

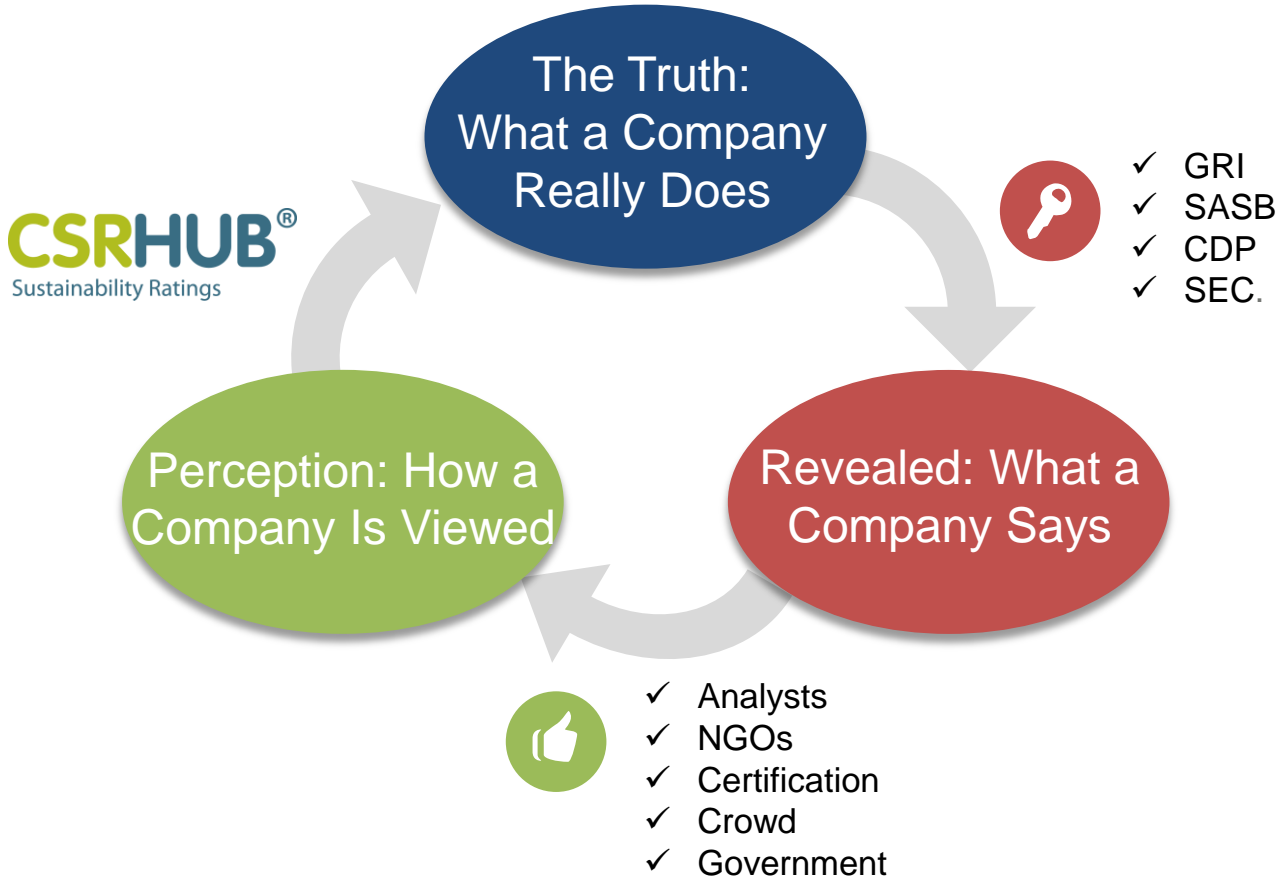


REIT ESG RATINGS PERFORMANCE: BUILDING THE VIRTUOUS LOOP

January 24, 2018

Cynthia Figge, CEO & Co-Founder, CSRHub

Building the Virtuous Loop



ESG Analysis Using Three Orthogonal Measures

Consensus Opinions

Sources: CSRHub

Number of indicators: 12 subcategories
(plus 5,300 underlying data elements).

Number companies covered: 17,500

Professional ESG Opinions

Sources: MSCI, ISS, Sustainalytics, Vigeo EIRIS

Number of indicators: 16 to 250

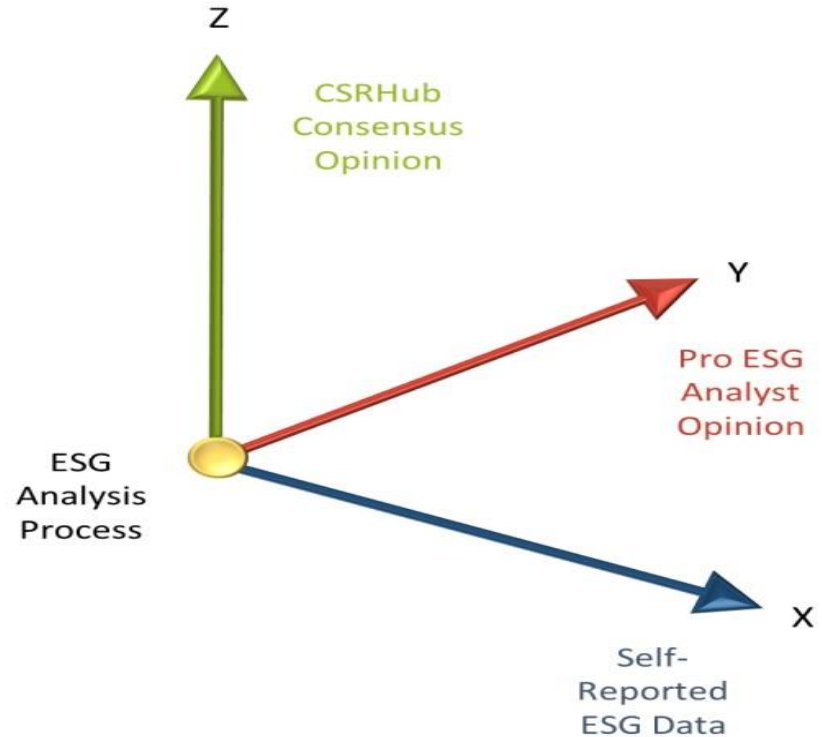
Number companies covered: 1,500 – 8,000

Self-Reported Data

Sources: Bloomberg, Thomson, Factset

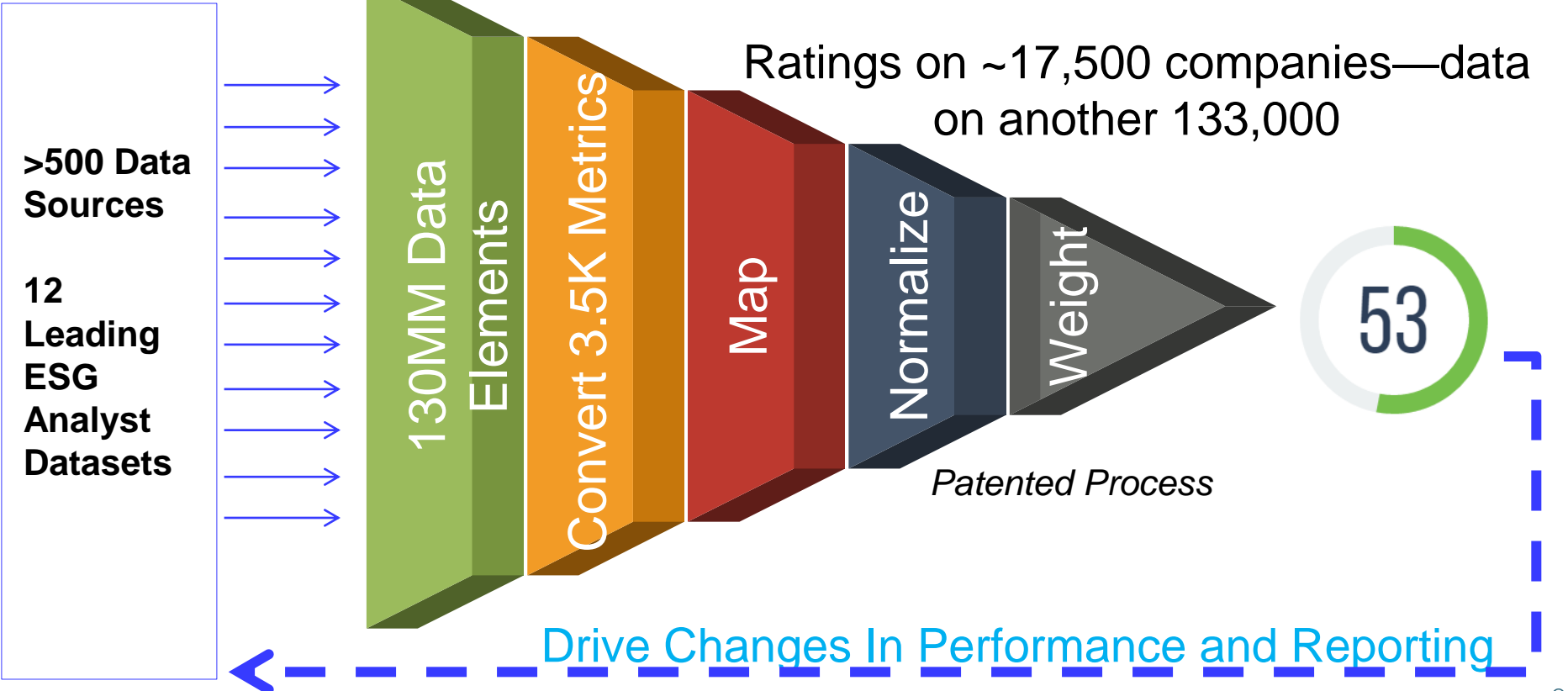
Number of indicators: ~900

Number companies covered: 6,000 – 10,000



CSRHub Has Built a Large Base of Consensus

Metrics



CSRHub Aggregates 500+ Sources, with 12 ESG Analyst Databases

- ASSET4 (Thomson Reuters)
- CDP (Carbon Disclosure Project)
- Engaged Tracking (ET Carbon Rankings)
- Ideal Ratings
- ISS - IW Financial
- MSCI CarbonMetrics
- MSCI ESG Controversies
- MSCI ESG IVA
- RepRisk
- Trucost
- Vigeo and EIRIS (2 datasets)

ET ENGAGED TRACKING



IW Financial



RepRisk

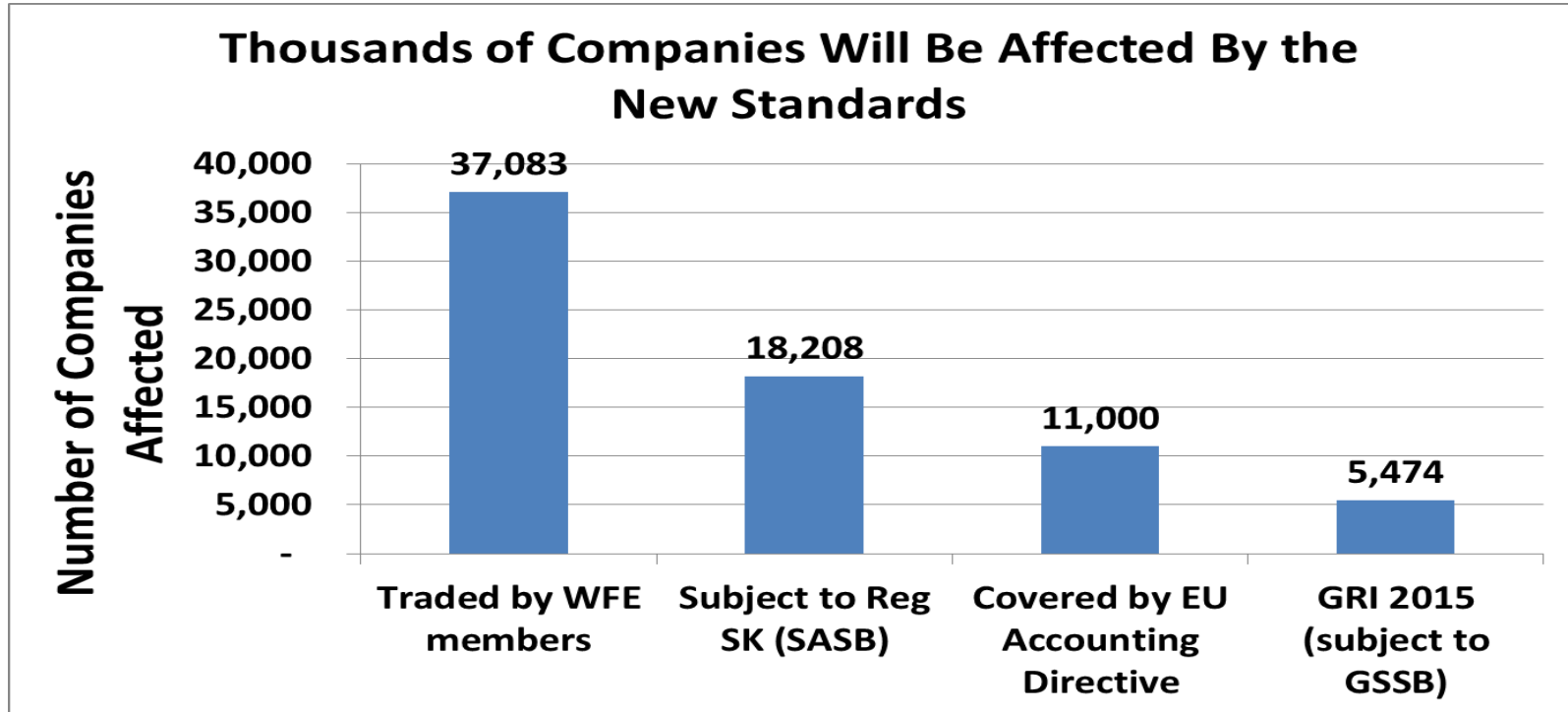
IdealRatings®



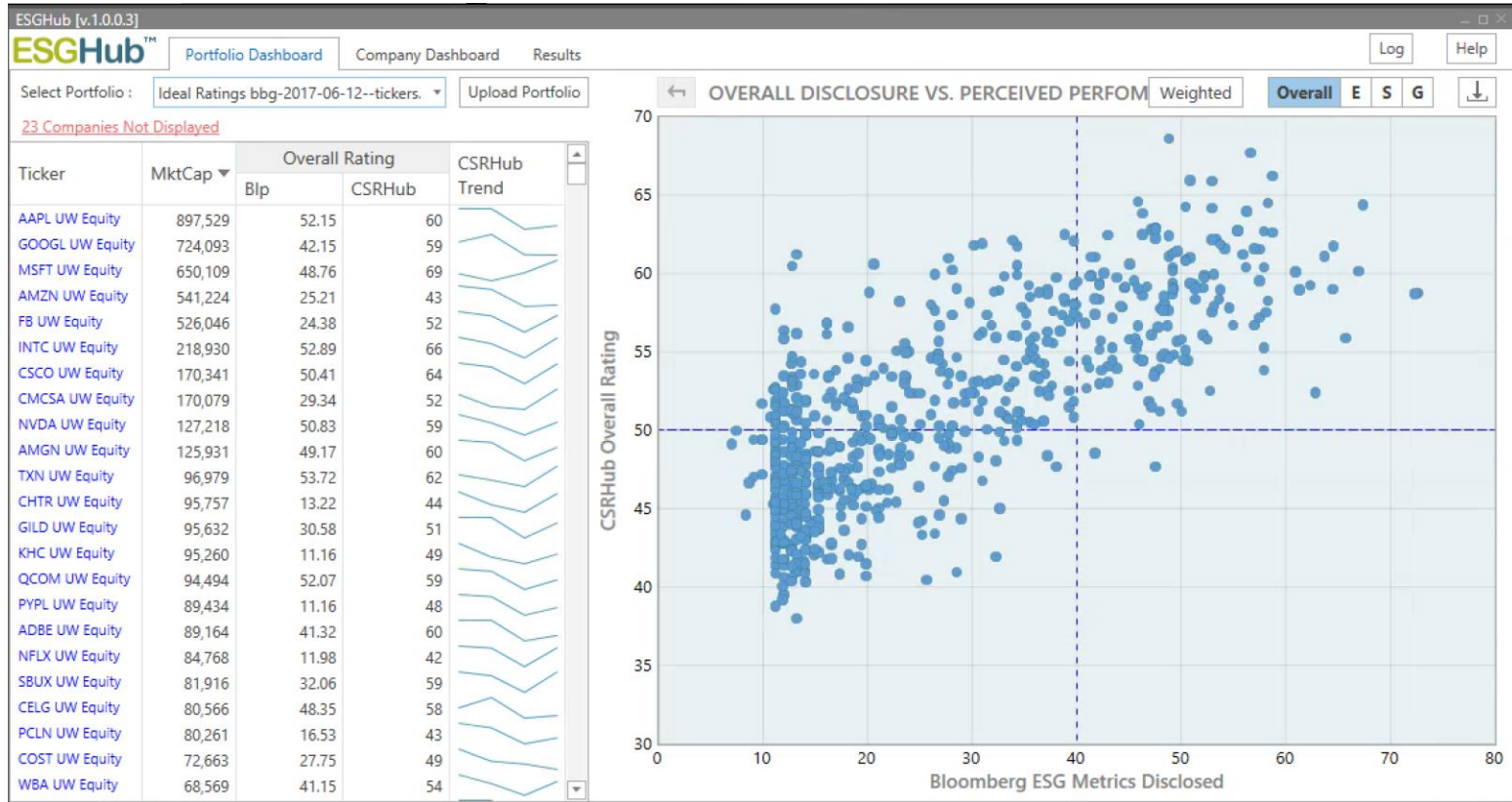
vigeo eiris



Most Large Companies Will Be Affected By New Disclosure Standards



ESGHub™ Bloomberg App: Disclosure vs. Performance



Disclosure is Necessary, but Not Sufficient

- ❖ 82% of the S&P 500 report on sustainability, compared to 20% in 2011.
- ❖ However, only 21% of the Nareit forum attendees have reported to CDP or GRI in 2016.

Nareit Attendees	Global Reporting Initiative 2016	CDP 2016
% With This System	21%	21%
# With This System	11	11

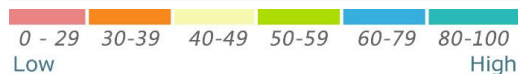
Benchmark – Overall and Category Ratings

Nairt attendees rated: 46 companies

	Category Ratings				
	Overall Rating	Community	Employees	Environment	Governance
Overall Average Rating	50	47	54	52	46
Best Rating	61	64	65	72	61
Lowest Rating	41	38	43	38	36

REITs rated: 110 companies

Overall Average Rating	47	45	53	47	43
Best Rating	61	60	65	72	61
Lowest Rating	37	34	41	34	26



<https://www.csrhub.com/content/csrhub-data-schema/>

Subcategory Percentile Ranking - Social

Nareit attendee companies

Community			Employees		
Community Dev & Philanthropy	Human Rights & Supply Chain	Product	Compensation & Benefits	Diversity & Labor Rights	Training, Health & Safety

Overall Average % Rank	39%	26%	25%	47%	29%	39%
Best % Rank	89%	55%	83%	81%	69%	81%
Worst % Rank	12%	8%	6%	11%	10%	8%

Subcategory Percentile Ranking – Env & Gov

Nareit attendee companies

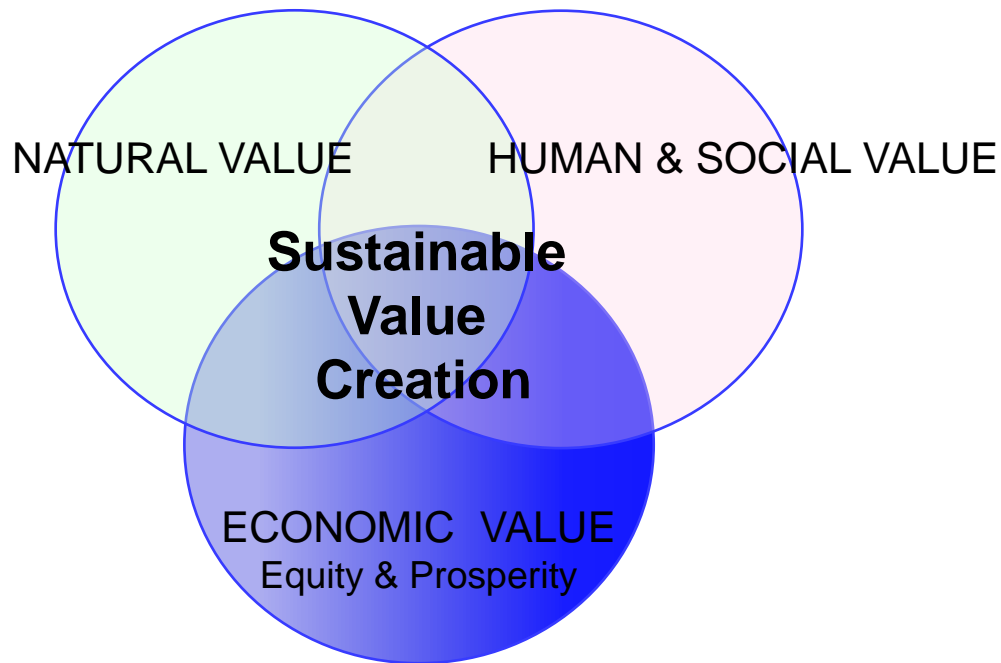
Environment			Governance		
Energy & Climate Change	Environment Policy & Reporting	Resource Management	Board	Leadership Ethics	Transparency & Reporting

Overall Average % Rank	43%	37%	39%	48%	22%	32%
Best % Rank	86%	90%	93%	83%	61%	83%
Worst % Rank	12%	5%	7%	7%	4%	4%

Recommendations for Sustainable Value Creation

ALL COMPANIES NEED TO:

- ✓ Tell your story and report
- ✓ Develop a transparency & disclosure strategy
- ✓ Integrate CSR into Business Intelligence



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Closing Thoughts

“ From disclosure to performance – aim for the virtuous loop. ”

Cynthia Figge

If you have any questions, please contact

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