approach towards measurement and management of environmental key performance indicators. Steering on reduction of resource consumption, and innovation in measures beyond energy efficiency (e.g., productivity, tenant behaviour).



The overarching conclusions of the 2012 GRESB Survey demonstrate substantial upside potential for improved sustainability performance among property companies and funds, with outstanding performance by a select number of global leaders and moderate performance for the majority. However, there is a noticeable shift to Green Starters moving towards Green Talk. In 2011, 55 percent of respondents were considered to be Green Starters, compared to 40 percent in 2012. Many of the Starters from 2011 moved on to Green Talk. At 82, the number of Green Stars is approximately 20 percent of the total number of respondents and nearly the same as in 2011.

ASPECTS

Management

Dedicated Expertise Commonplace

Implementing sustainability policies and practices requires devotion of senior management and sustainability experts. The Survey results show that almost 90 percent of respondents have a dedicated resource, either part or full time responsible for implementing their sustainability strategy. However, that resource does not necessarily have to be available in-house. Approximately a quarter of private fund respondents outsource the task to consultants or external managing agents, as compared to just 10 percent of listed companies.

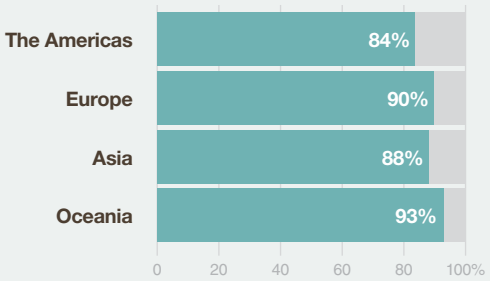
"We are committed to reducing the impact of our property portfolio through environmental good practice and its applications, including our acquisition, development and management activities."

VISION FROM A GRESB SURVEY RESPONDENT

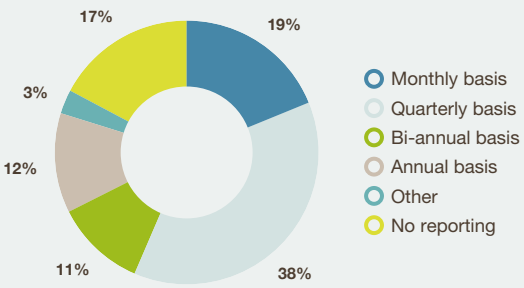
Besides in-house or external sustainability expertise, the commitment of senior management in sustainability policy and implementation is essential, since their authority and influence set an organization's general direction. According to Survey results, 70 percent of organizations put the ultimate responsibility for sustainability issues at the senior management level, while 7 percent report no involvement of senior management. In addition, frequent updates on sustainability performance help senior management in more accurate and faster decision-making. Data provided by respondents show that more than half of the respondents provide senior management with updates on sustainability on at least a quarterly basis. However, 12 percent of respondents update senior management only annually on sustainability issues and 17 percent provide no updates.

To achieve optimal sustainability performance and operational cost savings, a property company or fund needs to develop a vision and strategy on goals and targets, not unlike the development of a vision and strategy for the day-to-day business. The Survey results show that some 80 percent of respondents have an articulated vision or strategy on sustainability, although there is a wide variation in depth and quality of these statements.

Dedicated in-house resources for implementing the sustainability strategy



Frequency of reporting on sustainability to highest management body



ASPECTS

Policy & Disclosure

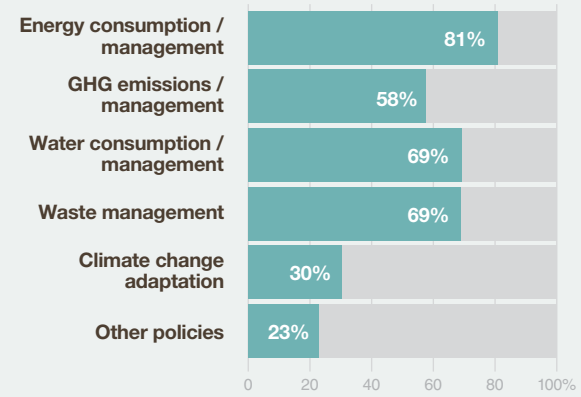
Substantial Increase in Transparency

With dedicated resources in place, the real estate industry is focusing on developing and implementing sustainability policies, with the aim to influence day-to-day operations, as well as to set overall portfolio targets. The Survey results show that, at 81 percent, energy consumption is the main policy focus, representing a slight increase from 2011 when it was 75 percent. 69 percent of respondents have policies in place regarding water consumption and waste management. Other policies include climate change adaptation (30 percent) and biodiversity (5 percent). It is interesting to note that 15 percent of respondents have no sustainability policies in place.

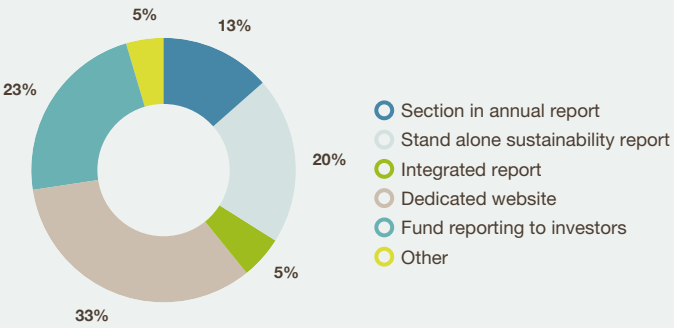
The disclosure of sustainability policies, strategy and performance to stakeholders is essential, as investors have the ultimate say over their assets' management. Over 150 respondents (35 percent) provided stakeholders with a corporate social responsibility or sustainability report. 5 percent communicated sustainability performance using an integrated report, in which financial and sustainability reporting are combined. A dedicated section on their corporate website, the most basic form of disclosure, is in place for the majority of respondents. There is, however, substantial variation in the level of information provided online, ranging from real-time energy monitoring to a basic statement on the corporate view on sustainability.

There is a noteworthy difference in the transparency on sustainability disclosure between listed companies and private funds. 51 percent of listed companies provide sustainability performance updates in their annual report, as compared to 16 percent of privately managed funds. 75 percent of listed companies have a dedicated website sustainability section, as compared to 53 percent of private funds. However, in line with their private nature, 46 percent of the non-listed funds directly inform investors by specific fund reporting on sustainability related issues.

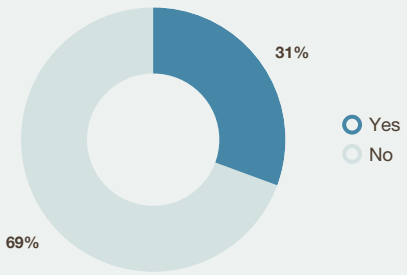
Policy in place for



Sustainability performance is reported via



Repondents using GRI framework



GRESB and GRI Collaborate to Standardize Sustainability Reporting

The Global Reporting Initiative (GRI) issues a comprehensive sustainability reporting framework that is widely used globally, enabling standardization in organizational transparency. The GRI Construction and Real Estate Sector Supplement (GRI CRESS), was launched on September 22, 2011, providing a tailored version of GRI's Sustainability Reporting Guidelines.

GRESB and GRI's collaboration advances responsible business practices and endeavours to make reporting on environmental, governance and social performance in the global real estate sector as routine and comparable as financial reporting. The goal of the partnership is to make the real estate sector among the top-three industries with the highest disclosure on sustainability reporting within three years. Results from the 2012 GRESB Survey show that over 30 percent of respondents use the GRI guidelines to disclose sustainability performance, however only a small fraction of these respondents have an actual GRI report.

Global Reporting Initiative™

ASPECTS

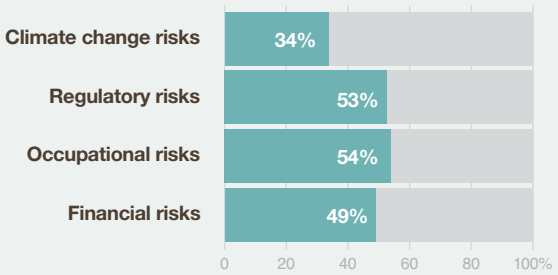
Risks & Opportunities

Limited Focus on Sustainability Risk Assessments

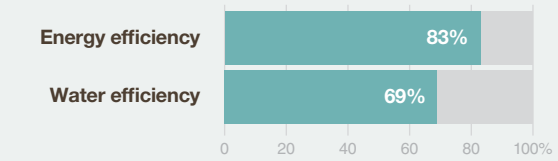
The impact of sustainability on portfolio performance can be viewed both as an opportunity to increase returns, but also as a threat, increasing risks. The UK's recent Energy Act 2011 is an example of the risk side. From April 2018 it will be unlawful to rent out a residential or commercial building that does not reach a minimum energy performance certificate rating (EPC) of "E". To stay abreast of climate change, legislation and other sustainability risks, regular property and portfolio assessments are needed to prepare for impending changes. The Survey results show that occupational and regulatory risks are assessed by the majority of respondents. However, climate change risks are not yet fully incorporated, with just 34 percent of respondents assessing potential risks. In terms of risk assessment the majority of respondents focus on flood risk, although some are strategically re-thinking their acquisition and disposition decisions based on the potential impact of climate change.

Besides the broader sustainability risk assessment, evaluating the energy performance of individual buildings is critical to reap operational cost savings. 85 percent of respondents have assessed the energy performance of standing investments using a variety of methods that range from a review by internal employees (67 percent) to an external audit (15 percent). Energy efficiency (83 percent of respondents) and water programs (69 percent of respondents) are the most prevalent, although the portfolio coverage of such programs is often still limited to just a small fraction of the portfolio.

Risk assessments performed for



Efficiency program implemented for



Industry Best Practices

Nearly 200 best practice solutions were submitted to the 2012 GRESB Survey. Solutions range from replacing inefficient lighting and implementing smart meters to deep retrofits and renewable energy programs. Many investment solutions do not need substantial investments and have a short payback period. There are still many opportunities to pick the low hanging fruit in sustainability performance. GRESB will publish a Best Practices Report at the end of 2012, based on the input provided by respondents. Associate Members will provide technical details to practical, real life cases, with the aim to accelerate the implementation of sustainability solutions.

KEY FACT

Almost 200 respondents shared best practices with GRESB.

ASPECTS

Environmental Management Systems

EMS Implementation Drives Reduction of Energy Consumption

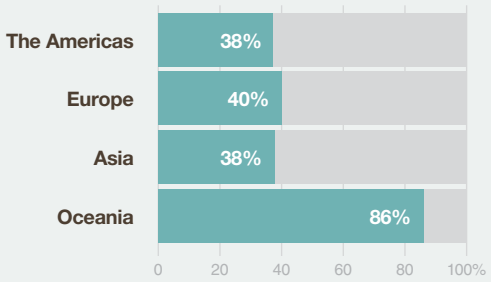
An Environmental Management System (EMS) provides the ability to monitor sustainability data, to review systems and to more accurately manage sustainability performance at the asset level. According to the Survey results, EMS are not yet commonplace, with just over 40 percent of respondents indicating that an EMS is in place at the asset level, with most of those located in Australia. 88 percent of Green Stars have an EMS, while only 34 percent of non-Green Stars do.

An EMS is not necessarily limited to managing energy consumption. Respondents' EMS capabilities include energy (23 percent) and water (20 percent), but the data also shows monitoring of health (12 percent) and business travel (6 percent), with a small percentage managing biodiversity and refrigerants.

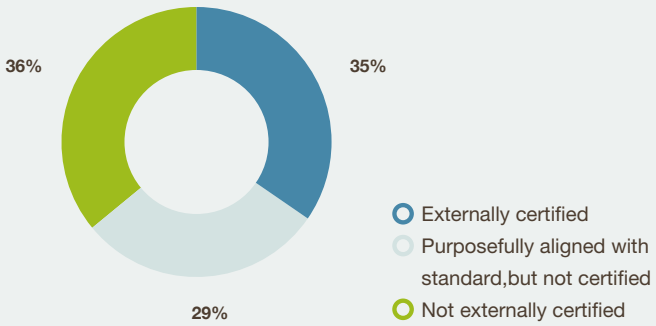
External certification or verification of an EMS provides more certainty around the accuracy of collected data. Of those respondents with an EMS in place, about a third has been externally verified by ISO, EMAS or another internationally recognized standard. Another 29 percent have been purposefully aligned with an international standard, whereas 36 percent have not been externally verified.

Most importantly, respondents with an EMS not only collect data more accurately and completely, but also reduced their 2011 energy consumption by 6.7 percent (on a like-for-like basis) which is substantially higher compared to peers without an EMS in place.

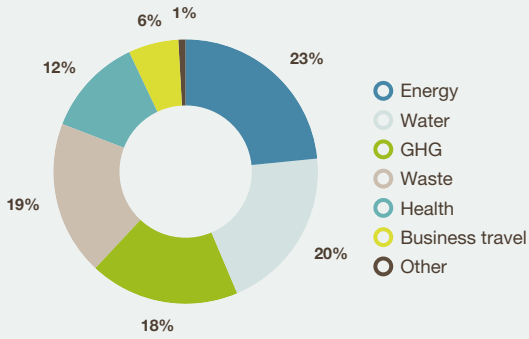
Environmental Management System (EMS) in place



Certification of EMS



Most common issues covered by the EMS



ASPECTS

Performance Indicators

What Gets Measured, Gets Managed

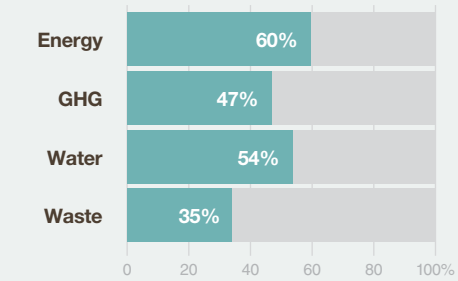
Developing and implementing sustainability policies and strategies should ultimately lead to more accurately measuring and more optimally managing assets' operational performance. In the Survey, the highest valued aspect is the section on performance indicators, measured by three elements: coverage of absolute data measurements; changes in like-for-like consumption; and target setting. Comparisons are made between funds within sectors to account for differences in lease contracts (full gross versus triple net) and ease of data collection.

Survey results show that almost 60 percent of respondents collect and report data on energy consumption, a significant increase relative to last year when 34 percent of respondents provided meaningful data. Clearly, the industry is taking significant steps towards energy efficiency. However, obtaining energy data for their full portfolio of buildings is still a struggle for many respondents, with 66 percent reporting on less than 50 percent of the portfolio.

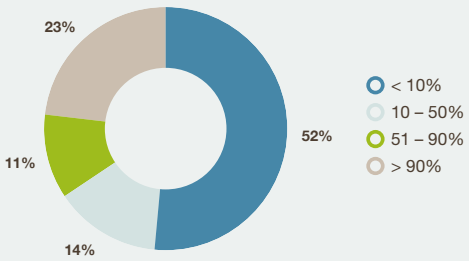
Regarding the collection of whole building energy data, information on tenant-obtained energy use is available for just 8 percent of respondents. Many tenants are reluctant to share data on their energy consumption, and moreover, landlords are often restricted by regulation in obtaining such data.

Collecting environmental indicators helps to improve the sustainability performance of real estate portfolios.

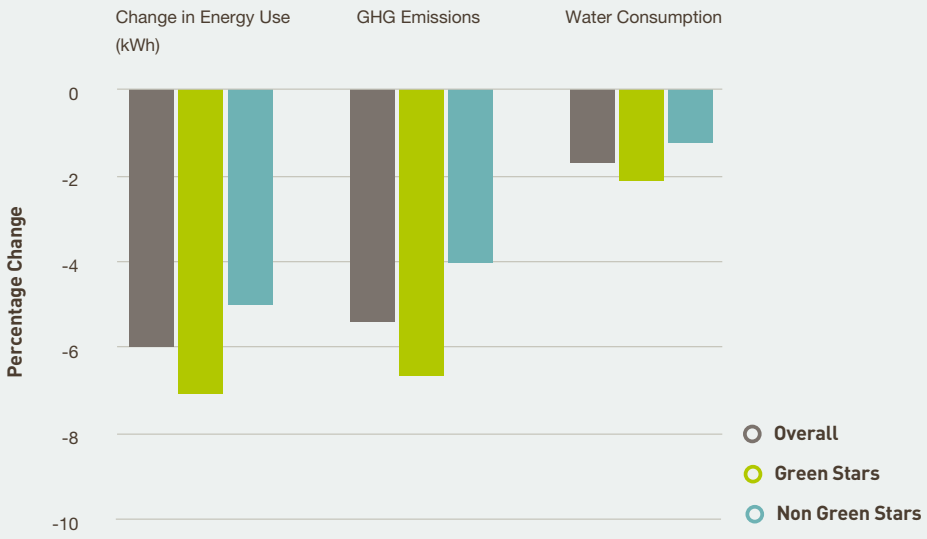
Respondents collecting data on



Data coverage energy consumption (based on whole portfolio)



Global Environmental Performance (2010–2011)*



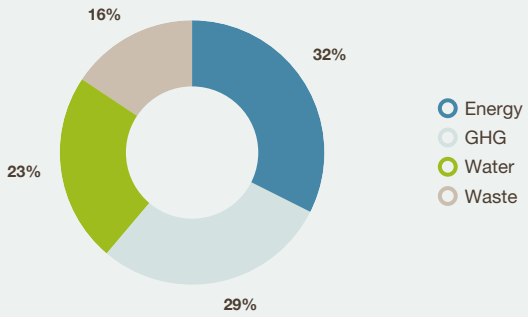
* based on like-for-like data of 171 Survey respondents

"While we do not control energy use in our portfolio of triple-net leased buildings, we can influence it."

FROM A GRESB SURVEY RESPONDENT

To structurally reduce energy and water consumption, GHG emissions and waste to landfill, it is imperative to set performance targets. These goals can be applied to staff and external property managers alike and used as a performance benchmark both to develop action plans and evaluate progress against them. Among the respondents in the GRESB database, 32 percent have developed performance targets focused mainly on energy consumption reduction, ranging from short-term annual targets of 1 to 5 percent reductions, to 15 to 20 year targets with an aim to reduce energy consumption by 50 percent.

Target focused on



Exemplary reduction targets and achievements

Investa Property Group

Has achieved significant savings since 2004

- *A 31 percent reduction in greenhouse gas emissions ($kgCO_2$-e/m^2);*
- *A 30 percent reduction in electricity use (kWh/m^2);*
- *Annual cost-savings of > AUS$7 million, coupled with revenue and valuation uplift.*

To achieve these improvements, Investa has employed a range of technological and management innovations across its property portfolio including:

- *The installation of web-accessible sub-metering and associated operational management programs;*
- *Focused capital expenditure upgrades with a 'holistic' approach to analysing investment returns – not just simple payback calculations, but taking into account energy price models, cost of capital and intangible factors (such as tenant demand)*

Over the past 12 months Investa has redoubled its focus on the potential for building operators to cut energy use from building operations. Investa is using an 'action-learning' framework that blends the provision of simple, timely and actionable energy use feedback with a people-centred program that helps motivate and inform the building operators. Early indications are that the "Pulse" approach (as it's known) is adding an additional 6-8% improvement to the figures already achieved and tenants have never been happier.

Craig Roussac
General Manager | Sustainability, Safety and Environment

Hermes Real Estate Investment Management Ltd.

Sets carbon reduction target of 40%

As part of its responsible property investment programme, Hermes Real Estate has set itself a public target to reduce by 40 percent the carbon emissions from its standing real estate portfolio by 2020 compared to 2006. This long term corporate target reflects the economy wide targets necessary to seriously tackle climate change risks. Hermes also has a year on year management target of 5 percent reduction in carbon emissions on a like for like basis.

By 2012 Hermes has already achieved its 40 percent reduction target. This reflects equally the commitment of its team, the result of its active asset management, as well as its refurbishments strategy and a selective churn in its portfolio. It shows evidence that a cultural change is taking place within the real estate market and its practitioners. Demonstrating that to deliver real sustainability performance, responsible property investment must now both become embedded in real estate managers' thinking and enshrined within their investment process.

As part of Hermes' active asset management, property and asset managers have the responsibility to comply with strict minimum sustainability requirements. They are supported in their actions by a range of dedicated tools and procedures. In 2008, to better engage with its occupiers, Hermes introduced green leases. Its standard acquisition due diligence screening process includes a sustainability risk assessment. Its development and refurbishment strategy incorporates clear minimum sustainability requirements that must be delivered by its development teams.

Tatiana Bosteels
Head Responsible Property Investment

ASPECTS

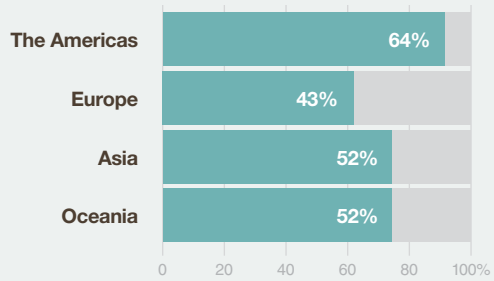
Building Certifications

Certification Prevalent in Most Portfolios

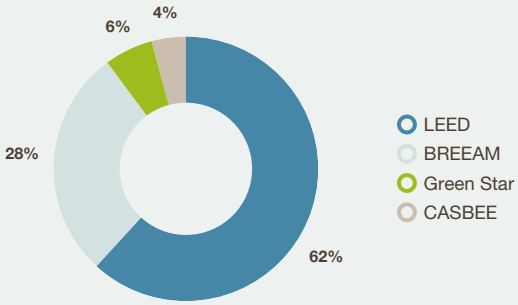
The energy efficiency of a property is difficult to observe. Building certification provides tenants and investors with information on a property's energy efficiency or sustainability. Green building certification reinforces market transparency and has a direct impact on the bottom line. In the Americas, 64 percent of respondents are using a green designation to certify their properties. In the GRESB database, LEED is the most prevalent certification, followed by BREEAM (primarily UK) and Green Star (primarily Australia). The significant difference in market penetration can be explained by the ability to obtain LEED certification for an existing property, and its significant global penetration, with more LEED certified buildings located outside than inside the US.

As opposed to green building certificates, energy performance certificates provide an assessment purely focused on energy consumption, sometimes including practical measures that can be implemented to improve energy consumption and reduce costs. Given the mandatory disclosure of energy performance certificates in many jurisdictions, the adoption rate is high, with 72 percent of GRESB respondents using nationally recognized certification schemes.

Green building certifications in portfolio



Most commonly used green building certifications

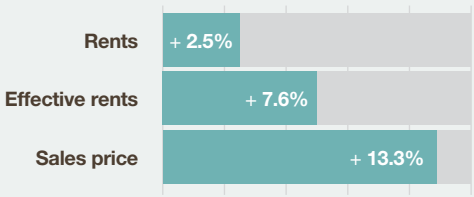


The Economics of Green Building

Results published recently in the paper "The Economics of Green Building" (Eichholtz, Kok and Quigley), illustrate that labels attesting to energy efficiency and/or sustainability are capitalized into rents and asset values of commercial office properties in the US.

The paper exploits the US commercial property market as a laboratory, enabled by the widespread availability of data on leases and transaction prices, combined with the standing presence of the Energy Star label and the USGBC's LEED label. Using sophisticated matching techniques to ensure comparability between green properties and those that are used as comparables, the results show that office buildings with green certification or those certified as energy efficient command significantly higher rents, higher and less volatile occupancy rates, and higher selling prices. A label per se does not add value to a property, but the variation in rents and prices is ultimately determined by the underlying efficiency or greenness of a property. Also, green value is determined by more than operational cost savings alone – reputational effects, indoor environmental quality and other factors related to "green" may also play a role.

Performance Differences LEED / Energy Star versus conventional properties



ASPECTS

Social Factors

Substantial Upside Potential in Tenant Engagement

Improving the sustainability performance of a real estate portfolio requires not just dedicated resources, a commitment from senior management and measurement/management tools, but also entails the cooperation of other stakeholders, including employees, local communities and, most importantly, tenants.

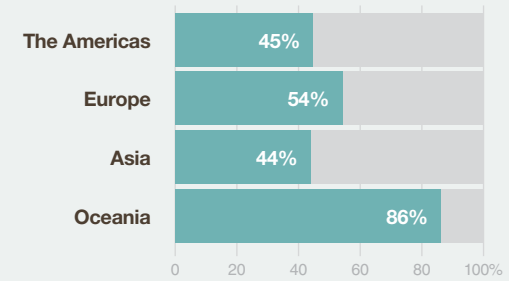
Once the low-hanging fruit of building performance optimization has been picked, further reducing a property's environmental impact means either making capital expenditures and/or changing the behavior of the occupants. Importantly, tenant engagement is a proven and useful way to strengthen landlord-tenant relationships. The GRESB Survey results show that tenant engagement on sustainability factors is common in Australia and New Zealand, where almost 90 percent of the respondents are actively working with tenants. The percentage is substantially lower in Asia and the Americas at about 45 percent, and in Europe at 54 percent. Given the negligible cost of tenant engagement and the substantial upside potential, not only in operational efficiencies, but also in tenant retention, many property companies and investment managers still have fertile ground for improvement.

In addition, the Survey data shows that green leases are becoming more prevalent. Green leases prescribe landlords and tenants to cooperate and be transparent in resource consumption with the objective to improve a building's overall performance. Face to face meetings with tenants as a form of tenant engagement are used by 35 percent of respondents, and a small number have started to implement health and well-being improvement programs in addition to publishing newsletters and holding social events.

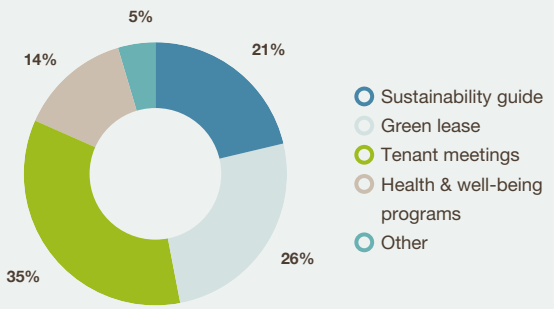
Pushing The Supply Chain

The supply chain can have a large influence on the overall environmental impact of real estate portfolios. Over 65 percent of respondents have developed a sustainability policy for external suppliers and/or service providers. 55 percent of respondents integrate sustainability criteria into contracts with external suppliers. Monitoring whether suppliers respect the criteria is monitored in several ways with the most frequently used form of monitoring the arranging of regular meetings (for 41 percent of respondents) and demanding update reports from suppliers (for 25 percent of respondents). Audits by external consultants, which are considered a best practice, are implemented by a mere 11 percent of the respondents.

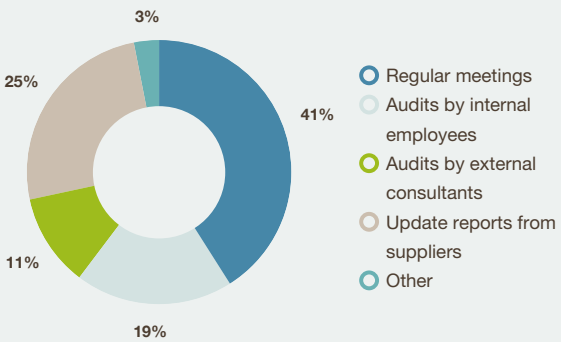
Tenant engagement program in place



Most commonly used tenant engagement program



Monitor suppliers and/or service providers on compliance with sustainability criteria via



ASPECTS

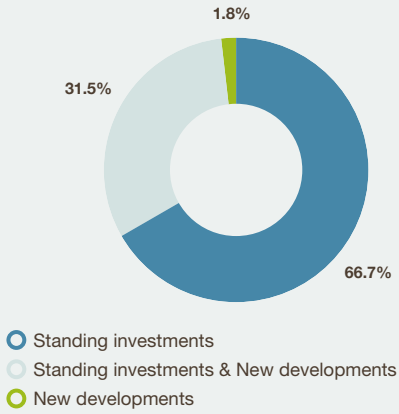
New Developments

Health and Safety Monitoring Needs Improvement

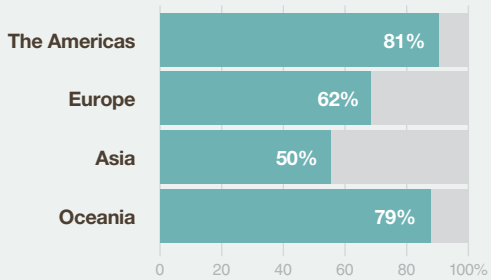
In 2012, a benchmark has been developed specifically for the New Development aspect, in which the sustainability performance of new development portfolios are compared within their peer group. Almost 150 of respondents have a development pipeline, of which 8 exclusively focus on new construction, mainly located in emerging markets like Brazil and India. The leading new development fund in the 2012 GRESB Survey is the Brazil Fund, L.P. managed by Tishman Speyer.

Green building ratings that provide direction for architects and construction companies are now frequently used for new developments to minimize the environmental impact from construction, as well as to reduce the impact of future operations. Green ratings are used for about 80 percent of respondents' new construction finished in 2011 in the Americas and Oceania, whereas the percents are slightly lower in Europe (at 62 percent) and Asia (at 50 percent). Another critical sustainability aspect is health and safety at the construction site. Measuring data regarding events such as number of accidents and near misses ensures that management is aware of the quality of the construction and can respond rapidly if policies are not followed. Even though almost all respondents with new development activities have a health and safety policy in place, 67 respondents (32 percent) did not monitor workplace health and safety at construction sites during the reporting period.

Main activities respondents 2012 GRESB Survey



Green building certification in construction projects





Jerry I. Speyer
Chairman and Co-CEO



Rob Speyer
President and Co-CEO

Globally, since 2006, Tishman Speyer has developed over 11.7 million square feet of LEED- New Construction-certified space. During the next several years we anticipate developing over 9 million gross square feet of additional LEED space.

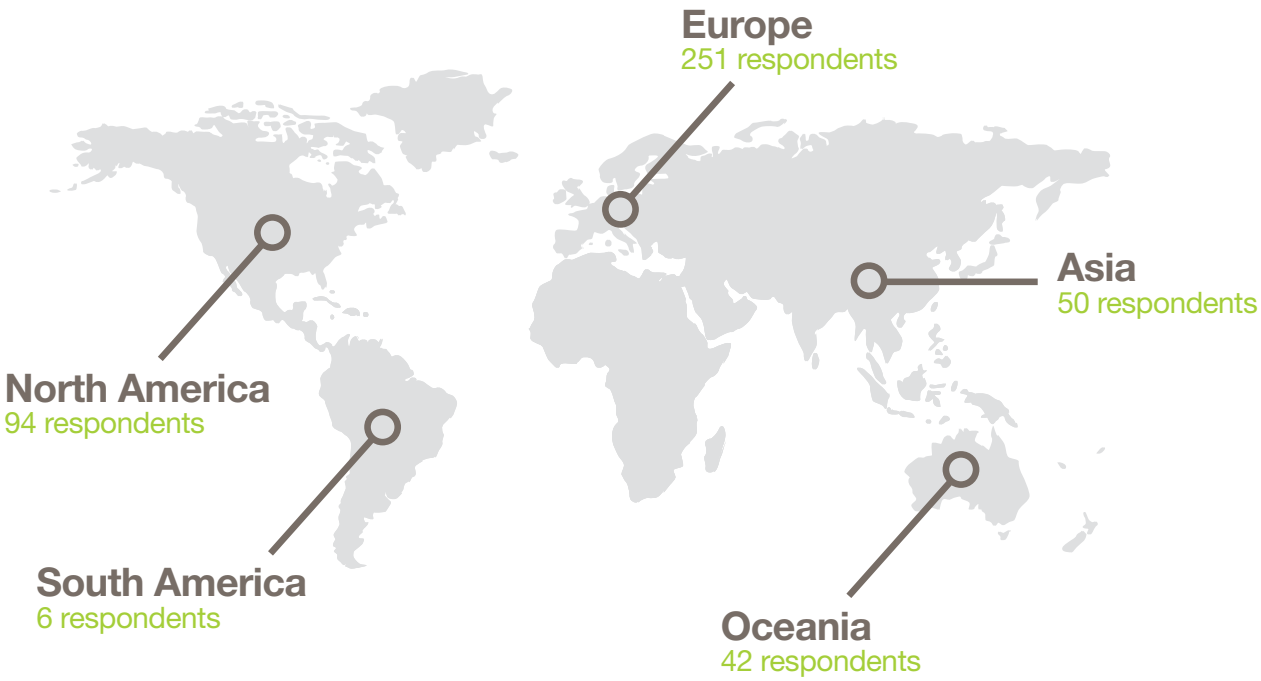
Our impact is particularly significant in Brazil, where our future LEED developments include over 6 million gross square feet. Tishman Speyer has consistently been a leader of sustainability in Brazil, including developing two of the first LEED projects in the country.

We have made a firm commitment to develop properties that minimize the impact on the environment, while also lowering operational costs and maximizing tenant comfort. Our global policy states that all new developments will be, at minimum, built to LEED Silver or BREEAM "Very Good" standards. With the full support of our executive leadership team, our regional sustainability committees are consistently able to implement meaningful sustainability strategies across every facet of our business.

Material aspects of our new developments include advanced lighting controls in China, tertiary water systems in India, and locally sourced materials in Brazil. All of these components are meticulously analyzed to ensure the shortest possible payback periods, along with minimal impact on design and the surrounding ecosystem.

Regional Results

A Global Benchmark Incorporating Regional Differences



The following pages provide further insights into the 2012 GRESB Survey, with highlights for each region. Regional sector leaders are identified by property type to recognize the operational uniqueness of each type. Sector leaders are recognized for outperforming their regional peers and their best-practice sustainability performance illustrates the way forward for the real estate industry.

Regional Results

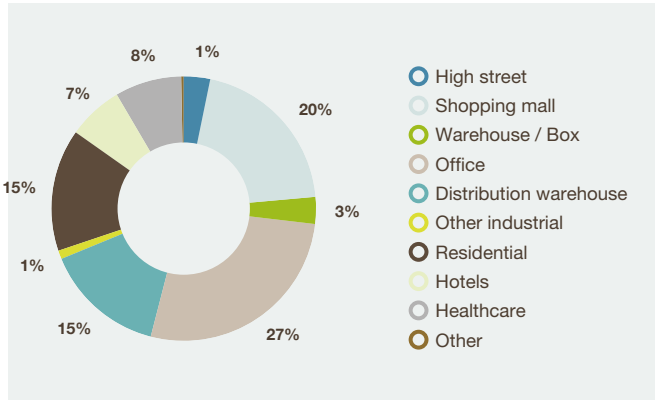
The Americas

In 2012, the National Association of Real Estate Investment Trust (NAREIT) further increased its support of GRESB by merging its longstanding annual Leader in the Light Award for companies with exemplary performance in energy efficiency into the GRESB framework. In addition, the Pension Real Estate Association (PREA), the most influential industry body for institutional real estate investors in the US, became a GRESB partner. These endorsements were instrumental in significantly increasing the response rate among US (plus two Canadian and six South American) property companies and funds from 64 respondents representing US$267 billion in 2011, to 100 respondents representing US$514 billion in 2012. The GRESB database now covers some 15,000 American properties. Among North American REITs alone, the number of participating companies more than doubled, from 15 to 31 companies.

The increase in disclosure of sustainability performance in the US real estate industry is accompanied by an improvement in the implementation of sustainability policy and strategies. In 2011, most US respondents were considered to be Green Starters, but their average sustainability score now moves them to Green Talkers. Within the industry there are many best-practice examples of the integration of sustainability performance. Most of the regional sector leaders are significant and well-established real estate investors, indicating that sustainability is not significant just for dedicated niche companies or funds. Like last year, the Canadian firm Bentall Kennedy (recently partially acquired by CalPERS), Simon Property Group (retail) and Thomas Properties (office) rank among the sector leaders.

	Listed	Private
Number of respondents	31	69
Market coverage	44%	
Gross asset value (US$ million)	251,919	263,559

Response by Property Type (based on GAV)



"I think we'll see more and more companies participating in the GRESB survey because investors require it."

SHELDON M. GRONER, EXECUTIVE VICE PRESIDENT, FINANCE & OPERATIONS, NAREIT

Sector Leaders

The Americas

Sector	Company Name	Fund Name	Legal Structure
Retail	Simon Property Group	-	Listed company
Office	Thomas Properties Group	-	Listed company
Industrial	Prologis	-	Listed company
Residential	Clarion Partners	Lion Gables Apartment Fund	Private fund
Other	HCP, Inc	-	Listed company
Diversified	Bentall Kennedy Group	-	Private company



Healthcare REIT HCP ranks number one among respondents with investments in "other" property types (including healthcare, but also hotels, and correctional facilities). Clarion Partners' Lion Gables Apartment Fund and Prologis are the sector leaders for residential and logistics real estate, respectively.

With respect to strengths and weaknesses in the sustainability performance of Americas respondents, it is interesting to note that the private fund respondents outperform their listed peers on some aspects such as disclosure and certification.

On basic implementation of sustainability into real estate operations, the performance of US respondents is now quite mature with 87 percent having developed a strategy and/or vision on sustainability. In addition, senior management bears ultimate responsibility for sustainability at almost 90 percent of the respondents.

64 percent of US respondents have green building certifications, a significantly higher number as compared to other regions, with LEED being the most commonly obtained certification obtained at over 780 buildings.

Of course, there remains significant room for improvement in the sustainability performance of US companies and funds. Tenant engagement programs have been implemented at only 45 percent of the respondents, as compared to 86 percent in Australia. Also, collection of energy and other performance data is still limited, currently in place for just 45 percent of the respondents.

Strengths and Weaknesses





Thomas M. Klaritch, Executive Vice President – Medical Office Properties; Chairman, HCP Sustainability Committee

What actions did you take in 2011 to successfully implement sustainability?

Resource conservation, waste minimization and greenhouse gas emission reductions were key priorities in 2011. Accordingly, among the many actions undertaken, we:

- *Appointed an Executive Vice President to oversee our sustainability mission.*
- *Formed an Energy Team comprised of employees and third-party property management companies to meet sustainability challenges, improve performance, develop energy reduction initiatives and adopt best practices.*
- *Modified our company's core value statement to include a sustainability mission.*
- *Implemented an initiative to become more transparent in our sustainability efforts, including publication of our inaugural GRI based sustainability report in the fall of 2012 and responding to select sustainability surveys such as the Carbon Disclosure Project and GRESB.*
- *Reduced energy consumption by 3% (and 13% since inception in 2007) across all properties benchmarked in the Energy Star Portfolio Manager.*
- *Decreased utility expenses by $1.4M on a same-property basis.*

What would be some basic advice for peers that have just started to implement sustainability?

We encourage companies to commit to sustainability throughout their business and for the long- term. The support of the board of directors, executive management and all employees is critical to the success of the program. Solicit ideas and perspectives from as many stakeholders as possible. Think creatively!

Regional Results

Europe

The number of property companies and funds reporting to GRESB is traditionally highest in Europe. This year, the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) joined GRESB as a partner. Together with the best practice recommendations on sustainability reporting, first developed by the European Public Real Estate Association (EPRA) and recently also issued by INREV, this provides further impetus for disclosure of sustainability performance. Indeed, the Survey response rate in Europe continues to grow, with 40 listed property companies (as compared to 32 last year) and 211 private funds (up from 168). This significant response rate has enabled GRESB to develop country and sector specific benchmarks, which is optimal to precisely identify strengths and weaknesses within specific sectors.

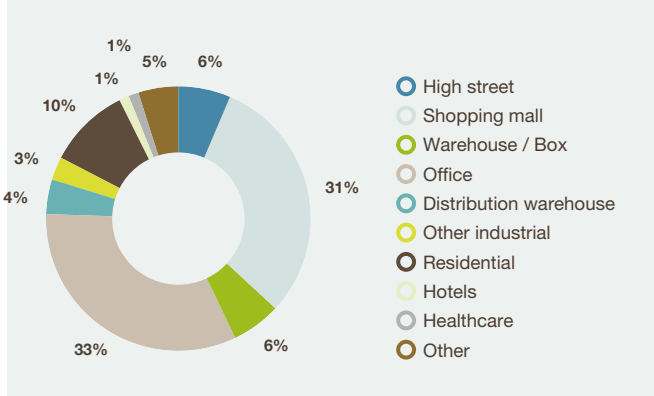
The aggregate gross asset value of the European respondents represents a value of US$467 billion, covering nearly 18,000 commercial buildings. There are 36 GRESB Green Stars, which corresponds to 46 percent of the global total (as compared to 44 percent in 2011). Although the sector leaders in Europe are limited to one respondent for each sector, there are many high-performing companies. For example, half of the Green Stars among European respondents are focused on retail property. The 2012 sector leaders include some smaller, private respondents, including the Lend Lease Retail Partnership (retail), the Climate Change Property Fund (office) and the European High Income fund, managed by Valad (industrial). On the listed side, Land Securities (diversified) and Big Yellow (self-storage, which is considered "other") are again among the top performers, whereas the Unite Group is leading among respondents with residential real estate.

Europe is increasingly focused on disclosure of sustainability reporting. Both EPRA and INREV support their members with guidance on reporting non-financial indicators. Among the listed property companies In Europe, 58 percent of the respondents disclose a standalone or integrated sustainability (CSR) report, as compared to 45 percent of private funds. 41 percent of the private funds communicate their sustainability performance as part of fund performance reporting.

Whereas there is room for improvement for most of the sustainability aspects, European respondents perform well in assessing sustainability risks and opportunities. 65 percent of the respondents have implemented some

	Listed	Private
Number of respondents	40	211
Market coverage	65%	
Gross asset value (US$ million)	214,301	252,346

Response by Property Type (based on GAV)



Sector Leaders

Europe

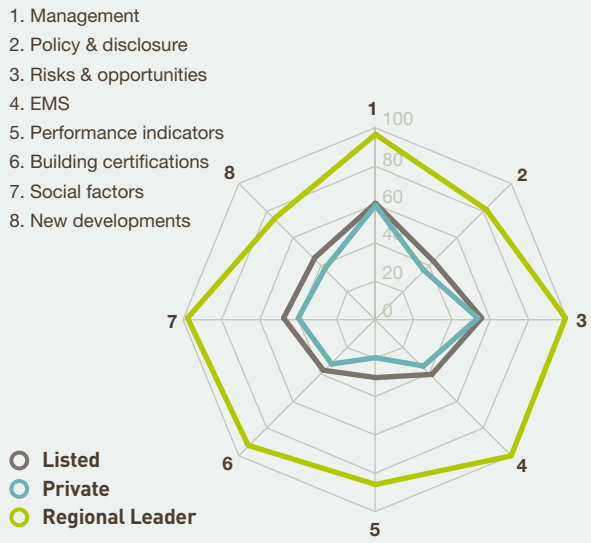
Sector	Company Name	Fund Name	Legal Structure
Retail	Lend Lease Investment Management	Lend Lease Retail Partnership	Private fund
Office	Climate Change Capital	Climate Change Property Fund	Private fund
Industrial	Valad	European High Income	Private fund
Residential	The Unite Group	-	Listed company
Other	Big Yellow	-	Listed company
Diversified	Land Securities	-	Listed company



form of Environmental Management System with 80 percent having an energy efficiency program in place. The combination of those factors, along with other influences, produced an average reduction in like-for-like energy consumption at portfolio level of almost 7 percent.

Notwithstanding the reduction in energy consumption among some Survey respondents, environmental performance data is available for less than half of the privately managed funds, although some 70 percent of the listed property companies collect environmental performance data. Given the significant reductions achieved by Survey respondents that measure and manage sustainability data, there is substantial upside potential for return enhancement among European property companies and funds by simply starting to assess and optimize the sustainability performance of real estate assets.

Strengths and Weaknesses



"To support sustainable investing, last year we issued the INREV Sustainable Reporting Recommendations based on EPRA's best practice recommendations. The Recommendations, together with our GRESB partnership, will increase both awareness and implementation of sustainability initiatives in the real estate industry."

INREV, INDUSTRY ASSOCIATION



Mark Allan

Chief Executive, The UNITE Group

As the UK's leading developer and manager of student accommodation providing a home for 41,000 students, we believe UNITE should have a positive impact on the communities in which we operate. With over 130 properties we are also a major user of utilities, so making more efficient use of resources has a real impact on the cost of running our buildings. We bring these areas together under our Sustainability Strategy which takes a triple bottom line approach – environmental, social and economic. In 2011, we focused on better management of heating and lighting systems, and implemented a comprehensive smart metering project that collects electricity, gas and water consumption data daily. We appointed a dedicated Energy & Utilities team to translate this understanding of our customers' consumption into technology trials in existing properties, while three of the four new properties we opened in 2011 achieved a BREEAM rating. An Energy Network was established, with employees in the network acting as best practice champions, and issued a CO2 budget report which helped challenge the view that utilities are not controllable costs. We also set up our own charitable trust, the UNITE Foundation, through which we now channel our corporate donations and which will offer voluntary opportunities for staff and students. The Foundation includes a bursary programme that will launch in 2012 and support 21 University students from disadvantaged backgrounds with living expenses and accommodation.

Sustainability targets that are embedded into UNITE's strategic objectives:

- **Target an annual reduction in CO2 of 5% per bed**
- **Aim to increase our bursary scheme to 150 students by 2015**

Regional Results

Asia

The total number of Asian property companies and funds participating in the Survey now stands at 50, a slight increase as compared to 2011. Among the respondents, there is a representation of companies and funds from more traditional real estate markets (e.g., 17 respondents from Japan), but the data also includes companies and funds from markets that have more recently started to attract institutional interest (e.g, China and India).

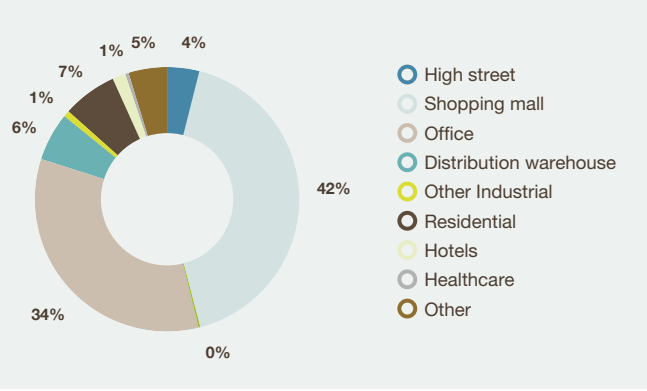
The total assets under management represented by the respondents is approximately US$110 billion, covering nearly 11 percent of the FTSE EPRA/NAREIT Asia market index for listed property companies. The distribution of respondents among property types is mostly focused on retail, representing 46 percent of the total assets under management and comprised predominantly of high street retail and shopping malls, along with office at 34 percent.

Even though the current sustainability performance of Asian respondents is slightly lagging behind peers from other regions, the regional leaders demonstrate that integrating ESG factors into real estate investments is achievable and effective. For example, AEON Mall showed an 11 percent reduction in energy consumption. Other sector leaders include Singapore-based companies Keppel Land (office sector) and CapitaLand Ltd. (other sector).

The aggregate strengths and weakness in the sustainability performance of Asian respondents are depicted in the regional spiderweb. The areas of strength in the sustainability performanceare quite similar to the results

	Listed	Private
Number of respondents	14	36
Market coverage	11%	
Gross asset value (US$ million)	47,747	60,702

Response by Property Type (based on GAV)



"APREA is delighted to join GRESB. The promotion of environmental and social performance in real estate has been an objective of APREA since its inception and supporting GRESB is a very important component of this."

PETER MITCHELL, CHIEF EXECUTIVE OFFICER, APREA

Sector Leaders

Asia

Sector	Company Name	Fund Name	Legal Structure
Retail	AEON MALL Co., Ltd.	-	Listed company
Office	Keppel Land Limited	-	Listed company
Industrial	LaSalle Investment Management	LaSalle Japan Logistics II Fund	Private fund
Other	CapitaLand Limited	-	Listed company
Diversified	Grosvenor Investment Management	Grosvenor Fund Management	Private fund

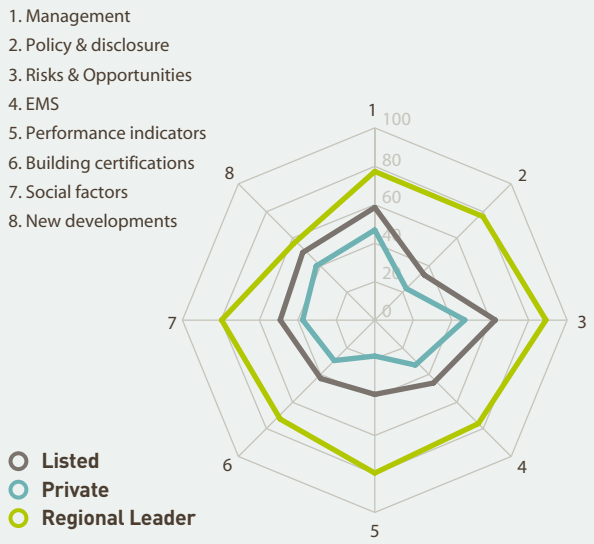


from the 2011 Survey and continuing to appear as strong aspects are Management at 52 percent, Risks and Opportunities at 53 percent, and New Developments at 45 percent. 40 percent of the Asian respondents have implemented an Environmental Management System at the asset level, although only 24 percent are obtaining external certification.

The relative high scores for the New Developments aspect are important, given that a large share of global new construction takes place in Asia (almost 40 percent of the respondents have a new development pipeline). New construction provides the opportunity to incorporate the latest technologies in a building, reducing its operational cost and environmental impact during its economic life. However, green building certifications are currently not widespread in Asia, with only 50 percent of the respondents obtaining them in their new developments. Importantly, a host of different asset-level certifications are in place, such as HK BEAM (Hong Kong), BCA Green Mark (Singapore) and CASBEE (Japan).

Measuring environmental performance indicators is still a challenge in the region, for example 56 percent of the respondents report some data. However, all but one respondent from Japan reported on energy consumption. Following the Great East Japan Earthquake in 2011, Japanses respondents have reduced their energy consumption with 9 percent on a like for like basis.

Strengths and Weaknesses





Mr. Okazaki

CEO, AEON MALL

"For AEON MALL, developing shopping malls does not only mean establishing commercial facilities. It also means helping develop the local community. The base of our CSR activities is five pillars, "Work environment for the employees", "Considerations to the Environment", "Cooperation with Partners", "Safety Control of Shopping Malls", "Together with the Region", based on ISO 26000.

We have been putting effort into CO2 emission reduction for a long time. For example, in 2011, AEON Mall Kurashiki underwent a massive renewal, such as the installation of solar panels, wall greening and placement of rechargers for electric vehicles. Also, following power shortages due to the Great East Japan Earthquake, we made efforts to reduce power usage, such as setting the in-building temperature at about 28°C. As a result, in 2011, we achieved the following reduction for performance indicators in 54 shopping malls in Japan;

- **Electricity consumption: 1,245,000,000 kWh (-11.4%)**
- **Water consumption: 8,132,000 m³ (-2.4%)**
- **CO2 emissions: 740,609 t (-11.8%)**
- **Waste: 52,876 t (-0.3%)**

We will continue to promote town development in harmony with the environment, by introducing the latest technologies to limit environmental load to a minimum, creating a mechanism where the community's ecosystem is protected, and being thorough with energy saving and waste management."

Regional Results

Oceania

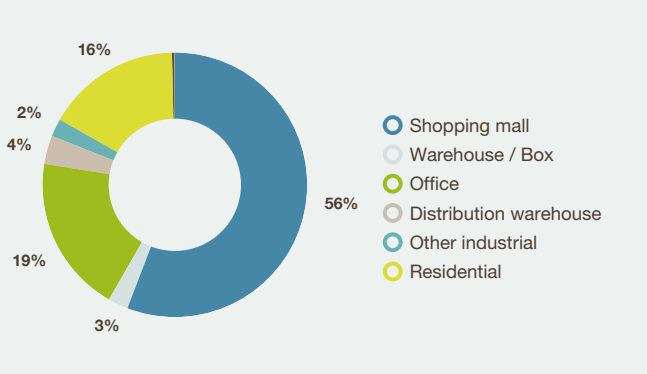
Since the inception of the GRESB Survey, property companies and funds from Oceania (which includes two New Zealand-based portfolios, with the remainder from Australia) have led the way in implementing sustainability in real estate portfolios, and the region's relative response rate has been consistently the highest. The 2012 response rate in the Australian market continued to increase, from 33 respondents in 2011 to 42 respondents in 2012. The growth is particularly strong among private funds, with an increase of 39 percent. The total AUM of the Australian companies and funds in the database is now US$ 231 billion, covering approximately 75% of the FTSE EPRA/NAREIT Australia index. The main property types covered are shopping malls and offices, but residential real estate also represents a significant percentage of the respondent base.

On aggregate, Australian respondents receive higher GRESB scores than their peers in other regions. Australia is the only region that is a Green Star, based on its aggregate responses to the Survey. Australian Survey respondents total just 9 percent of the total database, yet the region generates 35 percent of the respondents considered Green Stars, indicating the region's real estate companies produce outstanding sustainability performance. Within the region, the sector leaders include the Commonwealth Property Office Fund (office), the GPT Group (with 61 percent of assets in shopping centres, GPT is considered retail for the Survey) and Stockland (residential), which all were among the highest ranked last year. The sector leader for industrial real estate is the Australian Prime Property Fund Industrial, managed by Lend Lease.

The Australian market is quite mature in tackling sustainability issues, which is reflected in very high scores for aspects like sustainability management (79 percent), assessing sustainability risks and opportunities (79 percent,) and the deployment of Environmental Management Systems (69 percent). A stunning 95

	Listed	Private
Number of respondents	10	32
Market coverage	75%	
Gross asset value (US$ million)	151,846	80,083

Response by Property Type (based on GAV)



Sector Leaders

Oceania

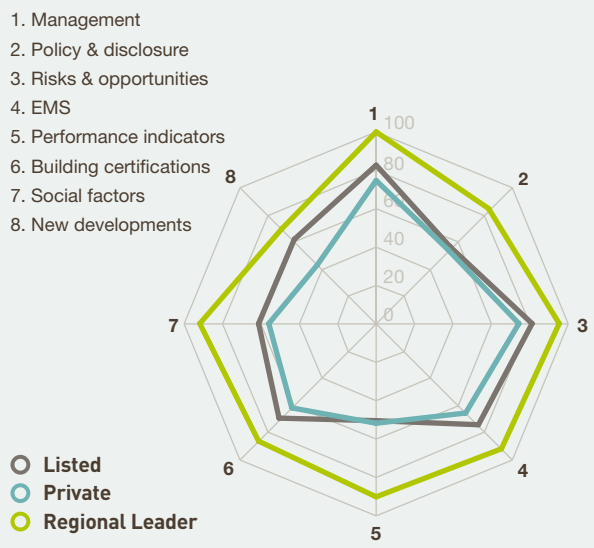
Sector	Company Name	Fund Name	Legal Structure
Retail	The GPT Group	-	Listed company
Office	Colonial First State Global Asset Man.	Commonwealth Property Office Fund	Listed fund
Industrial	Lend Lease Investment Management	Australian Prime Property Fund Industrial	Private fund
Residential	Stockland	-	Listed company
Diversified	Colonial First State Global Asset Man.	Commonwealth Bank Group Super (CBGS)	Private fund

percent of respondents have internal resources dedicated to sustainability and all but one respondent have senior management accountability for sustainability.

While there remains room for improvement in the collection and management of environmental performance data, all respondents in the region have assessed the energy performance of standing investments and 95 percent have implemented an energy efficiency program for standing investments during the last three years (with an admittedly wide range of portfolio coverage and measures included). Many property companies and funds in Australia are increasingly looking beyond environmental aspects and have started to focus on tenant engagement (88 percent have a program of tenant engagement in place), with about a third of the respondents addressing health and wellbeing aspects (factors that affect tenant satisfaction and productivity).

Sustainability criteria are commonly integrated into the supply chain with more than 80 percent of Australian respondents integrating sustainability into contracts for external suppliers and/or service providers. Within respondents' organizations there is strong focus on social factors as well with almost 90 percent providing employees training and education.

Strengths and Weaknesses





Michael Cameron

CEO & MD, The GPT Group

"The GPT Group is a diversified property group with just over half of its assets in the retail sector. The purpose of our business is to create and sustain environments that enrich people's lives.

Sustainability is integrated into all aspects of our business, including strategy, culture and stakeholder engagement. GPT's environmental performance has delivered significant savings to the Group since 2005. We have reduced water intensity by 38%, energy intensity by 28%, carbon emission intensity by 36% and improved recycling rates from 29% to 49%.

In 2011/2012, we have focused on strengthening community engagement and investment. Our research has highlighted recurring themes around social inclusion, education and employment. Local initiatives with local partners, such as the Learning Store at Highpoint Shopping Centre in partnership with Victoria University and the Alcohol Accord in conjunction with the NT Government at Casuarina Square in Darwin, are delivering significant local outcomes and providing us with direct experience to inform ongoing partnerships and proposals.

For those organisations starting down their own sustainability path, my advice would be to do the research, understand your communities, and the capacity of your business to contribute and start measuring early. This provides a robust foundation and a platform of evidence to support your strategies for business sustainability. Set audacious goals and empower everyone in your team for success."

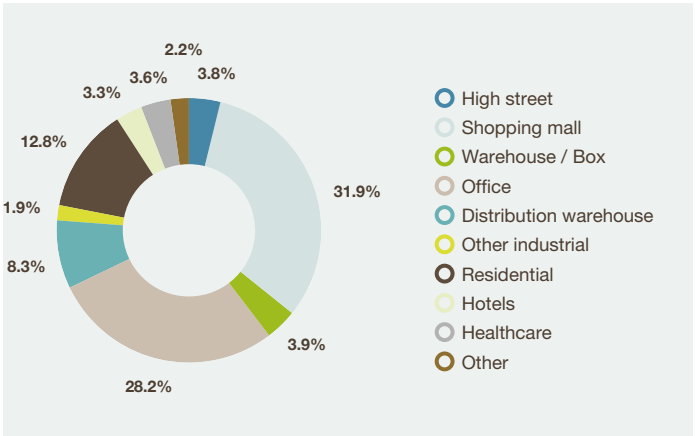
GRESB Participants

In 2012, 443 listed property companies and privately managed funds participated in the GRESB Survey, representing a total property value of US$1,320 billion. By providing Survey data, these property companies and funds are illustrating to investors their willingness to measure sustainability efforts and openness to implementing best practices.

The respondents to the 2012 GRESB Survey receive tailored Scorecards based on their submissions, as a reflection of their companies' overall sustainability performance during the reporting year.

Response Overview	Number of respondents	Market Coverage (value-weighted)	Gross Asset Value ($ billion)
North America	31	44%	251,919
Europe	40	65%	214,301
Asia	14	11%	47,747
Oceania	10	75%	151,846
Listed Total	**95**		**665,812**
North America	63		261,779
South America	6		1,779
Europe	211		252,346
Asia	36		60,702
Oceania	32		80,083
Private Total	**348**		**656,689**
Grand Total	**443**		**1,322,501**

Response by Property Type (based on GAV)



GRESB Scorecards



Advantages for GRESB survey respondents

- **Benchmark** sustainability performance against peers operating in the same property type and region.
- **Communicate** sustainability performance to the investment community.
- **Measure** the environmental impact and risk of real estate portfolios.
- **Develop** tailored action plans to improve sustainability performance, set clear sustainability targets on a broad range of policies and track performance over time.

Survey Participants

Aberdeen Asset Management
AEON MALL
AEW Global
Ajia Partners
Alexandria Real Estate Equities, Inc.
Alstria office REIT-AG
Altarea Cogedim
Altera Vastgoed NV
AMP Capital
Amstar
Amvest
Andersson Real Estate Investment Management (AREIM)
Archstone
Art-Invest Real Estate
Ascendas
ASR
Associated Estates Realty Corporation
ATP Real Estate Denmark
Australand
Avalonbay Communities, Inc.
Aviva Investors
AXA Investment Managers
Befimmo
Behringer Harvard Multifamily Reit
Beni Stabili Gestioni S.p.A.
Bentall Kennedy
Big Yellow Plc
Blackstone
Bluehouse
Boston Properties
Bouwfonds
Brandywine Realty Trust
BRE Properties, Inc.
British Land Company Plc
Brockton Capital
Brookfield Office Properties Inc.
Calibre Capital
Camden Property Trust
Capital & Regional
Capital Shopping Centres Group PLC
CapitaLand
Capitamall Trust
Castellum Ab
CBRE Global Investors
CBRE Group, Inc.
Charter Hall Group
CIM Group
Citizenm
Citycon Oyj
Clarion Partners
Climate Change Capital
CLS Holdings
Cofinimmo
Colonial First State
Colonial Properties Trust
Commercial Estates Group
Cordea Savills
Corio N.V.
Cornerstone Real Estate Advisers LLC
Daiwa Real Estate Asset Management
DDR
DDR Corp
Derwent London Plc
Dexus
DEXUS Property Group (DXS)
DIC Asset AG
Dividend Capital Diversified Property Fund
DREAM Data Center Fund
Dt Euroshop Na
ECE Projektmanagement
EdR, Inc.
Equity One
Eurindustrial N.v.
Exeter Property Group
F&C Commercial Property Holdings Ltd
Federal Capital Partnes
First Capital Realty Inc.
First Industrial Realty Trust, Inc.
Foncière des Règions
Fortius
Forum Partners
Gables Residential
Gamla Liv Forsikring Bolaget SEB Trygg Liv
Gecina
Goodman
Government Properties Income Trust
Grainger plc
Great Portland Estates plc
Greystar
Grosvenor Fund Management
GTIS Partners
Hammerson plc
Hansteen Property Unit Trust
Harrison Street
HCP, Inc.
Heitman
Henderson
Hermes Real Estate Investment Management
Hersha Hospitality Trust
ICBC International
Igd Siiq
Industrial & Infrastructure Fund Investment Corporation
Inland Real Estate Corp
Internos Real Investors
Invesco Ltd
Investa Property Group
iQ
ISPT
IVG
J.P. Morgan Global Real Assets
Japan Excellent, Inc.
Japan Prime Realty Investment Corporation
Japan Retail Fund Investment Corporation
K. Raheja
Kenedix Inc.
Kenedix Realty Investment Corporation
Keppel Land Limited
Kilroy Realty Corporation
Kimco Realty Corporation
Klepierre
KTR Capital Partners
Land Securities
Laramar Group
LaSalle Hotel Properties
LaSalle Investment Management
Leasinvest Real Estate
Legacy Partners
Legal & General Property
Lend Lease
Liberty Property Trust
Local Government Super
Lothbury Investment Management
MacFarlane Partners
Majid Al Futtaim Properties
Metric Property Investments Plc
MGPA
Mirvac
Moorfield Group
Morgan Stanley Real Estate
Mori Hills Reit Investment Corporation
Niam
Norden
Nordic Real Estate Partners
NSI
Orion Capital Management
Orion Partners
Orix Real Estate Corporation
Orlando Management
Oxford Properties Group (OMERS)
Palmer Capital
Paramount Group, Inc.
Phillips Edison & Company
PNC Realty Investors/ AFL-Clo Building Investment Trust
Post Properties, Inc.
Pradera
Pramerica Real Estate Investors

Principal Global Investors
Prologis
Prudential Real Estate Investors
PRUPIM
PSP Swiss Property
Q-Park NV
QIC
Regency Centers Corporation
Rikshem
Rockspring Investment Management
Royal London Asset Management
RREEF
RXR Realty
Savanna
Schroder Property
SEGRO plc
Sentinel Real Estate Corporation
Shaftesbury Plc
Simon Property Group, Inc.
Simplex Real Estate Management
Societe Fonciere Lyonnaise
Sonae Sierra
Sponda Plc
SSWZ Partners
Standard Life
Stockland
Steen & Strøm
SWIP
Syntrus Achmea Real Estate & Finance
The Carlyle Group
The Conygar Investment Company Plc
The GPT Group
The Link Management Limited
The Unite Group
The Unite Group Plc
Thomas Properties Group
Thor Equities, LLC
Threadneedle
TIAA-CREF
Tishman Speyer
Tokio Marine Property Investment Management
Touchstone Capital Securities
TRIF Investment Management
Tristan Capital Partners
UBS Global Real Estate
UDR, Inc.
Unibail-Rodamco
Union Investment
Unitech
United Urban Investment Corporation
USAA Real Estate Company
Valad
Value Retail Plc
Vasakronan
Ventas, Inc.
Vesteda Investment Management bv
Vornado Realty Trust
Warburg - Henderson
Wereldhave
Westfield Group
Westplan Investors
Wihlborgs Fastigheter AB
Woningfonds Nederland
X-leisure Unit Trust
Züblin Immobilien Holding AG

We recognize the effort of all participants in this year's Survey (fund managers may have participated with more than one fund).

Contact

GRESB welcomes feedback from its stakeholders. If you have suggestions, remarks or inquiries, please contact us via:

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Disclaimer

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