

Another grand year!

2021 GRESB Real Estate and Infrastructure Assessments

October 2021



G R E S B
★ ★ ★ ★ ★ 2021



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Super results for REPM

Following on from previous years, UBS Asset Management, Real Estate & Private Markets's (REPM) sustainability efforts continue to be recognized by the industry, with strong results in the 2021 GRESB Real Estate and Infrastructure Assessments.

This year, we submitted 22 strategies to the Assessments, comprising all of our flagship strategies and representing approximately 97% of our direct pooled real estate and infrastructure strategies globally¹.

Participation in the 2021 GRESB Assessments grew by 26% to 2,227 real estate and infrastructure entities raising the GRESB ESG benchmark. Notwithstanding this, REPM's results reaffirm our continued focus on sustainability despite the increasing competition in these Assessments. Over 91% of our submitted strategies received 4-stars or 5-stars and 95% outperformed the GRESB average.

Management Component: 91% of our submitted strategies received full marks (30/30) and the remaining scored 29/30 in the Management Component of the Assessment which measures an entity's strategy and leadership management, policies and processes, risk management and stakeholder engagement approach. Further to this, 13 of our submitted Swiss and European strategies, all submitted US strategies and our closed-end value-add/development Japanese residential strategy were all ranked #1 in the Management Component of the Assessment in Europe, the US and Asia, respectively. In 2020, GRESB introduced the mandatory asset-level data reporting on Performance and Management which count towards an entity's overall GRESB Score.

Performance Component: REPM scored a total average of 53/70, which surpasses the 46/70 GRESB average in the Performance Component which measures indicators such as energy consumption, GHG emissions, water consumption and waste.

Development Component: 6 of our submitted Swiss strategies and our closed-end value-add/development Japanese residential strategy participated in the Development Component of the Assessment dedicated to entities involved in new construction. This star rated component measures an entity's efforts to address ESG issues during the design, construction, and renovation of buildings. All 6 Swiss strategies achieved a 5-star rating (averaging at 66/70) which exceeds the 53/70 GRESB average. The Japanese strategy received a 2-star rating in this Component and improved by 29 points (to 44/70) on the previous year.



2021 GRESB Real Estate Assessment

Japan: Our open-end core Japanese industrial and infrastructure, and retail and office strategies maintained their 5-star and 4-star ratings, respectively. Our closed-end value-add/development Japanese residential strategy received 1-star in the GRESB Standing Investments. And while performance continues to be constrained by data access issues, the GRESB Score improved on the previous year by 11 points (to 54 points).

Switzerland: 7 out of 8 submitted Swiss real estate strategies maintained or improved their rankings among their Swiss peer groups. 7 out of 8 strategies received 4-star ratings, while our second open-end core Swiss residential strategy received a 3-star rating². And participating for the first time this year, our closed-end core European diversified strategy received 4-stars. Three of our Swiss strategies were awarded Sector Leader status in the Development Component of the Assessment: Our second open-end core Swiss diversified strategy received *Regional Sector Leader* status, while our first and third open-end core Swiss residential strategies both received *Overall Global Sector Leader* status.

Germany: Our open-end core German logistics strategy showed excellent results by receiving a 5-star rating for the second year running. The GRESB 5-star rating recognizes entities placed in the top 20% of the universe. Furthermore, the strategy once again ranked #1 in its peer group in the Germany Industrial Tenant Controlled category. In addition, our open-end core European office strategy also sustained excellent results by receiving 5-stars for the sixth year running and ranked second in its European Office peer group.

US: Our open-end core US equity diversified strategy improved from the previous year and increased from 4-stars to 5-stars. While our open-end value-add US tactical strategy maintained its 4-star status.

UK: Our open-end core UK commercial property strategy retained its leadership position in the UK Diversified category for the fifth year running, demonstrating outstanding leadership in sustainability. The strategy maintained its 4-star status from the previous year.

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100% of REPM's submitted infrastructure strategies received 4-star or 5-star status, reflecting first or second quintile results. The Saubermacher asset held by our first closed-end global infrastructure strategy retained its #1 ranking in its peer group in Environmental Services and retained its *Overall Asset Sector Leader* Status for the fourth consecutive year, demonstrating market leading performance.

Longstanding performance

UBS-AM was an early adopter of the GRESB Assessments, contributing data since 2012. Since then, REPM's strategies have secured a total of 131 Green Star ratings and 57 five-star ratings³. Our impressive GRESB scores this year represent continued progress and indicates a strong commitment to ESG issues at the individual strategy level.

In 2020, UBS-AM received A+ scores in both Property and Infrastructure in the UN PRI Assessment for the fourth consecutive year, recognizing our commitment to sustainability at the company level.

What is GRESB?

GRESB is a third-party organization which assesses the sustainability performance of real asset sector portfolios and assets in public, private and direct sectors worldwide. It offers ESG data, Scorecards, Benchmark Reports and portfolio analysis tools. The Assessments collect information regarding the sustainability performance of companies, strategies and assets, including information on performance indicators, such as energy, GHG emissions, water and waste.

In 2021, GRESB assessed 1,520 real estate property companies, REITs, strategies and developers, 149 infrastructure strategies, and 558 infrastructure assets.

More than 140 institutional investors use GRESB data and analytical tools to engage with investment managers to enhance and protect shareholder value. GRESB Investor Members represent over USD 6.4 trillion in institutional capital.

Commenting on REPM's success, Joe Azelby, Head of REPM, said:



"Our GRESB results are testament to our continued progress towards achieving industry leading ESG policies, practices and performance and confirms our commitment to sustainably operate the real assets in our portfolios. "

Note: UBS-AM has historically submitted data for two real estate debt strategies (in the UK and US) to GRESB's Real Estate Debt Assessment, which was discontinued in 2019; **1.** Of assets under management for all strategies eligible to participate in the GRESB Assessments; Includes three submitted infrastructure strategies; **2.** Strategies subject to changes in GRESB rated property level sustainable certifications; **3.** The GRESB Rating, revised in 2016, is based on the GRESB Score and its quintile position relative to the GRESB universe. If an entity is placed in the top quintile, it will be a GRESB 5-Star rated entity; if it ranks in the bottom quintile, it will be a GRESB 1-Star rated entity. As the GRESB Rating is calculated relative to the global performance of reporting entities, it shows an entity's position on a global scale;

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