

# Sustainability Report for 2019

Avison Young Investment Management  
European Portfolio

AVISON  
YOUNG

CANADA BEST  
MANAGED  
COMPANIES

Platinum  
member

## Introduction:

Avison Young Investment Management is a private real estate investment management company with properties located across the United States and Germany. Headquartered in Toronto, Canada, our focus is working with Canadian pension plans to meet their strategic, long term real estate investment objectives.

Our Environmental, Social & Governance (“ESG”) Policy sets out our vision and commitments to an investment strategy that supports our main goal of providing exceptional risk adjusted returns for our investors, while also addressing sustainability, engaging stakeholders, fostering health and wellbeing, and creating a positive impact on the environment and communities in which we invest.

## Second Annual Report:

2018 represented the first year the Investment Management Group has released a standalone report covering our ESG performance for the year. 2019 is our second year, and as we grow and evolve, we are looking forward to expanding our coverage of the report to include other topics relevant to ESG.

## ESG Policy Guiding Principles:



Energy Efficiency & Reduction



Health & Wellbeing



Stakeholders & Community Engagement



Positive Socioeconomic & Environmental Impact



Regulatory Compliance

# Portfolio Initiatives

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Reporting Year 2019

### Updated ESG Policy

Our group ESG policy was amended this year to include certain social and governance items not previously included by our policy. Our team has developed additional social and governance objectives and included others that are aligned with the ESG policies of Avison Young Global.



### CAPEX Projects

The conversion of all light fixtures to LEDs was completed in the common area of the first property. Similar measures are in planning stages for the other properties. appliances. In Cologne I - Barbarossaplatz the planning for the façade refurbishment including new thermal insulation composite system and new windows progressed and being executed 2021. The facility managers have been replaced in 2 properties to ensure a more professional building management. Data collection has been in.



### Day of Giving

On October 22<sup>nd</sup>, 2019 Avison Young Investment Management participated in Avison Young's sixth annual Day of Giving where thousands of employees in approximately 100 Avison Young offices spent the day volunteering at more than 80 community organizations in Canada, the U.S., Mexico and Europe. In 2019 the Avison Young Investment Management team along with Avison Young Germany GmbH Frankfurt supported a school for children with special needs by embracing gardening work and building a green house.



### Consumption Data Validation

For 2019 consumption data, we have a hired WSP Germany as external consultant to validate data and perform a comprehensive energy audit.



### Regulatory Compliance

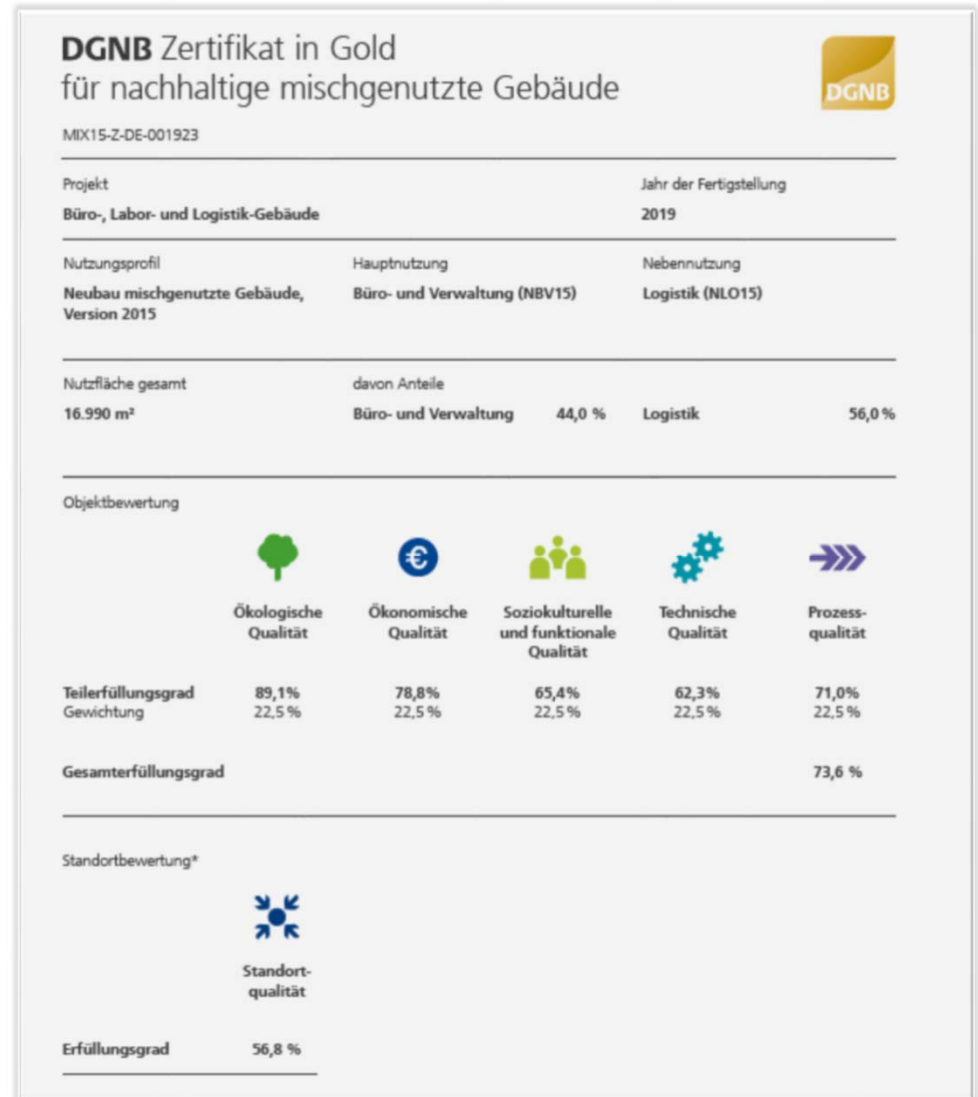
As part of our continuous employee education program, which is accessible through Avison Young University, we are frequently trained on new compliance standards and regulations. Among others in 2019 anti-money-laundering, data protection and cybersecurity.



New Acquisitions:

We have closed the acquisition of a new property in December 2019. The light industrial/office property was originally built in the 1950's. Through a major refurbishment it now gained DGNB Gold certification.

Since we don't have a full year of ownership, we chose to not include the property in GRESB reporting for 2019.





Project Pipeline 2020/2021

Location	Project	
All	Energy Audit	<ul style="list-style-type: none"> <li>• In 2020 we are getting an energy audit for the entire portfolio done including a low hanging fruit assessment</li> <li>• Results are being considered in business plan preparations 2021</li> <li>• Options for Building certifications are included</li> </ul>
All	Property Dashboard	<ul style="list-style-type: none"> <li>• We are working on a property level sustainability dashboard and target implementation in late 2020/2021</li> <li>• Dashboards could form the basis for a tenant newsletter being created once a year</li> </ul>
All (excl Berlin)	Tender Utility Contracts	<ul style="list-style-type: none"> <li>• Done in 2020, earliest contract start 09/2020</li> <li>• Terms secured until 2024</li> <li>• Cost savings could be achieved, Green Power Premium options for gas and electric have been considered and underline building certifications</li> </ul>
All (excl Berlin)	Smart Meters	<ul style="list-style-type: none"> <li>• We are looking implementation of smart meters for the entire portfolio in 2020</li> <li>• Ensure streamlined consumption data collection also for tenant areas as of 2021</li> </ul>

Project Pipeline 2020/2021

Location	Project	
Cologne I	Lights	<ul style="list-style-type: none"> <li>We are looking into replacing light fixtures in the parking garage with LEDs</li> <li>Our main tenant needs to review the lease contract needs beforehand</li> </ul>
Cologne II	Water Softener	<ul style="list-style-type: none"> <li>We are reviewing options to install water softener in 2020</li> </ul>
Berlin	Tenant	<ul style="list-style-type: none"> <li>We are working strongly to engage our tenant in some of our planned initiatives</li> </ul>
Munich	Facility Manager	<ul style="list-style-type: none"> <li>We started a tender in 2020 to replace the Facility Manager as of 2021</li> <li>Goal is to ensure a more professional and sustainable building management in accordance to our overall portfolio standard</li> </ul>
Stuttgart	GRESB/ESG Report	<ul style="list-style-type: none"> <li>In 2021 Stuttgart will be included in the GRESB report</li> <li>We are in touch we DGNB to understand what is needed from us to maintain the DGNB certification</li> </ul>

Project Pipeline 2020/2021

Cologne I – Samples for LEDs

**RS PRO 5800 LED**

EAN 4007841007652



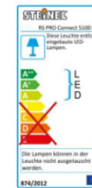
**RS PRO LED S2**

EAN 4007841035846



**RS PRO Connect 5100 LED**

EAN 4007841052911



Berechnung für das Gesamtprojekt

Zeitraum: 1 Jahr

Energie

verbrauchte kWh	76.072,83 kWh
eigentlich nur nötige kWh	13.630,52 kWh
verschwendete Energie (ohne Eigenverbrauch und Grundhelligkeit)	62.442,31 kWh
Kosten der verbrauchten kWh mit heutiger Beleuchtung	15.214,57 €
einsparbare Energiekosten (mit Sensor-Eigenverbrauch)	12.475,32 €



Project Pipeline 2020/2021

Cologne II – Samples for Water Softner

## Rondomat Duo

Duplex-Enthärtungsanlagen  
Rondomat Duo DVGW, Rondomat Duo-I und Duo-I BOB  
Typen: 2, 3, 6, 10



Rondomat Duo

## Medotronic® F

Mineralstoff-Dosiergeräte für Trinkwasserinstallationen  
Typen: F 10, F 20, F 30



Medotronic F 10 / F 20

# GRESB RESULT 2019

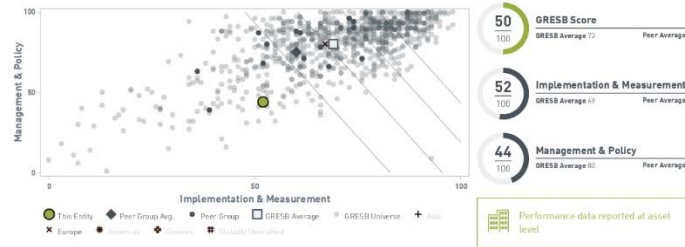
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Reporting Year 2018

GRESB SCORE CARD 2019 – Reporting Year 2018



GRESB Model



ESG Breakdown



Trend



Rankings



## GRESB SCORE CARD 2019 – Reporting Year 2018

### GRESB Aspects



Aspect	Weight in GRESB Score	This Entity	Peer Group	GRESB
Management	7.9%	70 +13 -7	PEER AVERAGE 83 +17 -17	GRESB AVERAGE 88
Policy & Disclosure	9.4%	52 +15 -11	PEER AVERAGE 79 +13 -13	GRESB AVERAGE 84
Risks & Opportunities	12.9%	66 +17 -11	PEER AVERAGE 69 +15 -15	GRESB AVERAGE 78
Monitoring & EMS	8.6%	60 +15 -7	PEER AVERAGE 66 +6 -4	GRESB AVERAGE 77
Performance Indicators	25.2%	56 +13 -13	PEER AVERAGE 53 +20 -20	GRESB AVERAGE 60
Building Certifications	10.8%	0 +31 -31	PEER AVERAGE 31 +17 -17	GRESB AVERAGE 55
Stakeholder Engagement	25.2%	47 +17 -17	PEER AVERAGE 73 +20 -20	GRESB AVERAGE 78

GRESB SCORE CARD 2019 – Reporting Year 2018

**Strengths & Opportunities**

Strengths: Outperformed more than 80% of peers

Indicator	Score	Peer Average	
<b>RO4</b> Technical building assessments	3.88/4.5	1.53/4.5	<b>100%</b> of peers scored lower
<b>ME4</b> Monitoring water consumption	1.5/2	0.98/2	<b>86%</b> of peers scored lower
<b>PI2.2</b> GHG emissions intensity rates - Retail, Shopping Center	0.38/0.75	0.09/0.75	<b>86%</b> of peers scored lower
<b>PI3.2</b> Water use intensity rates - Retail, Shopping Center	0.38/0.75	0.08/0.75	<b>86%</b> of peers scored lower

Opportunities: Outperformed by more than 80% of peers

Indicator	Score	Peer Average	
<b>MA1</b> ESG Objectives	1/2	1.88/2	<b>93%</b> of peers scored higher
<b>PD1</b> Policy on environmental issues	1.5/3	2.73/3	<b>86%</b> of peers scored higher
<b>PD5.1</b> Disclosure of ESG performance	0.75/4	2.54/4	<b>93%</b> of peers scored higher
<b>RO2</b> Governance risk assessments	0/2	1.89/2	<b>100%</b> of peers scored higher
<b>PI1.4</b> Review, verification and assurance of energy consumption data	0/1	0.67/1	<b>86%</b> of peers scored higher
<b>BC2</b> Energy ratings - Retail, Shopping Center	0/3	2.81/3	<b>100%</b> of peers scored higher
<b>BC2</b> Energy ratings - Office	0/3	2.63/3	<b>100%</b> of peers scored higher
<b>BC2</b> Energy ratings - Industrial, Distribution Warehouse	0/3	2.57/3	<b>100%</b> of peers scored higher
<b>SE2.1</b> Employee satisfaction survey	0.5/1.5	1.32/1.5	<b>93%</b> of peers scored higher
<b>SE4.1</b> Sustainability-specific requirements in procurement	1.5/3	2.57/3	<b>86%</b> of peers scored higher
<b>SE9</b> Tenant fit-out and refurbishment program	0/3	2.54/3	<b>100%</b> of peers scored higher
<b>SE13.1</b>	0/1.5	1.04/1.5	<b>93%</b> of peers scored higher

GRESB SCORE CARD 2019 – Reporting Year 2018

Portfolio Impact





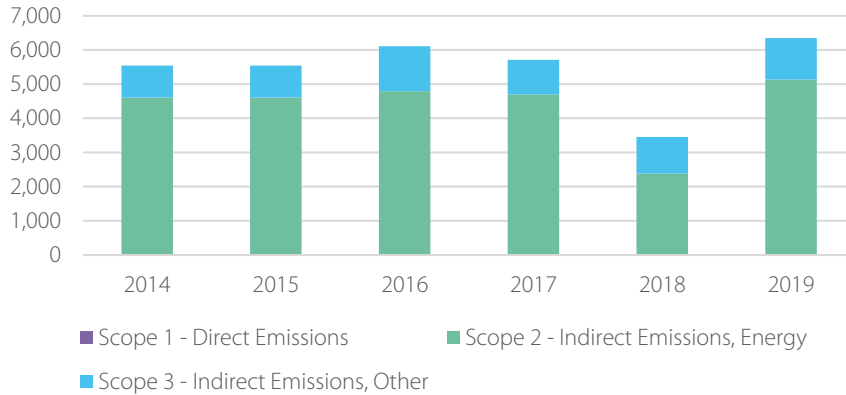
# Consumption Data Report

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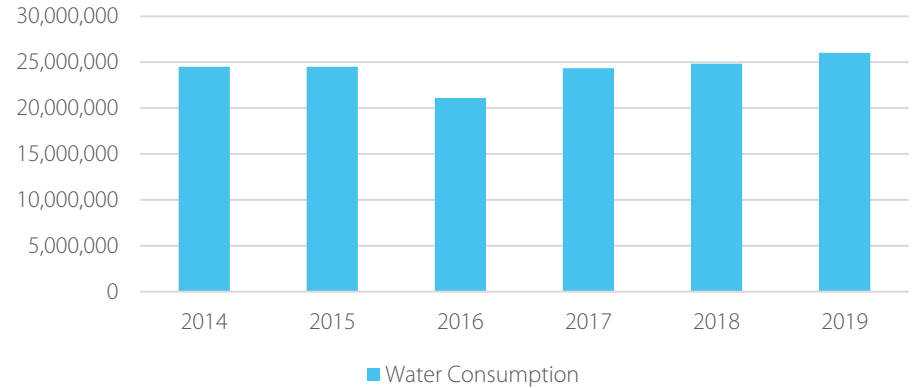
Reporting Year 2019

Germany Managed Assets - 2019

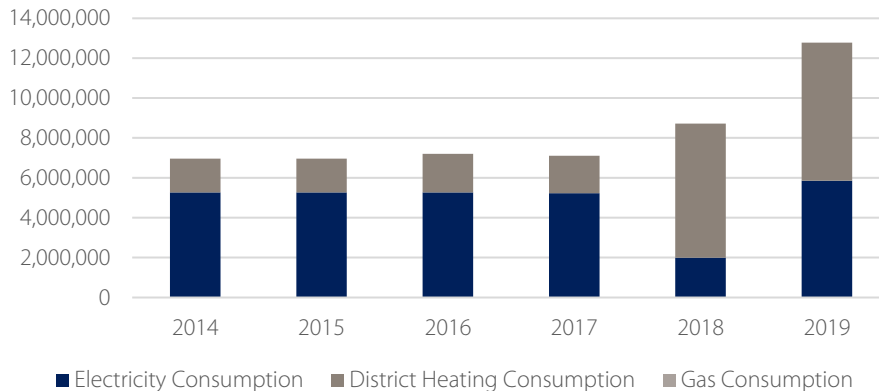
Summary of Emissions (tCO2e)



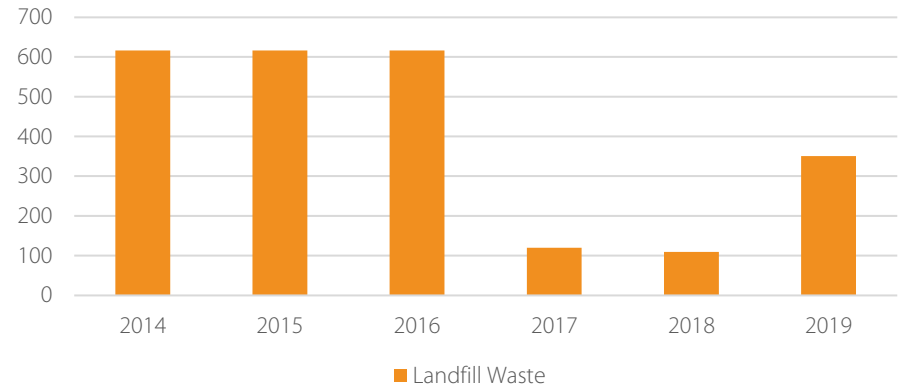
Water Consumption (liters)



Energy Consumption (kwh)



Landfill Waste (tonnes)



### Germany Managed Assets - 2019

#### Natural Gas, Oil, Propane | Scope 1 Direct

Property	Total Emissions (tCO <sub>2</sub> e):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	-	-
Cologne 1.2 (High-Rise Office, Residential)	-	-
Cologne 2 (Retail, Office, Residential)	-	-
Berlin (Industrial)	-	-
München (Low-Rise Office)	-	-
<b>GERMANY</b>	-	-



#### Electricity, Steam, Chilled Water | Scope 2

Property	Total Emissions (tCO <sub>2</sub> e):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	699.40	699.97
Cologne 1.2 (High-Rise Office, Residential)	82.12	311.51
Cologne 2 (Retail, Office, Residential)	254.97	1617.45
Berlin (Industrial)	1344.04	1917.82
München (Low-Rise Office)	0.00	587.60
<b>GERMANY</b>	<b>2380.53</b>	<b>5134.36</b>

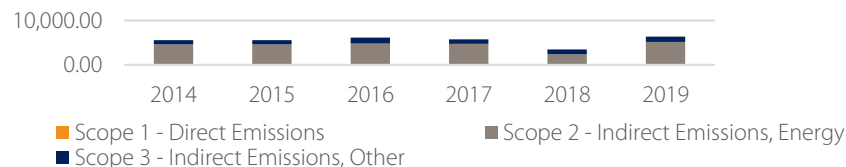


#### Water, Landfill Waste | Scope 3

Property	Total Emissions (tCO <sub>2</sub> e):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	253.65	154.49
Cologne 1.2 (High-Rise Office, Residential)	162.64	59.14
Cologne 2 (Retail, Office, Residential)	167.67	704.59
Berlin (Industrial)	489.06	233.45
München (Low-Rise Office)	0.00	59.08
<b>GERMANY</b>	<b>1073.01</b>	<b>1210.76</b>



#### Summary of Emissions (tCO<sub>2</sub>e)



#### Total GHG Emissions

Property	Total Emissions (tCO <sub>2</sub> e):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	953.04	854.46
Cologne 1.2 (High-Rise Office, Residential)	244.77	370.66
Cologne 2 (Retail, Office, Residential)	422.64	2322.05
Berlin (Industrial)	1833.10	2151.27
München (Low-Rise Office)	0.00	646.68
<b>GERMANY</b>	<b>3453.55</b>	<b>6345.11</b>



#### Energy Use Intensity

Property	Intensity (kWh psf):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	7.91	7.49
Cologne 1.2 (High-Rise Office, Residential)	9.89	16.36
Cologne 2 (Retail, Office, Residential)	2.84	6.74
Berlin (Industrial)	9.05	9.81
München (Low-Rise Office)	0.00	16.10
<b>GERMANY</b>	<b>4.38</b>	<b>6.42</b>



#### Water Use Intensity

Property	Intensity (kWh psf):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	18.27	19.46
Cologne 1.2 (High-Rise Office, Residential)	18.72	19.25
Cologne 2 (Retail, Office, Residential)	31.87	32.19
Berlin (Industrial)	7.55	7.56
München (Low-Rise Office)	0.00	7.72
<b>GERMANY</b>	<b>9.21</b>	<b>9.66</b>



#### GHG Emissions (tCO<sub>2</sub>e) by Use



### Germany Managed Assets - 2019

#### Electricity

Property	Electricity (kWh):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	774,896	801,208
Cologne 1.2 (High-Rise Office, Residential)	22,929	351,048
Cologne 2 (Retail, Office, Residential)	97,227	2,035,804
Berlin (Industrial)	1,096,664	2,009,572
München (Low-Rise Office)		653,418
<b>GERMANY</b>	<b>1,991,716</b>	<b>5,851,050</b>



#### Direct Heating

Property	Direct Heating (kWh):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	1,050,573	926,375
Cologne 1.2 (High-Rise Office, Residential)	454,771	439,156
Cologne 2 (Retail, Office, Residential)	1,285,119	1,242,703
Berlin (Industrial)	3,929,944	3,442,083
München (Low-Rise Office)		871,033
<b>GERMANY</b>	<b>6,720,407</b>	<b>6,921,350</b>



#### Total Energy

Property	Total Energy (kWh):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	1,825,469	1,727,583
Cologne 1.2 (High-Rise Office, Residential)	477,700	790,204
Cologne 2 (Retail, Office, Residential)	1,382,346	3,278,507
Berlin (Industrial)	5,026,608	5,451,655
München (Low-Rise Office)	0	1,524,451
<b>GERMANY</b>	<b>8,712,123</b>	<b>12,772,400</b>



#### Water

Property	Water (L):	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	4,216,000	4,490,770
Cologne 1.2 (High-Rise Office, Residential)	904,000	930,000
Cologne 2 (Retail, Office, Residential)	15,513,000	15,665,000
Berlin (Industrial)	4,192,000	4,199,210
München (Low-Rise Office)		731,000
<b>GERMANY</b>	<b>24,825,000</b>	<b>26,015,980</b>



#### Waste Intensity

Property	Total Waste (tonnes psf)	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	0.1	0.2
Cologne 1.2 (High-Rise Office, Residential)	0.5	0.6
Cologne 2 (Retail, Office, Residential)	0.1	1.2
Berlin (Industrial)	0.7	0.9
München (Low-Rise Office)	0.0	0.2
<b>GERMANY</b>	<b>0.2</b>	<b>0.5</b>



#### Landfill

Property	Landfill (tonnes)	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	26	45
Cologne 1.2 (High-Rise Office, Residential)	17	17
Cologne 2 (Retail, Office, Residential)	17	204
Berlin (Industrial)	50	68
München (Low-Rise Office)		17
<b>GERMANY</b>	<b>109</b>	<b>351</b>



#### Recycling

Property	Recycling (tonnes)	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	0	5
Cologne 1.2 (High-Rise Office, Residential)	7	10
Cologne 2 (Retail, Office, Residential)	39	396
Berlin (Industrial)	350	455
München (Low-Rise Office)		6
<b>GERMANY</b>	<b>396</b>	<b>872</b>



#### Total Waste

Property	Total Waste (tonnes)	
	2018	2019
Cologne 1.1 (Mid-Rise Office)	26	50
Cologne 1.2 (High-Rise Office, Residential)	24	27
Cologne 2 (Retail, Office, Residential)	56	600
Berlin (Industrial)	400	523
München (Low-Rise Office)	0	23
<b>GERMANY</b>	<b>505</b>	<b>1,223</b>



# THANK YOU



Platinum member

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