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# Public Comment

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Industry Standard: Real Estate

Disclosure Topic: Employee Inclusion

Comment: Gender and ethnic diversity should be considered as a material disclosure topic for real estate. Adding employee inclusion as a disclosure topic adheres to all the SASB Principles for Topic Selection. Employee inclusion has the potential to affect corporate value, it is of interest to investors, it is highly relevant across the real estate industry, it is actionable by companies, and it is reflective of investor consensus, though some issuers may be reluctant to deem employee inclusion material for the real estate industry.

Industry Standard: Real Estate

Disclosure Topic: Energy Management

Accounting metric code: IF0402-05

Line of disclosure: .36, .37, .38, .39, .40, .41, .42

Comment: Strategic/technical approaches, operational processes, and policies do not describe or provide sufficient information for understanding energy management performance, are not proxies for or useful in managing energy management performance, are very difficult to verify, do not allow for reasonable/objective differentiation of energy management performance among companies, and are generally not aligned with the SASB Criteria for Accounting Metrics (see details below).

IF0402-05 should be reserved for qualitative information that contextualizes the quantitative performance data reported in IF0402-01-04 rather than highly subjective information about strategic/technical approaches, operational processes, and policies. Contextual information could include some of the items in disclosure lines .40 and .42 such as the applicability and practicality of different energy management approaches to the property types, subsectors, locations, and construction status of assets in a company's portfolio.

Performance against targets (.37) and energy generated from on-site and off-site renewable energy (.42) are the only items in metric IF0402-05 that describe energy management performance.

Performance against targets (.37) is generally redundant with metric IF0402-03. Because every company will have different targets, disclosure line .37 quantitative data will be far less comparable than IF0402-03 quantitative data. The former is inferior to the latter for understanding, comparing, and managing energy management performance.

Energy generated from on-site and off-site renewable energy (disclosure line .42) is somewhat redundant with and might fit better under IF0402-02.

Energy performance and renewable energy integration (.38) are more effectively measured by performance metrics IF0402-02 and IF0402-03 than by the operational process narratives in disclosure line .38.

Technical building assessments, energy efficiency measures, retrocommissioning, environmental management systems, and data management systems (.39) can vary greatly in quality and effectiveness. For this reason, IF0402-02 and IF0402-03 are much more material than technical building assessment, energy efficiency measure, retrocommissioning, environmental management system, and data management system implementation, portfolio coverage, and estimated energy savings (.39), which are subjective, prescriptive, administrative metrics rather than performance metrics.

Disclosure line .40 requests highly subjective information that cannot be easily utilized to compare performance between companies. Again, performance is better measured by IF0402-02 and IF0402-03.

Design and development energy efficiency strategies (.41) are completely divorced from performance. SASB should find a way to measure design/development energy efficiency performance. Subjective information is not material and distracts from material performance metrics.

Fair Representation: Strategies, approaches, processes, and policies in no way describe nor are proxies for energy management performance.

Useful: Most of the information provided by IF0402-05 would not be useful in managing or analyzing energy management performance.

Comparable: IF0402-05 will yield very little (a) quantitative data or (b) qualitative information that will facilitate reasonable, manageable, or objective comparison of performance.

Complete: IF0402-05 covers topics, such as design and development energy efficiency strategies (.41), for which it does not provide enough data or information to understand and interpret performance.

Strategy is not sufficient information to evaluate performance.

Verifiable: Strategies, processes, and policies are often poorly implemented and metric IF0402-05 does not appear capable of measuring effective internal controls, nor would such an approach be efficient.

The more efficient and effective approach would be to focus on performance data rather than the mostly subjective information IF0402-05 covers.

Distributive: The mostly qualitative information provided by IF0402-05 will not yield a discernable range of data that would allow users to reasonably/objectively differentiate energy management performance among companies.

Industry Standard: Real Estate

Disclosure Topic: Water Management

Accounting metric code: IF0402-09

Line of disclosure: .73, .74, .75

Comment: Strategies, plans, targets, efficiency efforts, planning, design, use of tools and technologies to

analyze water use, risk, and opportunities, collaborations, and programs do not describe or provide sufficient information for understanding water management performance, are not proxies for or useful in managing water management performance, are very difficult to verify, do not allow for reasonable/objective differentiation of water management performance among companies, and are generally not aligned with the SASB Criteria for Accounting Metrics (see details below).

IF0402-09 should be reserved for qualitative information that contextualizes the quantitative performance data reported in IF0402-06-08 rather than subjective information about strategies, plans, and targets. Contextual information could include some of the items in disclosure lines .73 and .76 such as the applicability and practicality of water management approaches to the different business units, geographies, or water-consuming processes in a company's portfolio and whether companies consider lifecycle impacts or environmental tradeoffs in water management decisions and practices.

Analysis of performance against water management targets (.73) and percentage reduction or improvements from target base year (.74) are the only items in metric IF0402-09 that describe water management performance. Percentage reduction or improvements (.74) is redundant with metric IF0402-08. Because every company will have different targets, disclosure line .74 quantitative data will be far less comparable than IF0402-08 quantitative data. The former is inferior to the latter for understanding, comparing, and managing water management performance.

Fair Representation: Strategies, plans, targets, efficiency efforts, planning, design, use of tools and technologies, collaborations, and programs in no way describe nor are proxies for water management performance.

Useful: Much of the information provided by IF0402-09 would not be useful in managing or analyzing water management performance.

Comparable: IF0402-09 will yield inferior quantitative data to IF0402-08 and much of the qualitative information IF0402-09 provides will not facilitate reasonable, manageable, or objective comparison of water management performance.

Verifiable: Strategies, plans, targets, efficiency efforts, design, tools, technologies, collaborations, and programs can range in effectiveness and metric IF0402-09 is not capable of verifying effectiveness.

Measuring performance is the only effective and efficient way to verify effectiveness.

Distributive: The mostly qualitative information provided by IF0402-09 will not yield a discernable range of data that would allow users to reasonably/objectively differentiate water management performance among companies.

Industry Standard: Real Estate

Disclosure Topic: Management of Tenant Sustainability Impacts

Accounting metric code: IF0402-10

Comment: Percentage of leases/leased floor area that contain/are covered by a cost recovery clause for resource efficiency-related capital improvements does not describe or provide sufficient information for understanding tenant energy and water management performance, is not a proxy for or useful in managing tenant energy and water management performance, and is not aligned with several of the SASB Criteria for Accounting Metrics. Successful management of sustainability impacts, whether tenant- or landlord-controlled, can be demonstrated only by measurable reductions in those sustainability

impacts. In the case of this topic, that means tenant energy and water consumption.

Fair Representation: Percentage of leases/leased floor area that contain/are covered by a cost recovery clause for resource efficiency-related capital improvements does not describe performance related to management of tenant energy and water efficiency nor is it a proxy for tenant energy and water management. Presence of lease clauses does not represent tenant sustainability impacts management.

Useful: Percentage of leases/leased floor area that contain/are covered by a cost recovery clause for resource efficiency-related capital improvements does not provide useful information for managing or analyzing tenant energy and water management performance. IF0402-10 does not directly measure tenant sustainability impacts management but rather one tool that can be used to manage tenant sustainability impacts.

Complete: This metric does not provide sufficient data to understand and interpret tenant energy and water management performance. To understand and interpret tenant sustainability impacts management, a metric would have to provide data on tenant sustainability impacts performance rather than performance on one tool used to help real estate companies manage tenant sustainability impacts.

Distributive: IF0402-10 would not allow users to differentiate performance on management of tenant sustainability impacts because it does not measure tenant sustainability impact management but rather one tool that can be used for tenant sustainability impact management.

Industry Standard: Real Estate

Disclosure Topic: Management of Tenant Sustainability Impacts

Accounting metric code: IF0402-11

Comment: Percentage of tenants that are separately metered or submetered for grid electricity consumption and water withdrawals does not describe or provide sufficient information for understanding tenant energy and water management performance, is not a proxy for or useful in managing tenant energy and water management performance, and is not aligned with several of the SASB Criteria for Accounting Metrics. Successful management of sustainability impacts, whether tenant- or landlord-controlled, can be demonstrated only by measurable reductions in those sustainability impacts. In the case of this topic, that means tenant energy and water consumption.

Fair Representation: Percentage of tenants that are separately metered or submetered for grid electricity consumption and water withdrawals does not describe performance related to management of tenant energy and water efficiency nor is it a proxy for tenant energy and water management. Presence of (sub)meters does not represent tenant sustainability impacts management.

Useful: Percentage of tenants that are separately metered or submetered for grid electricity consumption and water withdrawals does not provide useful information for managing or analyzing tenant energy and water management performance. IF0402-11 does not directly measure tenant sustainability impacts management but rather one tool that can facilitate management of tenant sustainability impacts.

Complete: This metric does not provide sufficient data to understand and interpret tenant energy and water management performance. To understand and interpret tenant sustainability impacts management, a metric would have to provide data on tenant sustainability impacts performance rather than on one tool that can help real estate companies manage tenant sustainability impacts.

Distributive: IF0402-11 would not allow users to differentiate performance on management of tenant sustainability impacts because it does not measure tenant sustainability impact management but rather one tool that can facilitate tenant sustainability impact management.

Industry Standard: Real Estate

Disclosure Topic: Management of Tenant Sustainability Impacts

Accounting metric code: IF0402-12

Line of disclosure: .91, .93, .94, .95, .96

Comment: Approaches to measuring, incentivizing, and improving sustainability impacts of tenants and strategies, processes, agreements with tenants, energy and water consumption targets, requirements, (sub)metering, energy and water use measurement, tenant billing practices, and green leasing do not describe or provide sufficient information for understanding tenant energy and water management performance, are not effective proxies for or useful in managing tenant energy and water management performance, and are not aligned with several of the SASB Criteria for Accounting Metrics. Successful management of sustainability impacts, whether tenant- or landlord-controlled, can be demonstrated only by measurable reductions in those sustainability impacts. In the case of this topic, that means tenant energy and water consumption.

Fair Representation: Approaches to measuring, incentivizing, and improving sustainability impacts of tenants and strategies, processes, agreements with tenants, energy and water consumption targets, requirements, (sub)metering, energy and water use measurement, tenant billing practices, and green leasing do not describe performance related to management of tenant energy and water efficiency nor are they a proxy for tenant energy and water management.

Useful: Approaches to measuring, incentivizing, and improving sustainability impacts of tenants and strategies, processes, agreements with tenants, energy and water consumption targets, requirements, (sub)metering, energy and water use measurement, tenant billing practices, and green leasing do not provide useful information for managing or analyzing tenant energy and water management performance. IF0402-12 does not measure tenant sustainability impacts management performance but rather several prescriptive/administrative strategies that can be used to manage tenant sustainability impacts to varying degrees of effectiveness.

Comparable: IF0402-12 will yield very little (a) quantitative data or (b) qualitative information that will facilitate reasonable, manageable, or objective comparison of performance.

Complete: This metric does not provide sufficient data to understand and interpret tenant energy and water management performance. To understand and interpret tenant sustainability impacts management, a metric would have to provide data on tenant sustainability impacts performance rather than on prescriptive/administrative strategies that can help real estate companies manage tenant sustainability impacts.

Distributive: IF0402-12 would not allow users to differentiate performance on management of tenant sustainability impacts because it does not measure tenant sustainability impact management performance but rather prescriptive/administrative strategies that can facilitate tenant sustainability impact management. The qualitative information provided by IF0402-12 will not yield a discernable range of data that would allow users to reasonably/objectively differentiate tenant sustainability impacts performance among companies.

Verifiable: Strategies, processes, practices, and policies are often poorly implemented and metric IF0402-12 does not appear capable of measuring effective internal controls, nor would such an approach be efficient. The more efficient and effective approach would be to focus on performance data rather than the mostly subjective information IF0402-12 covers.

Industry Standard: Real Estate Services

Disclosure Topic: Sustainability Services

Accounting metric code: IF0403-01

Comment: Current Sustainability Services accounting metrics are not focused on energy or water management performance. Energy and water management performance metrics would likely be more material than revenue from energy and sustainability services. Aligning Real Estate Services disclosure topics with metrics IF0402-02, IF0402-03, IF0402-07, and IF0402-08 would increase the performance-focus of SASB Real Estate Services disclosures and would also create consistency throughout the real estate supply chain.